Bankrate, Inc.
Form 10-K
June 18, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO

Commission File No. 1-35206

(Exact name of registrant as specified in its charter)

Delaware	65-0423422
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
477 Madison Avenue, Suite 430	
New York, NY	10022
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (917) 368-8600

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $0.01 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Exchange Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment of this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the registrant's outstanding common stock held by non-affiliates of the registrant computed by reference to the price at which the common stock was last sold as of the last business day of the registrant's most recently completed second fiscal quarter was $1,068,750,481 (based on a closing price of $17.54 per share for the registrant's common stock on the New York Stock Exchange on June 30, 2014).

The number of outstanding shares of the issuer's common stock as of May 29, 2015 was as follows: 103,884,733 shares of Common Stock, $0.01 par value.

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EXPLANATORY NOTE

Overview

Bankrate, Inc. (“Bankrate”) is including in this Annual Report on Form 10-K for the year ended December 31, 2014, amended and restated financial statements and other financial information for the years 2013, 2012 and 2011, for each of the quarters ended March 31, 2014, and June 30, 2014 and for each of the quarters in the years 2013, 2012 and 2011 (collectively, the “Restated Information” and the periods to which such information relates, the “Restated Periods”). We refer to the foregoing restatements in this document as the “Restatement” and the financial review process that was used to prepare the Restatement is referred to as “Internal Review”. This is our first periodic report since our Quarterly Report on Form 10-Q for the quarter ended June 30, 2014. Accordingly, this filing includes more information than would normally be included in an Annual Report on Form 10-K in order to provide stockholders a composite presentation of information for these prior periods, during which we were not making periodic filings with the Securities and Exchange Commission (“SEC” or “Commission”) or for which financial results are being restated herein.

We have not filed and do not intend to file amendments to any of our previously filed Annual Reports on Form 10-K or Quarterly Reports on Form 10-Q for the Restated Periods or a Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 or corrections to any of our previously issued financial statements. Accordingly, with respect to all Restated Periods, investors and others should rely only on the financial information and other disclosures contained in this Form 10-K, or in our future filings with the SEC (as applicable), and not on any previously issued or filed reports, earnings releases or similar communications relating to these periods.

A comparison of the earnings effects of this Restatement to earnings from continuing operations, as previously reported, follows below under “Effects of Restatement”.

Background

On September 15, 2014, in our current report on Form 8-K, the Company announced that the SEC is conducting a non-public formal investigation of Bankrate’s financial reporting with the principal focus on the quarters ending March 31, 2012 and June 30, 2012. The investigation is examining whether accounting entries may have improperly impacted the Company’s reported results, including relative to market expectations at such time. On the same date, the

Company also announced that Edward J. DiMaria, the Company's Chief Financial Officer at such time, had resigned as Chief Financial Officer, and that the Company had hired Steven D. Barnhart to serve as Interim Chief Financial Officer. Mr. DiMaria's employment with the Company was terminated on October 8, 2014 as a result of his failure to cooperate in the SEC investigation. On March 12, 2015, the Company announced that Mr. Barnhart had been appointed Senior Vice President, Chief Financial Officer of Bankrate.

In connection with the examination of the matters described above and developments in the ongoing SEC investigation, on September 14, 2014, Bankrate's Audit Committee, which is comprised entirely of independent outside directors, concluded that the Company's previously issued financial statements for each of years 2011, 2012 and 2013 should no longer be relied upon pending the conclusion of a full internal review of these matters. This was also disclosed in our current report on Form 8-K on September 15, 2014. The Audit Committee retained independent counsel who retained independent forensic accountants, who were assisted in this review by the Company's current Chief Financial Officer. The conclusion of that review is embodied in this Annual Report on Form 10-K, including the Restated Information. In addition, as previously disclosed on Form 8-K dated October 9, 2014, the United States Department of Justice ("DOJ") had informed the Company that it is investigating the matters that are the subject of the SEC investigation.

The Company has agreed to the terms of a potential settlement of the SEC investigation with respect to the Company that the SEC enforcement staff has indicated it is prepared to recommend to the Commission. The proposed settlement is subject to acceptance and authorization by the Commission and would, among other things, require the Company to pay a $15.0 million penalty. As a result, the Company recorded an accrual in the amount of $15.0 million as of September 30, 2014. However, the terms of the settlement have not been approved by the Commission and therefore there can be no assurance that the Company's efforts to resolve the SEC's investigation will be successful, that the settlement amount will be as anticipated or that the reserve with respect thereto will be sufficient, and the Company cannot predict the ultimate timing or the final terms of any settlement. In addition, it is not possible to predict when the DOJ investigation will be completed, the final outcome of the investigation, and what, if any, actions may be taken by the DOJ.

During the course of its review, Bankrate's Audit Committee concluded that the accounting for certain historical business activities had been recorded in a manner that was not consistent with generally accepted accounting principles in the United States ("GAAP"). The Company determined that all of these incorrect entries should be (and have been) corrected in the accompanying financial statements whether or not material, individually or in the aggregate. The Company also made certain adjustments, including corrections that had been previously identified but not recorded, because at the time they were identified they were deemed to be not

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material in the aggregate to the Company's consolidated financial statements. These adjustments include corrections to purchase accounting, equity compensation expense, certain accruals and revenue recognition, as well as tax related entries.

In connection with the Restatement, management has assessed the effectiveness of our disclosure controls and procedures and has included disclosure to such effect in Item 9A "Controls and Procedures" of this Form 10-K. We identified a material weakness in the internal controls over financial reporting that existed as of December 31, 2014. Solely as a result of this material weakness, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective at a reasonable assurance level as of December 31, 2014. Management has taken and is taking steps, as described under "Remediation plan for material weakness in internal control over financial reporting" in Item 9A of this Form 10-K, to remediate the material weakness in the operating effectiveness of our internal control over financial reporting. We believe that, as a result of management's in-depth review of its accounting processes, and the additional procedures management has implemented, there are no material inaccuracies or omissions of material fact in this Form 10-K and, to the best of our knowledge, we believe that the consolidated financial statements in this Form 10-K fairly present in all material respects the financial condition, results of operations and cash flows of the Company in conformity with GAAP.

Effects of Restatement

The table below sets forth the effects of the Restatement on our previously reported Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2013, 2012 and 2011, and for the year to date June 30, 2014. The Company has also classified its operations in China as discontinued operations throughout the Restated Periods, which is reflected in the table below. The Company also made certain reclassifications to conform to the current presentation for the year ended December 31, 2014. The Restatement has no material effect on our cash flows or liquidity in any of the Restated Periods. See Notes 1 and 2 of the Notes to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K for additional information.

	Year to Date	Year Ended December 31,		
(In thousands, except per share amounts)	June 30, 2014	2013	2012	2011
Revenue (as previously reported)	$ 267,138	$ 457,433	$ 457,164	$ 424,201
Adjustments	-	200	(944)	460
Discontinued operations	(496)	(697)	(251)	(336)
Revenue (as restated)	$ 266,642	$ 456,936	$ 455,969	$ 424,325
Net income (loss) (as previously reported)	$ 2,586	$ (10,002)	$ 29,331	$ (13,422)

Adjustments	(693)	(1,194)	(2,286)	523
Discontinued operations	812	1,243	1,101	1,169
Net income (loss) from continuing operations (as restated)	$ 2,705	$ (9,953)	$ 28,146	$ (11,730)
Diluted earnings per share (as previously reported)	$ 0.03	$ (0.10)	$ 0.29	$ (0.14)
Adjustments	(0.01)	(0.01)	(0.02)	-
Discontinued operations	0.01	0.01	0.01	0.02
Diluted earnings per share from continuing operations (as restated)	$ 0.03	$ (0.10)	$ 0.28	$ (0.12)

The net impact of the correction of the misstatements and the other adjustments on our aggregate Adjusted EBITDA over the Restated Periods was a reduction of $5.2 million, during which periods our total Adjusted EBITDA as previously reported was $448.4 million. The impact on Adjusted EBITDA of reclassifying our operations in China as discontinued through the Restated Periods offset the Restatement adjustments by $3.3 million. The calculation of Adjusted EBITDA, a non-GAAP measure utilized by the Company, was revised to include the add-back of costs related to the Restatement, the Internal Review, the SEC and DOJ investigations and related litigation (collectively the "Restatement Costs"), which had the effect of offsetting by $3.8 million the impact of the Restatement adjustments. Without the offsetting impact of reclassifying discontinued operations and the add-back of the Restatement Costs, the impact of the Restatement adjustments over the Restated Periods on Adjusted EBITDA would have been $12.4 million. The following table summarizes the impact of the Restatement on Adjusted EBITDA. See Item 6. Selected Financial Data of this Annual Report on Form 10-K for more detail.

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(In thousands)	Year to Date June 30, 2014	Year Ended December 31, 2013	2012	2011	Total
Adjusted EBITDA as previously reported	$ 67,919	$ 121,907	$ 123,137	$ 135,438	$ 448,401
Adjusted EBITDA as restated	69,245	122,207	119,141	132,577	443,170
Net change	$ 1,326	$ 300	$ (3,996)	$ (2,861)	$ (5,231)
Change related to Restatement adjustments	$ (587)	$ (1,851)	$ (6,098)	$ (3,827)	$ (12,363)
Change related to the addback of Restatement costs	1,280	1,269	1,249	-	3,798
Change related to discontinued operations	633	882	853	966	3,334
	$ 1,326	$ 300	$ (3,996)	$ (2,861)	$ (5,231)

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Bankrate, Inc. and Subsidiaries

Annual Report on Form 10-K for the Year Ended December 31, 2014

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains "forward-looking statements" which involve risks and uncertainties. You can identify forward-looking statements because they contain words such as "believes," "expects," "may," "should," "seeks," "approximately," "intends," "plans," "estimates," or "anticipates" or similar expressions that relate to our strategy, plans or intentions. All statements we make relating to our estimated and projected earnings, margins, revenues, costs, expenditures, cash flows, growth rates and financial results or to our expectations regarding future industry trends or regarding resolution of regulatory matters described in this Annual Report are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon certain assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known or unknown factors, and it is impossible for us to anticipate all factors that could affect our actual results. All forward-looking statements are based upon information available to us on, and speak only as of, the date of this report.

Important factors that could cause actual results to differ materially from our expectations, which we refer to as cautionary statements, are discussed in detail in Part I, Item 1A. "Risk Factors" in this Annual Report on Form 10-K. All forward-looking information in this Annual Report and subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include without limitation:

- the timing and outcome of, including potential expense associated with, the SEC and DOJ investigations including our ability to enter into a settlement with the SEC on terms consistent with those described herein;
- the potential impact on our business and stock price of any announcements regarding the Restatement, the SEC's investigation or the DOJ's investigation;
- the material weakness in the operating effectiveness of our internal controls over financial reporting and our ability to rectify this issue completely and promptly;
- risks relating to the defense or litigation of lawsuits, including the putative class action lawsuit currently pending and described herein, and regulatory proceedings;
- the timing and outcome of (including potential expense associated with), and the potential impact on our business and stock price of any announcements regarding, the Consumer Financial Protection Bureau ("CFPB") investigation described herein;
- the willingness or interest of banks, lenders, brokers, credit card issuers, insurance carriers and agents, senior care providers and other advertisers in the business verticals in which we operate to advertise on our websites or mobile applications, or purchase our leads, clicks, calls and referrals;
- the rate of conversion of consumers' visits to our websites or mobile applications into senior care referrals and the rate at which those referrals result in move-ins with our senior care customers;
- changes in application approval rates by our credit card issuer customers;
- increased competition and its effect on our website traffic, advertising rates, margins, and market share;
- our dependence on internet search engines to attract a significant portion of the visitors to our websites;
- our dependence on partners to attract a significant portion of the company's revenue;
- shift of visitors from desktop to mobile and mobile app environments;
- the number of consumers seeking information about the financial and senior care products we have on our websites or mobile applications;
- interest rate volatility;

- technological changes;
    - our ability to anticipate and manage cybersecurity risk and data security risk;
- the effects of any security breach or any cyberattack on our systems, websites or mobile applications;
- our ability to manage traffic on our websites or mobile applications, and service interruptions;

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- our ability to maintain and develop our brands and content;
- the fluctuations of our results of operations from period to period;
- our indebtedness and the effect such indebtedness may have on our business;
- our need and our ability to obtain additional debt or equity financing;
- our ability to integrate the operations and realize the expected benefits of businesses that we have acquired and may acquire in the future;
- the effect of unexpected liabilities we assume from our acquisitions;
- the effect of programmatic advertising platforms on display revenue;
- our ability to successfully execute on our strategies, including without limitation our insurance quality initiative, our mobile strategy and other initiatives, and the effectiveness of our strategies, including without limitation whether they result in increased revenue or profitability;
- our ability to attract and retain executive officers and personnel;
- any failure or refusal by our insurance providers to provide coverage under our insurance policies;
- our ability to protect our intellectual property;
- the effects of potential liability for content on our websites or mobile applications;
- our ability to establish and maintain distribution arrangements;
- our ability to maintain good working relationships with our customers and third-party providers and to continue to attract new customers;
- the effect of our expansion of operations in the United Kingdom and possible expansion to other international markets, in which we may have limited experience, and our ability to successfully execute on our business strategies in international markets;
- our ability to sell our operations in China in excess of its book value;
- the willingness of consumers to accept the Internet and our online network as a medium for obtaining financial product information;
- the strength of the U.S. economy in general and the financial services industry in particular;
- changes in monetary and fiscal policies of the U.S. government;
- changes in consumer spending and saving habits;
- review of our business and operations by regulatory authorities;
- changes in the legal and regulatory environment;
- changes in accounting principles, policies, practices or guidelines;
- risks relating to the ongoing reviews of our business and operations by regulatory authorities; and
- our ability to manage the risks involved in the foregoing.

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this Annual Report may not in fact occur. Accordingly, investors should not place undue reliance on those statements. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

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PART I.

Item 1. Business

Overview

Bankrate, Inc. and its subsidiaries ("Bankrate" or the "Company," "we," "us," "our") aggregate large scale audiences of in-market consumers by providing them with proprietary, fully researched, comprehensive, independent and objective personal finance editorial content across multiple verticals including mortgages, deposits, credit cards, insurance, senior care and other categories, such as retirement, automobile loans, and taxes. Our comprehensive offering of personal finance content and product research has positioned us as a recognized personal finance authority with over 415,000 attributable media mentions or interviews in 2014, including numerous television features on major networks. Our flagship websites Bankrate.com, CreditCards.com, insuranceQuotes.com and Caring.com are leading vertical content destinations in each of their respective categories and connect our audience with contextually relevant advertisers and financial service and senior care providers. These, and our other owned and operated personal finance websites, had over 255 million visits in 2014. In addition, we distribute our content on a daily basis to over 90 major online partners and print publications, including some of the most recognized brands in the world.

Our business benefits from the secular shift toward consumer use of the Internet to research and shop for personal finance products. The Internet's unique aggregation capabilities allow consumers to access and research vast amounts of information to efficiently compare prices and enable an informed purchase decision. We believe this is driving consumers to increasingly research and engage online for personal finance products and shift away from more traditional buying patterns. We stand to benefit from this major secular shift as a result of our leading position in the personal financial services markets driven by our strong brands, proprietary and aggregated content, breadth and depth of personal finance products, broad distribution, leading position in algorithmic search results and monetization capabilities.

Founded as a financial and market data research business, Bankrate began moving from print-based to online in 1996. We have strategically broadened and diversified our product, content and consumer offerings through internal development activities and acquisitions. We now offer:

- branded content that educates consumers and financial professionals on a variety of personal finance topics;
- a market leading platform for consumers searching for competitive rates on mortgages, deposits, and money market accounts;
- competitive quotes to consumers for auto, business, home, life, health and long-term care insurance from our leading network of insurance agents and carriers;
- comparative credit card offers to customers for consumer and business credit cards in the United States, Canada and the United Kingdom through our leading network of credit card websites; and
- helpful caregiving content, a comprehensive online senior care facility directory for the United States, and telephone support and advice from trained Family Advisors to consumers looking for senior care options.

Our unique content and rate information is distributed through two main sources: through our owned and operated websites and online co-brands and through our partners. We own a network of content-rich, proprietary websites focused on specific vertical categories, including mortgages, deposits, credit cards, insurance, senior care and other personal finance categories. We also develop and provide content, tools, web services and co-branded websites to over 140 online partners, including some of the most trusted and frequently visited personal finance sites on the Internet including Yahoo!, CNN Money, Move Inc., CNBC and Bloomberg. In addition, we license editorial content to over 450 newspapers on a daily basis, including The Wall Street Journal, USA Today, The New York Times, The Los

Angeles Times and The Boston Globe.

Our primary sources of revenue are consumer inquiries that we deliver to our customers and display advertising. During the year ended December 31, 2014, we generated revenue of $544.9 million, net income from continuing operations of $6.1 million, Adjusted EBITDA of $143.0 million and cash provided by operating activities, continuing operations, of $42.3 million. During the year ended December 31, 2013, we generated revenue of $456.9 million, a net loss from continuing operations of $10 million, Adjusted EBITDA of $122.2 million, and cash flow from operating activities, continuing operations, of $101.5 million. See "Selected Financial Data" for a reconciliation of Adjusted EBITDA to net income.

Segments

During 2014, subsequent to Kenneth S. Esterow's appointment as our chief executive officer, we reevaluated and re-aligned our management reporting structure based on how our new chief operating decision maker manages, assesses performance and allocates resources for the business. As of the third quarter of 2014, our business was organized into the following three reportable segments:

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- Banking – we offer information on rates for various types of mortgages, home lending and refinancing options, specific to geographic location and covering all 50 states; rate information on various deposit products such as money markets, savings and certificates of deposits; and information on retirement, taxes and debt management. This segment also provides original articles on topics related to the housing market and loan refinancing; provides online analytic tools to calculate investment values; and provides content on topics such as 401(k)s, Social Security, tax deductions and exemptions, auto loans, debt consolidation and credit risk.
- Credit Cards – we present visitors with a comprehensive selection of consumer and business credit and prepaid cards, providing detailed information and comparison capabilities, and host news and advice on personal finance, credit card and bank policies, as well as tools and calculators to estimate credit scores and card benefits.
- Insurance – in conjunction with local agents and insurance carriers, we facilitate a consumer's ability to receive multiple competitive insurance quotes, provide advice and detailed descriptions of insurance terms, and produce articles on topical subjects.

In addition to the above reportable segments, we have an Other category that includes the results of operations of Caring.com and aggregated smaller, dissimilar operating units, the results of our investments, unallocated corporate overhead and the elimination of transactions between segments

For financial information about our segments for the years ended December 31, 2014, 2013 and 2012, see Item 7 – Management's Discussion and Analysis of Financial Conditions and Results of Operations, and Item 8, Note 7 – Segment Information, Geographic Data and Concentrations.

Company Developments

Acquisitions

The Company has grown significantly in size and scope of offerings via acquisition. In 2010, we acquired NetQuote Holdings, Inc. ("NetQuote"), which greatly expanded our presence in the insurance vertical and CreditCards.com, Inc. ("CreditCards"), which greatly expanded our presence in the credit card vertical. In 2014, we acquired Caring, Inc. ("Caring"), which complements our financial services offerings with editorial content and professionally trained senior living advisors and provides us access to the fast growing senior care market. In each case these acquisitions enabled us to strengthen our offering to both advertisers seeking high quality leads and consumers who are looking for a comprehensive suite of financial products. These acquisitions have strengthened our position through increased selection of products and increased scale of our audience resulting in greater appeal to personal financial services partners and greater spending per partner.

Initial Public Offering

In August 2009, the predecessor to the Company was acquired by Ben Holding S.à r.l., (the "Bankrate Acquisition") an entity wholly owned by Apax VII Funds which are advised by Apax Partners L.P. and Apax Partners LLP. In June 2011, the Company sold, at a price of $15.00 per share, 12,500,000 shares of common stock, and certain stockholders of the Company sold 10,494,455 shares of common stock, including 2,994,455 shares sold by certain of its existing stockholders upon the exercise of the underwriters' option to purchase additional shares ("Initial Public Offering"). We raised a total of $170.3 million after deducting underwriting discounts of $11.3 million and offering costs of $5.9 million. We used approximately $123.0 million of the net proceeds from the Initial Public Offering to pay down debt and related accrued interest and for other general corporate purposes, including financing our growth. The offer and sale of all of the shares in the Initial Public Offering for an aggregate offering price of $345.0 million were registered under the Securities Act.

Secondary Offering

On March 10, 2014, Bankrate, Inc. (the “Company”) completed a secondary offering (the “Offering”) of 16,100,000 shares of common stock (the “Shares”) by Ben Holding S.à r.l., an entity wholly owned by investment funds advised by Apax Partners. The Company did not receive any of the proceeds from the Offering. The Offering was made pursuant to the Company’s shelf registration statement on Form S-3 (File No. 333-194186), filed with the SEC on February 27, 2014, and related prospectus supplement dated March 4, 2014.

Industry

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The Internet has evolved into one of the most effective and comprehensive sources for personal finance content. Traditionally, consumers used sources of information such as word-of-mouth, referrals, newspapers, mortgage guides, insurance brokers and agents to research and address their financial needs. However, these approaches are often time consuming, error prone, and not transparent. Widespread access to the Internet and availability of content and the benefits associated with shopping and researching online has allowed consumers to increasingly rely on the Internet for their financial shopping needs. Using the Internet, consumers can search for and compare financial products and services across multiple sites and choose the right alternative for them. According to an industry study, over 60% of financial services consumers conducted research online and 37% of consumers who conducted research online also applied for a financial product online.

Companies have expanded their online marketing efforts to reach this large and growing online audience cost-effectively. As website traffic grows, online advertising continues to grow as a share of overall advertising. This secular shift is seen as ZenithOptimedia noted that internet advertising is the fastest growing advertising medium with forecasted annual average growth of 15% from 2014 to 2016. ZenithOptimedia also estimates that internet advertising will increase its share of the advertising market from 20.6% in 2013 to 26.6% in 2016. Further, ZenithOptimedia notes the main driver of global advertising spend growth is mobile and estimates that mobile will contribute 36% of the extra ad spend between 2013 and 2016. We believe our business will continue to benefit as the percentage of advertising dollars spent online increases to reflect the greater amount of media consumed online.

Our Solution

We provide consumers and institutions with a comprehensive personal finance marketplace through our leading content-rich flagship websites: Bankrate.com, CreditCards.com, insuranceQuotes.com, Caring.com, and our other branded personal finance destination websites. We allow consumers to shop for a wide variety of financial products and services online, including mortgages, deposit accounts, credit cards, insurance products and senior care. We offer fully researched, independent and objective financial content to our in-market visitor base. We understand the importance of critical financial decisions and have designed our solutions to provide relevant information, content and advice to consumers to help them make the right decisions more efficiently and conveniently.

Our brand and the scale and quality of our content have helped us attract increasing numbers of in-market consumers over the years. As more consumers visited and researched personal finance products on our websites, more financial institutions listed their products and services with us. The combination of an increasing amount of consumers seeking personal finance products online and more companies providing products and services online increases the quality, depth and breadth of our offerings and attracts even more consumers, advertisers and institutions as a result. Additionally, the prominence of our brands, the quality of our content, the engineering architecture and interface of our site, and other factors that drive relevance have generally resulted in prominent placement in financial services search results from the leading search engines. This increased distribution via search provides additional traffic to our website, again further attracting more partners and resulting in increased selection of personal finance products and more content. This virtuous cycle has enabled us to reinforce our leadership position and achieve a loyal advertiser and consumer base.

Our Strengths

Market Leader for Personal Finance Content. We are a market leading publisher, aggregator, and distributor of personal finance content on the Internet. We believe our leading position will continue to enable us to take advantage of the secular shift to the Internet as a source of personal finance solutions.

Leading Consumer Brands. We have built strong, recognizable and highly trusted brands over our long history. We believe this is an important competitive differentiator. Furthermore, the strength of our brands has permitted us to be a partner of choice for other leading personal finance content providers and other general interest publishers.

High Quality, Proprietary Content. We provide consumers with proprietary, fully researched, comprehensive, independent and objective personal finance content, data and tools. Our editorial staff of more than 200 consisting of editors, reporters, freelancers and expert columnists delivers "best in class" content and provides news and advice through hundreds of new articles per month on top of approximately 105,000 stories in our database. We actively list approximately 300 credit card offers on our websites and have a robust, proprietary card repository of over 2,600 products. We also aggregate rate information from over 4,800 institutions for more than 300 financial products in more than 600 local markets. In addition, we generate approximately 180,000 distinct rate tables capturing on average over three million pieces of information on a weekly basis.

Significant Selection, Breadth and Depth of Offering. Bankrate, through its flagship websites Bankrate.com, CreditCards.com, insuranceQuotes.com and Caring.com as well as other owned and operated properties, provides both a broad range of personal finance services products across numerous verticals including mortgages, deposits, credit cards, insurance, senior care and other personal finance categories, including retirement, automobile loans, and taxes, as well as great depth of selection in each category. Our selection both across and within these categories is a key differentiator in the value proposition to consumers.

Superior Distribution Platforms. Our unique content and rate information is distributed through two main sources: our owned and operated websites, and through our affiliate partners. This distribution network enables us to drive large amounts of high quality traffic to our network while increasing our brand awareness in an extremely cost-effective way.

Diverse Monetization Opportunities and Strong Cash Flow. Our primary sources of revenue are delivered consumer inquiries, including cost per click, call, lead, application and cost per move in, and display advertising. The multiple ways to monetize a given page view or unique visitor to our site, combined with a highly scalable infrastructure and low requirements for additional capital expenditures and working capital, result in strong cash flow conversion.

Strong, Experienced Management Team. Our management team has an in-depth understanding of the online media and personal finance industries as well as extensive experience growing companies' profitability, both organically and through acquisitions.

Our Growth Strategy

We believe that the personal finance sector contains significant opportunities for growth. Elements of our strategy include:

Maintaining Leadership as a Trusted and Authoritative Source for Personal Finance Content. We are focused on maintaining our position as a leading destination platform for personal finance information. We intend to continuously enhance the consumer experience and engagement on our websites to help us maintain this leadership position. One of the primary ways that we seek to differentiate ourselves is through the quality, breadth and depth of our financial content and data. As consumers increase their usage of the Internet as a tool for personal finance needs, we intend to maintain and improve our position in online comparative research for mortgages, deposit products, credit cards, insurance, senior care and potentially in additional personal finance markets.

Increasing Traffic to Our Network. We believe our unique and differentiated content offering, the strength of our brands and our marketing efforts will allow us to drive substantial traffic to our online network. We intend to continue to focus on efforts that explicitly drive traffic to our websites including providing highly relevant search results, public relations, print partnerships, increasing the size of our co-brand partner network, and paid search efforts.

Continuing to Increase Monetization of Our Traffic. By advertising on our online network, banks, brokers, credit card issuers, insurance agents and carriers, senior care facilities and other advertisers are accessing targeted, quality consumers. By allowing advertisers to efficiently access these “in-market” consumers, we are ultimately creating a transaction that is beneficial for the advertiser, the consumer and us. As we continue to improve customer engagement and drive traffic to our online network to reach a greater number of users, we expect to strengthen our relationships with existing advertisers and build new relationships with potential advertisers. We intend to continuously enhance our product offering and targeting capabilities to advertisers to ensure we are increasing our monetization of content and traffic.

Developing New Products that Increase the Quality of Our Offering to Consumers, Advertisers and Partners. By enhancing and expanding our product set, we seek to maintain our industry leadership. The key goals of all of our product development efforts are to satisfy consumers, drive traffic, increase monetization and increase affiliate and partner opportunities. Examples of some areas that our product development team is currently focused on include using advanced analytics and data testing to enhance site infrastructure for ongoing optimization and improving site design for increased engagement, creating new tools to enhance offerings of our affiliates and partners' apps and mobile platforms, initiatives to enhance end-to-end mobile experience and initiatives to broaden our consumer relationships from being transaction oriented to an ongoing relationship anticipating consumer needs. We intend to maintain our industry leadership by continuously enhancing and expanding our product offering.

Pursuing Additional Strategic Acquisitions. Acquiring companies continues to be a strategic focus for us. We believe our industry relationships allow us to identify specialized companies that are attractive acquisition candidates. We intend to continue to pursue strategic growth opportunities that complement our online network to cost-effectively gain market share, expand into additional vertical categories and strengthen our content portfolio.

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Our Products and Services

Consumers

As a leading provider of personal finance content, we offer our consumers deep and broad market leading information, analytics and advice across multiple categories of personal finance including: (i) mortgages and home lending, (ii) deposits, (iii) credit cards, (iv) insurance, (v) senior care, and (vi) other financial products, including those related to retirement, tax, autos, and debt management.

We aggregate rate information from over 4,800 institutions on more than 300 financial products in more than 600 local markets in all 50 U.S. states, generating approximately 180,000 distinct rate tables and capturing on average over three million pieces of information weekly. In addition, we offer customizable search and compare capabilities, as well as analytic tools to calculate value and costs. We believe our comprehensive marketplace of real-time, easily accessible, and relevant information equips consumers with the right tools to make informed personal finance decisions.

We operate a select group of content-rich, branded destination websites including, but not limited to, Bankrate.com, CreditCards.com, insuranceQuotes.com and Caring.com.

- Mortgages and Home Lending. We offer information on rates for various types of mortgages, home lending and refinancing. We maintain current rate information for more than 600 local markets, covering all 50 U.S. states. Consumers can customize searches for mortgage rates by loan size, type, maturity, and location through our online portals. We also provide calculators and original editorial content that cover topics such as trends in housing markets and refinancing perspectives to help consumers with their decision making.
- Deposits. We offer rate information on various deposit products such as money market accounts, savings accounts and certificates of deposit. We also provide online analytical tools to help consumers calculate investment value using customized inputs.
- Credit Cards. We present a comprehensive selection of consumer and business credit and prepaid cards for visitors. We provide detailed credit card information and comparison capabilities, as well as relevant personal finance and credit card content, and allow consumers to search for cards that cater to their specific needs. We display cards by various attributes including by bank or issuer, card network, credit quality, and type of card like reward, cash back or low interest.
- Insurance. In conjunction with our network of local agents and insurance carriers, we facilitate a consumer's ability to receive multiple competitive insurance quotes for auto, business, health, home, life, or long-term care. We also provide general information regarding insurance products and considerations. In addition, we provide articles on topical subjects such as recent healthcare reforms, as well as the basics to understanding an insurance policy.
- Senior Care. We provide helpful caregiving content, a comprehensive online senior care directory for the United States, and telephone support and advice from trained Family Advisors.
- Other Personal Finance Products. We offer information on retirement, taxes, auto, and debt management. Relevant content provided on such topics include 401(k) accounts, Social Security, tax deductions and exemptions, auto loans, debt consolidation, and credit risk.

Advertisers

We believe advertisers appreciate our value proposition as one of the leading personal finance content providers. Our relevant and proprietary content attracts consumers that are actively searching for personal finance products, allowing advertisers to effectively reach their target customer base. Our trusted reputation as an objective provider of reliable information further drives traffic and establishes a credible platform for advertisers to list their offers. We also offer advertisers an attractive path to access high quality consumer inquiries, all of which have resulted in the continued growth of our advertiser relationships.

We provide consumer inquiries in the banking, credit card, insurance and senior care verticals.

In our banking vertical, advertisers that are listed in our rate tables have the opportunity to hyperlink their listings and provide a phone number. By clicking on the hyperlink, users are taken to the advertiser’s website. We charge our advertisers per delivered consumer inquiry. Under this arrangement, advertisers pay Bankrate a specific, pre-determined price each time a consumer clicks on that advertiser’s hyperlink or calls the phone number. All clicks and calls are screened for fraudulent characteristics by an independent third party vendor and the filtered clicks and calls are then charged to the customer’s account.

Our leading credit card comparison marketplace is one of the largest third party online consumer inquiry and application sources for major credit card issuers. We primarily earn and recognize revenue after a consumer has: (i) clicked on and through a card offer on one of our or our partners' websites, (ii) completed an application at the card issuers' site and (iii) received approval on the card application.

In the insurance vertical we connect consumers with insurance agents, brokers and carriers, after the consumer fills out a lead form or after the consumer clicks on a hyperlinked placement within our qualified insurance listings on our owned and operated properties or partner websites. In addition we receive inbound calls from consumers that we transfer to agent and carrier call centers and from time to time we call consumers on the behalf of agents and carriers. We also acquire data leads from third party affiliates and distribute those to our advertisers. We charge our advertisers per delivered consumer inquiry.

In the senior care vertical we deliver consumer inquiries to senior care facilities after qualifying them through our call center and matching them to a number of potential facilities. Consumers then tour facilities and we charge our advertisers per consumer that moves in.

In the banking and senior care verticals, we also charge for a variety of digital display formats. Our most common digital display advertisement sizes are leader boards and flex units, which are prominently displayed at the top, bottom or sides of a page. We charge for these advertisements based on the number of times the advertisement is displayed or based on a fixed amount for a campaign. Advertising rates may vary depending upon the product areas targeted, geo-targeting, the quantity of advertisements purchased by an advertiser, and the length of time an advertiser runs an advertisement on our online network. We sell to advertisers targeting a specific audience in a city or state and also to national advertisers targeting the entire country.

Sales Strategy

Bankrate has sales personnel serving our national, regional and local advertising customers. We also have sales teams that are dedicated to specific vertical categories and customer groups, giving them greater expertise in designing solutions for our advertisers. For example we have separate sales teams trained and dedicated to serving insurance agents, credit card issuers, insurance carriers, local, regional and national banks, local mortgage companies and senior living chains and independent facilities.

Our selling strategy focuses on leveraging our core strengths in a flexible manner to respond to our customers' specific requirements. For example, in working with a large branded bank, we may feature a branded cost-per-thousand-impressions-based display campaign if the advertiser plans to compete primarily on brand and visibility on our sites. A different advertiser may be focused on competing directly on the basis of superior rates and therefore a rate table cost-per-click or cost-per-call approach may be more beneficial than a cost-per-impression model. Many insurance carrier customers are seeking to access a consumer directly based on their brand. As they are searching comparatively for products our insurance cost-per-click product is focused on serving this market. Other advertisers may be interested in maximizing conversion and achieving a specific return on investment, and given the conversion rates of our traffic, a per-action or per-click solution may be the most appropriate in such a case. This array of advertising options and ability to tailor a campaign to our advertiser's needs results in more revenue for us, better information for our consumers and superior consumer traffic and conversions for our customers. We have the capability to execute on this selling strategy not only because of our wide variety of product monetization options (per-thousand-impressions, per-click, per-call, per-action, per-lead and per-move in), but also because we have highly developed direct relationships with our customers. We work directly with top branded banks, mortgage lenders, credit card issuers, insurance carriers and senior care communities. Bankrate's sales team is very knowledgeable about our advertisers' products and is viewed as a partner by our advertisers, thus allowing for a close and collaborative relationship in which we can offer solutions that satisfy our advertisers' needs.

We attract our consumer audience by offering comprehensive and objective comparisons based on rates, selection, features, brand, flexibility and other key attributes, as well as content to educate our consumers on these matters. Our platform is compelling for our advertisers for several reasons including:

- Our advertisers vigorously compete for access to our consumer visitors. Being absent would place them at a competitive disadvantage in the marketplace for our consumers.
- Bankrate's platforms are specific, highly contextual destinations for consumers who are generally in market. Leads and click-throughs therefore have a high conversion rate for our advertisers.
- Historically, Bankrate has delivered a high proportion of consumers who are of the highest credit and financial quality and predominately "Prime" in terms of their personal finance profile.
- Bankrate's platforms are leading generators of highly targeted contextual consumer traffic seeking mortgage, deposit, credit cards, senior care products and insurance products and therefore we have provided a constant and reliable flow of prospects for our advertisers.

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Marketing

Bankrate has been able to establish itself as one the most recognizable brands within the personal finance market. The strength of our brands lead to many of our visitors coming to our websites by directly typing our Internet address. Another critical factor in attracting visitors to our websites is how prominently we are displayed in response to search queries regarding vertical categories in which we operate. Bankrate.com, Creditcards.com, insuranceQuotes.com and Caring.com and other key pages of our online network routinely rank at or near the top of consumers' organic search results for highly searched key words and phrases related to personal finance products and senior care. The high rankings are largely a result of our success at creating highly relevant, contextual, authoritative, widely read and distributed content.

We augment the traffic coming to our websites through search engine marketing by bidding for placement of hyperlinks next to algorithmic search results for relevant keywords that link back to our sites.

For our flagship Bankrate.com site, traffic in 2014 was also driven through more than 140 online partners, including Yahoo!, CNN Money, Move, Inc., CNBC and Bloomberg. Our partners place our content and rate tables on co-branded pages within their sites and we sell the advertisements on these pages and share the advertising revenues with the partner. We benefit from these relationships as these pages are exposed to traffic that would not otherwise be generated from our website.

In addition to our online relationships, our proprietary content and interest rate information appears in premier print newspapers and magazines on a daily basis. This practice continues to reinforce our brand ubiquity and image. We currently partner with over 450 newspapers, including The Wall Street Journal, The New York Times and USA Today. While these distribution partners contribute significantly less to our revenue than our online relationships, the exposure contributes to our traffic brand awareness and credibility among consumers.

We also actively conduct media public relations campaigns to promote our editorial content and personnel to the consumer and trade media. Bankrate spokespersons are routinely featured in newspapers, magazines and in broadcast media, and are promoted to and are featured as expert commentators on major broadcast and cable news programs and talk radio.

In 2014, we received over 383,000 media mentions (including syndication) of our flagship websites, Bankrate.com, CreditCards.com, insuranceQuotes.com and Caring.com. The Company was referenced in more than 83,000 print articles by outlets such as The New York Times, The Wall Street Journal, USA Today and the Associated Press. Television and radio coverage (more than 300,000 mentions in all) included The Today Show (NBC), CBS This Morning (CBS), Good Morning America (ABC), CNBC, CNN, Fox Business Network, National Public Radio and many others. In addition, we received over 32,000 media mentions (including syndication) of our other websites.

Customers

A significant portion of our customer base by revenue is comprised of large financial institutions such as banks or insurance carriers, and may have products covered by multiple vertical categories on our online network. Our largest customers by revenue generated in the year ended December 31, 2014 and the year ended December 31, 2013 include Capital One, Chase, Bank of America, Discover, Geico, State Farm, Synchrony Bank, Citibank and American Express. For the years ended December 31, 2014 and 2013, our largest customer, Capital One, accounted for 11% of our total revenue across all products and our ten largest customers accounted for approximately 52% and 50%, respectively, of total revenues across all products.

Product Development Strategy

Our product development strategy is designed to expand our advertiser base, traffic origination sources and highly targeted consumer audience, all of which are critical to our success and drive monetization. Key elements of this strategy include:

- enhancing the consumer experience and engagement on our websites and mobile applications;
- increasing traffic to our websites and mobile applications;
- increasing monetization of our traffic and advertiser satisfaction;
- developing products to expand opportunities with partners and affiliates; and
- expanding into new products and features to further enhance our consumer relationships.

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Our continuously evolving flagship websites feature a modern modular design enabling us to add features and additional content rapidly, test consumers' response and engagement and optimize satisfaction as a result. We plan to further leverage our back-end infrastructure in the process, creating an even stronger network for our consumers, advertisers, partners and affiliates.

In addition, we have many initiatives under way to create an even more substantial mobile presence. These initiatives range from device-specific mobile websites to applications that help our consumers use our most popular tools and content and to address specific mobile personal finance needs.

In fulfilling our product mission, we make extensive use of site tracking and optimization technologies, and we continually monitor and improve consumer engagement and monetization. Executive steering committees regularly review initiatives across the firm and allocate resources to balance these goals. We believe that our goal-oriented product development strategy and execution, our rapid incremental iterative process, and our overall discipline have been some of the key components of our success and we believe these will continue to assist us in maintaining our competitive advantage in the future.

Competition

We compete for advertising revenues across the broad categories of personal finance content, online credit card marketplaces, and insurance and senior marketplaces, both in traditional media and online. There are many competitors in our market verticals. Our online and traditional media competition includes the following:

- search engines utilizing keyword cost-per-click advertising or comparison advertising sites/networks;
- lead aggregators and websites committed to specific personal finance products;
- numerous websites in each of our vertical categories competing for traffic and for advertisers;
- search engines that display their own proprietary content or services in search results that in some cases compete with the content or services in one or more of our vertical categories;
- financial institutions, including mortgage lenders, deposit institutions, insurance providers and credit card issuers, many of whom are also our customers;
- traditional offline personal finance marketing channels, including direct mail, television, radio, print, call centers and retail bank branches; and
- general interest websites that compete for advertising dollars such as Yahoo! and AOL.

Competition in the online publishing business is generally directed at growing users and revenue using marketing and promotion to increase traffic to websites. We believe that we compete favorably within each of the categories described above and that we will be able to maintain and enhance our leadership position.

Technology

We currently operate our online network and supporting systems on servers at secure third-party co-locations, including facilities in Atlanta, Georgia, Austin, Texas and Denver, Colorado. The third-party facilities and our infrastructure and network connectivity are monitored by Bankrate continuously, on a 24 hours a day, 365 days a year basis.

Most of our critical properties and consumer facing operations operate concurrently from multiple data centers. Multiple data centers are key to our business continuity strategy, providing continuity and recovery options if a data center should suffer a major outage.

These facilities are powered continuously from multiple sources, including uninterruptible power supplies and emergency power generators. The facilities are connected to the Internet with redundant high-speed data lines. The systems at each data center are protected by a multi-layered security and switching systems, including redundant routers, firewalls, switches, and load balancers at each data center. To provide maximum scalability, many of our high-traffic web pages are served from multiple active/active data centers through an independent content distribution network.

Multi-node clusters and active load balancing systems are used for key functions, including web serving, web services, and many databases. The vast majority of the information presented on our websites, including back-end databases that provide the raw information, is stored and delivered via such multi-node or multi-system configurations from one or both of the co-location facilities.

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The extensive use of a multi-data center active/active architecture, combined with load balancing at multiple levels, ensures our ability to handle load and scale the capacity to demand. We operate key systems with substantial margins beyond our historical peak demands, maintaining the ability to serve many times our peak traffic.

Our systems are controlled and updated remotely via encrypted virtual private network (“VPN”) links to our operating locations. The technical services staff extensively monitors all key systems, both internally and from a web perspective, using multiple locations and methodologies. This provides continuous real-time response capability should key systems or network connections fail.

Our engineering and technical management operates from four primary locations, including Palm Beach Gardens, Florida, Denver, Colorado, Austin, Texas and San Mateo, California. We have additional engineering staff in Cambridge, Massachusetts, the United Kingdom, China, and India.

We use a combination of technologies, including Microsoft.NET, Microsoft SQL Server, LAMP (Linux, Apache, MySQL, PHP), and WordPress. We also leverage third party content distribution networks, ad serving, optimization, and tracking services to improve performance and provide instrumentation, while leveraging the scalability of major vendors in these arenas.

Intellectual Property

Our proprietary intellectual property consists of our unique research and editorial content, computer programs relating to our websites, our website applications and our URLs. We rely primarily on a combination of copyrights, trademarks, trade secret laws, our user policy and restrictions on disclosure to protect this content. In addition, we license some of our data and content from other parties. Our copyrights, trademarks and licenses expire at various dates, and we believe that none is individually significant.

Regulatory Matters

We are affected by laws and regulations that apply to businesses in general, as well as to businesses operating on the Internet. This includes a continually expanding and evolving range of laws, regulations and standards that address information security, data protection, privacy, consent and advertising, among other things. To the extent we provide a medium through which users can post content and communicate with one another, we may also be subject to laws governing intellectual property ownership, obscenity, libel, and privacy, among other issues. Advertising and promotional information presented to visitors to our online services, and our other marketing activities, are subject to federal and state consumer protection laws that regulate unfair and deceptive practices. There are laws, regulations and standards that regulate certain aspects of the Internet, including online content, user privacy, taxation, liability for third-party activities and jurisdiction. These include the Communications Decency Act of 1996, which regulates content of material on the Internet, and the Digital Millennium Copyright Act of 1998, which provides recourse for owners of copyrighted material who believe that their rights under U.S. copyright law have been infringed on the Internet. In the area of data protection, the U.S. Federal Trade Commission and certain state agencies have investigated various Internet companies’ use of their customers’ personal information, and certain federal and state statutes regulate specific aspects of privacy and data collection practices. There are also a variety of state and federal restrictions on marketing activities conducted by telephone, the mail or by email, or over the Internet, including the Telephone Consumer Protection Act, state telemarketing laws, federal and state privacy laws, the CAN-SPAM Act, and the Federal Trade Commission Act and its accompanying regulations and guidelines. Because we engage in marketing activities over the Internet and by telephone, mail and email, we may be subject to some of these laws and regulations.

State, federal and foreign lending laws and regulations generally require accurate disclosure of the critical components of credit costs so that consumers can readily compare credit terms from various lenders. These laws and regulations also impose certain restrictions on the advertisement of these credit terms. Because we are an aggregator of rate and other information regarding many financial products, including mortgages, deposits and credit cards, we may be subject to some of these laws and regulations. The insurance industry and the senior care industry are also subject to numerous federal and state laws and regulations. We believe that we have structured our business and our online services to comply with applicable laws and regulations as are currently in effect. Because of uncertainties as to the applicability of some of these laws and regulations to the Internet and, more specifically, to our type of business, and considering that our business has evolved and expanded in a relatively short period of time, and will continue to evolve and develop, we may not always have been, and may not always be, in compliance with all applicable federal, state and foreign laws and regulations.

Federal, state, local and foreign governments are also considering other legislative and regulatory proposals that would regulate the Internet in more and different ways than exist today. It is impossible to predict whether new restrictions, fees, or taxes will be imposed on our services, and whether and how we would be affected. Increased regulation of the Internet both in the United States and abroad may decrease its growth and hinder technological development, which may negatively impact the cost of doing business via the Internet or otherwise materially adversely affect our business, financial condition or operational results.

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As a public company with securities listed on the New York Stock Exchange, we are also subject to review and oversight by the SEC and the New York Stock Exchange.

Employees

As of December 31, 2014, we employed 552 people. None of our employees are represented under collective bargaining agreements. We have never had a work stoppage. We consider our employee relations to be good.

Available Information

The Company's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports are available free of charge on the Company's website at investor.bankrate.com as soon as practicable after such material is electronically filed with, or furnished to, the SEC. Information contained on our websites is not incorporated by reference into this Annual Report on Form 10-K.

In addition, copies of the Company's annual report will be made available, free of charge, on written request.

For further discussion concerning our business, see the information included in Items 7 (Management's Discussion and Analysis of Financial Condition and Results of Operations) and 8 (Financial Statements and Supplementary Data) of this report.

Item 1A. Risk Factors

An investment in our securities involves risk. You should carefully consider the following risks as well as the other information included in this Annual Report, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes, before investing in our securities. Any of the following risks could materially and adversely affect our business, financial condition, results of operations or prospects, and cause the value of our securities to decline, which could cause you to lose all or part of your investment in our Company.

Risks Related to the Restatement and Other Accounting Issues

The Company and certain of its current and former officers and directors are named as defendants in a putative class action lawsuit alleging violations of federal securities laws and could be named as parties in additional lawsuits related to our Restatement or as a result of the ongoing investigations by the SEC and DOJ. These as well as the results of the underlying SEC and DOJ investigations could adversely affect the Company, require significant management time and attention, result in significant legal expenses (including settlement costs) or damages, and cause our business, financial condition, results of operations and cash flows to suffer.

In September and October 2014, the Company and certain of its current and former officers and directors were named as defendants in putative class action lawsuits alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and SEC Rule 10b-5. One such lawsuit remains pending. The action alleges, among other things, that the Company's 2011, 2012, and 2013 financial statements improperly recognized revenues and expenses and therefore were materially false and misleading. In February 2015, the complaint was amended to add allegations relating to the Company's March 2014 secondary offering of Company common stock. See the section entitled "Legal Proceedings." This lawsuit, and other lawsuits in which the Company and its current and former officers and directors could be named arising out of our Restatement or as a result of the ongoing investigations by the SEC and DOJ, could adversely affect the Company, require significant management time and attention, result in significant legal expenses or damages (including settlement amounts), and cause our business, financial condition, results of operations and cash flows to suffer. We could be subject to fines, settlement costs, penalties, or other sanctions as a result of the ongoing investigations being conducted by the SEC and DOJ.

We have been responding to ongoing investigations conducted by the staff of the SEC and by the DOJ concerning our financial reporting over various periods of time. These matters have required and continue to require us to expend substantial management time and incur significant legal and other expenses. We are attempting to resolve these matters and the Company has agreed to the terms of a potential settlement of the SEC investigation with respect to the Company that the SEC enforcement staff has indicated it is prepared to recommend to the Commission. The proposed settlement is subject to acceptance and authorization by the Commission and would, among other things, require the Company to pay a $15.0 million penalty. As a result, the Company recorded an accrual in the amount of $15.0 million. However, the terms of the settlement have not been approved by the Commission and therefore there can be no assurance that the Company’s efforts to resolve the SEC’s investigation with respect to the Company will be successful, that the

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settlement amount will be as anticipated or that the reserve with respect thereto will be sufficient, and the Company cannot predict the ultimate timing or the final terms of any settlement.

Our indemnification obligations and potential limitations of our director and officer liability insurance could result in significant legal expenses or damages and cause our business, financial condition, results of operations and cash flows to suffer.

Certain of our current and former officers and directors are the subject of the above-referenced government investigations and lawsuits as individual defendants. Under Delaware law, our Certificate of Incorporation, our Bylaws and certain indemnification agreements, we have indemnification obligations to these current and former officers and directors in relation to these matters. These indemnity obligations have resulted and may continue to result in significant legal expenses or damages and cause our business, financial condition, results of operations and cash flow to suffer.

While we maintain director and officer liability insurance, there can be no assurance that the insurance carriers will not seek to take the position that costs and expenses associated with the ongoing investigations or costs of resolution are not subject to insurance coverage or that even if covered, the amounts incurred will not exceed the maximum amount of available insurance.

The SEC and DOJ investigations, class action lawsuit and other issues in connection with the Restatement could have an adverse impact on our business relationships.

Our operations and business rely on our reputation with consumers and relationships with our advertisers, co-brand partners, distribution partners, print partners and other business partners. The SEC and DOJ investigations, class action lawsuit and other issues in connection with the Restatement could have an adverse impact on our business relationships with our partners. Among other outcomes, these partners may seek out new partners or rely on their other partners more heavily, and reduce or potentially become unwilling to do business with us, causing our business, financial condition, results of operations and cash flows to suffer.

We have restated certain of our prior consolidated financial statements, which may lead to additional risks and uncertainties, including shareholder litigation, loss of investor confidence and negative impacts on our stock price.

As discussed in Note 2 to our consolidated financial statements included in Item 8 of this Form 10-K, we have restated our consolidated financial statements as of and for the years ended December 31, 2013, 2012 and 2011, for the quarterly periods within the years ended December 31, 2013, 2012 and 2011 and for the quarterly periods ended March 31, 2014 and June 30, 2014.

In connection with the Restatement, we incurred substantial unanticipated costs (primarily an accrual for a potential settlement with the SEC and for legal and accounting expenses) of approximately $23.6 million in 2014 and approximately $4.0 million through March 31, 2015. In addition, we have incurred and will continue to incur in 2015 additional costs related to the Restatement and related internal control remediation. We have been required to expend significant time and resources in connection with the Restatement, and the attention of our management team has been diverted by these efforts.

As a result of these events, we have become subject to a number of additional risks and uncertainties, including substantial unanticipated costs for accounting and legal fees in connection with or related to the Restatement and shareholder litigation. Likewise, such events might cause a diversion of significant management time and attention. In addition, the fact that we have completed a restatement may lead to a loss of investor confidence and have negative impacts on the trading price of our common stock.

We have identified a material weakness in the operating effectiveness of our internal controls over financial reporting that has materially adversely affected our ability to timely and accurately report our results of operations and financial condition. This material weakness has not been fully remediated as of the filing date of this report and we do not know when this weakness will be fully remediated or how costly our efforts in furtherance thereof will be.

As a result of the circumstances which gave rise to the Restatement, we have concluded that, as of December 31, 2014, we had a material weakness in the operating effectiveness of our internal control over financial reporting and that, as a result, our internal control over financial reporting was not effective at such date. See Item 9A "Controls and Procedures." A material weakness is a deficiency, or combination of deficiencies, in internal controls over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

We are in the process of implementing efforts to remediate the identified material weakness. Our efforts have been and will continue to be time consuming and expensive. We cannot give any assurance as to when we will complete our efforts to fully remediate the material weakness or the total costs we will incur in these efforts.

If we are unable to effectively implement our remediation plan and adequately manage our internal controls over financial reporting in the future, our ability to produce accurate and timely financial statements could be impaired and may lead investors and other users to lose confidence in our financial data specifically and in the Company generally.

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If we are unable to effectively implement our remediation plan and adequately manage our internal controls over financial reporting in the future, we may be unable to produce accurate or timely financial information. As a result, we may be unable to meet our ongoing reporting obligations or comply with applicable legal requirements, which could lead to the imposition of sanctions or further investigation by regulatory authorities. Any such action or other negative results caused by our inability to meet our reporting requirements or comply with legal and regulatory requirements could lead investors and other users to lose confidence in our financial data and could adversely affect our business and the trading price of our common stock. Significant deficiencies or material weaknesses in our internal controls over financial reporting could also reduce our ability to obtain financing or could increase the cost of any financing we obtain.

If we are unable to timely deliver our financial information in the future, we may be in default under the Senior Notes Indenture and our existing revolving credit agreement, which default could result in the acceleration of the payment of principal and accrued interest thereunder and under the Notes.

The Senior Notes Indenture and our existing Credit Agreement as defined below each contain covenants that require us to deliver certain financial information within a specified time. On November 6, 2014, the Company announced it had obtained a waiver under the Credit Agreement with respect to compliance with its obligation to deliver the requisite financial information for the quarter ended September 30, 2014. On March 24, 2015, the Company announced it had obtained a waiver under the Credit Agreement with respect to compliance with its obligation to deliver the requisite financial information for the year ended December 31, 2014. On May 11, 2015, the Company announced it had obtained a waiver under the Credit Agreement with respect to compliance with its obligation to deliver the requisite financial information for the quarter ended March 31, 2015.

In addition, as previously reported in the Company’s Current Report on Form 8-K dated November 14, 2014, pursuant to the Second Supplemental Indenture, dated as of November 14, 2014 (the “Second Supplemental Indenture”), by and among the Company, certain subsidiaries of the Company party thereto as guarantors and Wilmington Trust, National Association, as trustee, the Company obtained an extension of the time permitted to deliver the requisite financial information for the quarter ended September 30, 2014 and, subject to payment by the Company of an additional consent fee (as described in the Second Supplemental Indenture), for the year ended December 31, 2014. Subsequently, as previously reported in the Company’s Current Report on Form 8-K dated May 15, 2015, pursuant to the Third Supplemental Indenture, dated as of May 11, 2015 (the “Third Supplemental Indenture”), by and among the Company, certain subsidiaries of the Company party thereto as guarantors and Wilmington Trust, National Association, as trustee, the Company obtained an extension of the time permitted to deliver the requisite financial information for the quarters ended September 30, 2014 and March 31, 2015 and for the year ended December 31, 2014.

In connection with the filing of the Company’s Annual Report on Form 10-K for year 2014 and the forthcoming filing of its Quarterly Report on Form 10-Q for the first quarter of 2015, the Company has delivered and intends to deliver the requisite financial information in respect of the quarter ended September 30, 2014, the year ended December 31, 2014 and the quarter ended March 31, 2015 within the time permitted by the terms of the Third Supplemental Indenture and as required under the Credit Agreement. If, however, we are unable to timely deliver the financial information required under the Senior Notes Indenture and Credit Agreement in the future, and are unable to obtain sufficient consents from the holders of the Notes and our lenders under the Credit Agreement to obtain additional waivers, we would be in default under the Senior Notes Indenture and the Credit Agreement, and the trustee or holders of the Notes, in respect of our obligations under Senior Notes Indenture and Notes, or the lenders under the Credit Agreement, in respect of our obligations thereunder, would have the right to accelerate payment of principal and accrued interest. Further, each of the Senior Notes Indenture and Credit Agreement contain customary cross-default provisions that could, if we are able to obtain sufficient consents from the holder of the Notes but not our lenders under the Credit Agreement, or vice versa, result in acceleration of the payment of principal and accrued interest under both the Senior Notes Indenture and Notes and Credit Agreement. If we are unable to pay such accelerated obligations under the Senior Notes Indenture and the Notes or the Credit Agreement, we could be forced into bankruptcy or liquidation.

Delayed filing of some of our periodic SEC reports has made us currently ineligible to use a registration statement on Form S-3 to register the offer and sale of securities, which could adversely affect our ability to raise future capital or complete acquisitions.

Because we were unable to file our Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, our Annual Report on Form 10-K for the year ended December 31, 2014 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 with the SEC on a timely basis, we will not be eligible to register the offer and sale of our securities using a registration statement on Form S-3 until we have timely filed all periodic reports required under the Securities Exchange Act of 1934 for one year. It is possible that the final terms of any settlement with the SEC may further prolong our inability to register securities on Form S-3. Should we wish to register the offer and sale of our securities to the public prior to the time we are eligible to use Form S-3, our transaction costs would increase and the amount of time required to complete the transaction could increase, making it more difficult to execute any such transaction successfully and potentially harming our financial condition.

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We have not been in compliance with the requirements of the New York Stock Exchange for continued listing and our common stock may be delisted from trading on the New York Stock Exchange if the New York Stock Exchange does not agree that we have adequately remedied our non-compliance, which could have a material effect on us and our shareholders.

We have been delinquent in the filing of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, our Annual Report on Form 10-K for the year ended December 31, 2014 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, as a result of which we have not been in compliance with the listing rules of the NYSE.

By filing our December 31, 2014 Form 10-K and our March 31, 2015 Form 10-Q, which we intend to file shortly, we currently believe that we will have adequately remedied our current non-compliance with NYSE's listing rules. However, there can be no assurance that the NYSE will concur that we have remedied our current non-compliance, in which case our common stock could remain subject to delisting by NYSE. If our common stock were delisted, there would be no assurance whether or when it would again be listed for trading on NYSE or any other securities exchange. In addition, the market price of our shares might decline and become more volatile, and our shareholders might find that their ability to trade in our stock would be adversely affected. Furthermore, institutions whose charters do not allow them to hold securities in unlisted companies might sell our shares, which could have a further adverse effect on the price of our stock.

Risks Related to Our Business

Our success depends on revenue from online advertising and the sale of financial and senior care consumer inquiries.

We have historically derived, and we expect to continue to derive, the majority of our revenue through the monetization of consumer inquiries and the sale of advertising impressions on our online network, financial product consumer inquiries and senior care consumer inquiries. Any factors that limit the amount our customers are willing to and do spend on advertising with us, or to purchase consumer inquiries from us, could have a material and adverse effect on our business. These factors may include:

- our ability to maintain a significant number of unique website visitors, mobile visitors and application users;
- the willingness or interest of banks, lenders, brokers, credit card issuers, insurance carriers and agents, senior care providers and other advertisers in the business verticals in which we operate to advertise on our websites or mobile applications or purchase our leads, clicks, calls and referrals;
- the rate of conversion of visitors to some of our websites or mobile applications into credit card applicants and the rate at which credit card applications from consumers that come through our websites or mobile applications are approved by our credit card issuer customers;
- changes in law or regulation, or the enforcement of laws or regulations, including without limitation with respect to the advertising of personal financial services or senior care services, the provision of financial product consumer inquiries or senior care consumer inquiries, or privacy;
- the rate of conversion of consumers' visits to our websites or mobile applications into transaction fees and/or revenue from banks, mortgage brokers, or insurance agents or carriers;
- our ability to maintain and increase our relationships with third-party insurance lead sources and maintain the quality of our lead product sourced from third parties;
- the rate of conversion of consumers' visits to our websites or mobile applications into senior care referrals and the rate at which those referrals result in move-ins with our senior care customers;
- our ability to compete with alternative advertising sources;

- our ability to maintain a significant number of sellable impressions generated from website visitors available to advertisers;
- our ability to accurately assess the number and demographic characteristics of our visitors;
- our ability to handle temporary high volume traffic spikes to our online network;
- our ability to convince traditional media advertisers to advertise on our online network;
- our ability to increase traffic to our online network; and
- our ability to acquire and generate insurance consumer inquiries.

Most of our customer contracts are short-term and are subject to termination by the customer at any time and/or do not have any minimum purchase requirements. Customers who have longer-term contracts may fail to honor their existing contracts, fail to renew their contracts or reduce their purchase volume under those contracts. If a significant number of customers or a few large customers decide not to continue advertising with us or purchasing our consumer inquiries, or materially reduce such activities, we could experience an immediate and substantial decline in our revenues and operating results over a relatively short period of time.

In addition, a failure to continue to successfully execute on our strategy within our insurance channel, including without limitation our initiative to continue to improve and maintain the quality of our consumer inquiries, could adversely affect our revenue and operating results.

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We face intense competitive pressures that may harm our operating results.

We face intense competition in all our businesses, and we expect competition to remain intense in the future. We compete with, among others, search engines utilizing keyword cost-per-click advertising or comparison advertising sites/networks; lead aggregators and websites committed to specific personal finance or senior care products; numerous websites in each of our vertical categories competing for traffic and for advertisers; financial institutions, including mortgage lenders, deposit institutions, credit card issuers and insurance providers, many of whom are also our customers; and traditional offline personal finance marketing channels, including direct mail, retail bank branch networks, television, radio, print advertising and call centers. Some of these competitors have significantly greater financial resources than we do and could use those resources to develop more directly competitive product offerings and editorial content and undertake advertising campaigns to promote those new offerings and content, which could result in diminished traffic to our online services and reduce our overall competitive and market position. In addition, new competitors may enter this market as there are few barriers to entry. For example, Google presents comparisons of credit cards and insurance products through its search engine, and in the past has presented and in the future may present comparisons of mortgage or deposit rates through its search engine, which may divert consumers away from our online services, including consumers who would otherwise find, be directed or be linked to our online services through the Google search engine. If one of those competitors was successful in such efforts, it could have a material and adverse effect on our business and operating results. Our online competitors may adopt certain aspects of our business model or replicate the appearance and features of our online services, which could reduce our ability to differentiate our services. Many of our existing competitors, as well as a number of potential new competitors, have longer operating histories, greater name recognition, larger customer bases and significantly greater financial, technical and marketing resources than us. Many competitors have complementary products or services that drive traffic to their online services. In the future, competitors could introduce superior products and services or reduce prices below ours. Increased competition could result in lower consumer traffic, advertising rate reductions, reduced margins or loss of market share, any of which would adversely affect our business and operating results.

We depend upon Internet search engines to attract a significant portion of the visitors to our websites, and any change in the prominence of our websites in either paid or algorithmic search result listings could cause the number of visitors to our websites and our revenue to decline.

We depend in significant part on various Internet search engines, such as Google, Bing and Yahoo!, and other search websites to direct a significant number of visitors to our websites to provide our online services to our clients. Search websites typically provide two types of search results, algorithmic and paid listings. Algorithmic, or organic, listings are determined and displayed solely by a set of formulas designed by search companies. Paid listings can be purchased and then are displayed if particular words are included in a user’s Internet search. Placement in paid listings is generally not determined solely on the bid price, but also takes into account the search engines’ assessment of the quality of the website featured in the paid listing and other factors. We rely on both algorithmic and paid search results, as well as advertising on other websites, to direct a substantial share of the visitors to our websites.

Our ability to maintain the number of visitors to our websites from Internet search websites and other websites is not entirely within our control. For example, Internet search websites frequently revise their algorithms in an attempt to optimize their search result listings or to implement their internal standards and strategies. Changes in the algorithms could cause our websites to receive less favorable placements, which could reduce the number of users who visit our websites. We have experienced and continue to experience fluctuations in the search result rankings for a number of our websites.

In addition, the prominence of the placement of our advertisements is in part determined by the amount we are willing to pay for the advertisement. We bid against our competitors for the display of paid search engine advertisements and some of our competitors have greater resources with which to bid and better brand recognition than we have. If competition for the display of paid advertisements in response to search terms related to our online services increases, our online advertising expenses could rise significantly or we may be required to reduce the number of our paid search advertisements. If we were to reduce our advertising with search engines, our consumer traffic may significantly decline or we may be unable to maintain a cost-effective search engine marketing program.

Other factors, such as search engine technical difficulties, search engine technical changes and technical or presentation changes we make to our websites, could also cause our websites to be listed less prominently in algorithmic search results. In addition, search engines retain broad discretion to remove from search results any company whose marketing practices are deemed to be inconsistent with the search engine’s guidelines. If our marketing practices do not comply with search engine guidelines, we may, without warning, not appear in search result listings at all. Any adverse effect on the placement of our websites in search engine results could reduce the number of users who visit our websites. In turn, any reduction in the number of visitors to our websites would negatively affect our ability to earn revenue. If visits to our websites decrease, our revenue may decline or we may need to resort to more costly sources to replace lost visitors, and such decreased revenue and/or increased expense could materially and adversely affect our business and profitability.

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Our visitor traffic can be impacted by interest rate volatility.

We provide interest rate information for mortgages and other loans, credit cards and a variety of deposit accounts. Visitor traffic to our online platforms tends to increase with interest rate movements. Factors that have caused significant visitor fluctuations in the past have been Federal Reserve Board actions and general market conditions affecting home mortgage and deposit interest rates and access to credit. Additionally, the level of traffic to our websites can be dependent on interest rate levels as well as mortgage financing and refinancing activity. Accordingly, a slowdown in mortgage production or refinancing volumes could have a material and adverse effect on our business. Conversely, a sudden, significant change in interest rates could dramatically increase our page views such that we would be unable to sell sufficient advertisements to take full advantage of the spike in traffic.

We depend on third-parties for a significant portion of our insurance product consumer inquiries and traffic and to a lesser extent for our banking, credit card and senior care traffic and revenues, and any material decline in our relationships with these third parties, or increase in the price of consumer inquiries from these third parties, could have a material and adverse impact on our revenues or operating results.

A significant portion of our revenue from our insurance channel is attributable to consumer inquiries sourced from third-parties, including but not limited to website publishers, lead aggregators and email marketers. In many instances, these third parties can change the inventory they make available to us at any time and, therefore, impact our revenue. If these third parties decide not to make inventory available to us, are purchased by one of our competitors or another company that decide to no longer make inventory available to us, or decide to demand a higher price for their products, we may not be able to find replacement inventory from other sources that satisfy our requirements in a timely and cost-effective manner, which could have a material and adverse impact on our revenues or operating results.

In addition, our failure to mitigate risks associated with this traffic and consumer inquiries from third party sources within our insurance channel by developing larger direct and organic traffic could have a material and adverse impact on our revenues or operating results.

If we fail to keep pace with rapidly-changing technologies and industry standards, including without limitation the increasing shift by consumers to mobile devices from personal computers, we could lose consumers, customers or advertising inventory and our results of operations may suffer.

The business lines in which we currently operate and compete are characterized by rapidly-changing Internet media and marketing standards, changing technologies and platforms, frequent new product and service introductions, and changing consumer and customer demands and modes of accessing and providing information. The number of individuals who access the Internet through devices other than a personal computer, such as tablets and smartphones, has increased dramatically. The introduction of new technologies and services embodying new technologies and the emergence of new industry standards and practices could render our existing technologies and services obsolete and unmarketable or require unanticipated investments in technology. If consumers find our online services difficult to access through alternative devices or our competitors develop product offerings that are better adapted to or more easily accessible through alternative devices, we may fail to capture a sufficient share of an increasingly important portion of the market for online services and may fail to attract both advertisers and online traffic. Our future success will depend in part on our ability to adapt to these rapidly-changing digital media formats and platforms and other technologies, including without limitation new online and mobile technologies. We will need to enhance our existing technologies and services and develop and introduce new technologies and services to address our customers' changing demands and consumer expectations and the ways consumers access online information. If we fail to adapt successfully to such developments or timely introduce new technologies and services, we could lose consumers and customers, our expenses could increase and we could lose advertising inventory, any of which could have a material and adverse impact on our revenues or results of operations.

Our websites, applications, widgets and other products may encounter technical problems, service interruptions or security failures.

In the past, our websites have experienced significant increases in traffic and our applications and widgets have experienced significant increases in use in response to interest rate movements and other business or financial news events. The number of our visitors has continued to increase over time, and we are seeking to further increase our visitor traffic. As a result, our servers must accommodate spikes in demand for our web pages in addition to potential significant growth in traffic.

Our websites, applications, widgets and other products have in the past, and may in the future, experience slower response times or interruptions as a result of increased traffic or for other reasons. These delays and interruptions may increase in the future if our servers and infrastructure are not able to accommodate potential significant traffic growth and spikes in demand. Delays and interruptions resulting from the failure to maintain service connections to our websites or applications could frustrate visitors and reduce future traffic on our online platforms, which could have a material adverse effect on our business or results of operations.

Our principal communications, networking and operations equipment is located in commercial co-location data centers in Atlanta, Georgia; Denver, Colorado; and Austin, Texas, as well as at other locations and through Amazon Web Services. Additional communications, networking and operations equipment is located at our office locations in Palm Beach Gardens, Florida and Denver, Colorado, as well as other locations. Multiple system or network failures or catastrophic loss of facility involving these locations, particularly data centers, could lead to interruptions or delays in service for our websites or applications, which could have a material adverse effect on our business or results of operations. Additionally, we are dependent on third-party providers and their ability to provide safe, effective and cost-efficient hardware and operating environments. Our operations are dependent upon our ability, and our third-party providers' ability, to protect our systems against damage from fires, floods, tornadoes, hurricanes, earthquakes, power losses, telecommunications failures, physical or electronic break-ins, computer viruses, acts of terrorism, hacker attacks and other events beyond our control. If any of these events were to occur, it could have a material and adverse effect on our business or results of operations. Although we maintain insurance to cover a variety of risks, the scope and amount of our insurance coverage may not be sufficient to cover our losses resulting from system or security failures or other disruptions to our online operations.

Fraudulent Internet transactions, consumer identity theft, security breaches and privacy concerns could hurt our revenues and reputation.

If consumers experience identity theft, data security breaches or fraud after clicking through one of our websites or mobile applications to apply for credit cards on the websites of credit card issuers, mortgage or deposit products on the websites of brokers, lenders or banks, or insurance on the websites of insurance agents or carriers, or following the completion of a lead form, or as a result of the use of our Quizzle®, myBankrate®, WalletUp®, Wallaby® or other platforms or services, we may be exposed to significant liability, adverse publicity and damage to our reputation. Despite our implementation of security measures, our computer systems may be susceptible to electronic or physical computer break-ins, viruses and other disruptions and security breaches. In addition, we depend on vendors to store or process certain information, some of which may be private or include personally-identifiable information. If these vendors fail to maintain adequate information security systems, or in the event they experience a breach of their networks, and consumer information is compromised, our business, reputation or results of operations could be significantly harmed. In addition, third parties may attempt to fraudulently induce employees or consumers to disclose information in order to gain access to consumer data. Any perceived or actual unauthorized disclosure of personally-identifiable information of consumers using our services could significantly harm our reputation, impair our ability to attract consumers and attract and retain our advertisers, subject us to regulatory inquiry, investigation and claims, and subject us to private claims or litigation alleging damages suffered by consumers, any of which alone or together could have a material and adverse effect on our business, financial condition or operating results.

To the extent that credit card fraud or identity theft causes a general decline in consumer confidence in online financial transactions, our revenues could decline and our reputation could be damaged. If consumers are reluctant to use our services because of concerns over data privacy or credit card fraud, our ability to generate revenues would be impaired. Our revenues would also decline if changes in industry standards, regulations or laws deterred people from using online services to conduct transactions, such as applying for credit cards, or from seeking information or services that involve the transmission of confidential information. In addition, if technology upgrades or other expenditures are required to prevent security breaches of our network, boost general consumer confidence in sharing information or conducting financial transactions using online services, or prevent credit card fraud and identity theft, we may be required to expend significant capital and other resources. Further, advances in computer capabilities, new discoveries in the field of cryptography, or other events or developments could result in a compromise or breach of the algorithms we use to protect consumers' and customer companies' confidential information, which could have a material and adverse effect on our business, financial condition or operating results.

Our business depends on a strong brand and content, thus we will not be able to attract visitors and advertisers if we do not maintain and develop our brands and content.

It is critical for us to maintain and develop our brands and content so as to effectively expand our visitor base and our revenues. Our success in promoting and enhancing our brands, as well as our ability to remain relevant and competitive, depends on our success in offering high quality content, features, product offers, services and functionality. In addition, we may take actions that have the unintended consequence of harming our brand. If our actions cause consumers to question the value of our marketplace, our business and reputation may suffer. If we fail to promote our brands successfully or if visitors to our websites, users of our applications, or advertisers do not perceive our content and services to be of high quality, we may not be able to continue growing our business and attracting visitors and advertisers, which will in turn negatively impact our operating results.

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Our results of operations may fluctuate significantly.

Our results of operations are difficult to predict and may fluctuate significantly in the future as a result of factors, many of which are beyond our control. These factors include:

- changes in fees paid by our customers or customer demand for our services;
- traffic levels on our websites and mobile applications, which can fluctuate significantly;
- changes in the demand for online products and services;
- changes in fee or revenue-sharing arrangements with our distribution partners;
- changes in application approval rates by our credit card issuer customers;
- our ability to enter into or renew key distribution agreements;
- the introduction of new advertising services by our competitors;
- failure by advertisers or their agencies to pay amounts owed to us in a timely manner or at all;
- failure by our credit card customers to timely report, or to report at all, approved credit card applications for consumers that come through our websites;
- changes in access to third-party sourced consumer inquiries for insurance quotes;
- failure by our senior care customers to timely report, or to report at all, completed move-ins of the consumers that come through our websites; changes in our capital or operating expenses;
- changes in consumer confidence;
- changes in interest rates;
- general economic conditions;
- changes in financial services, senior care-related, or privacy laws or regulations, or other laws or regulations, or changes in the enforcement by government regulators of such laws or regulations; and
- insurance carrier loss ratios.

Our future revenue and results of operations are difficult to forecast due to these factors as well as other factors. As a result, period-to-period comparisons of our results of operations may not be meaningful, and you should not rely on past periods as indicators of future performance.

Restrictive covenants in the indenture governing our outstanding senior secured notes, our revolving credit agreement or other future indebtedness may limit our current and future operations, particularly our ability to respond to changes in our business or to pursue our business strategies.

The Senior Notes Indenture (as defined below) governing our 6.125% senior notes due 2018 (the “Senior Notes” or “Notes”) and our Credit Agreement contain, and any future indebtedness may contain, a number of restrictive covenants that impose significant operating and financial restrictions, including restrictions on our ability to take actions that we believe may be in our interest. The Senior Notes Indenture and the Credit Agreement limit, among other things, our ability to:

- incur additional indebtedness and guarantee indebtedness;
- pay dividends on or make distributions in respect of capital stock or make certain other restricted payments (including redemptions of subordinated indebtedness);
- enter into agreements that restrict distributions from restricted subsidiaries;
- sell or otherwise dispose of assets, including capital stock of restricted subsidiaries;
- enter into transactions with affiliates;
- create or incur liens;
- enter into sale/leaseback transactions;
- merge, consolidate or sell all or substantially all of our assets;

- make investments; and
- change our business operations.

A breach of the covenants or restrictions under the Senior Notes, the Credit Agreement or any agreement governing our future indebtedness could result in a default under the applicable indebtedness. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In the event our lenders and note holders accelerate the repayment of our borrowings, we cannot assure that we and our subsidiaries would have sufficient assets to repay such indebtedness.

The restrictions contained in the Senior Notes Indenture and the Credit Agreement could adversely affect our ability to:

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- finance our operations;
- make needed or desired capital expenditures;
- make strategic acquisitions or investments or enter into strategic alliances;
- withstand a future downturn in our business or the economy in general;
- engage in business activities, including future opportunities, that may be in our interest; and
- plan for or react to market conditions or otherwise execute our business strategies.

These restrictions could materially and adversely affect our financial condition and results of operations and our ability to satisfy our obligations under the Senior Notes and the Credit Agreement.

Risks associated with our strategic acquisitions could adversely affect our business or results of operations.

We have acquired a number of companies and assets of companies in the past and may make additional acquisitions, asset purchases and strategic investments in the future. For example, in May 2014 and December 2014, we completed the acquisition of Caring, Inc. (owner of Caring.com) and Wallaby Financial Inc., respectively and in April 2015, we completed the acquisition of Quizzle, LLC (owner of Quizzle.com). We will continue to consider acquisitions, asset purchases and joint ventures as a means of enhancing stockholder value. Our success in integrating our acquired businesses will depend upon our ability to retain key personnel, avoid diversion of management's attention from operational matters, integrate the technical operations and personnel of the acquired companies, and achieve the expected financial results, synergies and other benefits from our acquisitions.

In addition, future acquisitions could result in the incurrence of additional debt, costs and contingent liabilities. Integration of acquired operations may take longer, or be more costly or disruptive to our business, than originally anticipated.

It is also possible that expected synergies from our acquisitions may not materialize in full or at all. We may also incur costs and divert management attention through potential acquisitions that are never consummated. Future impairment losses on goodwill and intangible assets with an indefinite life recorded in connection with an acquisition, or restructuring charges, could also occur and negatively affect our results of operations.

Despite our due diligence investigation of each business that we acquire, there may be liabilities of the acquired companies that we fail to or are unable to discover during the due diligence investigation and for which we, as a successor owner, may be responsible and which could have a material and adverse effect on our business or results of operations. In connection with acquisitions, we generally seek to minimize the impact of these types of potential liabilities through the structure of the transaction or through indemnities and warranties from the seller, which may in some instances be supported by deferring payment of a portion of the purchase price. However, these indemnities and warranties, if obtained, may not fully cover the liabilities due to limitations in scope, amount or duration, financial limitations of the indemnitor or warrantor, or other reasons.

Our ability to consummate any future acquisitions on terms that are favorable to us may be limited by the number of attractive acquisition targets, internal demands, our resources and our ability to obtain financing.

We depend on attracting and retaining executive officers and personnel to continue the implementation of our long-term business strategy and could be harmed by the loss of their services.

We believe that our continued growth and future success will depend in large part on the skills of our senior management team and other skilled employees. The loss of service of one or more of our executive officers or of other key personnel could reduce our ability to successfully implement our long-term business strategy, our business could suffer and the value of our common stock could be materially and adversely affected. Leadership changes will occur from time to time and we cannot predict whether significant resignations will occur or whether we will be able to recruit additional qualified personnel. We believe our senior management team possesses valuable knowledge about our business and that their knowledge and relationships would be very difficult to replicate. Our success and the quality of our editorial content also depend on the expertise of our editors and reporters and on their relationships with the media, financial experts and other sources of information. The loss of qualified personnel, or the inability to recruit and retain qualified personnel in the future, could have a material and adverse effect on our business, financial condition or operating results.

If our employees were to unionize, our operating costs would likely increase.

Our employees are not currently represented by a collective bargaining agreement. However, we have no assurance that our employees will not unionize in the future, which could increase our operating costs, force us to alter our operating methods, and have a material and adverse effect on our operating results.

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We are from time to time involved in, or may in the future be subject to, claims, suits, government inquiries or investigations, and other proceedings that may have a material and adverse effect on our business, operating results or financial condition.

We are from time to time involved in, or may in the future be subject to, claims, suits, government inquiries or investigations, and proceedings arising from our business or the fact that we are a public company, including actions with respect to intellectual property claims, privacy, consumer protection, information security, securities laws and regulations, transactions in which we are involved, data protection or law enforcement matters, tax matters, labor and employment claims, commercial claims, as well as shareholder derivative actions, class action lawsuits, and other matters. We are also at risk where we have agreed to indemnify others for losses related to legal proceedings or from direct harm. Such claims, suits, inquiries, investigations, and proceedings are inherently uncertain and their results cannot be predicted with certainty. Defense costs and any resulting damage awards or settlement amounts may not be fully covered by our insurance policies. Regardless of the outcome, any such legal proceedings can have an adverse impact on us because of legal costs, diversion of attention of management and other personnel, and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in reputational harm, liability, penalties, or sanctions, as well as judgments, consent decrees, or orders preventing us from offering certain features, functionalities, products, or services, or requiring a change in our business practices, products or technologies, which could in the future materially and adversely affect our business, operating results or financial condition. In addition, accounting rules may require the Company to record a liability related to a particular matter prior to its resolution if the incurrence of a loss related to such matter becomes probable and reasonably estimable. See the description of the SEC, DOJ and CFPB investigations in Note 11 (Commitments and Contingencies) to our Financial Statements in this report, as well as the risk factors set forth under “Risks Related to the Restatement and Other Accounting Issues” in this Item 1A.

In addition to litigation in the ordinary course of business, we are currently involved in litigation in which it has been alleged that we have participated in anti-competitive conduct. See the description of the Banxcorp litigation in Note 11 (Commitments and Contingencies) to our Financial Statements in this report. Antitrust litigation is by its nature not in the ordinary course. Defending antitrust allegations, even if ultimately successful, can be costly and have a negative effect on our business. In addition, the relief sought by the plaintiffs in this case, if granted, could prevent Bankrate from continuing to pursue at least some aspects of its current business model, which could have a material adverse effect on our financial condition and results of operations.

Insurance coverage may not be available to cover all of our potential liability and available coverage may not be sufficient to cover all claims that we may incur.

Our ability to obtain liability insurance, its coverage levels, deductibles and premiums are all dependent on market factors, our loss history and insurers’ perception of our overall risk profile. We cannot ensure that our insurance will cover all claims or that insurance coverage will be available at economically acceptable rates. Significant uninsured liabilities could have a material and adverse effect on our business, financial condition and results of operations.

We are subject to operational risk.

We are subject to operational risk, which represents the risk of loss resulting from human error, inadequate or failed internal processes and systems, and external events. Operational risk also encompasses compliance and legal risk, which is the risk of loss from violations of, or noncompliance with, laws, rules, regulations, prescribed practices or ethical standards, as well as the risk of our noncompliance with contractual and other obligations. We are also exposed to operational risk through the aspects of our business that we outsource, and the effect that changes in circumstances or capabilities of our outsourcing vendors can have on our ability to continue to perform operational functions necessary to our business. Although we seek to mitigate operational risk through a system of internal controls, no system of controls, however well designed and maintained, is infallible. Control weaknesses or failures or other operational risks could result in charges, increased operational costs, harm to our reputation or foregone business opportunities, and also adversely impact our ability to produce accurate financial statements on a timely basis, any of which could have a material adverse effect on our business or results of operations.

We rely on the protection of our intellectual property.

Our intellectual property includes our unique research and editorial content of our websites, our applications, our URLs, our registered and unregistered trademarks and our print publications. We rely on a combination of copyrights, patents, trademarks, trade secret laws, and our policy and restrictions on disclosure to protect our intellectual property. We also enter into confidentiality agreements with our employees and consultants and seek to control access to and distribution of our proprietary information. Despite these precautions, it may be possible for other parties to copy or otherwise obtain and use the content of our websites, mobile applications or print publications without authorization. A failure to protect our intellectual property in a meaningful manner could have a material adverse effect on our business.

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We may be subject to claims that we violated intellectual property rights of others, which even if unfounded or decided in our favor may be extremely costly to defend, could require us to pay significant damages and could limit our ability to operate.

Companies in the Internet and technology industries, and other patent holders seeking to profit from royalties in connection with grants of licenses, own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. We may in the future receive notices that claim we have misappropriated or misused other parties' intellectual property rights. There may be intellectual property rights held by others, including issued or pending patents and trademarks, that cover significant aspects of our technologies, content, branding or business methods.

Because we license some of our data and content from other parties, we may be exposed to infringement actions if such parties do not possess the necessary proprietary rights. Generally, we obtain representations as to the origin and ownership of licensed content and obtain indemnification to cover any breach of any of these representations. However, these representations may not be accurate and the indemnification may be limited or otherwise may not be sufficient to provide adequate compensation for any breach of these representations.

Any future infringement or other claims or prosecutions related to our intellectual property could have a material and adverse effect on our business. Defending against any of these claims, with or without merit, could be time-consuming, result in costly litigation and diversion of technical and management personnel or require us to introduce new content or trademarks, develop new technology or enter into royalty or licensing agreements. These royalty or licensing agreements, if required, may not be available on acceptable terms, if at all.

We may face liability for, and may be subject to claims related to, information on our websites or mobile applications, which even if unfounded or decided in our favor may be extremely costly to defend, could require us to pay significant damages and could limit our ability to operate.

Much of the information published on our online platforms and in our print publications relates to the competitiveness of financial institutions' rates, products and services. We also publish editorial and other content designed to educate consumers about banking, personal finance and senior care products, and on certain of our websites provide a platform for user-generated content. If the information we provide is not accurate or is construed as misleading or outdated, consumers and others could lose confidence in our services and attempt to hold us liable for damages and government regulators could impose fines or penalties on us. We may be subjected to claims of violations of law or regulation, and claims for defamation, negligence, discrimination, invasion of personal privacy, fraud, deceptive practices, copyright or trademark infringement, conflicts of interest or other theories relating to the information we publish. We may also be exposed to similar liability in connection with content that users post to our websites through ratings, reviews, forums, blogs, comments, and other social media features. In addition, if there are errors or omissions in information we publish, consumers, individually or through consumer class actions, could seek damages from us for losses incurred if they relied on incorrect information we provided. These types of claims have been brought, sometimes successfully, against providers of online services as well as print publications. The scope and amount of our insurance may not adequately protect us against these types of claims.

We may face liability for, and may be subject to claims related to, inaccurate advertising content provided to us, which even if unfounded or decided in our favor may be extremely costly to defend, could require us to pay significant damages and could limit our ability to operate.

Much of the information on our online platforms that is provided by advertisers and collected from third parties relates to the rates, costs and features for various loan, depository, insurance, personal credit and investment products offered by financial institutions, mortgage companies, investment companies, insurance companies and others participating in the personal finance marketplace, and for providers of senior care facilities. We are exposed to the risk that some advertisers may provide us, or directly post on our websites or mobile applications, (i) inaccurate information about their product rates, costs and features, or (ii) rates, costs and features that are not available to all consumers. This could cause consumers to lose confidence in the information we provide, causing certain advertisers to become dissatisfied with our services, and result in lawsuits being filed or regulatory action against us which could material and adversely affect our business or results of operations. The scope and amount of our insurance may not adequately protect us against these types of lawsuits or actions.

Our success depends on establishing and maintaining distribution arrangements.

Our business strategy includes the distribution of our content through the establishment of co-branded web pages with high traffic business and personal finance sections of third party online services and websites. Providing access to these co-branded web pages is a

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significant part of the value we offer to our advertisers. We compete with other providers of services similar to ours to maintain our current relationships with these third party online operators and establish new relationships. In addition, as we expand our personal finance content or change our services, or as these third party online operators acquire or develop their own services, some of these third party online operators may perceive us as a competitor. As a result, they may be unwilling to promote distribution of our content or services. If our distribution arrangements do not attract a sufficient number of visitors to support our current advertising model, or if we do not establish and maintain distribution arrangements on favorable economic terms, our business could be adversely affected.

We do not have exclusive relationships or long-term contracts with the banks, mortgage lenders, credit card issuers, insurance companies and agencies, or senior care companies that are our customers, which may limit our ability to retain these customers as participants in our marketplace and maintain the attractiveness of our services to consumers.

We do not have exclusive relationship with the banks, mortgage lenders, credit card issuers, insurance companies and agencies, or senior care companies whose products are advertised on our online marketplace, and thus, consumers may obtain services or products from these companies without using our services. Many of our customers also offer their products directly to consumers through agents, mass marketing campaigns or other traditional methods of distribution. In many cases, our customers also offer their products and services online, either directly to consumers or through one or more of our online competitors, or both. An inability to retain these customers as participants in our marketplace could materially and adversely affect our business, revenues and results of operations.

Our revenue from senior living referrals is concentrated among a small number of customers.

A significant portion of our senior living referral revenue is generated from a small number of customers. We expect that most of our senior living referral revenues will continue to depend on referral fees from a small group of customers. The loss of one of these customers could significantly reduce our senior living referral revenue. In addition, if a significant customer experiences operating issues, regulatory violations, bad publicity or other problems, the fees we receive from that customer may be materially reduced.

We may be required to record a significant charge to earnings if our goodwill or amortizable intangible assets become impaired.

We are required under accounting principles generally accepted in the United States of America to review our amortizable intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be tested for impairment at least annually. Factors that may be considered a change in circumstances indicating that the carrying value of our amortizable intangible assets may not be recoverable include, among others, unanticipated competition, loss of key personnel, or a significant adverse change in the business environment. We may be required to record a significant charge to earnings in our consolidated financial statements during the period in which any impairment of our goodwill or amortizable intangible assets is determined. This could adversely impact our results of operations.

Unfavorable resolution of tax contingencies could adversely affect us.

Our tax returns and positions are subject to review and audit by federal, state, local and international taxing authorities. An unfavorable outcome to a tax audit could result in higher tax expense, and could adversely impact our financial condition, results of operations or cash flows.

We may expand to other international markets, in addition to our United Kingdom, Canada and China operations, in which we may have limited experience.

We have websites for consumers located in the United Kingdom, Canada and China. In the event that we expand into other international markets, we will have only limited experience in marketing and operating our products and services in those markets. Expansion into international markets requires significant management attention and financial resources, may require the attraction, retention and management of local offices or personnel, and requires us to tailor our services and information to the local market as well as to adapt to local cultures, languages, regulations and standards. Certain international markets may be slower than domestic markets in adopting the Internet as an advertising and commerce medium or in developing telecommunications or online infrastructure and so our operations in international markets may not develop at a rate that supports our level of investment. In addition, international consumers may not adopt the Internet for personal finance content at all or as frequently as U.S. consumers.

Our international operations are subject to increased risks which could harm our business, operating results and financial condition.

We face certain risks inherent in doing business internationally, including:

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- trade barriers and changes in trade regulations;
- difficulties in developing, staffing and simultaneously managing foreign operations as a result of distance, language, and cultural differences;
- restrictions on the use of or access to the Internet;
- longer payment cycles;
- credit risk and higher levels of payment fraud;
- currency exchange rate fluctuations;
- political or social unrest or economic instability;
- seasonal volatility in business activity;
- risks related to compliance with applicable regulations, including but not limited to anti-corruption laws such as the Foreign Corrupt Practices Act and U.K. Bribery Act;
- risks related to government regulation or required compliance with local laws in certain jurisdictions, including labor laws; and
- potentially adverse tax consequences.

One or more of these factors could harm our future international operations and consequently, could harm our brand, business, operating results, and financial condition.

If we fail to detect click-through fraud or other invalid clicks, other fraud on advertisements or unscrupulous advertisers, we could lose the confidence of our other advertisers or our customers and all or part of their business, thereby causing our business to suffer.

We are exposed to the risk of fraudulent or other invalid clicks on our advertisements or actions with respect to our consumer inquiry sources. We may in the future have to refund revenue that our advertisers or customers have paid to us and that was later attributed to, or suspected to be caused by fraud or other invalid clicks. Fraudulent or other invalid clicks may result in us receiving advertising fees that are not the result of clicks generated by consumers. Click-through fraud occurs when a person or automated system clicks on an advertisement displayed on a website with the intent of generating the revenue share payment to the publisher rather than to view the underlying content. Action fraud occurs when on-line forms are completed with false or fictitious information in an effort to increase the compensable actions in respect of which the recipient of such information is to be compensated. We do not charge our advertisers or customers for fraudulent or certain other invalid clicks or actions when they are detected, and such fraudulent or invalid activities could negatively affect our profitability or harm our reputation. If fraudulent or other invalid clicks or actions are not detected, the affected advertisers or customers may experience a reduced return on their investment in our programs, which could lead the advertisers or customers to become dissatisfied with our campaigns, and in turn, lead to loss of advertisers or customers and the related revenue.

We are also exposed to the risk that advertisers who advertise on our website will advertise interest rates or other terms on a variety of financial products that they do not intend to honor. This “bait and switch” activity encourages consumers to contact fraudulent advertisers over legitimate advertisers because the fraudulent advertisers claim to offer better interest rates or other terms. Such activity could hurt our reputation and our brand and lead to our other advertisers becoming dissatisfied with our advertising programs, which could lead to loss of advertisers and revenue.

Future government regulation of the Internet is uncertain and subject to change.

Laws and regulations that apply to online communications, commerce and advertising are continuously evolving and developing. In the United States and abroad, federal and state laws have been enacted regarding intellectual property ownership and infringement, trade secrets, the sending of unsolicited commercial email, user privacy, search engines, net neutrality, online tracking technologies, direct marketing, data security, children’s privacy, sweepstakes, promotions and acceptable content and quality of goods. This legislation could: hinder growth in the use of the Internet generally; decrease the acceptance of the Internet as a communications, commercial and advertising medium; reduce our revenue; increase our operating expenses; or expose us to significant liabilities. Additionally, taxation of online services or electronic commerce transactions may be imposed. Any regulation imposing fees for online services or electronic commerce transactions could result in a decline in the use of online services and the viability of Internet commerce, which could have a material and adverse effect on our business.

Laws and regulations may limit, restrict or place additional requirements on the way we operate our business or establish and maintain our online relationships, and may subject us to claims.

State, federal and foreign lending laws and regulations generally require accurate disclosure of the critical components of credit costs so that consumers can readily compare credit terms from various lenders. These laws and regulations also impose certain restrictions on the advertisement of these credit terms. Because we are an aggregator of rate and other information regarding many financial products, including mortgages, deposits and credit cards, we may be subject to some of these laws and regulations and we may be held liable under these laws and regulations for information provided through our online services. The insurance industry and senior care industry are also subject to numerous federal and state laws and regulations. Federal and state fraud and abuse laws could be applied to senior care referral sources where referral fees are funded using government funds.

We rely on telemarketing and email marketing conducted internally and through third parties to generate a significant number of consumer inquiries for our business. The telemarketing and email marketing services industries are subject to an increasing amount of regulation in the United States under both federal and state law. The U.S. Federal Trade Commission ("FTC") and Federal Communications Commission ("FCC") have issued regulations that place restrictions on telephone calls to residential and wireless telephone subscribers.

Most of the statutes and regulations in the United States allow a private right of action for the recovery of damages or provide for enforcement by the FTC, FCC, other federal agencies, state attorneys general or state agencies permitting the recovery of significant civil or criminal penalties, costs and attorneys' fees in the event that regulations are violated. We believe that we comply with all such applicable laws and regulations, but ensure that we, or third parties that we rely on for telemarketing, email marketing and other lead generation activities, will be in compliance with all applicable laws and regulations at all times. We cannot ensure that the FTC, FCC, other federal agencies, state attorneys general, state agencies or private litigants will not attempt to hold us responsible for any unlawful acts conducted by our third party vendors or that we could successfully enforce or collect upon any indemnities provided to us by third parties, any of which could have a material and adverse effect on our business, results of operations or financial condition. In addition, changes in these regulations or the interpretation thereof that further restrict our business activities could result in a material reduction in the number of consumer inquiries for our business and could have a material and adverse effect on our business, results of operations and financial condition.

The FCC amended its regulations under the Telephone Consumer Protection Act ("TCPA"), effective in July 2012, which could increase our exposure to liability for certain types of telephonic communication with consumers. Under the TCPA, plaintiffs may seek injunctive relief and actual monetary loss or statutory damages of $500 per violation, whichever is greater, and courts may treble the damage award for willful or knowing violations. A determination that there have been violations of laws relating to our practices under the TCPA or other communications-based statutes could expose us to damage awards that could, individually or in the aggregate, have a material adverse effect on our business, results of operations and financial condition.

Certain states have enacted, or are considering enacting, legislation that places limitations and requirements on businesses that provide referrals for senior housing. Such legislation could make the provision of our senior care services more expensive and less profitable, or prohibit the operation of those services, which would have an adverse effect on our business and results of operations.

We believe that we have structured our business and our online services to comply with applicable laws and regulations as are currently in effect. Because of uncertainties as to the applicability of some of these laws and regulations to online services and, more specifically, to our type of business, and considering that our business has evolved and expanded in a relatively short period of time, and will continue to evolve and develop, we may not always have been, and may not always be, in compliance with all applicable federal, state and foreign laws and regulations. If we are found to be in violation of any applicable laws or regulations, we could be subject to administrative enforcement actions and fines, class action lawsuits, cease and desist orders, and civil and criminal liability. If these laws and regulations are changed, or if new laws or regulations are enacted, these events could prohibit or substantially alter the content we provide on our websites and the operation of our business. Moreover, such events could materially and adversely affect our business, results of operations and financial condition.

Deterioration in general economic conditions and difficult market conditions may adversely affect the financial services industry and harm our revenue opportunities, business and financial condition.

General downward economic trends, reduced availability of commercial credit and increasing unemployment negatively impact the credit performance of commercial and consumer credit. Concerns over the stability of the financial markets and the economy in the past have resulted, and may result in the future, in decreased lending by financial institutions to their customers and to each other. These macroeconomic conditions have affected and may in the future negatively affect our business and financial condition. Economic pressure on consumers and businesses and declining confidence in the financial markets would likely cause a decrease in the demand for advertising financial products and services. Additionally, advertising expenditures tend to be cyclical, reflecting overall economic conditions and budgeting and buying patterns. Since we derive most of our revenues from advertising, deterioration in economic conditions could cause decreases in or delays in advertising spending and would be likely to reduce our revenue and could have a material and adverse effect on our business, financial condition or operating results.

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Our substantial indebtedness could adversely affect our financial flexibility and prevent us from fulfilling our obligations under the Notes and Credit Agreement.

We have, and will continue to have, a significant amount of indebtedness. As of December 31, 2014, our total indebtedness was $297.6 million, net of unamortized discount comprised of the Notes in an aggregate principal amount of $300.0 million. As of December 31, 2014, we had no loans outstanding under the Credit Agreement. Our interest expense for the year ended December 31, 2014 was $20.8 million. Our substantial level of indebtedness increases the risk that we may be unable to generate cash sufficient to invest in our business at an appropriate level, thereby making it more difficult to pay amounts due in respect of our indebtedness. Our substantial indebtedness could have other important consequences to you and significant effects on our business. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to other contractual and commercial commitments;
- limit our ability to obtain additional financing amounts to fund working capital, capital expenditures, debt service requirements, execution of our business strategy, or acquisitions and other purposes;
- require us to dedicate a substantial portion of our cash flow from operations to pay principal and interest on our debt, which would reduce the funds available to us for other purposes;
- make us more vulnerable to adverse changes in general economic, industry and competitive conditions, changes in government regulation and changes in our business by limiting our flexibility in planning for, and making it more difficult for us to react quickly to, changing conditions;
- place us at a competitive disadvantage compared to our competitors that have less debt;
- expose us to risks inherent in interest rate fluctuations because some of our borrowings are at variable rates of interest, which could result in higher interest expenses in the event of increases in interest rates; and
- make it more difficult to satisfy our financial obligations, including payments on the Notes and amounts outstanding from time to time under the New Credit Agreement.

In addition, the Senior Notes Indenture and the Credit Agreement each contain, and the agreements evidencing or governing other future indebtedness may contain, restrictive covenants that limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our indebtedness.

We may not be able to generate sufficient cash to service all of our indebtedness, including the Notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful or if successful, could adversely impact our business.

Our ability to make scheduled payments on or to refinance our debt obligations, including the Notes, depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. Our debt service obligations are currently $18.4 million per year. In addition, we entered into the Revolving Credit Facility described below, which when drawn in the future would increase the amount of our current debt service obligations. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to fund our day-to-day operations or to pay the principal, premium, if any, and interest on our indebtedness, including the Notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to sell assets or operations, seek additional capital or restructure or refinance our indebtedness, including the Notes. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, such alternative actions may not allow us to meet our scheduled debt service obligations. The Senior Notes

Indenture and the Credit Agreement each restrict, and any of our other future debt agreements may restrict, our ability to dispose of assets and use the proceeds from any such dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

In addition, we conduct our operations through our subsidiaries, certain of which may not be guarantors of the Notes or guarantors of our other indebtedness. Accordingly, repayment of our indebtedness, including the Notes, is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of the Notes, our obligations from time to time under the Credit Agreement or any future indebtedness, our subsidiaries do not have any obligation to pay amounts due on the Notes or under the Credit Agreement or to make funds available for such purposes. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the Notes. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. Although the Senior Notes Indenture and the Credit Agreement

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do, and other future debt agreements may, limit the ability of certain of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are, or in the case of future debt agreements may be, subject to certain qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the Notes.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations.

If we cannot make scheduled payments on our debt, we will be in default and, as a result, holders of Notes or our other indebtedness could declare all outstanding principal and interest to be due and payable and we could be forced into bankruptcy or liquidation.

Despite restrictions in the Senior Notes Indenture and the Revolving Credit Facility, we may still be able to incur additional indebtedness. This could increase the risks associated with our leverage, including the ability to service our indebtedness.

We may be able to incur additional indebtedness pursuant to the Senior Notes Indenture and the Credit Agreement in the future, including additional secured indebtedness. As of December 31, 2014, we were able to incur up to an additional $414.1 million of indebtedness, of which up to $100.0 million could be secured indebtedness, pursuant to the incurrence tests described in the Senior Notes Indenture and Credit Agreement. Although covenants under the Senior Notes Indenture and the Credit Agreement limit our ability and the ability of our present and future subsidiaries to incur additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and, under certain circumstances, debt incurred in compliance with these restrictions could be substantial. The Senior Notes Indenture and the Credit Agreement also allow us to incur certain additional secured and unsecured debt and allow our foreign restricted subsidiaries and our future unrestricted subsidiaries to incur additional debt, which would be structurally senior to the Notes and amounts outstanding from time to time under the Revolving Credit Facility. In addition, the Senior Notes Indenture and the Credit Agreement do not prohibit us from incurring obligations that do not constitute indebtedness as defined therein. To the extent that we incur additional indebtedness or such other obligations, the risk associated with substantial additional indebtedness described above, including our possible inability to service our debt will increase.

Risks Related to Ownership of Shares of Our Securities

The Apax Holders (defined below) control a significant interest in us and its interests may conflict with or differ from stockholder interests.

To our knowledge, Ben Holding S.à r.l., which is beneficially owned by Apax US VII, L.P., Apax Europe VII-A, L.P., Apax Europe VII-B, L.P. and Apax Europe VII-1, L.P. (the “Apax Holders”), currently owns 36% of our common stock. As a result of its ownership, the Apax Holders have the power, and pursuant to the stockholders agreement, their majority-owned subsidiary Ben Holding S.à r.l. has the contractual right, to nominate a number of directors equal to 30% of the total number of directors. Accordingly, the Apax Holders have significant influence over any decision to approve or reject any transaction that requires the approval of our board of directors or our stockholders, including significant corporate transactions such as business combinations. In addition, following a reduction of the equity owned by the Apax Holders to below 30% of our outstanding common stock, the Apax Holders, through Ben Holding S.à r.l., will retain the right to designate a certain number of designees for our board of directors until the Apax

Holders' ownership percentage falls below 5%. The Apax holders' ability to significantly influence or effectively control our decisions will continue even after selling a portion of their interests in us.

The interests of the Apax Holders could conflict with or differ from stockholder interests. For example, the concentration of ownership held by the Apax Holders could delay, defer or prevent a change of control of the Company or impede a merger, takeover or other business combination that other stockholders may otherwise support, or approve such transactions notwithstanding opposition from other stockholders. Additionally, Apax Partners is in the business of advising on investments in companies the Apax Holders hold, and they or other funds advised by Apax Partners may from time to time in the future acquire, interests in businesses that directly or indirectly compete with certain portions of our business or are suppliers or customers of ours. They may also pursue acquisitions that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us.

Item 1B. Unresolved Staff Comments

We have received no written comments regarding our periodic or current reports from the staff of the SEC that were issued 180 days or more preceding the end of our 2014 year and that remain unresolved.

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Item 2. Properties

Our corporate headquarters is in New York, New York, where we lease approximately 19,000 square feet of office space under a lease expiring in September 2016.

Our Banking business has its principal facility in Palm Beach Gardens, Florida, where we lease approximately 26,000 square feet of office space under a lease expiring in January 2027.

Our Credit Cards business has its principal facility in Austin, Texas where we lease approximately 18,000 square feet of office space under a lease expiring in November 2018.

Our Insurance business has its principal facility in Denver, Colorado where we lease approximately 21,000 square feet of office space under a lease expiring in February 2017. We also have an additional large facility in Sacramento, California where we lease approximately 11,300 square feet of office space under a lease expiring in November 2018.

Our Senior Care business has its principle facility in San Mateo, California where we lease approximately 8,000 square feet of office space under a lease expiring in December 2016.

In addition to these principal facilities we lease approximately 35,000 square feet of office space at various properties in the United States, 3,200 square feet in China, and sublease a facility in Colchester, England. These leases expire at various times. We also have a remaining period on the former principal facility for our Banking business, in North Palm Beach, Florida, where we have a lease on 23,000 square feet of office space that expires in October 2016. We use these office properties for administration, sales, operations, and business development. We operate our online network and supporting systems on servers at secure third-party co-locations, including facilities in Atlanta, Georgia, Austin, Texas and Denver, Colorado. We believe we can relocate any of our facilities without significant cost or disruption.

Item 3. Legal Proceedings

The information with respect to legal proceedings is incorporated by reference from Note 11 of our Consolidated Financial Statements included in this document.

Item 4. Mine Safety Disclosures

Not applicable

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PART II.

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock has been listed on the NYSE under the symbol "RATE" since June 17, 2011. Prior to that time, there was no public market for our stock. The following table sets forth for the indicated periods the high and low sales prices per share for our common stock on the NYSE.

Quarter Ended	Low		High	
March 31, 2013	$	9.90	$	13.57
June 30, 2013	$	11.56	$	16.15
September 30, 2013	$	14.11	$	20.72
December 31, 2013	$	16.20	$	23.14
March 31, 2014	$	15.68	$	21.49
June 30, 2014	$	14.44	$	17.97
September 30, 2014	$	10.66	$	18.19
December 31, 2014	$	9.39	$	12.79

Holders of Record

As of December 31, 2014, there were approximately 183 stockholders of record of our common stock, and the closing price of our common stock was $12.43 per share as reported by the NYSE. Because many of our shares of common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

Dividend Policy

We have not declared or paid any dividends on our common stock. We currently intend to retain all of our future earnings, if any, for use in our business and do not anticipate paying any cash dividends for the common stock in the foreseeable future. Our ability to pay dividends on our common stock is currently limited by the covenants of our Notes and Revolving Credit Facility and may be further restricted by the terms of any future debt or preferred securities. Payments of future dividends, if any, will be at the discretion of our board of directors after taking into account various factors, including our business, operating results and financial condition, current and anticipated cash needs, plans for expansion and any legal or contractual limitations on our ability to pay dividends.

Stock Performance Graph

The graph set forth below compares the cumulative total stockholder return on an initial investment of $100 in our common stock between June 17, 2011 (the date of our Initial Public Offering) and December 31, 2014, with the comparative cumulative total return of such amount on the NYSE Market Index and the RDG Internet Composite Index, over the period of May 31, 2011 to December 31, 2014. We have not paid any cash dividends and, therefore, the cumulative total return calculation for us is based solely upon stock price appreciation and not upon reinvestment of cash dividends. Data for the NYSE Market Index and the RDG Internet Composite Index assume reinvestment of dividends. The graph assumes our closing sales price on June 17, 2011 of $15.34 per share as the initial value of our common stock.

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The comparisons shown in the graph below are based upon historical data. We caution that the stock price performance shown in the graph below is not necessarily indicative of, nor is it intended to forecast, the potential future performance of our common stock.

The information presented above in the stock performance graph shall not be deemed to be “soliciting material” or to be “filed” with the SEC or subject to Regulation 14A or 14C, except to the extent that we subsequently specifically request that such information be treated as soliciting material or specifically incorporate it by reference into a filing under the Securities Act of 1933, as amended, or a filing under the Securities Exchange Act of 1934, as amended.

Recent Sale of Unregistered Securities

None.

Company Purchase of Equity Securities

The following table sets forth the Company’s purchases of equity securities for the periods indicated:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs(1)
October 1 through October 31, 2014	-	$ -	-	$ 13,984,428
November 1 through November 30, 2014	-	$ -	-	$ 13,984,428
December 1 through December 31, 2014	-	$ -	-	$ 13,984,428

(1)

On February 12, 2013 the Company's Board of Directors authorized a $70 million share repurchase program which allows the Company to repurchase shares of its common stock in open market or private transactions. The program expired on December 31, 2014.

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Equity Compensation Plan Information

The following table sets forth certain information relating to the shares of common stock that may be issued under our stock-based incentive plans at December 31, 2014:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securities holders	2,825,709	$ 16.04	3,962,250
Total	2,825,709	$ 16.04	3,962,250

For information on the features of the Company's equity compensation plan, see Management's Discussion and Analysis of Financial Condition and Results of Operations; Critical Accounting Policies; Stock-Based Compensation and Note 9 in Notes to Consolidated Financial Statements in Item 8.

Item 6. Selected Financial Data

The following table presents our selected historical consolidated financial data. The consolidated statements of operations data for the years ended December 31, 2014, 2013, 2012 and 2011 and the consolidated balance sheet data as of December 31, 2014, 2013, 2012 and 2011 are derived from our audited consolidated financial statements appearing in Item 8 of this Annual Report on Form 10-K. The consolidated statements of operations data for the year ended December 31, 2010, and the consolidated balance sheet data as of December 31, 2010, are derived from our audited consolidated financial statements that are not included in this Annual Report on Form 10-K. The consolidated statements of operations data for the quarters ended March 31, June 30, and September 30, 2014 and the consolidated balance sheet data as of March 31, June 30 and September 30, 2014 are derived from our unaudited condensed consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

The information set forth below should be read in conjunction with our consolidated financial statements and the related notes thereto, included elsewhere in this Annual Report, and the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations."

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(In thousands, except share and per share data)	Quarter ended			Year ended December 31,			
	March 31, 2014 (restated)	June 30, 2014 (restated)	September 30, 2014	2014 (3)	2013 (restated)	2012 (restated)	2011 (2 (restatec
Statement of Operations Data:							
Revenue	$ 136,275	$ 130,367	$ 141,650	$ 544,943	$ 456,936	$ 455,969	$ 424,3
Costs and expenses:							
Cost of revenue (excludes depreciation and amortization)	78,508	78,174	85,528	322,080	264,032	273,030	232,1
Sales and marketing	6,087	6,347	6,228	24,332	24,917	24,097	21,66
Product development and technology	6,875	6,979	7,399	29,001	22,374	18,193	17,10
General and administrative (4)	12,542	11,724	28,992	67,717	43,625	31,878	26,30
Legal settlements (5)	1	9,190	(7,732)	1,403	-	874	-
Acquisition, offering and related expenses	2,403	159	248	3,590	81	601	41,34
Restructuring charges	-	-	-	-	-	267	372
Change in fair value of contingent acquisition consideration	1,407	743	682	3,633	17,380	(2,347)	21
Depreciation and amortization	13,856	14,590	14,964	58,628	56,176	50,834	43,03

Total costs and expenses	121,679	127,906	136,309	510,384	428,585	397,427	382,0
Income from operations	14,596	2,461	5,341	34,559	28,351	58,542	42,29
Interest and other expenses, net	5,190	5,162	5,231	20,831	24,979	25,533	31,80
Loss on early extinguishment of debt	-	-	-	-	17,175	-	16,62
Income (loss) before taxes	9,406	(2,701)	110	13,728	(13,803)	33,009	(6,14
Income tax expense (benefit) (4)	4,874	(874)	6,927	7,635	(3,850)	4,863	5,590
Net income (loss) from continuing operations	4,532	(1,827)	(6,817)	6,093	(9,953)	28,146	(11,7
Net loss from discontinued operations, net of income taxes	(446)	(366)	(207)	(921)	(1,243)	(1,101)	(1,16
Net income (loss)	$ 4,086	$ (2,193)	$ (7,024)	$ 5,172	$ (11,196)	$ 27,045	$ (12,8
Other Financial Data:							
Basic and diluted net income (loss) per share:							
Basic - continuing operations	$ 0.04	$ (0.02)	$ (0.07)	$ 0.06	$ (0.10)	$ 0.28	$ (0.12
Diluted - continuing operations	0.04	(0.02)	(0.07)	0.06	(0.10)	0.28	(0.12
Weighted average common shares outstanding:							
Basic	100,876,470	101,894,188	100,607,876	100,399,458	100,108,316	99,985,782	94,16
Diluted	103,081,843	101,894,188	100,607,876	102,417,273	100,108,316	100,831,459	94,16
Adjusted EBITDA (6)	$ 36,863	$ 32,382	$ 36,419	$ 143,022	$ 122,207	$ 119,141	$ 132,5
Cash Flow Data (continuing operations):							
	$ (2,554)	$ 947	$ 19,373	$ 42,251	$ 101,485	$ 70,006	$ 47,22

Net cash provided by (used in) operating activities							
Net cash used in investing activities	(1,852)	(58,430)	(69,541)	(82,379)	(32,214)	(39,001)	(94,8
Net cash (used in) provided by financing activities	18,025	3,214	(47,705)	(47,736)	77,196	(3,343)	(11,7
Balance Sheet Data:							
Cash and cash equivalents	$ 243,297	$ 175,381	$ 131,732	$ 141,725	$ 229,674	$ 83,262	$ 55,58
Working capital	270,374	231,208	181,238	176,213	234,239	113,311	75,91
Intangible assets, net	335,011	351,814	348,459	338,988	347,175	376,780	375,9
Goodwill	611,233	637,267	637,303	641,367	611,233	601,431	594,1
Total assets	1,312,625	1,321,271	1,286,989	1,263,429	1,298,895	1,161,457	1,118
Total stockholders' equity	865,968	861,858	808,119	823,286	835,573	825,950	788,5

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(In thousands)	Quarter ended March 31, 2014 (restated)	June 30, 2014 (restated)	September 30, 2014	Year ended December 31, 2014 (3)	2013 (restated)	2012 (restated)	2011 (2) (restated)	2010 (1)
Net income (loss) from continuing operations	$ 4,532	$ (1,827)	$ (6,817)	$ 6,093	$ (9,953)	$ 28,146	$ (11,730)	$ (21,137)
Interest and other expenses	5,190	5,162	5,231	20,831	24,979	25,533	31,806	38,776
Income tax expense (benefit) (4)	4,874	(874)	6,927	7,635	(3,850)	4,863	5,590	(2,121)
Depreciation and amortization	13,856	14,590	14,964	58,628	56,176	50,834	43,039	35,174
Earnings before interest, taxes, depreciation and amortization (EBITDA)	28,452	17,051	20,305	93,187	67,352	109,376	68,705	50,692
Change in fair value of contingent acquisition consideration	1,407	743	682	3,633	17,380	(2,347)	21	-
Loss on extinguishment of debt	-	-	-	-	17,175	-	16,627	-
Acquisition, offering and related expenses	2,403	159	248	3,590	81	601	41,343	17,014
Stock-based compensation (7)	3,923	4,415	4,404	17,067	12,148	9,121	5,509	-
Restatement charges (8)	677	603	18,320	23,586	1,269	1,249	-	-
Impact of purchase accounting	-	221	192	556	-	-	-	-
Other non-recurring charges (credits) (9)	1	9,190	(7,732)	1,403	6,802	1,141	372	4,845
Adjusted EBITDA (6)	$ 36,863	$ 32,382	$ 36,419	$ 143,022	$ 122,207	$ 119,141	$ 132,577	$ 72,551

(1)Certain adjustments have been made to the consolidated statement of operations and consolidated balance sheet data for 2010, based on the results of the Internal Review, that are considered immaterial in the aggregate. Includes the acquired stock of NetQuote Holdings, Inc. (owner of NetQuote) and CreditCards.com, Inc. (owner of CreditCards.com), and other acquired assets and liabilities of other entities from respective dates of the acquisition.

(2)Includes the acquired assets and liabilities of Trouve Media, Inc. and InsWeb Corporation from respective dates of acquisition.

(3)Includes the acquired assets, liabilities and results of operations of Caring, Inc. and Wallaby Financial Inc. from respective dates of acquisition.

(4)Income tax expense is higher than that which would be expected by applying the statutory rates to income before tax in the quarter ended September 30, 2014 because of the assumed non-deductibility of the $15.0 million penalty included in general and administrative expenses accrued for the proposed settlement with the SEC. For the year end December 31, 2011, income tax expense is higher than that which would be expected by applying the statutory rates to income before tax because of the non-deductibility of certain transaction fees paid to related parties.

(5)Includes an accrual of $8 million in the quarter ended June 30, 2014 for certain legal expenses that management believed would not be subject to insurance coverage under existing policies. Such accrual was reversed in the quarter ended September 30, 2014, when new information became available that led management to conclude that insurance coverage would be available under those policies.

(6)Adjusted EBITDA represents income from continuing operations before depreciation and amortization, interest, income taxes, changes in fair value of contingent acquisition consideration, stock-based compensation and non-recurring items such as loss on extinguishment of debt, legal settlements, acquisition, offering and related expenses, restructuring charges, CEO transition costs and costs related to unusual regulatory actions, the Internal Review, the Restatement, and related litigation. Adjusted EBITDA is a supplemental measure of our performance and is not a measurement of our performance under GAAP and should not be considered as an alternative to net income or other performance measures derived in accordance with GAAP, or as an alternative to cash flow from operating activities as a measure of our liquidity. Management believes that the presentation of Adjusted EBITDA provides useful information to investors regarding the results of our operations because it assists in analyzing and benchmarking the performance and value of our business. Our determination of Adjusted EBITDA may not be comparable to similarly titled measures used by other companies. The table above reconciles the Company's income (loss) from continuing operations to Adjusted EBITDA.

(7)Excludes $5.8 million related to CEO transition in 2013, which is included in Other non-recurring charges.

(8) Restatement charges include costs related to unusual regulatory actions, the Internal Review, the Restatement and related litigation.

(9)Other non-recurring charges includes net legal expenses (settlements) of approximately $1,000, $9.2 million and ($7.7 million) for the quarters ending March 31, 2014, June 30, 2014 and September 30, 2014, respectively, and $1.4 million, $0.9 million and $1.6 million for the years ending December 31, 2014, 2012 and 2010, respectively. CEO transition costs of $6.8 million (of which $5.8 million is stock-based compensation) for the year ended December 31, 2013, as well as restructuring charges of $267,000, $372,000 and $3.2 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Restatement of Adjusted EBITDA

The Company has restated its audited consolidated financial statements for the years ending December 31, 2013, December 31, 2012 and December 31, 2011, its unaudited consolidated financial statements for the quarters ended

March 31, 2014 and June 30, 2014 and the related disclosures. The restated Adjusted EBITDA calculations for the three-month periods ended March 31 and June 30, 2014, and the years ended December 31, 2013, 2012 and 2011 are presented above. See Note 2 of the Notes to the Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K for discussion regarding the impact on net income of the Restatement adjustments. Of the items discussed in Note 2, the largest impact on Adjusted EBITDA was a $1.5 million reduction due to certain accruals for earnouts paid in relation to acquisitions made in 2010 and 2011 which we determined should have been recorded as compensation expense.

In addition to the adjustments described in Note 2, certain adjustments impacted Adjusted EBITDA but did not impact net income. The two largest such items were: (i) beginning in the second quarter of 2012, Bankrate accounted for $5.0 million of the cost of a three year contract as an intangible asset related to the exclusivity of the arrangement. The recognition of the cost of the intangible asset was

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recorded as amortization expense that reduced net income, but was added back in determining Adjusted EBITDA. We determined that the payment should be recorded as a prepaid expense with a life equal to the term over which Bankrate derives economic value, and the related periodic expense of $4.1 million during the Restatement Period should be recorded as a cost of revenue and not added back to Adjusted EBITDA, and (ii) The Company incurred $3.0 million in professional fees, primarily in connection with the IRS audit of the tax deductibility of advisory fees paid to Apax Partners in connection with the take private transaction in 2009. We determined that such fees should have been recorded as operating expenses rather than acquisition, offering and related expenses and not added back to Adjusted EBITDA.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion of our results of operations and financial condition with the financial statements and related notes included elsewhere in this Annual Report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs, and that involve numerous risks and uncertainties, including, but not limited to, those described in the "Cautionary Statement Concerning Forward-Looking Statements" and "Risk Factors" sections of this Annual Report and in the materials referenced therein. Actual results may differ materially from those contained in any forward-looking statements. See "Cautionary Statement Concerning Forward-Looking Statements" and "Risk Factors."

Introduction

Restatement

As previously disclosed, the SEC is conducting a non-public formal investigation of Bankrate's financial reporting, with the principal focus on the quarters ending March 31, 2012 and June 30, 2012. In connection with the ongoing SEC investigation, on September 14, 2014, Bankrate's Audit Committee, which is comprised entirely of independent outside directors, concluded that the Company's previously issued financial statements for each of years 2011, 2012 and 2013 should no longer be relied upon pending the conclusion of a full internal review of these matters. The Audit Committee retained independent counsel who retained independent forensic accountants, who were assisted in their review by the Company's current Chief Financial Officer.

During the course of its review, Bankrate's Audit Committee concluded that the accounting for certain historical business activities was not consistent with GAAP and also resulted in the Company's non-GAAP metric of Adjusted EBITDA being misstated. The Audit Committee and management agreed that all of these incorrect entries should be, and have been, corrected in the accompanying financial statements.

For more information about the Restatement, please see the Explanatory Note to this report and Notes 2 and 15, "Restatement of Consolidated Financial Statements" and "Quarterly Financial Data (unaudited)", respectively, in the notes to the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K. The following discussion and analysis of the Company's financial condition and results of operations incorporate the restated amounts.

Our Company

We are a leading publisher, aggregator and distributor of personal finance content on the Internet. We provide consumers with proprietary, fully researched, comprehensive, independent and objective personal finance editorial content across multiple vertical categories including mortgages, deposits, insurance, credit cards, senior care and other personal finance categories.

Our sources of revenue include display advertising, performance-based advertising, lead generation, distribution arrangements and traditional media avenues, such as syndication of editorial content and subscriptions.

Primarily through our Bankrate.com brand we provide consumer inquiries to advertisers that are listed in our mortgage and deposit rate tables and that hyperlink their listings or provide a phone number. Under this arrangement, advertisers pay Bankrate a specific, pre-determined amount each time a consumer clicks on that advertiser's hyperlink or calls the phone number. All clicks and calls are screened for fraudulent characteristics in accordance with Interactive Advertising Bureau advertising standards by an independent third party vendor and then charged to the customer’s account.

Primarily through our CreditCards.com brand, other owned and operated sites, and through our affiliate networks, we provide consumer inquiries to credit card issuers and principally record sales after the credit card issuers approve the consumer’s credit application.

Through our insuranceQuotes.com brand, we sell inquiries in the form of leads, clicks and calls to insurance agents and insurance carriers. We generate revenue on a per inquiry basis based on the actual number of inquiries provided.

We provide a variety of digital display advertising formats. Our most common digital display advertisement sizes are leader boards and banners, which are prominently displayed at the top, bottom or side rails of a page. We charge for these advertisements based on the number of times the advertisement is displayed or based on a fixed amount for a campaign. Advertising rates may vary depending upon the product areas targeted, geo-targeting, the quantity of advertisements purchased by an advertiser, and the length of time an advertiser runs an advertisement on our online network. We sell to advertisers targeting a specific audience in a city or state and also to national advertisers targeting the entire country.

We also derive revenue through the sale of print advertisements and the distribution (or syndication) of our editorial content.

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During 2014, subsequent to a change of our chief executive officer, we reevaluated and re-aligned the management reporting structure and how the chief operating decision maker manages, assesses performance and allocates resources for the business. As of the third quarter 2014, we operated the following business segments:

- Banking – we offer information on rates for various types of mortgages, home lending and refinancing options, specific to geographic location and covering all 50 states; rate information on various deposit products such as money markets, savings and certificates of deposits; and information on retirement, taxes and debt management. This segment also provides original articles on topics related to the housing market and loan refinancing; provides online analytic tools to calculate investment values; and provides content on topics such as 401(k)s, Social Security, tax deductions and exemptions, auto loans, debt consolidation and credit risk.
- Credit Cards – we present visitors with a comprehensive selection of consumer and business credit and prepaid cards, providing detailed information and comparison capabilities, and host news and advice on personal finance, credit card and bank policies, as well as tools and calculators to estimate credit scores and card benefits.
- Insurance – in conjunction with local agents and insurance carriers, we facilitate a consumer's ability to receive multiple competitive insurance quotes, and provide advice and detailed descriptions of insurance terms, and articles on topical subjects.
- Other – includes the results of operations of Caring.com and aggregated smaller, dissimilar operating units, the results of our investments, unallocated corporate overhead and the elimination of transactions between segments.

Developments

We continue to grow the Company partially through acquisitions. In particular, during 2014 we acquired Caring, which complements our financial services offerings with editorial content on senior care and professionally trained senior living advisors and provides us access to the fast growing senior care market.

Acquisitions During 2014

During the year ended December 31, 2014, we acquired certain assets and liabilities of certain entities for an aggregate purchase price of $73.6 million. These certain entities are individually and in the aggregate immaterial to our consolidated net assets and results of operations; however certain information has been included in Note 13 regarding the acquisition of Caring, Inc. All acquisitions were accounted for as purchases and are included in our consolidated results from their acquisition dates. We recorded approximately $29.1 million in goodwill and $43.4 million in intangible assets related to these acquisitions, consisting of $24.8 million of trademarks and URLs, $9.9 million of affiliate relationships and $8.6 million of developed technology. We have not yet finalized the purchase accounting of one acquisition as we continue to analyze certain documents and amounts. Our results of operations during the year ended December 31, 2014, as compared to the year ended December 31, 2013, are impacted by the results of these acquisitions. During the year ended December 31, 2013, these businesses had pre-acquisition revenue of approximately $6.9 million, which in a comparison of results year-over-year, would be deemed to be incremental in 2014.

Acquisitions During 2013

During the year ended December 31, 2013, we acquired certain assets and liabilities of certain entities for an aggregate purchase price of $31.5 million, including $11.6 million in fair value of contingent acquisition consideration. These certain entities were individually and in the aggregate immaterial to our consolidated net assets and results of operations. All acquisitions were accounted for as purchases and are included in our consolidated results from their acquisition dates. We recorded $9.8 million in goodwill and $20.3 million in intangible assets related to these acquisitions consisting of $11.7 million of trademarks and URLs, $1.9 million of affiliate relationships and $6.7 million of developed technology.

Acquisitions During 2012

During the year ended December 31, 2012, we acquired certain assets and liabilities of certain entities for an aggregate purchase price of $52.7 million, including $20.8 million in potential earnout consideration. These certain entities were individually and in the aggregate immaterial to our consolidated net assets and results of operations. All acquisitions were accounted for as purchases and are included in our consolidated results from their acquisition dates. We recorded $6.7 million in goodwill and $45.7 million in intangible assets related to these acquisitions consisting of $33.7 million of trademarks and URLs, $8.0 million of affiliate network, $4.0 million of customer relationships and $0.3 million of developed technology.

Certain Trends Influencing Our Business

Our business benefits from the secular shift toward consumer use of the Internet to research and shop for personal finance products coupled with increased consumer interest in comparison shopping for such products, and the related shift in advertiser demand from offline to online and toward the targeting of in-market consumers. Our ability to benefit from these trends depends on the strength of our position in the personal finance services markets driven by our brands, proprietary and aggregated content, breadth and depth of personal finance products, distribution, position in search results and monetization capabilities. The key drivers of our business include the number of in-market consumers visiting our online network, including the number of page views they generate, the availability of financial products and the demand of our online network advertisers, each of which are correlated to general macroeconomic conditions in the United States. We believe that increases in housing activity and general consumer financial activity and fluctuations in interest rates positively impact these drivers while decreases in these areas, or a deterioration in macroeconomic conditions, could have a negative impact on these drivers.

Key Initiatives

We are focused on the following key initiatives to drive our business:

- increasing visitor traffic to our online network;
- traffic optimization and monetization for both desktop and mobile;
- developing tools and content that result in repeat visits and ongoing engagement by the consumers on our site;
- optimizing the revenue of our cost-per-thousand-impressions, cost-per-click, cost-per-call and cost-per-approval models on our online network;
- revenue optimization associated with updated site designs and functionality;
- enhancing search engine marketing and keyword buying to cost effectively drive targeted impressions into our online network;
- expanding our co-brand and affiliate footprint;
- broadening the breadth and depth of the personal finance content and products that we offer on our online network;
- increasing the percentage of visitor traffic from owned and operated sites;
- further developing our mobile applications and optimizing the consumer experience across all modes of accessing our online network;
- containing our costs and expenses; and
- continuing to integrate our acquisitions to maximize synergies and efficiencies.

Revenue

We generate revenue in each of our verticals by connecting consumers with our advertisers. The amount of advertising we sell is a function of the traffic to our owned and operated properties as well as to our partners' websites and mobile applications and our ability to effectively to match these consumers with relevant advertisers.

Banking Revenue

In our banking segment we primarily generate revenue through consumer inquiries upon delivery of qualified and reported click-throughs to our advertisers from hyperlinks in tables listing rates for deposits, mortgages or other loan products, or qualified phone calls. Consumers are presented these rate table listings on our owned and operated websites and mobile applications as well as on partner websites and mobile applications. These advertisers pay us a designated transaction fee for each click-through or phone call, which occurs when a user clicks on any of their advertisement listings or makes a phone call to the advertiser. Each phone call or click-through on an advertisement listing represents a completed transaction once it passes our validation filtering process. We also sell display advertisements on our online network consisting primarily of leaderboards, banners, badges, islands, posters, and skyscraper advertisements on a cost-per-impression basis. We typically charge for these advertisements based on the number of times the advertisement is displayed.

We also earn print publishing and licensing revenue from the sale of advertising in our Mortgage Guide (formerly called the Consumer Mortgage Guide) and CD & Deposit Guide, rate tables, newsletter subscriptions, and licensing of research information. We also earn fees from distributing editorial rate tables that are published in newspapers and magazines across the United States. In addition, we license research data under agreements that permit the use of rate information we develop to advertise the licensee's products in print, radio, television, and website promotions.

Credit Card Revenue

In the credit card segment we generate revenue through consumer inquiries by delivery of qualified and reported click-throughs from hyperlinks in credit card listings and qualified phone calls to our advertisers' application forms. Consumers are presented these credit card offers on our owned and operated websites and mobile applications as well as on affiliate websites and mobile applications. Our advertisers pay us a designated transaction fee for either approved applications or completed applications resulting from those click-throughs or phone calls, which occur after a user clicks on any of their advertisement listings or makes a phone call to the advertiser and then completes an application and in most instances passes the advertiser's internal approval processes.

Insurance Revenue

In our insurance segment we generate revenue through consumer inquiries by connecting consumers that visit our owned and operated properties or our partners' websites and mobile applications, to our insurance partners' agents and carriers, either in the form of a click, a call or a lead. Each time a consumer fills out a form, we try to match the consumer to agents and carrier partners who will strive to provide the consumer with a quote and sell them a bound insurance policy. We get paid each time we submit a valid consumer inquiry to those agents and carriers. In addition, we present hyperlinks to insurance carriers and agency websites to consumers on our owned and operated websites and our partners' websites and mobile applications and get paid each time a consumer clicks through to a carrier or agency, based on the ultimate customer acquisition cost of our advertiser. We also connect customers that call our call center or that we call on behalf of agents and carriers to our advertisers' call centers and get paid for connected calls of a specified minimum duration.

From time to time we acquire completed consumer data forms from affiliates and distribute them to our agent and carrier advertisers and get paid per valid submitted form.

Senior Care Revenue

Senior Care revenue is included in the Other segment. We mainly generate revenue through move-ins to facilities that result from qualified consumer inquiries that are generated on our sites and are qualified in our call centers. In addition, we generate some revenue on a subscription basis, whereby senior care facilities pay us for inclusion in our listing regardless of move-ins to the facility.

Cost of Revenue (excludes depreciation and amortization)

Cost of revenue represents expenses directly associated with the creation of revenue and costs of fulfilling services. These costs include contractual revenue sharing obligations resulting from our distribution arrangements ("distribution payments"), cost of traffic acquisition (primarily search engine marketing expense), display advertising expense and direct response television advertising expense, salaries, editorial costs, market analysis and research costs, credit card processing fees, and allocated overhead. Distribution payments are made to website operators for visitors directed to our online network as well as to affiliates for insurance leads which we monetize through our distribution network as well as credit card offer clicks that are generated on our affiliated websites and monetized through our issuer network. These costs generally increase proportionately with revenue from our online network and distribution platforms. Editorial costs relate to writers and editors who create original content for our online publications and associates who build web pages. These costs have increased as we have added online publications and co-branded versions of our websites under distribution arrangements. Research costs include expenses related to gathering data on banking and credit products and consist primarily of compensation and benefits along with allocated overhead.

We are also involved in revenue sharing arrangements with our online partners where the consumer uses co-branded websites to which we provide web services. Revenue is effectively allocated to each partner based on the revenue earned from each website. The allocated revenue is shared according to distribution agreements.

Operating Expenses

Sales and Marketing

Sales and marketing costs represent direct selling expenses, principally for online advertising, expenses associated with expanding brand awareness of our products and services to consumers and include print and Internet advertising, marketing and promotion costs

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including email marketing and telephone marketing, and include compensation and benefits, sales commissions, allocated overhead, and stock-based compensation expense.

Product Development

Product development costs represent compensation and benefits related to site development, network systems and telecommunications infrastructure support, programming, new product design and development, other technology costs, and stock-based compensation expense.

General and Administrative

General and administrative expenses represent compensation and benefits for executive, finance and administrative personnel, professional fees, stock-based compensation expense, allocated overhead and other general corporate expenses.

Acquisition, Divestiture and Related Expenses

Acquisition, divestiture and related expenses represent direct expenses related to our acquisitions and divestitures and fees associated with our various offerings (e.g., the Senior Secured Notes exchange offer, the March 2014 Secondary Offering).

Depreciation and Amortization

Depreciation and amortization expense includes the cost of capital asset acquisitions spread over their expected useful lives on a straight-line basis. Leasehold improvements are depreciated over the underlying lease term, not to exceed twenty years. The depreciation periods are as follows:

	Estimated Useful Life
Furniture and fixtures	5-7 years
Computers and hardware	3-5 years
Equipment	3 years
Leasehold improvements	≤ 20 years

Depreciation and amortization also includes the amortization of intangible assets, consisting primarily of trademarks and URLs, software licenses, customer relationships, agent/vendor relationships, developed technologies and non-compete agreements, all of which were either acquired separately or as part of business combinations recorded under the acquisition method of accounting.

The amortization periods for intangible assets are as follows:

	Estimated Useful Life
Trademarks and URLs	2-25 years
Customer relationships	3-15 years
Affiliate relationships	1-15 years
Developed technologies	1-6 years

Interest and Other Expenses, Net

Interest and other expenses, net primarily consists of expenses associated with our long-term debt, amortization of debt issuance costs, interest on acquisition-related payments, interest income earned on cash and cash equivalents and other income.

Income Tax (Benefit) Expense

Income tax (benefit) expense consists of federal and state income taxes in the United States and taxes in certain foreign jurisdictions.

Critical Accounting Policies

Critical Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent gains and losses at the date of the financial statements and the reported amounts of revenue and expenses during the period. We base our judgments, estimates and assumptions on historical experience and various other factors that we believe to be reasonable under the circumstances. Actual results could differ materially from these estimates under different assumptions or conditions. We evaluate our judgments, estimates and assumptions on a regular basis and make changes accordingly. We believe that the judgments, estimates and assumptions involved in the accounting for revenue recognition, income taxes, the allowance for doubtful accounts receivable, stock-based compensation, useful lives of intangible assets and intangible asset impairment, goodwill impairment, acquisition accounting including the fair value of contingent acquisition consideration, and contingencies have the greatest potential impact on our financial statements, so we consider these to be our critical accounting policies. Below we discuss the critical accounting estimates associated with these policies. For further information on our critical accounting policies, see Note 3 to our consolidated financial statements included in this Annual Report.

Allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts for estimated losses resulting from the inability or unwillingness of our customers to make required payments. We look at historical write-offs and sales growth when determining the adequacy of the allowance. This estimate is inherently subjective because our estimates may be revised as more information becomes available. Should the financial condition of our customers deteriorate, resulting in an impairment of their ability to make payments, or if the level of accounts receivable increases, the need for possible additional allowances may be necessary. Any additions to the allowance for doubtful accounts are recorded as bad debt expense and included in general and administrative expenses. During the years ended December 31, 2014, 2013 and 2012 we charged approximately $494,000, $499,000 and $661,000, respectively, to bad debt expense. During the years ended December 31, 2014, 2013 and 2012 we wrote off (net of recoveries) approximately $387,000, $642,000 and $1.7 million, respectively.

Goodwill Impairment

In accordance with Accounting Standards Codification ("ASC") 350, Intangibles-Goodwill and Other, we first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not (a likelihood of more than 50%) that the fair value of our reporting unit is less than its carrying amount. We perform this assessment annually in the fourth quarter, or more frequently, if facts and circumstances warrant a review, at the reporting unit level. If after assessing the qualitative factors, we determine that it is not more likely than not that the fair value of the reporting unit is less than the carrying value then we conclude that we have no goodwill impairment and no further testing is performed, otherwise, we proceed to the two-step process. The first step under the two step process is to compare the fair value of the reporting unit to its carrying value. If the fair value exceeds the carrying value, goodwill is not impaired and no further testing is performed. The second step is performed if the carrying value exceeds the fair value. The implied fair value of the reporting unit's goodwill must be determined and compared to the carrying value of the goodwill. If the carrying value of a reporting unit's goodwill exceeds its implied value, an impairment loss equal to the difference will be recorded. We performed impairment evaluations in each period presented and concluded that there was no impairment of goodwill. Prior to the quarter ended September 30, 2014, the evaluation of the impairment of goodwill was performed at the corporate level. When the Company moved to segment reporting in the quarter ended September 30, 2014, the evaluation of the impairment of goodwill was performed at the segment level.

Impairment of Long-Lived Assets including intangible assets with finite lives

ASC 360, Property, Plant and Equipment, requires that long-lived assets including intangible assets with finite lives be amortized over their estimated useful life and reviewed for impairment. We continually monitor events and changes in circumstances that could indicate carrying amounts of our long-lived assets including intangible assets with finite lives may not be recoverable. When such events or changes in circumstances occur, we assess the recoverability of such assets by determining whether the carrying value will be recovered through the undiscounted expected future cash flows. If the future undiscounted cash flows are less than the carrying amount of such assets, we recognize an impairment loss based on the excess of the carrying amount over the fair value of the assets.

We performed impairment evaluations in 2014 and 2013, and concluded that there was no impairment of long lived assets including intangible assets with finite lives.

Acquisition Accounting

We have acquired numerous businesses and websites. The acquisition method of accounting requires companies to assign values to assets and liabilities acquired based upon their fair values. In most instances, there is not a readily defined or listed market price for individual assets and liabilities acquired in connection with a business, including intangible assets. The determination of fair value for assets and liabilities in many instances requires a high degree of estimation. The valuation of intangibles assets, in particular, is very subjective. We generally use internal cash flow models. The use of different valuation techniques and assumptions can change the amounts and useful lives assigned to the assets and liabilities acquired, including goodwill and other intangible assets and related amortization expense. We applied ASC 805, Business Combinations to all business combinations.

Contingencies

As discussed in Note 11 to our consolidated financial statements, included elsewhere in this Annual Report, various legal proceedings are pending against us. We record provisions in the consolidated financial statements for pending litigation when we determine that an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. Except as discussed in Note 11, at the present time, while it is reasonably possible that an unfavorable outcome in a case may occur, (i) management has concluded that it is not probable that a loss has been incurred; (ii) management is unable to estimate the possible loss or range of loss that could result from an unfavorable outcome; and (iii) accordingly, management has not provided any amounts in the consolidated financial statements for unfavorable outcomes, if any. Legal defense costs are expensed as incurred.

Revenue Recognition

Online advertising is the sale of advertising, sponsorships, hyperlinks, and lead generation within our online network through our owned and operated sites, such as Bankrate.com, CreditCards.com, Interest.com, CreditCardGuide.com, insuranceQuotes.com, CarInsuranceQuotes.com, AutoInsuranceQuotes.com and Caring.com. The print publishing and licensing business is primarily engaged in the sale of advertising in the Mortgage Guide and CD & Deposit Guide rate tables, newsletter subscriptions, and licensing of research information.

Consumer Inquiry Revenue

In the banking segment, we deliver consumer inquiries in the form of clicks and calls and recognize revenue monthly for each inquiry based on the number of clicks at a fixed cost-per-click-for our mortgage and deposit and other banking products. Additionally, we recognize revenue based on the number of calls at a contracted rate per-call.

In the credit card segment, we deliver consumer inquiries as a click or phone call to our advertisers and recognize revenue on a per-completed or approved application basis.

In the insurance segment we deliver consumer inquiries in the form of leads, clicks and calls through our owned and operated sites and affiliate sites that host our forms. We recognize revenue from delivered clicks at the cost-per-click contracted for during an auction bidding process for inclusion in a click listing of insurance links and we recognize revenue on a per-lead basis based on the number of valid leads delivered. In addition, we recognize revenue based on the number of validly transferred calls at a contracted rate per-call.

In the senior care vertical we deliver consumer inquiries to senior care facilities after qualifying them though our call center and matching them to a number of potential facilities. We recognize revenue per consumer that actually moves into a facility that we have referred them to.

We have also entered into revenue sharing arrangements with our vertical content and affiliate partners based on the revenue earned from their consumer inquiries.

Revenue is recorded at gross amounts and partnership and affiliate payments are recorded in cost of revenue, pursuant to the provisions of ASC Topic 605-45, Reporting Revenue Gross as a Principal versus Net as an Agent.

Display Advertising Revenue

Display advertising sales are invoiced monthly at amounts based on specific contract terms predominantly based on the number of impressions delivered to the advertiser.

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Print Publishing and Licensing Revenue

We charge for placement in the Mortgage Guide and the CD & Deposit Guide for print publication. Advertising revenue is recognized when the Mortgage Guide and the CD & Deposit Guide run in a publication. Revenue from our newsletters is recognized ratably over the period of the subscription, which is generally up to one year. Revenue from the sale of research information is recognized ratably over the contract period.

Revenue for distributing editorial rate tables is recognized ratably over the contract or subscription periods.

Stock-Based Compensation

We account for share-based compensation in accordance with ASC 718, Compensation—Stock Compensation. Under the fair value recognition provisions of ASC 718, share-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as an expense on a straight-line basis over the requisite service period, which is generally the vesting period. The valuation provisions of ASC 718 apply to new grants and to grants that were outstanding as of the effective date of ASC 718 and are subsequently modified.

Income Tax Expense (Benefit)

We account for income taxes in accordance with ASC 740, Income Taxes. Under this method, deferred income taxes are determined based on the estimated future tax effects of differences between the financial statement and tax basis of assets and liabilities given the provisions of enacted tax laws. Deferred income tax provisions and benefits are based on changes to the assets or liabilities from year to year. In providing for deferred taxes, we consider tax regulations of the jurisdictions in which we operate, estimates of future taxable income, and available tax planning strategies. If tax regulations, operating results, or the ability to implement tax-planning strategies vary, adjustments to the carrying value of the deferred tax assets and liabilities may be required. Valuation allowances are based on the “more likely than not” criteria of ASC 740.

The accounting for uncertain tax positions guidance under ASC 740 requires that we recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. We recognize interest and penalties on uncertain tax positions as a component of income tax expense. If our assessment of whether a tax position meets or does not meet the more likely than not threshold were to change, adjustments to income tax benefits may be required.

Results of Operations

The following is our analysis of the results of operations for the periods covered by our financial statements. This analysis should be read in conjunction with our financial statements, including the related notes to the financial statements. A detailed discussion of our accounting policies and procedures is set forth in the applicable sections of this analysis. Other accounting policies are contained in Note 3 to the consolidated financial statements.

During 2014, subsequent to Mr. Esterow’s appointment as chief executive officer, we reevaluated and re-aligned the management structure of the operating units and how the chief operating decision maker manages, assesses performance and allocates resources for the business; which is based upon separate financial information for each of our operating segments (see Note 7 to our Consolidated Financial Statements for further information). In identifying the reportable segments, we also considered the nature of the services provided by our operating segments and other relevant factors. We aggregate certain of our operating segments into our reportable segments.

Management evaluates the operating results of each of our operating segments based upon revenue and “Adjusted EBITDA”, which we define as income from continuing operations before depreciation and amortization, interest, income taxes, changes in fair value of contingent liabilities, stock-based compensation, and non-recurring items such as loss on extinguishment of debt, legal settlements, acquisition, offering and related expenses, restructuring charges, CEO transition costs and costs related to unusual regulatory actions, the Internal Review, restatement of financial statements, and related litigation. Our presentation of Adjusted EBITDA may not be comparable to similarly-titled measures used by other companies.

The following table displays our results for the respective periods expressed as a percentage of total revenue:

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Statement of Operations Data:	Year ended December 31, 2014	December 31, 2013 (restated)	December 31, 2012 (restated)
Revenue	100%	100%	100%
Costs and expenses:			
Cost of revenue (excludes depreciation and amortization)	59%	58%	60%
Sales and marketing	4%	5%	5%
Product development and technology	5%	5%	4%
General and administrative	12%	10%	7%
Legal settlements	0%	0%	0%
Acquisition, offering and related expenses	1%	0%	0%
Restructuring charges	0%	0%	0%
Changes in fair value of contingent acquisition consideration	1%	4%	0%
Depreciation and amortization	11%	12%	11%
	93%	94%	87%
Income from operations	7%	6%	13%
Interest and other expenses, net	4%	5%	6%
Loss on early extinguishment of debt	0%	4%	0%
Income (loss) before taxes	3%	(3%)	7%
Income tax expense (benefit)	1%	(1%)	1%
Net income (loss) from continuing operations	2%	(2%)	6%
Net loss from discontinued operations, net of income taxes	0%	0%	0%
Net income (loss)	2%	(2%)	6%

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Revenue

Total revenue was $544.9 million and $456.9 million for the years ended December 31, 2014 and 2013, respectively, representing an increase of $88.0 million or 19.3%. Within the Banking segment, total revenue of $118.5 million in 2014 was $9.4 million or 8.6% higher as compared to 2013. Revenues from our Credit Cards segment increased $34.7 million or 18.1% to $226.9 million in 2014 compared to 2013. Insurance segment revenues grew $34.0 million or 21.2% to $194.6 million. Revenues in Other, which includes Senior Care as well as intercompany eliminations, were $5.0 million.

Costs and Expenses

Cost of Revenue (excludes depreciation and amortization)

Cost of revenue for the year ended December 31, 2014 of $322.1 million was $58.1 million higher than the year ended December 31, 2013. This increase was primarily due to $39.3 million in higher distribution payments to our online partners and affiliates as a result of higher online revenue on affiliate sites, $15.4 million in higher paid marketing expense, $3.4 million of higher compensation and benefit expense and $729,000 in additional stock compensation expense.

Sales and Marketing

Sales and marketing expenses for the year ended December 31, 2014 of $24.3 million were $585,000 lower than the year ended December 31, 2013, primarily due to lower management incentive plan payments and decreased use of temporary staffing.

Development and Technology

Product development and technology costs for the year ended December 31, 2014 of $29.0 million were $6.6 million higher than the comparable period in 2013, primarily due to $3.5 million in higher compensation and benefit costs, $1.3 million higher information technology costs and $1.1 million higher stock-based compensation expense.

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General and Administrative

General and administrative expenses for the year ended December 31, 2014 of $67.7 million were $24.1 million higher than the year ended December 31, 2013, primarily due to expenses related to the Restatement and consist of an accrual of $15.0 million for a potential settlement with the SEC, an increase of $6.9 million in professional fee expenses, $2.7 million in higher employee compensation and benefit costs and $1.0 million higher technology related expenses, partially offset by $2.2 million decreased stock-based compensation expense.

Acquisition, Offering and Related Expenses

Acquisition, offering and related expenses and related party fees for the year ended December 31, 2014 were $3.6 million as compared to $81,000 for the same period in 2013. For the year ended December 31, 2014 these expenses and fees were primarily related to our acquisition of Caring, and during the year ended December 31, 2013, were primarily related to legal costs incurred related to asset acquisitions.

Change in Fair Value of Contingent Acquisition Consideration

Change in fair value of contingent acquisition consideration for the year ended December 31, 2014 was of $3.6 million compared to $17.4 million for the same period in 2013 due to the operating results of acquired businesses against performance targets.

Depreciation and Amortization

Depreciation and amortization expense for the year ended December 31, 2014 of $58.6 million was $2.5 million higher than the same period in 2013 due to a $1.4 million increase in amortization expense resulting primarily from intangibles acquired during the year ended December 31, 2014 and full year amortization of intangibles acquired during the year ended December 31, 2013.

Interest and Other Expenses, net

Interest and other expenses, net of $20.8 million for the year ended December 31, 2014 primarily consists of interest on the Senior Notes partially offset by other income and de minimis interest earned on cash and cash equivalents. Interest and other expenses, net for the year ended December 31, 2013 was $25.0 million, which primarily consisted of $7.3 million of interest on the Senior Notes, $14.8 million of interest on the Senior Secured Notes and $2.5 million for amortization of deferred financing costs and original issue discounts on the Senior Notes, the Senior Secured Notes and the Credit Agreement and Revolving Credit Facilities, and was partially offset by de minimis interest and other income.

Loss on Early Extinguishment of Debt

There was no loss on early extinguishment of debt for the year ended December 31, 2014 while $17.2 million was incurred in the year ended December 31, 2013 for the early extinguishment of $195.0 million of Senior Secured Notes.

Income Tax (Benefit) Expense

Our effective tax rate on continuing operations was 55.6% and 27.9% for the years ended December 31, 2014 and December 31, 2013, respectively. The change was principally due to the non-deductibility of certain costs related to a potential SEC settlement, reversal of uncertain tax positions in 2014 due to the settlement of the IRS audit for the years 2011 and 2012 and an increase in uncertain tax positions in 2013.

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Following is a detailed discussion of our segment results of operations:

	Revenues Year Ended December 31,		Adjusted EBITDA Year Ended December 31,	
	2014	2013	2014	2013
(In thousands)		(restated)		(restated)
Banking	$ 118,465	$ 109,057	$ 44,854	$ 42,529
Credit Cards	226,869	192,173	92,227	81,596
Insurance	194,639	160,657	25,223	11,843
Other	4,970	(4,951)	(19,282)	(13,761)
Total Company	$ 544,943	$ 456,936	143,022	122,207
Less:				
Interest and other expense			20,831	24,979
Depreciation and amortization			58,628	56,176
Change in fair value of contingent liabilities			3,633	17,380
Stock-based compensation expense (A)			17,067	12,148
Loss on extinguishment of debt			-	17,175
Acquisition, offering and related expenses			3,590	81
Restatement charges (B)			23,586	1,269
Impact of purchase accounting			556	-
Other non-recurring charges (C)			1,403	6,802
Income tax expense (benefit)			7,635	(3,850)
Net income (loss) from continuing operations			$ 6,093	$ (9,953)

(A) Excludes $5.8 million related to CEO transition in 2013, which is included in Other non-recurring charges.
(B) Restatement charges include expenses related to unusual regulatory actions, the Internal Review, restatement of our financial statements and related litigation.
(C) Other non-recurring charges include legal settlements of approximately $1.4 million for the year ending December 31, 2014 and for the year ended December 31, 2013, CEO transition costs of approximately $6.8 million (of which $5.8 million is stock-based compensation).

Banking

Revenue increased $9.4 million (8.6%) for the year ended December 31, 2014 compared with 2013. Of the total revenue growth, consumer inquiry revenues generated through our rate tables grew by $9.9 million. (16.2%) of which approximately two-thirds was driven by price and the rest by volume. Higher revenues on our rate table advertising platform, particularly in the deposits channel, were the primary driver of growth. Other revenue, primarily from display, was down approximately $500,000.

Adjusted EBITDA increased $2.3 million (5.5%). Expenses included in Adjusted EBITDA increased $7.1 million from the prior year, primarily due to a $5.8 million increase in cost of revenue, mainly related to higher partner revenue share payments and higher paid marketing expenses. Sales and marketing expenses were $531,000 lower, primarily due to $272,000 lower employee incentive expense and $214,000 lower employee compensation expense. Product development costs increased by $1.0 million primarily due to higher compensation and outside labor expenses. General and administrative expenses were $722,000 higher.

Credit Cards

Revenue increased $34.7 million (18.1%) for the year ended December 31, 2014 compared with 2013. Of the total revenue growth, consumer inquiry revenues from our owned and operated sites grew by $7.3 million (6.3%), of which volume was the primary growth driver. Consumer Inquiry revenue growth was driven by higher volume of consumer inquiries and higher advertising and marketing spend by credit card issuers. Other revenue, which is largely comprised of revenue generated through third-party affiliates, was up $27.4 million.

Adjusted EBITDA increased $10.6 million (13.0%). Expenses included in Adjusted EBITDA increased $24.1 million from the prior year, primarily due to a $22.6 million increase in cost of revenue, mainly related to higher affiliate revenue share payments. Sales and marketing expense were lower by $174,000. Product development cost increased by $573,000 primarily due to higher compensation expense. General and administrative expenses were $1.0 million higher, mainly attributed to higher employee incentive and compensation expenses and professional fees expenses.

Insurance

Revenue increased $34.0 million (21.2%) for the year ended December 31, 2014 compared with 2013. Of the total revenue growth, consumer inquiry revenues generated through our platform increased by $38.6 million (43.3%), of which volume and price drove an equal share. The growth in consumer revenue stems from higher monetization and conversion rates due to the implementation of the quality initiative in 2012, whereby lower quality inquiries acquired from third-party affiliates were reduced and increased focus was placed on generating inquiries through our owned and operated platform. Other revenue, which is largely comprised of revenue generated through third-party affiliates, decreased $4.6 million.

Adjusted EBITDA increased $13.4 million (113.0%). Expenses included in Adjusted EBITDA increased $20.6 million from the prior year, primarily due to a $19.6 million increase in cost of revenue, mainly related to higher paid marketing expense and higher affiliate revenue share payments. Sales and marketing expense was $1.4 million lower primarily attributed to lower outside labor expenses, lower agent promotional expense and lower employee compensation expense. Product development cost increased by $3.1 million primarily due to higher compensation expense. General and administrative expenses were $709,000 lower primarily due to reduced professional fees and employee incentive expense.

Other

The Other segment includes our Senior Care business along with general corporate expenses and intercompany eliminations. Revenue for the year ended December 31, 2014 compared with 2013 increased $9.9 million, while Adjusted EBITDA decreased by $5.8 million. The revenue increase can be attributed to our acquisition of Caring.com in 2014. Adjusted EBITDA declined due to the Caring.com acquisition and higher corporate expenses.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Revenue

Total revenue was $456.9 million and $456.0 million for the years ended December 31, 2013 and 2012, respectively. Within the Banking segment, total revenue of $109.1 million in 2013 was 2.3% lower as compared to 2012. Revenues from our Credit Cards segment increased 38.5% to $192.2 million in 2013 compared to 2012. Insurance segment revenues declined 23.4% to $160.7 million. Revenues in Other decreased $804,000 and represent primarily intercompany eliminations.

Costs and Expenses

Cost of Revenue (excludes depreciation and amortization)

Cost of revenue for the year ended December 31, 2013 of $264.0 million was $9.0 million lower than the same period in 2012. This decrease was due to lower paid marketing expense of $15.8 million primarily attributed to a reduction in third-party e-mail spend as part of the overall quality improvement initiative in our insurance vertical, where we directed our efforts toward improving monetization of our own internal direct search programs, partially offset by $3.0 million more in distribution payments to our online partners and affiliates as a result of higher online revenue on affiliate site, $2.5 million higher outside labor costs and $1.1 million in expenses related to higher compensation and benefits.

Sales and Marketing

Sales and marketing expenses for the year ended December 31, 2013 of $24.9 million were $820,000 higher than the year ended December 31, 2012, primarily due to a $1.5 million increase in costs of employee compensation, benefits and incentive plans and $689,000 in higher stock-based compensation expense, partially offset by decreases of $872,000 of outside labor costs and $382,000 of promotional expenses.

Product Development and Technology

Product development and technology costs for the year ended December 31, 2013 of $22.4 million were $4.2 million higher than the comparable period in 2012, primarily due to $2.7 million in higher salary, wages and incentive plan expense, $700,000 in higher information technology costs and $365,000 in higher outside labor costs.

General and Administrative

General and administrative expenses for the year ended December 31, 2013 of $43.6 million, were $11.7 million higher than the 2012, due primarily to increases of $7.8 million in stock-based compensation, $2.3 million in employee compensation expense, $512,000 in information technology costs and $359,000 in facility costs.

Acquisition, Offering and Related Expenses

Acquisition, offering and related expenses for the year ended December 31, 2013 was $81,000 as compared to $601,000 for the same period in 2012. Acquisition, offering and related expenses for the year ended December 31, 2013 were primarily related to direct legal costs incurred related to our asset acquisitions. Acquisition, offering and related expenses for the same period in 2012 were primarily related to the adjustment of over accrued estimates recorded in 2011 for costs incurred in connection with our Initial Public Offering, Secondary Offering, the acquisition of InsWeb and advisory fees to shareholders.

Restructuring Costs

There were no restructuring costs incurred for the year ended December 31, 2013, while we incurred $267,000 during the year ended December 31, 2012, as a result of terminating and relocating employees primarily related to the acquisition of InsWeb.

Change in Fair Value of Contingent Acquisition Consideration

Change in fair value of contingent acquisition consideration for the year ended December 31, 2013 was an increase of $17.4 million compared to a decrease of $2.3 million for the same period in 2012 as a result of higher than forecast results of acquired businesses.

Depreciation and Amortization

Depreciation and amortization expense for the year ended December 31, 2013 of $56.1 million was $5.3 million higher than the same period in 2012 due to intangibles acquired through acquisitions.

Interest and Other Expenses, net

Interest and other expenses, net for the year ended December 31, 2013 was $25.0 million and primarily consisted of expenses associated with the Senior Secured Notes, partially offset by other income and de minimis interest earned on cash and cash equivalents.

Loss on Early Extinguishment of Debt

Loss on early extinguishment of debt for the year ended December 31, 2013 was $17.2 million for the early extinguishment of $195 million of Senior Secured Notes.

Income Tax Expense

Our effective tax rate on continuing operations was 27.9% and 14.7% for the years ended December 31, 2013 and December 31, 2014, respectively. The change was principally due to an increase in uncertain tax positions in 2013 and reversal of uncertain tax position in 2012 due to the settlement of the IRS audit for the year 2009.

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Following is a detailed discussion of our segment results of operations:

	Revenues Year Ended December 31,		Adjusted EBITDA Year Ended December 31,	
	2013	2012	2013	2012
(In thousands)	(restated)	(restated)	(restated)	(restated)
Banking	$ 109,057	$ 111,596	$ 42,529	$ 45,805
Credit Cards	192,173	138,718	81,596	60,038
Insurance	160,657	209,802	11,843	24,849
Other	(4,951)	(4,147)	(13,761)	(11,551)
Total Company	$ 456,936	$ 455,969	$ 122,207	$ 119,141
Interest and other expense			24,979	25,533
Depreciation and amortization			56,176	50,834
Change in fair value of contingent liabilities			17,380	(2,347)
Stock-based compensation expense (A)			12,148	9,121
Loss on extinguishment of debt			17,175	-
Acquisition, offering and related expenses			81	601
Restatement charges (B)			1,269	1,249
Other non-recurring charges (C)			6,802	1,141
Income tax expense (benefit)			(3,850)	4,863
Net income (loss) from continuing operations			$ (9,953)	$ 28,146

(A) Excludes $5.8 million related to CEO transition in 2013, which is included in Other non-recurring charges.
(B) Restatement charges include expenses related to unusual regulatory actions, the Internal Review, restatement of our financial statements and related litigation.
(C) Other non-recurring charges includes CEO transition costs of approximately $6.8 million (of which $5.8 million is stock-based compensation) for the year ended December 31, 2013, and legal settlements of $874,000 and restructuring charges of $267,000 for the year ending December 31, 2012.

Banking

Revenue decreased $2.5 million (2.3%) for the year ended December 31, 2013 compared with 2012. Lower revenues on our rate table advertising platform, particularly in the mortgage channel, were the primary driver of lower overall revenues.

Adjusted EBITDA declined by $3.3 million (7.2%). Expenses included in Adjusted EBITDA increased $737,000 from the prior year. Cost of revenue was $409,000 lower, primarily due to lower paid marketing expense. Employee incentive and compensation expenses was the primary driver for higher sales and marketing expense which increased

$352,000. Product development costs increased by $1.7 million primarily due to higher employee incentive and compensation expenses and outside labor expenses. General and administrative expenses were $874,000 lower mainly attributed to lower compensation expense.

Credit Cards

Revenue increased $53.5 million (35.9%) for the year ended December 31, 2013 compared with 2012. Consumer inquiry revenue growth was driven by higher volumes of consumer inquiries and higher advertising and marketing spend by credit card issuers.

Adjusted EBITDA increased $21.6 million (35.9%). Expenses included in Adjusted EBITDA increased $31.9 million from the prior year, primarily due to a $29.6 million increase in cost of revenue, mainly related to higher affiliate revenue share payments. Sales and marketing expense was $795,000 higher, mainly due to higher employee incentive and compensation expenses and higher analytics spend. Product development costs increased by $599,000 primarily due to higher employee compensation and incentive expenses while general and administrative expense increased by $895,000 million, primarily due to higher compensation and employee incentive expenses.

Insurance

Revenue decreased $49.1 million (23.4%) for the year ended December 31, 2013 compared with 2012. The revenue decline stems from the quality initiative that the Company implemented in the middle of 2012, whereby lower quality inquiries acquired from third-party affiliates were reduced in order to improve monetization and conversion rates.

Adjusted EBITDA decreased $13.0 million (52.3%). Expenses included in Adjusted EBITDA decreased $36.1 million from the prior year, primarily due to a $37.6 million decline in cost of revenue, mainly related to lower affiliate revenue share payments and marketing expense. Sales and marketing expense was $1.3 million lower primarily attributed to lower outside labor expense and lower agent promotional spend. Product development cost increased by $1.7 million primarily due to higher employee compensation expense and higher software license expense. General and administrative expenses were $1.0 million higher, mainly due to employee incentive and compensation expenses.

Other

The Other segment includes general corporate expenses and intercompany eliminations. Revenue for the year ended December 31, 2013 compared with 2012 decreased $0.8 million, due to higher intercompany eliminations of segment revenue sharing. Adjusted EBITDA decreased by $2.2 million, due to lower revenue and higher corporate expenses.

Liquidity and Capital Resources

(In thousands)	December 31, 2014	December 31, 2013 (restated)	Change
Cash and cash equivalents	$ 141,725	$ 229,674	$ (87,949)
Working capital	$ 176,213	$ 234,239	$ (58,026)
Stockholders' equity	$ 823,286	$ 835,573	$ (12,287)

Our principal ongoing source of operating liquidity is the cash generated by our business operations. We consider all highly liquid debt investments purchased with an original maturity of less than three months to be cash equivalents.

Our primary uses of cash have been to fund our working capital and capital expenditure needs, fund acquisitions, and service our debt obligations. We believe that we can generate sufficient cash flows from operations to fund our operating and capital expenditure requirements, as well as to service our debt obligations, for the next 12 months. In the event we experience a significant adverse change in our business operations, we would likely need to secure additional sources of financing.

As of December 31, 2014, we had working capital of $176.2 million and our primary commitments were normal working capital requirements and $7.0 million in accrued interest for the Senior Notes. In addition, we had commitments for potential earnout obligations related to past acquisitions totaling $13.6 million as of December 31, 2014 due within the next twelve months.

As of December 31, 2013, we had working capital of $234.2 million and our primary commitments were normal working capital requirements and $7.4 million in accrued interest for the Senior Notes. In addition, we had commitments for potential earnout obligations related to past acquisitions totaling $38.8 million as of December 31, 2013.

We assess acquisition opportunities as they arise. Financing may be required if we decide to make additional acquisitions or if we are required to make any earnout payments to which the former owners of our acquired businesses may be entitled. There can be no assurance, however, that any such opportunities may arise, or that any such acquisitions may be consummated. Additional financing may not be available on satisfactory terms or at all when required.

Debt Financing

Senior Notes

As of December 31, 2014, we had $300.0 million in Senior Notes outstanding for which interest is accrued daily on the outstanding principal amount at 6.125% and is payable semi-annually, in arrears, on February 15th and August 15th. The Senior Notes are due August 15, 2018. Accrued interest on the Senior Notes as of December 31, 2013 is approximately $7.0 million. Refer to Note 12 in the Notes to Consolidated Financial Statements for a further description of the Senior Notes.

As previously reported in the Company's Current Report on Form 8-K dated November 14, 2014, pursuant to the Second Supplemental Indenture, dated as of November 14, 2014, by and among the Company, certain subsidiaries of the Company party thereto as guarantors and Wilmington Trust, National Association, as trustee, the Company obtained, among other things, an extension of the time permitted to deliver the requisite financial information for the quarter ended September 30, 2014 and, subject to payment by the Company of an additional consent fee, for the year ended December 31, 2014. The Company paid this additional consent fee on March 31, 2015. As a result of obtaining such extension and paying the additional consent fee, the Company was in compliance with all required covenants as of December 31, 2014. As previously reported in the Company's Current Report on Form 8-K dated May 15, 2015, pursuant to the Third Supplemental Indenture, dated as of May 11, 2015, by and among the Company, certain subsidiaries of the Company party thereto as guarantors and Wilmington Trust, National Association, as trustee, the Company obtained an extension of the time permitted to deliver the requisite financial information for the quarters ended September 30, 2014 and March 31, 2015 and for the year ended December 31, 2014. As a result of obtaining such extension, the Company was in compliance with all required covenants as of March 31, 2015.

Revolving Credit Facility

We have a Revolving Credit Facility in an aggregate amount of $70.0 million which matures on May 17, 2018 ("Revolving Credit Facility"). All obligations under the Revolving Credit Facility are guaranteed by the Guarantors and are secured, subject to certain exceptions, by first priority liens and security interests in the assets of the Company and the Guarantors.

On November 6, 2014, the Company announced it had obtained a waiver under the Revolving Credit Facility with respect to compliance with its obligation to deliver the requisite financial information for the quarter ended September 30, 2014. As of December 31, 2014, we had no amount outstanding under the Revolving Credit Facility and, as a result of this waiver, we were in compliance with all required covenants. On March 24, 2015, the Company announced it had obtained a second waiver under the Revolving Credit Facility with respect to compliance with its obligation to deliver the requisite financial information for the year ended December 31, 2014. On May 11, 2015, the Company announced it had obtained a third waiver under the Revolving Credit Facility with respect to compliance with its obligation to deliver the requisite financial information for the quarter ended March 31, 2015. As a result of obtaining the second and third waivers, we were in compliance with all required covenants as of March 31, 2015.

Operating Activities

During the year ended December 31, 2014, $42.3 million of cash was provided by operating activities from continuing operations compared to $101.5 million for the same period in 2013. The decrease is primarily due to net cash paid for income taxes of $48.4 million in 2014 compared to net cash refunded for taxes in 2013 of $10.9 million, a net decrease of $59.3 million. This was partially offset by an increase of $4.8 million in net income excluding non-cash charges (primarily depreciation and amortization, deferred income taxes, losses on early extinguishment of debt in 2013 and changes in fair value of contingent acquisition consideration) and a decrease in cash paid for interest of $6.3 million.

During the year ended December 31, 2013, operating activities of continuing operations provided cash of $101.5 million compared to $70.0 million for the same period in 2012. The increase is due primarily to net cash refunded for taxes in 2013 of $10.9 million compared to net cash paid for taxes in 2012 of $19.7 million, a net increase of $30.6 million. This was partially offset by an increase in cash paid for interest of $2.5 million and a decrease of $12.5 million in net income excluding non-cash charges (primarily depreciation and amortization, deferred income taxes, stock-based compensation, losses on early extinguishment of debt and changes in fair value of contingent acquisition consideration).

Investing Activities

For the year ended December 31, 2014, cash flows used in investing activities from continuing operations was $82.4 million compared to $32.2 million for the same period in 2013. The increase is due primarily to $49.6 million more cash used for business acquisitions and an increase of approximately $0.6 million of cash used for purchases of furniture, fixtures, equipment and capitalized website development costs.

For the year ended December 31, 2013, cash flows used in investing activities from continuing operations was $32.2 million compared to $39.0 million for the same period in 2012. The decrease is due primarily to a decrease of $9.3 million of cash used for business acquisitions, offset by an increase of $2.8 million of cash used for the purchase of furniture, fixtures, equipment and capitalized website development costs.

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Financing Activities

For the year ended December 31, 2014, cash used in financing activities from continuing operations was $47.7 million compared to cash provided by financing activities of $77.2 million for the same period in 2013. The change is due primarily to proceeds of $300.0 million from the issuance of the Senior Notes, less $11.9 million for underwriting fees and direct costs related to the issuance of such notes, and $2.8 million in proceeds from the issuance of common stock, partially offset by $209.0 million of cash used for the early redemption of the Senior Secured Notes in 2013. Additionally, there was $57.9 million used for the purchase of common stock in 2014, partially offset by an increase of $20.0 million in cash proceeds from the exercise of stock options and an increase of $8.0 million of cash used for acquisition earnouts and contingent liabilities.

For the year ended December 31, 2013, cash flows provided by financing activities from continuing operations was $77.2 million, compared to $3.4 million of cash used in financing activities for the same period of 2012. The change is due primarily to proceeds of $300.0 million from the issuance of the Senior Notes, less $11.9 million for underwriting fees and direct costs related to the issuance of such notes, and $1.4 million increase in proceeds from the issuance of common stock, partially offset by $209.0 million of cash used for the early redemption of the Senior Secured Notes in 2013.

Contractual Obligations

The following table represents the amounts due under the specified types of contractual obligations as of December 31, 2014:

	Payments Due				
(In thousands)	Less Than One Year	One to Three Years	Three to Five Years	More Than Five Years	Total
Capital lease obligations	$ 17	$ -	$ -	$ -	$ 17
Operating lease obligations (1)	4,068	4,564	2,216	5,953	16,801
Purchase obligations (2)	184	303	4	-	491
Long-term debt (3)	18,638	37,275	318,572	-	374,485
	$ 22,907	$ 42,142	$ 320,792	$ 5,953	$ 391,794

(1) Includes our obligations under existing operating leases.

(2) Represents base contract amounts for Internet hosting, co-location, content distribution and other infrastructure costs.

(3) Represents interest and principal payments on the Notes and commitment fees on the Revolving Credit Facility.

Additionally as of December 31, 2014, we have approximately $5.2 million accrued for uncertain tax positions, including estimated interest and penalties, included in other liabilities and current deferred tax assets, respectively, as we cannot determine when (or if) any tax payments will ultimately be paid. We also have approximately $13.6 million in other current liabilities and $5.4 million in other liabilities accrued for contingent acquisition consideration as of December 31, 2014.

OFF-BALANCE SHEET ARRANGEMENTS

Off-balance sheet arrangements include the following four categories: obligations under certain guarantees or contracts; retained or contingent interests in assets transferred to an unconsolidated entity or similar arrangements; obligations under certain derivative arrangements; and obligations under material variable interests.

We have not entered into any material arrangements which would fall under any of these four categories and which would be reasonably likely to have a current or future material effect on our results of operations, liquidity or financial condition.

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Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

The primary objective of our investment strategy is to preserve principal while maximizing the income we receive from investments without significantly increasing risk. To minimize this risk, to date we have maintained our portfolio of cash equivalents in short-term and overnight investments that are not subject to risk to principal, as the interest paid on such investments fluctuates with the prevailing interest rates. As of December 31, 2014, we do not have any cash equivalents.

None of our outstanding debt as of December 31, 2014 was subject to variable interest rates as we did not have an outstanding balance for borrowed money under our Revolving Credit Facility as of December 31, 2014. Interest under the Revolving Credit Facility accrues at variable rates based, at our option, on the alternate base rate (as defined in the Revolving Credit Facility) plus a margin of 3.00% or at the adjusted LIBO rate (as defined in the Revolving Credit Facility) plus a margin of 2.00%. Our fixed interest rate debt includes $300 million of the Senior Notes in the aggregate principal amount.

Exchange Rate Sensitivity

Our exposure to exchange rate risk is primarily that of a net receiver of currencies other than the U.S. dollar. Accordingly, changes in exchange rates, and in particular a strengthening of the U.S. dollar, will negatively affect the Company's net sales and income from operations as expressed in U.S. dollars. Additionally, we have not engaged in any derivative or hedging transactions to date.

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Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders

Bankrate, Inc.

We have audited the accompanying consolidated balance sheets of Bankrate, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2014. These financial statements are

the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bankrate, Inc. and subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the financial statements, the 2012 and 2013 financial statements have been restated to correct certain misstatements.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2014, based on criteria established in the 1992 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated June 17, 2015 expressed an adverse opinion.

/s/ GRANT THORNTON LLP

Fort Lauderdale, Florida

June 17, 2015

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Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders

Bankrate, Inc.

We have audited the internal control over financial reporting of Bankrate, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2014, based on criteria established in the 1992 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. Our audit of, and opinion on, the Company's internal control over financial reporting does not include internal control over financial reporting of Caring.com, whose assets and operations were purchased from Caring.com in 2014, and whose financial records reflect total assets and revenues constituting 4% and 2%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2014. As indicated in Management's Report, Caring.com was acquired during the second quarter of 2014 and therefore management's assertion on the effectiveness of the Company's internal control over financial reporting excluded internal control over financial reporting for these assets and operations.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or combination of control deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment.

Management has identified a material weakness as described in management's report.

In our opinion, because of the effect of the material weakness described above on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2014, based on criteria established in the 1992 Internal Control—Integrated Framework issued by COSO.

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We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of the Company as of and for the year ended December 31, 2014. The material weakness identified above was considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements, and this report does not affect our report dated June 17, 2015 which expressed an unqualified opinion on those financial statements.

/s/ GRANT THORNTON LLP

Fort Lauderdale, Florida

June 17, 2015

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Management's Report on Internal Control Over Financial Reporting

Bankrate’s management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Securities Exchange Act of 1934. Bankrate's management assessed the effectiveness of Bankrate's internal control over financial reporting as of December 31, 2014 based on the framework in the 1992 Internal Control—Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the results of the assessment, Bankrate's management concluded that Bankrate's internal control over financial reporting was not effective as of December 31, 2014.

The scope of management’s assessment of the effectiveness of our internal controls over financial reporting included all of our consolidated operations except for the operations of Caring, Inc. and Wallaby Financial Inc., which we acquired during 2014. Caring, Inc. and Wallaby Financial Inc. operations represented approximately 4% of our consolidated total assets and approximately 2% of our consolidated net revenues as of and for the year ended December 31, 2014.

The effectiveness of Bankrate's internal control over financial reporting as of December 31, 2014 has been audited by Grant Thornton LLP, Bankrate's independent registered public accounting firm, as stated in their report which appears in this Annual Report on Form 10-K.

/s/ Kenneth S. Esterow/s/ Steven D. Barnhart

Kenneth S. EsterowSteven D. Barnhart

President and Chief Executive OfficerSenior Vice President and Chief Financial Officer

June 17, 2015June 17, 2015

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Bankrate, Inc. and Subsidiaries

Consolidated Balance Sheets

(In thousands, except share and per share data)

	December 31, 2014	December 31, 2013 (restated)
Assets		
Cash and cash equivalents	$ 141,725	$ 229,674
Accounts receivable, net of allowance for doubtful accounts of $419 and $620 at December 31, 2014 and December 31, 2013, respectively	70,865	61,859
Deferred income taxes	6,407	9,258
Prepaid expenses and other current assets	35,652	13,587
Assets held for sale	1,627	1,476
Total current assets	256,276	315,854
Furniture, fixtures and equipment, net of accumulated depreciation of $24,756 and $17,524 at December 31, 2014 and December 31, 2013, respectively	13,299	11,258
Intangible assets, net of accumulated amortization of $228,667 and $177,140 at December 31, 2014 and December 31, 2013, respectively	338,988	347,175
Goodwill	641,367	611,233
Other assets	13,499	13,375
Total assets	$ 1,263,429	$ 1,298,895
Liabilities and Stockholders' Equity		
Liabilities		
Accounts payable	8,047	7,144
Accrued expenses	46,030	38,686
Deferred revenue and customer deposits	4,303	3,665
Accrued interest	6,980	7,379
Other current liabilities	13,629	24,569
Liabilities subject to sale	1,074	172
Total current liabilities	80,063	81,615
Deferred income taxes	51,633	56,500
Long term debt, net of unamortized discount	297,598	297,021
Other liabilities	10,849	28,186
Total liabilities	440,143	463,322
Commitments and contingencies		
Stockholders' equity		
Common stock, par value $.01 per share - 300,000,000 shares authorized at December 31, 2014 and December 31, 2013;		

104,701,530 shares and 101,749,513 shares issued at December 31, 2014 and December 31, 2013, respectively; 101,485,200 shares and 101,698,985 shares outstanding at December 31, 2014 and December 31, 2013, respectively	1,047	1,017
Additional paid-in capital	892,738	864,152
Accumulated deficit	(23,639)	(28,811)
Less: Treasury stock, at cost - 3,216,330 shares and 50,528 shares at December 31, 2014 and December 31, 2013, respectively	(46,494)	(592)
Accumulated other comprehensive loss	(366)	(193)
Total stockholders' equity	823,286	835,573
Total liabilities and stockholders' equity	$ 1,263,429	$ 1,298,895

The accompanying notes are an integral part of these consolidated financial statements.

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Bankrate, Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income (Loss)

(In thousands, except share and per share data)

	Year ended December 31, 2014	December 31, 2013 (restated)	December 31, 2012 (restated)
Revenue	$ 544,943	$ 456,936	$ 455,969
Costs and expenses:			
Cost of revenue (excludes depreciation and amortization)	322,080	264,032	273,030
Sales and marketing	24,332	24,917	24,097
Product development and technology	29,001	22,374	18,193
General and administrative	67,717	43,625	31,878
Legal settlements	1,403	-	874
Acquisition, offering and related expenses	3,590	81	601
Restructuring charges	-	-	267
Changes in fair value of contingent acquisition consideration	3,633	17,380	(2,347)
Depreciation and amortization	58,628	56,176	50,834
Total costs and expenses	510,384	428,585	397,427
Income from operations	34,559	28,351	58,542
Interest and other expenses, net	20,831	24,979	25,533
Loss on early extinguishment of debt	-	17,175	-
Income (loss) before taxes	13,728	(13,803)	33,009
Income tax expense (benefit)	7,635	(3,850)	4,863
Net income (loss) from continuing operations	6,093	(9,953)	$ 28,146
Net loss from discontinued operations, net of income taxes	(921)	(1,243)	(1,101)
Net income (loss)	$ 5,172	$ (11,196)	27,045
Basic net income (loss) per share:			
Continuing operations	$ 0.06	$ (0.10)	$ 0.28
Discontinued operations	(0.01)	(0.01)	(0.01)
Basic net income (loss) per share	$ 0.05	$ (0.11)	$ 0.27
Diluted net income (loss) per share:			

Continuing operations	$ 0.06	$ (0.10)	$ 0.28
Discontinued operations	(0.01)	(0.01)	(0.01)
Diluted net income (loss) per share	$ 0.05	$ (0.11)	$ 0.27
Weighted average common shares outstanding:			
Basic	100,399,458	100,108,316	99,985,782
Diluted	102,417,273	100,108,316	100,831,459
Net income (loss)	$ 5,172	$ (11,196)	$ 27,045
Other comprehensive (loss) income, net of tax	(173)	57	375
Comprehensive income (loss)	$ 4,999	$ (11,139)	$ 27,420

The accompanying notes are an integral part of these consolidated financial statements.

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Bankrate, Inc. and Subsidiaries

Consolidated Statements of Stockholders' Equity

(In thousands)

	Common Stock				Treasury Stock			
(In thousands)	Shares	Amount	Additional paid-in capital	Accumulated Deficit	Shares	Amount	Accumulated Other Comprehensive Loss - Foreign Currency Translation	Total Stockholders' Equity
Balance at January 1, 2012 (restated)	99,992	$ 1,000	$ 832,797	$ (44,660)	-	$ -	$ (625)	$ 788,512
Other comprehensive income, net of taxes	-	-	-	-	-	-	375	375
Treasury stock purchased	-	-	-	-	(50)	(592)	-	(592)
Restricted stock forfeited	(10)	-	-	-	-	-	-	-
Common stock issued	116	-	1,462	-	-	-	-	1,462
Stock-based compensation	-	-	9,121	-	-	-	-	9,121
Excess tax benefit	-	-	27	-	-	-	-	27
Net income	-	-	-	27,045	-	-	-	27,045
Balance at December 31, 2012 (restated)	100,098	$ 1,000	$ 843,407	$ (17,615)	(50)	$ (592)	$ (250)	$ 825,950
Other comprehensive income, net of taxes	-	-	-	-	-	-	57	57
Restricted stock issued, net of cancellations	1,043	11	(11)	-	-	-	-	-
Performance stock issued, net of cancellations	420	4	(4)	-	-	-	-	-

Common stock issued	188	2	2,827	-	-	-	-	2,829
Stock-based compensation	-	-	17,960	-	-	-	-	17,960
Excess tax benefit	-	-	(27)	-	-	-	-	(27)
Net loss	-	-	-	(11,196)	-	-	-	(11,196)
Balance at December 31, 2013 (restated)	101,749	$ 1,017	$ 864,152	$ (28,811)	(50)	$ (592)	$ (193)	$ 835,573
Other comprehensive loss, net of taxes	-	-	-	-	-	-	(173)	(173)
Treasury stock purchased	-	-	-	-	(3,940)	(57,879)	-	(57,879)
Restricted stock issued, net of cancellations	824	8	(10,993)	-	701	10,985	-	-
Performance stock issued, net of cancellations	528	6	(998)	-	73	992	-	-
Common stock issued	1,540	16	22,810	-	-	-	-	22,826
Common stock issued as acquisition payment	60	-	700		-			700
Stock-based compensation	-	-	17,067	-	-	-	-	17,067
Net income	-	-	-	5,172	-	-	-	5,172
Balance at December 31, 2014	104,701	$ 1,047	$ 892,738	$ (23,639)	(3,216)	$ (46,494)	$ (366)	$ 823,286

The accompanying notes are an integral part of these consolidated financial statements.

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Bankrate, Inc. and Subsidiaries

Consolidated Statement of Cash Flows

(In thousands)

	Year ended December 31, 2014	December 31, 2013 (restated)	December 31, 2012 (restated)
Cash flows from operating activities			
Net income (loss) from continuing operations	$ 6,093	$ (9,953)	$ 28,146
Adjustments to reconcile net income (loss) from continuing operations to net cash provided by (used in) operating activities			
Depreciation and amortization	58,628	56,176	50,834
Provision for doubtful accounts receivable	494	499	661
Deferred income taxes	(382) 4	(18,656)	6,816
Amortization of deferred financing charges and original issue discount	2,201	2,529	2,510
Loss on early extinguishment of debt	-	17,175	-
Stock-based compensation	17,067	17,960	9,121
Excess tax benefit from stock-based compensation	-	27	(27)
Loss on disposal of assets	-	399	47
Changes in fair value of contingent acquisition consideration	3,633	17,380	(2,347)
Change in operating assets and liabilities, net of effect of business acquisitions			
Accounts receivable	(8,184)	(6,315)	8,643
Prepaid expenses and other assets	(22,561)	7,621	(20,779)
Accounts payable	(317)	(1,631)	(3,425)
Accrued expenses	6,677	16,819	(2,414)
Other liabilities	(21,506)	1,540	(5,456)
Deferred revenue	408	(85)	(2,323)
Net cash provided by operating activities - continuing operations	42,251	101,485	70,007
Net cash provided by (used in) operating activities - discontinued operations	256	402	(58)
Net cash provided by operating activities	42,507	101,887	69,949

Cash flows from investing activities			
Purchases of furniture, fixtures and equipment and capitalized website development costs	(10,656)	(10,094)	(7,304)
Cash used in business acquisitions, net	(71,729)	(22,125)	(31,393)
Restricted cash	6	5	(304)
Net cash used in investing activities - continuing operations	(82,379)	(32,214)	(39,001)
Net cash used in investing activities - discontinued operations	(316)	(369)	(398)
Net cash used in investing activities	(82,695)	(32,583)	(39,399)
Cash flows from financing activities			
Proceeds from issuance of long term debt	-	300,000	-
Underwriting fees and direct costs on issuance of long term debt	-	(11,882)	-
Cash paid for contingent acquisition consideration	(12,683)	(4,700)	(4,241)
Repurchase of senior secured notes	-	(209,024)	-
Purchase of Company common stock	(57,879)	-	(592)
Proceeds from exercise of stock options, net of costs	22,826	2,829	1,462
Excess tax benefit from stock-based compensation	-	(27)	27
Net cash (used in) provided by financing activities - continuing operations	(47,736)	77,196	(3,344)
Net cash provided by financing activities - discontinued operations	-	-	-
Net cash (used in) provided by financing activities	(47,736)	77,196	(3,344)
Effect of exchange rate on cash and cash equivalents	(96)	(19)	171
Net (decrease) increase in cash	(88,020)	146,481	27,377

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Cash - beginning of period	230,071	83,590	56,213
Cash - end of period	142,051	230,071	83,590
Less cash of discontinued operations - end of period	326	397	328
Cash of continuing operations - end of period	$ 141,725	$ 229,674	$ 83,262
Supplemental disclosure of other cash flow activities			
Cash paid for interest	$ 19,532	$ 25,826	$ 23,292
Cash paid (refunded) for taxes, net of refunds (payments)	$ 48,444	$ (10,853)	$ 19,705
Supplemental disclosure of non-cash investing and financing activities			
Contingent acquisition consideration	$ 1,930	$ 11,600	$ 20,800

The accompanying notes are an integral part of these consolidated financial statements.

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NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

The Company

Bankrate, Inc. and its subsidiaries (“Bankrate” or the “Company,” “we,” “us,” “our”) own and operate an Internet-based consumer banking and personal finance network (“Online Network”). Our flagship websites, Bankrate.com, CreditCards.com, insuranceQuotes.com and Caring.com are some of the Internet’s leading aggregators of information on more than 300 financial products and services, including mortgages, deposits, credit cards, insurance, and other personal finance categories. Additionally, we provide financial applications and information to a network of distribution partners and through national and state publications.

During 2014, subsequent to Mr. Esterow’s appointment as our chief executive officer, the Company reevaluated and re-aligned its management reporting structure and how the chief operating decision maker manages, assesses performance and allocates resources for the business. The Company now operates the following business segments:

- Banking – we offer information on rates for various types of mortgages, home lending and refinancing. We maintain current rate information for more than 600 local markets, covering all 50 U.S. states. Consumers can customize searches for mortgage rates by loan size, type, maturity, and location through our online portals. We also offer rate information and original editorial content on various deposit products, retirement, taxes and debt management.
- Credit Cards – we present visitors a comprehensive selection of consumer and business credit and prepaid cards, providing detailed information and comparison capabilities, and host news and advice on personal finance, credit card and bank policies, as well as tools and calculators to estimate credit scores and card benefits.
- Insurance – in conjunction with local agents and insurance carriers, we facilitate a consumer’s ability to receive multiple competitive insurance quotes, provide advice and detailed descriptions of insurance terms and articles on topical subjects.
- Other – includes the results of operations of Caring.com and aggregated smaller operating units, which operate businesses dissimilar to those of the reportable segments, and the results of the Company’s investments, unallocated corporate overhead and the elimination of transactions between segments.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Bankrate, Inc., and subsidiaries NetQuote Holdings, Inc. (“NetQuote”), NetQuote Inc., CreditCards.com, Inc. (“CreditCards”), LinkOffers, Inc., CreditCards.com Limited (United Kingdom), Freedom Marketing Limited (United Kingdom), Caring, Inc., and Wallaby Financial Inc. after elimination of all intercompany accounts and transactions. During the quarter ended September 30, 2014, the Company commenced the process of divesting its operations in China. The operating results and the assets and liabilities of the operations in China are classified as discontinued operations for all periods presented in the Company’s consolidated financial statements.

Reclassification

Certain reclassifications have been made to the Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2013 and 2012 to conform to the presentation for the year ended December 31, 2014. In the third quarter 2014, the Company announced that it has commenced the process of divesting its operations in China. In accordance with GAAP, the results of our operations in China are presented as discontinued operations, and, as such, have been excluded from continuing operations in the Consolidated Statements of Comprehensive Income (Loss) for all periods presented. The assets and liabilities of the operations in China at December 31, 2014 and December 31, 2013 have been reclassified and segregated as held for sale in the Consolidated Balance Sheets. The cash flows related to the operations in China have been reclassified and segregated in the Consolidated Statement of Cash Flows for all periods presented. Amounts related to the operations in China are consistently excluded from the Notes to Consolidated Financial Statements for all periods presented.

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In the fourth quarter 2014, the Company changed the presentation of its Consolidated Statements of Comprehensive Income (Loss). Costs directly related to traffic acquisition, which include website advertising, click-through charges and all other direct marketing-related expenses, have been reclassified from sales and marketing to Cost of Revenue. Credit card fees have been reclassified from general and administrative operating expenses to Cost of Revenue. All remaining marketing expenses are now presented within Sales and Marketing. These amounts have been reclassified in the Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2013 and 2012 to conform to the current presentation for the year ended December 31, 2014.

NOTE 2 – RESTATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS

Background

On September 15, 2014, the Company announced that the U.S. Securities and Exchange Commission ("SEC" or "Commission") is conducting a non-public formal investigation of Bankrate's financial reporting, with the principal focus on the quarters ending March 31, 2012 and June 30, 2012. On the same date, the Company also announced that Edward J. DiMaria, the Company's Chief Financial Officer at such time, had resigned as Chief Financial Officer, and that the Company had hired Steven D. Barnhart to serve as Interim Chief Financial Officer. Mr. DiMaria's employment with the Company was terminated on October 8, 2014 as a result of his failure to cooperate in the SEC investigation. On March 12, 2015, the Company announced that Mr. Barnhart had been appointed Senior Vice President, Chief Financial Officer of Bankrate.

In connection with the ongoing SEC investigation, on September 14, 2014, Bankrate's Audit Committee, which is comprised entirely of independent outside directors, concluded that the Company's previously issued financial statements for each of years 2011, 2012 and 2013 should no longer be relied upon pending the conclusion of a full internal review of these matters. The Audit Committee retained independent counsel who retained independent forensic accountants, who were assisted in their review by the Company's current Chief Financial Officer. In addition, as previously disclosed, the DOJ has informed the Company that it is investigating the matters that are the subject of the SEC investigation.

The Company has agreed to the terms of a potential settlement of the SEC investigation with respect to the Company that the SEC enforcement staff has indicated it is prepared to recommend to the Commission. The proposed settlement is subject to acceptance and authorization by the Commission and would, among other things, require the Company to pay a $15 million penalty. As a result, the Company recorded an accrual as of September 30, 2014 in the amount of $15 million. However, the terms of the settlement have not been approved by the Commission and therefore there can be no assurance that the Company's efforts to resolve the SEC's investigation with respect to the Company will be successful, that the settlement amount will be as anticipated or that the accrual with respect thereto will be sufficient, and the Company cannot predict the ultimate timing or the final terms of any settlement. In addition, it is not possible to predict when the DOJ investigation will be completed, the final outcome of the investigation, and what, if any, actions may be taken by the DOJ.

During the course of its review, Bankrate's Audit Committee concluded that the accounting for certain historical business activities had been recorded in a manner that was not consistent with generally accepted accounting principles in the United States ("GAAP"). The Company determined that all of these incorrect entries should be (and have been) corrected in the accompanying financial statements, whether or not material, individually or in the aggregate.

The Company also made certain adjustments including certain corrections that had been previously identified but not recorded, because at the time they were identified they were determined to be not material in the aggregate to the Company's consolidated financial statements. These certain adjustments include corrections to purchase accounting, equity compensation expense, certain accruals and revenue recognition.

The Company has restated its audited consolidated financial statements for the years ending December 31, 2013, December 31, 2012 and December 31, 2011 and the related disclosures for 2013 and 2012 as necessary. The Company has not amended its previously filed Annual Reports on Form 10-K for the years ended December 31, 2013, 2012 and 2011 or its Quarterly Reports on Form 10-Q for the three month periods ending March 31 and June 30, 2014 or March 31, June 30 and September 30, 2013, 2012 and 2011, except to correct these errors, except as provided in this Form 10-K.

The impact of the Restatement on the consolidated statements of operations and consolidated statements of cash flows for the years ended December 31, 2013, 2012 and 2011, and the consolidated balance sheets for the years then ended are presented below. In addition, see Note 15–Quarterly Financial Data (unaudited), for the effects of the Restatement on net income and cash flows for the quarters in 2014, 2013, 2012 and 2011 and the balance sheets for the quarterly periods then ended.

The Restatement adjustments had no impact on the cash and cash equivalent balances as of December 31, 2014 or during the Restated Period. The Restatement had an impact on net cash flows from operating activities, investing activities and financing activities. These impacts were offsetting within any of the Restated Periods.

Impact of Restatement

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The impact of the adjustments that affected net income tended to offset each other over the Restated Period with respect to many of the entries recorded and described below; therefore, the net adjustment for the entire restatement period is smaller than the adjustments made in certain quarters. The restated and revised financial statements include the following types of adjustments:

1. Revenue recognition: Certain accruals of revenue or related reserves were incorrectly recorded beginning in the quarter ended September 30, 2011 and continuing through the end of the quarter ended June 30, 2013.

2. Management incentive plan expense: Accruals for the management incentive plan ("MIP") expense were recorded incorrectly beginning in the quarter ended December 31, 2010 and continuing through the quarter ended June 30, 2012.

3. Search engine marketing expense: During the Restated Periods, reconciliations of the accrued cost of search engine marketing expenses were not properly prepared, causing these expenses to be accrued incorrectly in those periods.

4. Information technology: Some service and maintenance costs were depreciated over periods that were longer than those supported by the underlying contracts. In addition, during the Restated Periods, certain information technology expenses were incorrectly recorded as fixed assets.

5. Contingent consideration: Certain accruals and subsequent payments were incorrectly accounted for as consideration transferred and initially recognized as contingent liabilities in acquisition accounting related to the acquisition of certain entities. We determined that these payments should be recognized as compensation expense.

6. Professional fees: Certain accruals for professional fees were not recorded in the proper periods. There was no net adjustment to professional fee expense for the restated periods, because the adjustments to the periods offset.

7. Restructuring: From the fourth quarter of 2010 through the third quarter of 2012, certain payments to employees were recorded as restructuring charges. We determined that such payments should have been recorded as compensation expense due to the terms of the employment contracts in force.

8. Income tax expense: Certain income tax provisions were not properly prepared during the Restated Periods, causing these expenses to be accrued incorrectly in those periods.

9. Other: In addition to making the adjustments described above, the Company also recorded other adjustments related to capitalized labor, expense accruals, allowances against accounts receivable, amortization expense, compensation expense, revenue, and other items identified during the Restatement process. These included adjustments related to certain items that had been previously identified but not recorded because they had been deemed at the time in the aggregate not to be material to the financial statements.

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The following tables include the impact of the Restatement adjustments on our consolidated financial statements. Unrelated to the Restatement, during the quarter ended September 30, 2014, the Company announced that it had commenced the process of divesting its operations in China. This component has been classified as discontinued operations in the consolidated financial statements resulting in reclassifications for all periods presented.

Following are the restated Consolidated Balance Sheets (in thousands, except per share data):

	December 31, 2013 As filed	Restatement adjustments	Reclassification	Discontinued operations	December 31, 2013 As restated
Assets					
Cash and cash equivalents	$ 230,071	$ -	$ -	$ (397)	$ 229,674
Accounts receivable, net	61,962	-	-	(103)	61,859
Deferred income taxes	7,155	2,103	-	-	9,258
Prepaid expenses and other current assets	9,736	4,136	-	(285)	13,587
Assets held for sale	-	-	-	1,476	1,476
Total current assets	308,924	6,239	-	691	315,854
Furniture, fixtures and equipment, net	12,930	(1,161)	-	(511)	11,258
Intangible assets, net	350,206	(2,851)	-	(180)	347,175
Goodwill	611,975	(742)	-	-	611,233
Other assets	12,776	599	-	-	13,375
Total assets	$ 1,296,811	$ 2,084	$ -	$ -	$ 1,298,895
Liabilities and Stockholders' Equity					
Liabilities					
Accounts payable	$ 7,149	$ -	$ -	$ (5)	$ 7,144
Accrued expenses	40,546	(1,846)	-	(14)	38,686
Deferred revenue and customer deposits	3,792	-	-	(127)	3,665
Accrued interest	7,379	-	-	-	7,379
Other current liabilities	24,595	-	-	(26)	24,569
Liabilities subject to sale	-	-	-	172	172
Total current liabilities	83,461	(1,846)	-	-	81,615
Deferred income taxes	51,699	4,801	-	-	56,500
Long term debt, net of unamortized discount	297,021	-	-	-	297,021
Other liabilities	25,668	2,518	-	-	28,186
Total liabilities	457,849	5,473	-	-	463,322
Commitments and contingencies					
Stockholders' equity					
Common stock, par value $.01 per share	1,017	-	-	-	1,017
Additional paid-in capital	864,152	-	-	-	864,152

Accumulated deficit	(25,266)	(3,545)	-	-	(28,811)
Less: Treasury stock, at cost	(591)	(1)	-	-	(592)
Accumulated other comprehensive (loss) income	(350)	157	-	-	(193)
Total stockholders' equity	838,962	(3,389)	-	-	835,573
Total liabilities and stockholders' equity	$ 1,296,811	$ 2,084	$ -	$ -	$ 1,298,895

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	December 31, 2012 As filed	Restatement adjustments	Reclassification	Discontinued operations	December 31, 2012 As restated
Assets					
Cash and cash equivalents	$ 83,590	$ -	$ -	$ (328)	$ 83,262
Accounts receivable, net	52,598	(305)	-	-	52,293
Deferred income taxes	3,763	(400)	-	-	3,363
Prepaid expenses and other current assets	13,691	9,530	-	(223)	22,998
Assets held for sale	-	-	-	1,231	1,231
Total current assets	153,642	8,825	-	680	163,147
Furniture, fixtures and equipment, net	10,024	(1,167)	-	(533)	8,324
Intangible assets, net	382,732	(5,805)	-	(147)	376,780
Goodwill	602,173	(742)	-	-	601,431
Other assets	11,579	196	-	-	11,775
Total assets	$ 1,160,150	$ 1,307	$ -	$ -	$ 1,161,457
Liabilities and Stockholders' Equity					
Liabilities					
Accounts payable	$ 8,227	$ -	$ -	$ (6)	$ 8,221
Accrued expenses	22,033	43	-	(16)	22,060
Deferred revenue and customer deposits	3,861	-	-	(111)	3,750
Accrued interest	10,588	-	-	-	10,588
Other current liabilities	6,399	(1,315)	-	(9)	5,075
Liabilities subject to sale	-	-	-	142	142
Total current liabilities	51,108	(1,272)	-	-	49,836
Deferred income taxes	64,482	4,780	-	-	69,262
Long term debt, net of unamortized discount	193,943	-	-	-	193,943
Other liabilities	22,466	1	-	-	22,467
Total liabilities	331,999	3,509	-	-	335,508
Commitments and contingencies					
Stockholders' equity					
Common stock, par value $.01 per share	1,000	-	-	-	1,000
Additional paid-in capital	843,393	14	-	-	843,407
Accumulated deficit	(15,264)	(2,351)	-	-	(17,615)
Less: Treasury stock, at cost	(591)	(1)	-	-	(592)
Accumulated other comprehensive (loss) income	(387)	137	-	-	(250)
Total stockholders' equity	828,151	(2,201)	-	-	825,950

Total liabilities and stockholders' equity	$ 1,160,150	$ 1,308	$ -	$ -	$ 1,161,458

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	December 31, 2011 As filed	Restatement adjustments	Reclassification	Discontinued operations	December 31, 2011 As restated
Assets					
Cash and cash equivalents	$ 56,213	$ -	$ -	$ (625)	$ 55,588
Accounts receivable, net	60,543	1,055	-	(3)	61,595
Deferred income taxes	24,690	(16,577)	-	-	8,113
Prepaid expenses and other current assets	2,535	1,059	-	(140)	3,454
Assets held for sale	-	-	-	1,298	1,298
Total current assets	143,981	(14,463)	-	530	130,048
Furniture, fixtures and equipment, net	9,065	(639)	-	(429)	7,997
Intangible assets, net	378,240	(2,171)	-	(101)	375,968
Goodwill	595,522	(1,337)	-	-	594,185
Other assets	10,604	-	-	-	10,604
Total assets	$ 1,137,412	$ (18,610)	$ -	$ -	$ 1,118,802
Liabilities and Stockholders' Equity					
Liabilities					
Accounts payable	$ 9,564	$ 2,218	$ -	$ (8)	$ 11,774
Accrued expenses	26,288	(3,006)	-	(144)	23,138
Deferred revenue and customer deposits	5,891	-	-	(157)	5,734
Accrued interest	10,588	-	-	-	10,588
Other current liabilities	3,969	(1,378)	-	(23)	2,568
Liabilities subject to sale	-	-	-	332	332
Total current liabilities	56,300	(2,166)	-	-	54,134
Deferred income taxes	82,670	(15,474)	-	-	67,196
Long term debt, net of unamortized discount	193,613	-	-	-	193,613
Other liabilities	16,367	(1,020)	-	-	15,347
Total liabilities	348,950	(18,660)	-	-	330,290
Commitments and contingencies					
Stockholders' equity					
Common stock, par value $.01 per share	1,000	-	-	-	1,000
Additional paid-in capital	832,797	-	-	-	832,797
Accumulated deficit	(44,595)	(65)	-	-	(44,660)
Less: Treasury stock, at cost	-	-	-	-	-
Accumulated other comprehensive (loss) income	(740)	115	-	-	(625)
Total stockholders' equity	788,462	50	-	-	788,512
Total liabilities and stockholders' equity	$ 1,137,412	$ (18,610)	$ -	$ -	$ 1,118,802

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Following are the restated Consolidated Statements of Comprehensive Income (in thousands, except share and per share data):

	Year ended December 31, 2013 As filed	Restatement adjustments	Reclassification	Discontinued Operations	December 31, 2013 As restated
Revenue	$ 457,433	$ 200	$ -	$ (697)	$ 456,936
Costs and expenses:					
Cost of revenue (excludes depreciation and amortization)	151,050	1,779	111,242	(39)	264,032
Sales and marketing	-	-	25,073	(156)	24,917
Sales	15,067	-	(15,067)	-	-
Marketing	113,478	-	(113,478)	-	-
Product development and technology	18,746	605	3,023	-	22,374
General and administrative	56,134	(332)	(10,793)	(1,384)	43,625
Acquisition, offering and related expenses	50	31	-	-	81
Changes in fair value of contingent acquisition consideration	16,065	1,315	-	-	17,380
Depreciation and amortization	60,127	(3,593)	-	(358)	56,176
Total costs and expenses	430,717	(195)	-	(1,937)	428,585
Income from operations	26,716	395	-	1,240	28,351
Interest and other expenses, net	24,982	-	-	(3)	24,979
Loss on early extinguishment of debt	17,175	-	-	-	17,175
(Loss) income before taxes	(15,441)	395	-	1,243	(13,803)
Income tax (benefit) expense	(5,439)	1,589	-	-	(3,850)
Net loss from continuing operations	(10,002)	(1,194)	-	1,243	(9,953)
Net loss from discontinued operations, net of income taxes	-	-	-	(1,243)	(1,243)
Net (loss) income	$ (10,002)	$ (1,194)	$ -	$ -	$ (11,196)
Basic net (loss) income per share:					
Continuing operations	$ (0.10)	$ -		$ -	$ (0.10)
Discontinued operations	-	-		(0.01)	(0.01)
Basic net (loss) income per share	$ (0.10)	-		(0.01)	$ (0.11)
Diluted net (loss) income per share:					
Continuing operations	$ (0.10)	$ (0.01)		$ 0.01	$ (0.10)

Discontinued operations	-	(0.01)		-	(0.01)
Diluted net loss per share	$ (0.10)	(0.02)		0.00	$ (0.11)
Weighted average common shares outstanding:					
Basic	100,108,316				100,108,316
Diluted	100,108,316				100,108,316
Net (loss) income	$ (10,002)	$ (1,194)	$ -	$ -	$ (11,196)
Other comprehensive income, net of tax	37	(16)	-	36	57
Comprehensive loss	$ (9,965)	$ (1,210)	$ -	$ 36	$ (11,139)

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	Year ended December 31, 2012 As filed	Restatement adjustments	Reclassification	Discontinued Operations	December 31, 2012 As restated
Revenue	$ 457,164	$ (944)	$ -	$ (251)	$ 455,969
Costs and expenses:					
Cost of revenue (excludes depreciation and amortization)	146,357	2,299	124,405	(31)	273,030
Sales and marketing	-	123	24,043	(69)	24,097
Sales	16,114	-	(16,114)	-	-
Marketing	126,222	-	(126,222)	-	-
Product development and technology	17,023	696	474	-	18,193
General and administrative	37,431	2,037	(6,586)	(1,004)	31,878
Legal settlements	874	-	-	-	874
Acquisition, offering and related expenses	335	266	-	-	601
Restructuring charges	-	267	-	-	267
Changes in fair value of contingent acquisition consideration	(2,645)	259	39	-	(2,347)
Depreciation and amortization	52,854	(1,773)	-	(247)	50,834
Total costs and expenses	394,565	4,174	39	(1,351)	397,427
Income from operations	62,599	(5,118)	(39)	1,100	58,542
Interest and other expenses, net	25,771	(198)	(39)	(1)	25,533
Income (loss) before taxes	36,828	(4,920)	-	1,101	33,009
Income tax expense (benefit)	7,497	(2,634)	-	-	4,863
Net income (loss) from continuing operations	29,331	(2,286)	-	1,101	28,146
Net loss from discontinued operations, net of income taxes	-	-	-	(1,101)	(1,101)
Net income (loss)	$ 29,331	$ (2,286)	$ -	$ -	$ 27,045
Basic net income (loss) per share:					
Continuing operations	$ 0.29	$ (0.02)		$ 0.01	$ 0.28
Discontinued operations	-	-		(0.01)	(0.01)
Basic net income (loss) per share	$ 0.29	(0.02)		-	$ 0.27

Diluted net income (loss) per share:					
Continuing operations	$ 0.29	$ (0.02)		$ 0.01	$ 0.28
Discontinued operations	-	(0.01)		(0.01)	(0.01)
Diluted net income per share	$ 0.29	(0.03)		(0.01)	$ 0.27
Weighted average common shares outstanding:					
Basic	99,985,782	99,985,782		99,985,782	99,985,782
Diluted	100,831,459	100,831,459		100,831,459	100,831,459
Net income (loss)	$ 29,331	$ (2,286)	$ -	$ -	$ 27,045
Other comprehensive income, net of tax	353	(137)	-	159	375
Comprehensive income	$ 29,684	$ (2,423)	$		