

Tree.com, Inc.
Form 8-K
August 25, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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CURRENT REPORT

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

Date of Report (Date of earliest event reported): **August 20, 2008**

Tree.com, Inc.

(Exact name of registrant as specified in charter)

Delaware

001-34063

26-2414818

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(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

11115 Rushmore Drive, Charlotte, NC
(Address of principal executive offices)

28277
(Zip Code)

Registrant's telephone number, including area code: **(704) 541-5351**

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

Following the close of The Nasdaq Stock Market on August 20, 2008, IAC/InterActiveCorp (IAC) completed the spin-off (the Spin-Off) of HSN, Inc. (HSN), Interval Leisure Group, Inc. (ILG), Ticketmaster and Tree.com, Inc. (Tree.com, and collectively with HSN, ILG and Ticketmaster, the Spinco's) to IAC's shareholders. Prior to the Spin-Off, each of the Spinco's was a wholly-owned subsidiary of IAC. In connection with the Spin-Off, IAC and the Spinco's entered into the following agreements (collectively, the Spin-Off Agreements):

- a Separation and Distribution Agreement that sets forth the arrangements among IAC and each of the Spinco's regarding the principal transactions necessary to separate each of the Spinco's from IAC, and that governs certain aspects of the relationship of a Spinco with IAC and the other Spinco's after the Spin-Off;
- a Tax Sharing Agreement that governs the respective rights, responsibilities and obligations of IAC and each Spinco after the Spin-Off with respect to tax periods ending on or before the Spin-Off, including tax liabilities and benefits, tax attributes, tax contests and other matters regarding income taxes, other taxes and related tax returns;
- an Employee Matters Agreement that covers a wide range of compensation and benefit issues, including the allocation among IAC and the Spinco's of responsibility for the employment and benefit obligations and liabilities of each company's current and former employees (and their dependents and beneficiaries), as well as the provision of health and welfare benefits to employees of each Spinco (the costs of which will be borne by each Spinco) pursuant to IAC's employee benefit plans through the end of 2008; and
- a Transition Services Agreement that governs the provision of transition services among IAC and the Spinco's.

The section of the prospectus dated August 20, 2008 (the Prospectus) forming part of Post-Effective Amendment No.1 to Tree.com's registration statement on Form S-1, as amended (SEC File No. 333-152700) (the Registration Statement), entitled Certain Relationships and Related Party Transactions Relationships Among IAC and the Spinco's, which describes the material terms of the Spin-Off Agreements, is incorporated herein by reference. These descriptions are qualified by reference in their entirety to the full text of the Spin-Off Agreements, which are filed as Exhibits 10.1, 10.2, 10.3 and 10.4 to this report on Form 8-K.

Also in connection with the Spin-Off, pursuant to a Spinco Assignment and Assumption Agreement (the Assignment and Assumption Agreement), dated as of August 20, 2008, among Tree.com, IAC, Liberty Media Corporation (Liberty) and a subsidiary of Liberty that holds shares of IAC common stock and IAC Class B common stock (together with Liberty, the Liberty Parties), Tree.com (i) assumed from IAC all rights and obligations providing for post-Spin-Off governance and other arrangements at Tree.com under the Spinco Agreement, dated May 13, 2008, among IAC, Liberty and affiliates of Liberty that held shares of IAC common stock and/or Class B common stock at the time such Spinco Agreement was entered into and

(ii) as required by the Spinco Agreement, entered into a registration rights agreement with the Liberty Parties (the Registration Rights Agreement).

The sections of the Prospectus entitled Certain Relationships and Related Party Transactions Spinco Agreement and Registration Rights Agreement, which describe the material terms of the Spinco Agreement and the Registration Rights Agreement, respectively, are incorporated herein by reference. These descriptions are qualified by reference in their entirety to the full text of the Spinco Agreement, which is filed as Exhibit 10.4 to the Registration Statement, and the Registration Rights Agreement and Assignment and Assumption Agreement, which are filed as Exhibits 10.5 and 10.6, respectively, to this report on Form 8-K.

ITEM 2.01. COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS

Item 1.01 of this report on Form 8-K is incorporated herein by reference. In connection with certain internal restructuring steps implemented in contemplation of and in order for IAC to complete the Spin-Off of Tree.com and the other Spinco's, on August 20, 2008, IAC transferred to Tree.com all of the outstanding common stock of LendingTree Holdings Corp., which, directly and through its subsidiaries, holds ownership interests in those entities and assets through which the businesses of Tree.com will be conducted, and the assets of Tree.com are held, following the completion of the Spin-Off.

ITEM 5.01. CHANGE IN CONTROL OF THE REGISTRANT.

Item 1.01 of this report on Form 8-K is incorporated herein by reference. Prior to the completion of the Spin-Off, IAC was the sole stockholder of Tree.com. To implement the Spin-Off, IAC distributed all of the outstanding shares of common stock of Tree.com and the other Spinco's to holders of IAC common stock and Class B common stock. While Mr. Barry Diller controlled Tree.com prior to the completion of the Spin-Off indirectly through his control of IAC, Mr. Diller no longer controls Tree.com following the completion of the Spin-Off.

The sections of the Prospectus entitled Certain Relationships and Related Party Transactions Agreements with Liberty Media Corporation and Spinco Agreement, which describe Tree.com's post-Spin-Off governance arrangements and the material terms of the Spinco Agreement, are incorporated herein by reference. This description of the Spinco Agreement is qualified by reference in its entirety to the full text of the Spinco Agreement, which is filed as Exhibit 10.4 to the Registration Statement.

ITEM 5.02. DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

Election of Members to the Tree.com Board of Directors

Item 1.01 of this Form 8-K is incorporated herein by reference. On August 20, 2008, immediately preceding the completion of the Spin-Off, the following persons were elected members of the Tree.com Board of Directors: Peter C. Horan, Joseph Levin, Lance Melber and Steven Ozonian.

The sections of the Prospectus entitled Management of Tree.com Directors, Committees of the Board of Directors and Certain Relationships and Related Party Transactions Spinco Agreement Representation of Liberty on the Spinco Boards of Directors are incorporated herein by reference.

Tree.com Director Deferred Compensation Plan

On August 20, 2008, the Tree.com Board of Directors and IAC, in its capacity as sole stockholder of Tree.com, approved the Tree.com, Inc. Deferred Compensation Plan for Non-Employee Directors. The section of the Prospectus entitled Management of Tree.com Director Compensation is incorporated herein by reference. The description set forth in such section is qualified by reference in its entirety to the full text of the plan, which is filed as Exhibit 10.15 to the Registration Statement.

Equity Awards to Tree.com Directors

On August 20, 2008, the Tree.com Board of Directors and IAC, in its capacity as sole stockholder of Tree.com, approved the Tree.com, Inc. 2008 Stock and Annual Incentive Plan, (the 2008 Incentive Plan), which became effective on August 20, 2008. The 2008 Incentive Plan is filed as Exhibit 10.7 to this report on Form 8-K. In connection with the Spin-Off, non-employee members of the Tree.com Board of Directors (Messrs. Horan, Levin, Melber and Ozonian) were each awarded 6,738 Tree.com restricted stock units under the 2008 Incentive Plan.

The sections of the Prospectus entitled Management of Tree.com Director Compensation and Description of the Stock and Annual Incentive Plan are incorporated herein by reference.

ITEM 5.03. AMENDMENTS TO ARTICLES OF INCORPORATION OR BYLAWS; CHANGE IN FISCAL YEAR.

On August 20, 2008, Tree.com amended and restated its certificate of incorporation, effective as of that date. The section of the Prospectus entitled Description of Capital Stock of Tree.com and Item 14. Indemnification of Directors and Officers of the Registration Statement, which include a description of the provisions of the amended and restated certificate of incorporation (the Amended and Restated Charter), are incorporated herein by reference. This description is qualified by reference in its entirety to the full text of the Amended and Restated Charter, which is filed as Exhibit 3.1 to this report on Form 8-K.

On August 20, 2008, Tree.com s Board of Directors approved the amendment and restatement of Tree.com s by-laws, effective immediately prior to the Spin-Off. The section of the Prospectus entitled Description of Capital Stock of Tree.com and Item 14. Indemnification of Directors and Officers of the Registration Statement, which include a description of the provisions of the amended and restated by-laws (the By-Laws), are incorporated herein by reference. This description is qualified by reference in its entirety to the full text of the By-Laws, which are filed as Exhibit 3.2 to this report on Form 8-K.

ITEM 5.06. CHANGE IN SHELL COMPANY STATUS.

Item 2.01 of this Form 8-K is incorporated herein by reference. Following the transactions described in Item 2.01 of this report on Form 8-K, Tree.com is no longer a shell company, as defined in Rule 12b-2 under the Securities Exchange Act of 1934.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

Item 1.01 of this report on Form 8-K is incorporated by reference. The financial statements and pro forma financial information required to be filed under Item 9.01 of this report on Form 8-K are included in the Prospectus. The Exhibit Index filed herewith is incorporated by reference herein.

SIGNATURES

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

Tree.com, Inc.

By: /s/ Scott Cammarn
Name: Scott Cammarn
Title: Senior Vice President and
General Counsel

Date: August 25, 2008

EXHIBIT LIST

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of Tree.com, Inc.
3.2	Amended and Restated By-Laws of Tree.com, Inc.
10.1	Separation and Distribution Agreement, dated as of August 20, 2008, by and among IAC/InterActiveCorp, HSN, Inc., Interval Leisure Group, Inc., Ticketmaster and Tree.com, Inc.
10.2	Tax Sharing Agreement, dated as of August 20, 2008, by and among IAC/InterActiveCorp, HSN, Inc., Interval Leisure Group, Inc., Ticketmaster and Tree.com, Inc.
10.3	Employee Matters Agreement, dated as of August 20, 2008, by and among IAC/InterActiveCorp, HSN, Inc., Interval Leisure Group, Inc., Ticketmaster and Tree.com, Inc.
10.4	Transition Services Agreement, dated as of August 20, 2008, by and among IAC/InterActiveCorp, HSN, Inc., Interval Leisure Group, Inc., Ticketmaster and Tree.com, Inc.
10.5	Registration Rights Agreement, dated as of August 20, 2008, among Tree.com, Inc., Liberty Media Corporation and Liberty USA Holdings, LLC.
10.6	Spinco Assignment and Assumption Agreement, dated as of August 20, 2008, among IAC/InterActiveCorp, Tree.com, Inc., Liberty Media Corporation and Liberty USA Holdings, LLC.
10.7	Tree.com, Inc. 2008 Stock and Annual Incentive Plan.