CORELOGIC, INC.
Form 10-K/A
April 30, 2012

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

FORM 10-K/A
(Amendment No. 1)

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2011
OR
o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____________ to ____________
Commission file number 001-13585

CoreLogic, Inc.
(Exact name of registrant as specified in its charter)

Delaware	95-1068610
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4 First American Way, Santa Ana, California 92707-5913
(Address of principal executive offices) (Zip Code)
(714) 250-6400
Registrant's telephone number, including area code

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

Common	New York Stock Exchange
(Title of each class)	(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the 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 x No o
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 o No x
Indicate by check mark whether 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 x No o
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 x No o
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) 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 to this Form 10-K. o

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

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

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2011 was $1,773,549,000.

On April 23 2012, there were 106,810,407 shares of common stock outstanding.

CoreLogic Inc.

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EXPLANATORY NOTE

This Amendment No. 1 to Form 10-K (this "Amended Report") amends the original Annual Report on Form 10-K of CoreLogic, Inc. (“CoreLogic” or the "Company") for the year ended December 31, 2011, as filed with the Securities and Exchange Commission (the "SEC") on February 29, 2012 (the "Original Report"). This Amended Report amends the Original Report to incorporate information required by Part III - Item 10, Item 11, Item 12, Item 13, and Item 14 of Form 10-K. In addition, this Amended Report includes revisions to (i) Note 2 related to the timing for the classification of external cost of revenue, salaries and benefits, and other operating expenses into cost of sales and selling, general and administrative expenses and the effects of the change in presenting comprehensive income in the third paragraph of Recent Accounting Pronouncements discussed in Note 2; (ii) Note 18 to revise certain information with respect to discontinued operations; (iii) Note 21 to include comprehensive income as required under the Recent Accounting Pronouncement referenced above; (iv) the audited consolidated balance sheets to conform them with our quarterly report on Form 10-Q filed with the SEC on April 30, 2012 (to correct the classification of liabilities for income taxes associated with uncertain tax positions, including interest and penalties and indemnifications from current to non-current liabilities); and (v) the signature pages to amend one date in the Original Report, which should have been February 29, 2012. We have included in this Amended Report an updated report of our independent registered accounting firm and all of Item 8, and additional exhibits and new certifications by our principal executive officer and principal financial officer as required by Rule 12b-15 under the Securities Exchange Act of 1934.

Except as set forth in this Amended Report, no other changes are made to the Original Report. Unless expressly stated, this Amended Report does not reflect events occurring after the filing of the Original Report, and it does not modify or update in any way the disclosures contained in the Original Report, which speak as of the date of the Original Report. Accordingly, this Amended Report should be read in conjunction with the Original Report and the Company's other SEC filings subsequent to the filing of the Original Report.

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PART II

Item 8. Financial Statements and Supplementary Data

The financial statements and supplementary data included in this Amendment No. 1 to the Annual Report on Form 10-K/A supersede the information included in our original Annual report on Form 10-K filed with the Securities and Exchange Commission on February 29, 2012 ("Form 10-K").

We have one significant equity method investment. The summary results of our significant equity method investment are disclosed in Note 6 – Investment in affiliates. The audited financials of our significant subsidiary were included as an exhibit to the Form 10-K.

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Financial statement schedules not listed are either omitted because they are not applicable or the required information is shown in the consolidated financial statements or in the notes thereto.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
CoreLogic, Inc.:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of CoreLogic, Inc. and its subsidiaries at December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

/s/ PricewaterhouseCoopers LLP

Orange County, California

February 29, 2012, except with respect to our opinion on the consolidated financial statements insofar as it relates to the the effects of the change in certain items in the third paragraph of reclassification and correction of prior period revisions and second paragraph of external cost of revenues discussed in Note 2, as to which the date is April 30, 2012.

CoreLogic, Inc.
Consolidated Balance Sheets
As of December 31, 2011 and 2010
(in thousands, except par value)

Assets	2011	2010
Current assets:		
Cash and cash equivalents	$259,266	$426,212
Marketable securities	20,884	75,221
Accounts receivable (less allowance for doubtful accounts of $17,365 and $12,314 in 2011 and 2010, respectively)	213,339	176,413
Prepaid expenses and other current assets	51,659	42,793
Income tax receivable	15,110	30,587
Deferred income tax assets, current	39,584	30,782
Due from FAFC, net	621	—
Assets of discontinued operations (Note 18)	55,516	270,293
Total current assets	655,979	1,052,301
Property and equipment, net	214,237	197,426
Goodwill	1,472,206	1,289,888
Other intangible assets, net	164,365	109,850
Capitalized data and database costs, net	304,006	211,331
Investment in affiliates, net	113,809	165,709
Deferred income tax assets	38,305	6,344
Restricted cash	22,044	21,095
Other assets	125,120	180,881
Total assets	$3,110,071	$3,234,825
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	$122,859	$118,484
Accrued salaries and benefits	86,444	76,212
Deferred revenue, current	201,689	186,031
Mandatorily redeemable noncontrolling interests	—	72,000
Current portion of long-term debt	62,268	233,452
Due to FAFC, net	—	18,097
Liabilities of discontinued operations (Note 18)	27,399	40,162
Total current liabilities	500,659	744,438
Long-term debt, net of current	846,027	487,437
Deferred revenue, net of current	338,799	350,827
Deferred income tax liabilities	18,383	—
Other liabilities	161,382	106,982
Total liabilities	1,865,250	1,689,684
Commitments and contingencies (Note 15)		
Equity:		
CoreLogic, Inc.'s (CoreLogic) stockholders' equity:		
Preferred stock, $0.00001 par value; 500 shares authorized, no shares issued or outstanding	—	—
Common stock, $0.00001 par value; 180,000 shares authorized; 106,544 and 115,499 shares issued and outstanding as of December 31, 2011 and 2010, respectively	1	1
Additional paid-in capital	1,053,447	1,229,806
Retained earnings	209,389	297,036

Accumulated other comprehensive (loss)/income	(20,316)	15,943
Total CoreLogic stockholders' equity	1,242,521	1,542,786
Noncontrolling interests	2,300	2,355
Total equity	1,244,821	1,545,141
Total liabilities and equity	$3,110,071	$3,234,825

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

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CoreLogic, Inc.
Consolidated Statements of Operations
For the Years Ended December 31, 2011, 2010 and 2009

(in thousands, except per share amounts)	2011	2010	2009
Operating revenue	$1,338,547	$1,280,276	$1,330,162
External cost of revenue	288,056	282,824	290,074
Salaries and benefits	553,898	533,268	565,917
Other operating expenses	292,362	255,620	251,145
Depreciation and amortization	115,546	94,881	114,374
Total operating expenses	1,249,862	1,166,593	1,221,510
Income from continuing operations	88,685	113,683	108,652
Interest expense:			
Interest income	4,827	4,269	5,662
Interest expense	63,117	34,494	36,508
Total interest expense, net	(58,290)	(30,225)	(30,846)
Gain/(loss) on investments and other, net	60,005	(10,885)	(5,933)
Income from continuing operations before equity in earnings of affiliates and income taxes	90,400	72,573	71,873
Provision for income taxes	67,175	30,323	17,101
Income from continuing operations before equity in earnings of affiliates	23,225	42,250	54,772
Equity in earnings of affiliates, net of tax	30,270	41,641	48,847
Net income from continuing operations	53,495	83,891	103,619
(Loss)/income from discontinued operations, net of tax	(127,124)	(83,536)	150,658
Loss on sale of discontinued operations, net of tax	—	(18,985)	—
Net (loss)/income	(73,629)	(18,630)	254,277
Less: Net income attributable to noncontrolling interests	980	37,670	57,638
Net (loss)/income attributable to CoreLogic	$(74,609)	$(56,300)	$196,639
Amounts attributable to CoreLogic stockholders:			
Income from continuing operations, net of tax	$52,515	$46,221	$45,981
(Loss)/income from discontinued operations, net of tax	(127,124)	(83,536)	150,658
Loss on sale of discontinued operations, net of tax	—	(18,985)	—
Net (loss)/income	$(74,609)	$(56,300)	$196,639
Basic income/(loss) per share:			
Income from continuing operations attributable to CoreLogic stockholders, net of tax	$0.48	$0.41	$0.49
(Loss)/income from discontinued operations, net of tax	(1.16)	(0.75)	1.59
Loss on sale of discontinued operations, net of tax	—	(0.17)	—
Net (loss)/income attributable to CoreLogic	$(0.68)	$(0.51)	$2.08
Diluted (loss)/income per share:			
Income from continuing operations attributable to CoreLogic stockholders, net of tax	$0.48	$0.41	$0.48
(Loss)/income from discontinued operations, net of tax	(1.16)	(0.74)	1.58
Loss on sale of discontinued operations, net of tax	—	(0.17)	—
Net (loss)/income attributable to CoreLogic	$(0.68)	$(0.50)	$2.06
Weighted-average common shares outstanding:			
Basic	109,122	111,529	94,551
Diluted	109,712	112,363	95,478

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

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CoreLogic, Inc.
Consolidated Statements of Comprehensive (Loss) Income
For the Years Ended December 31, 2011, 2010 and 2009

(in thousands)	2011	2010	2009
Net (loss)/income attributable to CoreLogic	$(74,609)	$(56,300)	$196,639
Other comprehensive (loss)/income:			
Unrealized (loss)/gain on marketable securities, net of tax	(1,475)	2,086	12,348
Unrealized (loss)/gain on interest rate swap, net of tax	(5,847)	2,990	—
Foreign currency translation adjustments	(12,612)	(547)	411
Supplemental benefit plans adjustments, net of tax	(1,983)	8,302	170
Investment gain reclassified to realized gain, net of tax	(14,342)	—	—
Total other comprehensive (loss)/income	(36,259)	12,831	12,929
Comprehensive (loss)/income	(110,868)	(43,469)	209,568
Less: Comprehensive (loss)/income attributable to noncontrolling interests	—	(17)	3,729
Comprehensive (loss)/income attributable to CoreLogic	$(110,868)	$(43,452)	$205,839

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

CoreLogic, Inc.
Consolidated Statements of Changes in Stockholders' Equity
For the Years Ended December 31, 2011, 2010 and 2009

(in thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests (1)	Total
Balance at January 1, 2009, as reported	92,963	$ 1	$ 894,190	$ 2,099,654	$ (296,195)	$ 687,581	$ 3,385,231
Correction of prior years cumulative error	—	—	—	(9,572)	—	—	(9,572)
Balance at January 1, 2009, as revised	92,963	1	894,190	2,090,082	(296,195)	687,581	3,375,659
Net income, as revised	—	—	—	196,639	—	69,525	266,164
Dividends on common shares	—	—	—	(84,349)	—	—	(84,349)
Shares issued in connection with acquisitions	9,497	—	311,264	—	—	—	311,264
Shares issued in connection with share-based compensation	823	—	12,601	—	—	—	12,601
Share-based compensation	—	—	24,067	—	—		24,067
Restricted stock unit dividend equivalents	—	—	1,146	(1,146)	—	—	—
Dividends paid deduction	—	—	—	3,695	—	—	3,695
Reclassification to redeemable noncontrolling interests	—	—	—	—	—	(332,964)	(332,964)
Purchase of subsidiary shares from/other decreases in noncontrolling interests	—	—	(12,798)	—	—	(384,523)	(397,321)
Sale of subsidiary shares to/other increases in noncontrolling interests	—	—	—	—	—	12,347	12,347
Distributions to noncontrolling interests	—	—	—	—	—	(40,903)	(40,903)
Adjust redeemable noncontrolling interests to redemption value	—	—	(125,883)	—	—	—	(125,883)
Other comprehensive loss	—	—	—	—	128,397	3,899	132,296
Balance at December 31, 2009, as revised	103,283	$ 1	$ 1,104,587	$ 2,204,921	$ (167,798)	$ 14,962	$ 3,156,673
Net loss, as revised	—	—	—	(56,300)	—	(147)	(56,447)
Separation distribution of FAFC	—	—	—	(1,828,605)	163,612	(13,277)	(1,678,270)
Purchase of CoreLogic shares	(1,637)	—	(30,171)	—	—	—	(30,171)
Shares and capital issued to FAFC	12,933	—	—	—	—	—	—
Dividends on common shares	—	—	—	(22,657)	—	—	(22,657)
Shares issued in connection with share-based compensation	920	—	6,997	—	—	—	6,997
Share-based compensation	—	—	19,260	—	—	—	19,260
Restricted stock unit dividend equivalents	—	—	323	(323)	—	—	—
	—	—	(3,266)	—	—	(3,271)	(6,537)

Purchase of subsidiary shares from and other decreases in noncontrolling interests							
Sale of subsidiary shares to and other increases in noncontrolling interests	—	—	—	—	—	2,363	2,363
Distributions to noncontrolling interests	—	—	—	—	—	(355)	(355)
Adjust redeemable noncontrolling interests to redemption value	—	—	11,273	—	—	—	11,273
Tax impact of buy-in of noncontrolling interest	—	—	120,803	—	—	—	120,803
Transfer of other comprehensive income to discontinued operations	—	—	—	—	(6,962)	—	(6,962)
Other comprehensive income	—	—	—	—	27,091	2,080	29,171
Balance at December 31, 2010, as revised	115,499	$ 1	$ 1,229,806	$ 297,036	$ 15,943	$ 2,355	$ 1,545,141
Net (loss)/income	—	—	—	(74,609)	—	490	(74,119)
Share repurchased and retired	(9,516)	—	(176,512)	—	—	—	(176,512)
Shares issued in connection with share-based compensation	561	—	1,064	—	—	—	1,064
Share-based compensation	—	—	11,821	—	—	—	11,821
Distributions to noncontrolling interests	—	—	—	—	—	(545)	(545)
Adjust redeemable noncontrolling interests to redemption value	—	—	(3,800)	—	—	—	(3,800)
Income tax indemnification adjustment related to Separation distribution of FAFC	—	—	(8,932)	—	—	—	(8,932)
Additional Separation distribution of FAFC	—	—	—	(13,038)	—	—	(13,038)
Other comprehensive income	—	—	—	—	(36,259)	—	(36,259)
Balance at December 31, 2011	106,544	$ 1	$ 1,053,447	$ 209,389	$ (20,316)	$ 2,300	$ 1,244,821

(1) Excludes amounts related to mandatorily redeemable noncontrolling interests included in current liabilities of our consolidated balance sheets.

(2) See Note 2, "Reclassifications and Correction of Prior Period Errors."

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

CoreLogic, Inc.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2011, 2010 and 2009

(in thousands)	2011	2010	2009
Cash flows from operating activities:			
Net (loss)/income	$(73,629)	$(18,630)	$254,277
Less: (Loss)/income from discontinued operations, net of tax	(127,124)	(83,536)	150,658
Less: Loss from sale of discontinued operations, net of tax	—	(18,985)	—
Income from continuing operations, net of tax	$53,495	$83,891	$103,619
Adjustments to reconcile income from continuing operations to net cash (used in)/provided by operating activities:			
Depreciation and amortization	115,546	94,881	114,374
Provision for bad debts and claim losses	25,600	23,096	39,472
Share-based compensation	11,649	13,969	25,637
Equity in earnings of investee, net of taxes	(30,270)	(41,641)	(48,847)
Loss on early extinguishment of debt	10,190	—	—
Deferred income tax	(16,203)	(6,149)	49,376
(Gain)/loss on investments and other, net	(60,005)	10,885	5,933
Gain on sale of property and equipment	(8,061)	—	—
Change in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(15,893)	(10,011)	32,711
Prepaid expenses and other assets	(17,540)	5,413	11,029
Accounts payable and accrued expenses	(12,445)	4,122	(605)
Deferred revenue	(19,273)	(22,543)	(14,569)
Due to/from FAFC	(18,718)	13,278	(36,704)
Income tax accounts	86,994	(55,766)	(88,785)
Dividends received from investments in affiliates	42,929	64,603	89,528
Other assets and other liabilities	23,597	(13,883)	(31,516)
Net cash provided by operating activities - continuing operations	171,592	164,145	250,653
Net cash (used in)/provided by operating activities - discontinued operations	(10,655)	42,049	308,266
Total cash provided by operating activities	$160,937	$206,194	$558,919
Cash flows from investing activities:			
Purchases of redeemable noncontrolling interests	(72,000)	(385,847)	—
Purchases of subsidiary shares from and other decreases in noncontrolling interests	—	(6,537)	(62,011)
Purchases of property and equipment	(45,215)	(52,610)	(31,887)
Purchases of capitalized data and other intangible assets	(27,009)	(24,814)	(25,506)
Cash paid for acquisitions, net of cash acquired	(214,215)	(9,228)	(10,000)
Cash received from sale of discontinued operations	—	265,000	—
Purchases of investments	(26,898)	(27,284)	(10,008)
Proceeds from maturities of debt securities	—	371	12,623
Proceeds from sale of subsidiary and other increases in noncontrolling interests, net	28,054	—	12,347
Proceeds from sale of property and equipment	25,042	—	—
Proceeds from sale of investments	74,621	26,386	4,488
Issuance of notes receivable, net	—	(12,754)	—
Change in restricted cash	2,091	(21,095)	—
Net cash used in investing activities - continuing operations	(255,529)	(248,412)	(109,954)
Net cash used in investing activities - discontinued operations	(4,497)	(76,192)	(4,124)
Total cash used in investing activities	$(260,026)	$(324,604)	$(114,078)

Cash flows from financing activities:			
Proceeds from long-term debt	858,154	843,524	50,782
Debt issuance costs	(22,810)	(14,776)	—
Repayments of long-term debt	(733,407)	(713,643)	(102,188)
Share repurchases	(176,512)	(30,171)	—
Proceeds from issuance of stock related to stock options and employee benefit plans	1,064	6,997	12,601
Distribution to noncontrolling interests	(4,835)	(27,800)	(31,525)
Cash dividends	—	(22,657)	(82,054)
Tax benefit related to stock options	363	3,423	768
Net cash (used in)/provided by financing activities - continuing operations	(77,983)	44,897	(151,616)
Net cash provided by/(used in) financing activities - discontinued operations	71	29,087	(198,276)
Total cash (used in)/provided by financing activities	$(77,912)	$73,984	$(349,892)
Net (decrease)/increase in cash and cash equivalents	(177,001)	(44,426)	94,949
Cash and cash equivalents at beginning of year	426,212	459,519	283,119
Change in cash and cash equivalents of discontinued operations	10,055	11,119	81,451
Cash and cash equivalents at end of year	$259,266	$426,212	$459,519

CoreLogic, Inc.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2011, 2010 and 2009

	2011	2010	2009
Supplemental disclosures of cash flow information:			
Cash paid for interest	$57,851	$37,631	$38,124
Cash paid for income taxes	$36,480	$58,008	$127,407
Cash refunds from income taxes	$50,157	$32,497	$47,937
Non-cash investing and financing activities:			
Distribution of First American Financial Corporation ("FAFC") to stockholders	$—	$1,678,270	$—
Adjustment of carrying value of mandatorily redeemable noncontrolling interest	$(3,800)	$11,273	$(125,883)
Company acquisitions in exchange for common stock	$—	$—	$311,264
Tax impact of buy-in of noncontrolling interest	$—	$120,803	$—
Note payable issued for the acquisition of affiliates	$12,700	$—	$—
Promissory Note due to First American Financial Corporation (Note 12)	$—	$19,900	$—

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

CoreLogic, Inc.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2011, 2010 and 2009
Note 1 - Description of the Company

We were originally incorporated in California in 1894, and were reincorporated in Delaware on June 1, 2010 immediately following a transaction that spun off our financial services businesses, which we refer to as "the Separation" as more fully described below. Before June 1, 2010, we operated as The First American Corporation ("First American" or "FAC"). In connection with the Separation, we changed our name to CoreLogic, Inc. and began trading on the New York Stock Exchange under the symbol "CLGX." As used herein, the terms CoreLogic, the Company, we, our and us refer to CoreLogic, Inc. and our consolidated subsidiaries, except where it is clear that the terms mean only CoreLogic, Inc. and not our subsidiaries.

We are a leading provider of property, financial and consumer information, analytics and services to mortgage originators and servicers, financial institutions and other businesses, government and government-sponsored enterprises. Our data, query, analytical and business outsourcing services help our customers to identify, manage and mitigate credit and interest rate risk. We are also party to several joint ventures that provide products used in connection with loan originations, including title insurance, appraisal services and other settlement services. These joint ventures are reflected as investments in affiliates on our consolidated balance sheets and our share of the income is reflected as equity in earnings of affiliates in our consolidated statement of operations.

Separation Transaction

On June 1, 2010, we completed the Separation under which we spun off our financial services businesses into a new, publicly-traded, New York Stock Exchange-listed company called First American Financial Corporation ("FAFC") through a distribution (the "Distribution") of all of the outstanding shares of FAFC, to the holders of our common shares, par value $1.00 per share, as of May 26, 2010. After the Distribution, we retained the information solutions businesses.

To effect the Separation, we entered into a Separation and Distribution Agreement (the "Separation and Distribution Agreement") that governs the rights and obligations of the Company and FAFC regarding the Distribution. It also governs the on-going relationship between the Company and FAFC subsequent to the completion of the Separation and provides for the allocation of assets and liabilities between FAFC and the Company. In addition, we also entered into a Tax Sharing Agreement (the "Tax Sharing Agreement") as described in Note 10 – Income Taxes, a Restrictive Covenants Agreement, and we issued a promissory note to FAFC in the principal amount of $19.9 million relating to certain pension liabilities. We repaid the promissory note in full in September 2011. See Note 12 – Employee Benefit Plans.

While we are a party to the Separation and Distribution Agreement and various other agreements relating to the Separation, we have determined that we have no material continuing involvement in the operations of FAFC. As a result of the Separation, the FAFC businesses are reflected in our consolidated financial statements as discontinued operations for the years ended December 31, 2010 and 2009. See Note 19 – Discontinued Operations for additional disclosures.

As part of the Separation, we are responsible for a portion of FAFC's contingent and other corporate liabilities.

In connection with the Separation transactions, we issued approximately $250.0 million, in value, or 12,933,265 shares of our common stock to FAFC. Based on the closing price of our stock on June 1, 2010, the value of the equity issued to FAFC was $242.6 million. As a result, we made a cash payment to FAFC of $7.4 million to arrive at the full value of $250.0 million. FAFC has agreed to dispose of the shares five years after the Separation or to bear any adverse tax consequences arising out of holding the shares for longer than that period. On April 11, 2011, we purchased 4.0 million shares of our common stock from a wholly-owned subsidiary of FAFC for total consideration of $75.8 million based on a spot market price of our common stock on April 5, 2011 of $18.95 per share. The price per share was agreed upon by the parties during the trading day on April 5, 2011. See further discussion at Note 19 - Transactions with FAFC.

We have included all of the corporate costs of FAC up to the Separation date in our consolidated statement of income. For the years ended December 31, 2010 and 2009, those net expenses totaled approximately $69.0 million (including Separation-related expenses totaling approximately $29.3 million) and $95.9 million, respectively.

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Note 2 - Significant Accounting Policies

Principles of consolidation

The consolidated financial statements include the accounts of the Company and all controlled subsidiaries. All significant intercompany transactions and balances have been eliminated. Equity investments in which we exercise significant influence, do not control, and are not the primary beneficiary, are accounted for using the equity method. Investments in which we do not exercise significant influence over the investee are accounted for under the cost method.

Reclassifications and Correction of Prior Period Revisions

Our previously issued financial statements have been recast to present our marketing services, consumer services, transportation services and appraisal management company businesses as discontinued operations, as described in Note 18 - Discontinued Operations.

In connection with preparing our 2011 financial statements, we identified errors amounting to approximately $20.6 million relating to years prior to 2011 principally relating to deferred income taxes from continuing and discontinued operations . We assessed the materiality of these errors on our prior period financial statements in accordance with the SEC's Staff Accounting Bulletins (“SAB”) No. 99 and SAB No. 108, and concluded the errors individually and in the aggregate were not material to the results of operations or financial condition for any prior annual or interim period. We also concluded that correcting the errors, on a cumulative basis, as an out-of-period adjustment would be material to our results for the year ended December 31, 2011 and accordingly, determined that we need to revise previously issued financial statements as part of this revision. We also reversed certain previously recorded out-of-period adjustments in discontinued operations that we had concluded were not material to prior periods, and have recorded them in the periods in which the errors originated. Of the $20.6 million, $9.6 million related to years prior to 2007. We have revised our opening retained earnings balance for the period as of January 1, 2009 to correct for this error. The remaining $11.0 million related to 2010 and 2009 related to discontinued operations. The impact of these adjustments for 2010 and 2009 are as follows:

	Increase/(Decrease)		
	2010	2009	
Balance sheet items:			
Assets of Discontinued Operations	$8,018	$(3,014	)
Current Assets	8,018	(3,014	)
Total Assets	8,018	(3,014	)
Retained earnings	8,018	(3,014	)
Total CoreLogic stockholders' equity	8,018	(3,014	)
Statement of operations:			
(Loss)/income from discontinued operations, net of tax	11,032	(3,014	)
Net (loss)/income	$11,032	$(3,014	)
Per share basic and diluted impact:			
Basic	$0.10	$(0.03	)

Diluted	$0.10	$(0.03)

The Consolidated Balance Sheet as of December 31, 2010 has been revised to correct the classification of $21.1 million in restricted cash from prepaid expenses and other current assets to other assets. In addition, the Consolidated Balance Sheet as of December 31, 2011 and 2010 and Note 21 - Guarantor Subsidiaries has been revised to correct the classification of liabilities for income taxes associated with uncertain tax positions, including interest and penalties and indemnifications in the amount of $26.6 million and $23.2 million, respectively, from current to non-current liabilities. The Consolidated Statement of Cash Flows for the year ended December 31, 2010 has been revised to correct the classification of $14.8 million in debt issuance costs from cash flow from operating activities to cash flow from financing activities. Furthermore, we have revised

Note 18 - Discontinued Operations, to reclassify approximately $6.9 million of income and $2.8 million of losses from marketing services to employer litigation services ("ELI") for the years ended December 31, 2010 and 2009, respectively. These corrections in classification did not have a material impact on the previously issued financial statements and related notes.

Use of estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the financial statements. Actual results could differ from the estimates and assumptions used.

Cash equivalents

We consider cash equivalents to be all short-term investments that have an initial maturity of 90 days or less and are not restricted.

Accounts Receivable

Accounts receivable are generally due from mortgage originators and servicers, financial institutions and other businesses, government and government-sponsored enterprises located throughout the United States and abroad. Credit is extended based on an evaluation of the customer’s financial condition, and generally, collateral is not required.

The allowance for doubtful accounts for all probable uncollectible receivables is based on a combination of historical data, cash payment trends, specific customer issues, write-off trends, general economic conditions and other factors. These factors are continuously monitored by management to arrive at the estimate for the amount of accounts receivable that may be ultimately uncollectible. In circumstances where we are aware of a specific customer’s inability to meet its financial obligations, we record a specific allowance for doubtful accounts against amounts due to reduce the net recognized receivable to the amount it reasonably believes will be collected. Management believes that the balances for allowance for doubtful accounts at December 31, 2011 and 2010 are reasonably stated.

Marketable securities

Debt securities are carried at fair value and consist primarily of investments in obligations of various corporations and mortgage-backed securities. Equity securities are carried at fair value and consist primarily of investments in marketable common and preferred stock. We classify our publicly traded debt and equity securities as available-for-sale and carry them at fair value with unrealized gains or losses classified as a component of accumulated other comprehensive income (loss).

Property and equipment

Property and equipment are recorded at cost. Property and equipment includes computer software acquired or developed for internal use and for use with our products. Software development costs, which include capitalized interest costs and certain payroll-related costs of employees directly associated with developing software, in addition to incremental payments to third parties, are capitalized from the time technological feasibility is established until the software is ready for use.

Accounting guidance requires that we capitalize interest costs incurred and certain payroll-related costs of employees directly associated with developing software in addition to incremental payments to third parties.

Depreciation on buildings and on furniture and equipment is computed using the straight-line method over estimated useful lives of 25 to 40, and 3 to 10 years, respectively. Capitalized software costs are amortized using the straight-line method over estimated useful lives of 3 to 10 years. Leasehold improvements are amortized over useful lives that are consistent with the lease terms.

Capitalized data and database development costs, net

Database development costs represent our cost to develop the proprietary databases of information for customer usage. The costs are capitalized from the time technological feasibility is established until the information is ready for use. These costs are amortized using the straight-line method over estimated useful lives of 7 to 20 years.

The carrying value for the flood zone certification database, included as geospatial data in Note 5 – Capitalized Data and Database Development Costs, Net, as of December 31, 2011 and 2010 is $52.9 million. Because properly maintained flood zone databases have indefinite lives and do not diminish in value with the passage of time, no provision has been made for depreciation or amortization. We periodically analyze our indices for impairment. This analysis includes, but is not limited to, the effects of obsolescence, duplication, demand and other economic factors.

Restricted cash

Restricted cash is comprised of certificates of deposit that are pledged for various letters of credit secured by the Company; we deem the carrying value to be a reasonable estimate of fair value due to the nature of these instruments.

Purchase accounting

The purchase method of accounting requires companies to assign values to assets and liabilities acquired based upon their fair values. In most instances there are not 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 intangible assets, in particular is very subjective. We generally obtain third-party valuations to assist us in estimating fair values. The use of different valuation techniques and assumptions could change the amounts and useful lives assigned to the assets and liabilities acquired, including goodwill and other identifiable intangible assets and related amortization expense.

Goodwill

We perform an annual impairment test for goodwill and other indefinite-lived intangible assets for each reporting unit every fourth quarter. In addition to our annual impairment test, we periodically assess whether events or circumstances occurred that potentially indicate that the carrying amounts of these assets may not be recoverable. This test utilizes a variety of valuation techniques, all of which require us to make estimates and judgments. Fair value is determined by employing an expected present value technique, which utilizes multiple cash flow scenarios that reflect a range of possible outcomes and an appropriate discount rate. The use of comparative market multiples (the “market approach”) compares the reporting unit to other comparable companies (if such comparables are present in the marketplace) based on valuation multiples to arrive at a fair value. We also use certain of these valuation techniques in accounting for business combinations, primarily in the determination of the fair value of acquired assets and liabilities. In assessing the fair value, we utilize the results of the valuations (including the market approach to the extent comparables are available) and consider the range of fair values determined under all methods and the extent to which the fair value exceeds the book value of the equity. Our reporting units are data and analytics, mortgage origination services, and default services. Our policy is to perform an annual impairment test for each reporting unit in the fourth quarter, or sooner, if circumstances indicate a possible impairment.

Management’s impairment testing process may include two steps. The first step (“Step 1”) compares the fair value of each reporting unit to its book value. The fair value of each reporting unit is determined by using discounted cash flow analysis and market approach valuations. If the fair value of the reporting unit exceeds its book value, then goodwill is not considered impaired and no additional analysis is required. However, if the book value is greater than the fair value, a second step (“Step 2”) must be completed to determine if the fair value of the goodwill exceeds the book value of the goodwill.

Step 2 involves calculating an implied fair value of goodwill for each reporting unit for which Step 1 indicated impairment. The implied fair value of goodwill is determined in a manner similar to the amount of goodwill calculated in a business combination, by measuring the excess of the estimated fair value of the reporting unit, as determined in the Step 1, over the aggregate estimated fair values of the individual assets, liabilities and identifiable intangibles as if the reporting unit was being acquired in a business combination. If the implied fair value of goodwill exceeds the carrying value of goodwill assigned to the reporting unit, there is no impairment. If the carrying value of goodwill assigned to a reporting unit exceeds the implied fair value of the goodwill, an impairment loss is recorded for the excess. An impairment loss cannot exceed the carrying value of goodwill assigned to a reporting unit, and the loss establishes a new basis in the goodwill. Subsequent reversal of goodwill impairment losses is not permitted. The valuation of goodwill requires assumptions and estimates of many critical factors including revenue growth, cash flows, market multiples and discount rates. Forecasts of future operations are based, in part, on operating results and our expectations as to future market conditions. These types of analysis contain uncertainties because they require us to make assumptions and to apply judgments to estimate industry economic factors and the profitability of future business strategies. However, if actual results are not consistent with our estimates and assumptions, we may be exposed to an additional impairment loss that could be material. See further discussion in Note 7 – Goodwill.

Other intangible assets

Our intangible assets consist of covenants not to compete, customer lists, and trade names. Each of these intangible assets is amortized on a straight-line basis over its useful life ranging from 2 to 20 years and is subject to impairment tests on a periodic basis.

Impairment of long-lived assets

Long-lived assets held and used include investment in affiliates, property and equipment, capitalized software, and other intangible assets. Management uses estimated future cash flows (undiscounted and excluding interest) to measure the recoverability of long-lived assets held and used whenever events or changes in circumstances indicate that the carrying value of an asset may not be fully recoverable. If the undiscounted cash flow analysis indicates a long-lived asset is not recoverable, the impairment loss recorded is the excess of the carrying amount of the asset over its fair value.

In addition, we carry long-lived assets held for sale at the lower of cost or market as of the date that certain criteria have been met.

Revenue recognition

We derive our revenues principally from U.S. mortgage originators and servicers with good credit worthiness. Our product and service deliverables are generally comprised of data or other related services. Our revenue arrangements with our customers generally include a work order or written agreement specifying the data products or services to be delivered and related terms of sale including payment amounts and terms. The primary revenue recognition-related judgments we exercise are to determine when all of the following criteria have been met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) our price to the buyer is fixed or determinable; and (4) collectability is reasonably assured.

For products or services where delivery occurs at a point in time, we recognize revenue upon delivery. These products or services include sales of tenancy data and analytics, credit solutions for mortgage and automotive industries, under-banked credit services, flood data and services, real estate owned asset management, claims management, default services, broker price opinions, and field services where we perform property preservation services.

For products or services where delivery occurs over time, we recognize revenue ratably on a subscription basis over the contractual service period once initial delivery has occurred. Generally these service periods range from one to three years. Products or services recognized on a license or subscription basis include information and analytic products, flood database licenses, Realtor solutions, and lending solutions.

Tax service revenues are comprised of periodic loan fees and life-of-loan fees. For periodic loans, we generate monthly fees at a contracted fixed rate for as long as we service the loan. Loans serviced with a one-time, life-of-loan fee are billed once the loan is boarded to our tax servicing system in accordance with a customer tax servicing agreement. Life-of-loan fees are then deferred and recognized ratably over the expected service period. The rates applied to recognize revenues assume a 10-year contract life and are adjusted to reflect prepayments. We review the tax service contract portfolio quarterly to determine if there have been changes in contract lives, expected service period, and/or changes in the number and/or timing of prepayments. Accordingly, we may adjust the rates to reflect current trends.

External cost of revenue

External cost of revenue represents the direct incremental costs paid to outside parties to obtain information and/or services necessary to generate specific revenues, representing the variable costs associated with our revenues. We currently do not include any component of salaries and wages or depreciation and amortization in our external cost of revenues.

Prior to the Separation, we operated primarily as a title insurance company regulated under Article 7 of Regulation S-X and were not subject to the requirements of Article 5 of Regulation S-X. Rule 5-03 of Regulation S-X requires Article 5 companies, such as us, to classify expenses in a functional manner. We intend to classify external cost of revenues, salaries and benefits and other operating expenses into cost of revenues and selling, general and administrative ("SG&A") expenses. We are gathering the financial information and expect to present our income statement under this classification with our annual report on Form 10-K for the year ended December 31, 2012 and all periods presented therein. We believe classifying these expenses on a functional basis will not be material to the financial statements as a whole, as there will be no impact to total expenses previously reported, nor will it impact the statement of operations in terms of overall revenues, operating income, net income or earnings per share. In addition, there will be no impact on our balance sheets or statements of cash flow.

Income taxes

We account for income taxes under the asset and liability method, whereby deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. We evaluate the need to establish a valuation allowance for deferred tax assets based upon the amount of existing temporary differences, the period in which they are expected to be recovered and expected levels of taxable income. A valuation allowance to reduce deferred tax assets is established when it is “more likely than not” that some or all of the deferred tax assets will not be realized.

We recognize income tax positions only if sustaining those positions is “more likely than not.” Changes in recognition or measurement are reflected in the period in which a change in judgment occurs. We recognize interest and penalties, if any, related to uncertain tax positions in tax expense.

Comprehensive income (loss)

Comprehensive income (loss) includes all changes in equity except those resulting from investments by owners and distribution to owners. Specifically, foreign currency translation adjustments, amounts related to supplemental benefit plans, unrealized gains and losses on interest rate swap transactions and unrealized gains and losses on investment are recorded in other comprehensive (loss) income.

Stock-based compensation

We measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. The cost is recognized over the period during which an employee is required to provide services in exchange for the award. We used the binomial lattice option-pricing model to estimate the fair value for any options granted after December 31, 2005 through December 31, 2009. For the options granted subsequent to December 31, 2009, we used the Black-Scholes model to estimate the fair value. We utilize the straight-line single option method of attributing the value of stock-based compensation expense unless another expense attribution model is required. As stock-based compensation expense recognized in results of operations is based on awards ultimately expected to vest, stock-based compensation expense has been reduced for estimated forfeitures. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. We apply the long-form method for determining the pool of windfall tax benefits.

In connection with the Separation, we awarded performance-based restricted stock units and stock options to certain key employees and expect to continue to use these forms of equity-based compensation for key employees.

Currently, our primary means of stock-based compensation is granting restricted stock units (“RSUs”). The fair value of any RSU grant is based on the market value of our shares on the date of grant and is generally recognized as compensation expense over the vesting period. RSUs granted to certain key employees have graded vesting and have a service and performance requirement and are therefore expensed using the accelerated multiple-option method to record stock-based compensation expense. All other RSU awards have graded vesting and service is the only requirement to vest in the award and are therefore generally expensed using the straight-line single option method to record stock-based compensation expense.

In addition to stock options and RSUs, we have an employee stock purchase plan that allows eligible employees to purchase common stock of the Company at 85.0% of the closing price on the last day of each month. We recognize an expense in the amount equal to the discount. The employee stock purchase plan expired in September 2011.

See Note 14 –Stock-based Compensation Plans for additional information related to stock options and restricted stock units.

Foreign currency

The functional currencies of our foreign subsidiaries are their respective local currencies. The financial statements of the foreign subsidiaries are translated into U.S. dollars for consolidation as follows: assets and liabilities at the exchange rate as of the balance sheet date, stockholders' equity at the historical rates of exchange, and income and expense amounts at average rates prevailing throughout the period. Translation adjustments resulting from the translation of the subsidiaries' accounts are included in "Accumulated other comprehensive income/(loss)," a separate component of stockholders' equity. Gains and losses resulting from foreign currency transactions are included within "Other operating expenses" and are not material to the results of operations.

Earnings/(loss) per share

Basic earnings (loss) per share is computed by dividing net income (loss) available to our stockholders by the weighted-average number of common shares outstanding. The computation of diluted earnings per share is similar to the computation of basic earnings per share, except that the weighted-average number of common shares outstanding is increased to include the number of additional common shares that would have been outstanding if dilutive stock options had been exercised and RSUs were vested. The dilutive effect of stock options and unvested RSUs is computed using the treasury stock method, which assumes any proceeds that could be obtained upon the exercise of stock options and vesting of RSUs would be used to purchase shares of common stock at the average market price for the period. The assumed proceeds include the purchase price the grantee pays, the hypothetical windfall tax benefit that we receive upon assumed exercise or vesting and the hypothetical average unrecognized compensation expense for the period. We calculate the assumed proceeds from excess tax benefits based on the "as-if" deferred tax assets calculated under stock-based compensation standards.

Escrow Administration Arrangements

We administer escrow deposits as a service to our customers in connection with our tax services business. These deposits are maintained in segregated accounts for the benefit of our customers. Escrow deposits totaled $593.9 million at December 31, 2011 and $225.5 million at December 31, 2010. Escrow deposits held on behalf of our customers are not our funds and, therefore, are not included in the accompanying consolidated balance sheets.

Under our contracts with our customers, if we make a payment in error or fail to pay a taxing authority when a payment is due, we could be held liable to our customers for all or part of the financial loss they suffer as a result of our act or omission. We maintained reserves relating to incorrect disposition of assets of $16.0 million and $16.7 million as of December 31, 2011 and 2010, respectively.

Escrow deposits are generally held by the Company for a period of two to five business days and we invest these funds in highly-rated, liquid investments, such as bank deposit products or AAA-rated money market funds. We earn interest income from these investments and bear the risk of any losses. However, we have not historically incurred any investment losses and do not anticipate incurring any future investment losses. As a result, we do not maintain any reserves for losses in value of these investments.

Recent Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board ("FASB") issued updated guidance related to the presentation of offsetting (netting) assets and liabilities in the financial statements. The guidance requires the disclosure of both gross information and net information on instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement similar to a master netting arrangement. This scope would include derivatives, sale and repurchase agreements and reverse sale and repurchase agreements, and securities borrowing and securities lending arrangements. The updated guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. Management does not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In September 2011, the FASB issued updated guidance related to the testing of goodwill for impairment. The guidance provides that an entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary. The updated guidance is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Management does not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In June 2011, the FASB issued updated guidance related to the presentation of comprehensive income. The guidance provides that an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. Retroactive application of the presentation requirements has been provided herein. Except for the required change in presentation, the adoption of the updated guidance related to the presentation of comprehensive income had no material impact on our consolidated financial statements.

In May 2011, the FASB issued updated guidance related to fair value measurements and disclosures. The update provides amendments to achieve common fair value measurements and disclosure requirements in GAAP and International Financial Reporting Standards. The amendments in this update explain how to measure fair value. They do not require additional fair value measurements and are not intended to establish valuation standards or affect valuation practices outside of financial reporting. The updated guidance is effective during interim and annual financial reporting periods beginning after December 15, 2011. Management does not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In December 2010, the FASB issued updated guidance which addresses diversity in practice about the interpretation of the pro forma revenue and earnings disclosure requirements for business combinations. The amendments specify that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. The amendments also expand the supplemental pro forma disclosures to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. The amendments are effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. The adoption of this guidance did not have a material impact on our consolidated financial statements.

In December 2010, the FASB issued updated guidance related to when to perform Step 2 of the goodwill impairment test for reporting units with zero or negative carrying amounts. The guidance amends the criteria for performing Step 2 of the goodwill impairment test for reporting units with zero or negative carrying amounts and requires performing Step 2 if qualitative factors indicate that it is more likely than not that a goodwill impairment exists. The adoption of this guidance did not have a material impact on our consolidated financial statements.

In January 2010, the FASB issued updated guidance related to fair value measurements and disclosures, which requires a reporting entity to disclose separately the amounts of material unobservable inputs (Level 3) information about purchases, sales, issuances and settlements (that is, on a gross basis rather than one net number). The updated guidance is effective for interim or annual financial reporting periods beginning after December 15, 2010 and for interim periods within the fiscal year. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Note 3 - Marketable Securities

Marketable securities consist of the following:

(in thousands)	2011	2010
Non-agency mortgage-backed and asset-backed securities	$—	$1,791
Total investments in debt securities	—	1,791
Common stock	—	51,255
Preferred stock	20,884	22,175
Total investments in equity securities	20,884	73,430
Total marketable securities	$20,884	$75,221

We classify our publicly traded debt and equity securities as available-for-sale and carry them at fair value with unrealized gains or losses classified as a component of accumulated other comprehensive income (loss). Debt securities consist primarily of investments in obligations of various corporations and mortgage-backed securities. Equity securities consist primarily of investments in marketable common and preferred stock.

In January 2011, we sold our equity investment in DealerTrack Holdings, Inc., which was classified as available for sale with a carrying value of $51.3 million and a gross unrealized gain in other comprehensive income of $24.2 million, or $14.1 million net of tax, at December 31, 2010 for gross proceeds of $51.9 million and a realized pre-tax gain of $24.9 million.

Sales of debt and equity securities resulted in a realized gain of $24.9 million, $0.3 million and $0.2 million in for the years ended December 31, 2011, 2010 and 2009, respectively.

Note 4 - Property and Equipment, Net

Property and equipment as of December 31, 2011 and 2010 consists of the following:

(in thousands)	2011	2010
Land	$13,204	$16,051
Buildings	13,396	32,064
Furniture and equipment	104,081	94,159
Capitalized software	449,990	388,551
Leasehold improvements	42,873	44,258
	623,544	575,083
Less accumulated depreciation	(409,307)	(377,657)
Property and equipment, net	$214,237	$197,426

As of December 31, 2011 and 2010, our property and equipment includes $74.0 million and $0.2 million of property and equipment from acquisitions. Depreciation expense for property and equipment was approximately $63.7 million, $54.8 million and $77.9 million for the years ended December 31, 2011, 2010 and 2009, respectively. We have reclassified $3.0 million and $14.0 million of property and equipment, net, to assets of discontinued operations as of December 31, 2011 and 2010, respectively. For the years ended December 31, 2011, 2010 and 2009, we recognized $5.8 million, $2.5 million and $13.3 million of impairment losses primarily on internally developed software. Further, we recognized $8.1 million of gain on sale of property and equipment for the year ended December 31, 2011.

Note 5 - Capitalized Data and Database Development Costs, Net

Database development costs for the years ended December 31, 2011 and 2010 are as follows:

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(in thousands)	2011	2010
Capitalized data	$373,333	$261,074
Geospatial data	52,916	52,916
Eviction data	18,267	18,907
	444,516	332,897
Less accumulated amortization	(140,510)	(121,566)
Capitalized data and database costs, net	$304,006	$211,331

As of December 31, 2011, our capitalized data and database development costs include $91.4 million of capitalized data from acquisitions. Amortization expense relating to capitalized data and database development costs was approximately $23.2 million, $17.7 million and $16.1 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Note 6 - Investment in Affiliates, Net

Investments in affiliates, net are accounted for under the equity method of accounting as we are deemed to have significant influence over the affiliate but do not control or have a majority voting interest in the affiliate. The investment is carried at the cost of acquisition, including subsequent capital contributions and loans from us, plus our equity in undistributed earnings or losses since acquisition. We record equity in earnings of affiliates, net of tax. Income tax expense of $19.2 million, $27.7 million and $32.4 million was recorded on those earnings for the years ended December 31, 2011, 2010 and 2009, respectively. Dividends from equity method investments were $42.9 million, $64.6 million and $89.5 million for the years ended December 31, 2011, 2010 and 2009 in 2010, respectively.

One of our subsidiaries owns a 50.1% interest in a joint venture that provides products and services used in connection with loan originations. This investment in an affiliate contributed 88.1%, 91.9% and 87.6% of our total equity in earnings of affiliates, net of tax, for the years ended December 31, 2011, 2010 and 2009, respectively. Based on the terms and conditions of the joint venture agreement, we have significant influence but do not have control of, or a majority voting interest in, the joint venture. Accordingly, this investment is accounted for under the equity method.

In March 2011, we acquired a 50.1% interest in Speedy Title & Appraisal Review Services LLC ("STARS") for $35.0 million, consisting of an initial cash payment of $20.0 million and a note of $15.0 million payable in three installments of $5.0 million (due on the first, third, and fifth anniversaries of the initial closing), which is non-interest bearing and was discounted to $13.2 million as of December 31, 2011. See Note 9 - Long-Term Debt. We have recorded $30.8 million of basis difference between the purchase price and our interest in the net assets of STARS, which is comprised of an indefinite-lived component of $9.7 million and a finite-lived component of $21.1 million with an estimated weighted average life of 9.3 years. The basis difference is classified as part of the investment in affiliates. Based on the terms and conditions of the joint venture agreement, we have significant influence but do not have control of, nor a majority voting interest in STARS; thus we account for our investment in STARS under the equity method of accounting.

In March and May 2011, we completed our acquisitions of the remaining interest in Dorado Network Systems ("Dorado") and RP Data Limited ("RP Data"), respectively. For Dorado, a loss of $14.5 million was previously recognized in the fourth quarter of 2010 and there was no further gain or loss on the acquisition of the controlling interest in 2011. For RP Data, we recorded an investment gain of approximately $58.9 million during the second quarter of 2011. Prior to our acquisition of these controlling interests, we accounted for our investments in Dorado and

RP Data using the equity method. See Note 17 - Acquisitions for more information.

For the years ended December 31, 2011, 2010 and 2009, we recorded non-cash impairment charges of $30.7 million, $16.3 million and $5.4 million, respectively, in our investments in affiliates, net due to other than temporary loss in value from the absence of an ability to recover the carrying amount of the investment from the under-performance of several investment in affiliates and continued changes in regulatory environment. These non-cash impairment charges are included in gain/(loss) on investment and other, net in the accompanying consolidated statement of operations.

Note 7 - Goodwill

A reconciliation of the changes in the carrying amount of goodwill, by operating segment, for the years ended December 31, 2011 and 2010 is as follows:

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(in thousands)	Data and Analytics	Mortgage Origination Services	Default Services	Consolidated
Balance at January 1, 2010				—
Goodwill	$485,488	$661,682	$137,287	$1,284,457
Accumulated impairment losses	(600)	(6,925)	—	(7,525)
Goodwill, net	484,888	654,757	137,287	1,276,932
Acquisitions	—	1,500	12,122	13,622
Translation adjustments	308	—	—	308
Other	(889)	(85)	—	(974)
Balance at December 31, 2010				
Goodwill, net	484,307	656,172	149,409	1,289,888
Acquisitions	172,419	19,664	—	192,083
Translation adjustments	(7,678)	—	—	(7,678)
Other	—	(2,087)	—	(2,087)
Balance at December 31, 2011				
Goodwill, net	$649,048	$673,749	$149,409	$1,472,206

For the year ended December 31, 2011, we recorded $19.7 million of goodwill in connection with our acquisition of the remaining interest in Dorado in March 2011, $154.5 million of goodwill in connection with our acquisition of the remaining interest in RP Data in May 2011 and $17.9 million in connection with our acquisition of Tarasoft Corporation ("Tarasoft") in September 2011. For the year ended December 31, 2010, we recorded $12.1 million of goodwill in connection with our acquisition of RealtyBid in November 2010. We have reclassified $17.3 million and $155.1 million of goodwill, net, to assets of discontinued operations as of December 31, 2011 and 2010, respectively.

Our policy is to perform an annual goodwill impairment test for each reporting unit in the fourth quarter. In addition to our annual impairment test, we periodically assess whether events or circumstances occurred that potentially indicate that the carrying amounts of these assets may not be recoverable. Due to weak market demand, the market price of our common stock declined during the third quarter of 2011, we performed an interim goodwill impairment analysis as of August 31, 2011 and noted no risk of impairment of any other reporting unit, other than in the marketing services reporting unit as discussed below.

As of third quarter 2011, we closed our marketing services reporting unit (Leadclick) and concluded we would actively pursue the sale of our consumer services (Consumer Credit Monitoring Services), transportation services (comprised of our American Driving Records and CompuNet Credit Services business units) and our wholly-owned appraisal management company businesses - see Note 18 Discontinued Operations. As a result of these actions, we revised our reporting for segment disclosure purposes - see Note 20 Segment Financial Information, and revised our reporting units for purposes of evaluating the carrying value of our goodwill. As of December 31, 2011, our reporting units for goodwill purposes are data & analytics, mortgage origination services and default services. This change required us to perform a fourth quarter goodwill impairment test and to reassign our goodwill to each reporting unit using the relative fair value approach, based on the fair values of the reporting units as of September 30, 2011. Based on the results of our fourth quarter goodwill impairment test, we noted no further impairment of goodwill in our continuing reporting units.

Determining the fair value of a reporting unit is judgmental in nature and requires the use of significant estimates and assumptions, including revenue growth rates, operating margins, discount rates and future market conditions, among others. Key assumptions used to determine the fair value of our reporting units in our testing were: (a) expected cash flow for the period from 2011 to 2019; (b) an average discount rate of 12.0%, which was based on management's best estimate of the after-tax weighted average cost of capital; and (c) an average control premium of 20.0%. It is reasonably possible that changes in the facts, judgments, assumptions and estimates used in assessing the fair value of the goodwill could cause a reporting unit to become impaired.

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Note 8 - Other Identifiable Intangible Assets

Other identifiable intangible assets consist of the following:

(in thousands)	2011	2010
Customer lists	$276,112	$209,004
Non-compete agreements	7,898	8,033
Trade names and licenses	24,402	9,543
	308,412	226,580
Less accumulated amortization	(144,047)	(116,730)
Other identifiable intangible assets, net	$164,365	$109,850

Amortization expense for other identifiable intangible assets was $28.3 million, $19.7 million and $19.7 million for the years ended December 31, 2011, 2010 and 2009, respectively. We have reclassified $2.6 million and $22.8 million of other intangible assets, net, to assets of discontinued operations as of December 31, 2011 and 2010, respectively, and recorded a non-cash impairment charge before tax of $22.0 million, of which $17.1 million was a component of loss from discontinued operations, net of tax, for the year ended December 31, 2011.

Estimated amortization expense for other identifiable intangible assets anticipated for the next five years is as follows:

(in thousands)	
2012	$26,742
2013	24,877
2014	17,743
2015	16,303
2016	15,262
Thereafter	63,438
	$164,365

Note 9 - Long-Term Debt

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(in thousands)	2011	2010
Acquisition related notes:		
Weighted average interest rate of 5.27% at December 31, 2010, with maturities through 2013	$—	$44,624
Non-interest bearing acquisition note due in $5.0 million installments March 2012, 2014 and 2016	13,209	—
Notes:		
7.25% senior notes due June 2021	400,000	—
5.7% senior debentures due August 2014	1,175	1,175
7.55% senior debentures due April 2028	59,645	59,645
8.5% deferrable interest subordinated notes due April 2012	34,768	34,768
Bank debt:		
Revolving line of credit borrowings due March 2016, weighted average interest rate of 6.8%	51,045	—
Term loan facility borrowings through March 2016, weighted average interest rate of 4.0%	341,250	—
Revolving line of credit borrowings due July 2012, weighted average interest rate of 3.63%, extinguished in May 2011	—	200,000
Term loan facility borrowings due April 2016, weighted average interest rate of 4.75%, extinguished in May 2011	—	348,250
Other debt:		
6.52% Promissory Note due to First American Financial Corporation (See Note 19)	—	18,787
Various interest rates with maturities through 2013	7,203	13,640
Total long-term debt	908,295	720,889
Less current portion of long-term debt	62,268	233,452
Long-term debt, net of current portion	$846,027	$487,437

Senior Notes

On May 20, 2011, CoreLogic, Inc. issued $400.0 million aggregate principal amount of 7.25% senior notes due 2021 (the "Notes"). Separate financial statements for each guarantor subsidiary are not included in this filing because each guarantor subsidiary is wholly-owned and the guarantees are full and unconditional, as well as joint and several, for the Notes. There were no significant restrictions on the ability of the parent company or any guarantor subsidiary to obtain funds from its subsidiaries by dividend or loan. The Notes bear interest at 7.25% per annum and mature on June 1, 2021. Interest is payable semi-annually in arrears on June 1 and December 1 of each year, beginning on December 1, 2011.

The Notes are senior unsecured obligations and: (i) rank equally with any of our existing and future senior unsecured indebtedness; (ii) rank senior to all our existing and future subordinated indebtedness; (iii) are subordinated to any of our secured indebtedness (including indebtedness under our credit facility) to the extent of the value of the assets securing such indebtedness; and (iv) are structurally subordinated to all of the existing and future liabilities (including trade payables) of each of our subsidiaries that do not guarantee the Notes. The guarantees will: (i) rank equally with any existing and future senior unsecured indebtedness of the guarantors; (ii) rank senior to all existing and future subordinated indebtedness of the guarantors; and (iii) are subordinated in right of payment to any secured indebtedness of the guarantors (including the guarantee of our credit facility) to the extent of the value of the assets securing such indebtedness.

The Notes are redeemable by us, in whole or in part on or after June 1, 2016 at a price up to 103.63% of the aggregate principal amount of the Notes, plus accrued and unpaid interest, if any, to the applicable redemption date, subject to other limitations. We may also redeem up to 35.0% of the original aggregate principal amount of the Notes at any time prior to June 1, 2014 with the proceeds from certain equity offerings at a price equal to 107.25% of the aggregate principal amount of the Notes, together with accrued and unpaid interest, if any, to the applicable redemption date, subject to certain other limitations.

We may also redeem some or all of the Notes before June 1, 2016 at a redemption price equal to 100.0% of the aggregate principal amount of the Notes, plus a "make-whole premium," plus accrued and unpaid interest, if any, to the redemption date.

Upon the occurrence of specific kinds of change of control events, holders of the Notes have the right to cause us to purchase some or all of the Notes at 101.0% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase.

The indenture governing the Notes contains restrictive covenants that limit, among other things, our ability and that of our restricted subsidiaries to incur additional indebtedness or issue certain preferred equity, pay dividends or make other distributions or other restricted payments, make certain investments, create restrictions on distributions from restricted subsidiaries, create liens on properties and certain assets to secure debt, sell certain assets, consolidate, merge, sell or otherwise dispose of all or substantially all of its assets, enter into certain transactions with affiliates and designate our subsidiaries as unrestricted subsidiaries. The indenture also contains customary events of default, including upon the failure to make timely payments on the Notes or other material indebtedness, the failure to satisfy certain covenants and specified events of bankruptcy and insolvency. If we have a significant increase in our outstanding debt or if our EBITDA decreases significantly, we may be unable to incur additional amounts of indebtedness, and the holders of the notes may be unwilling to permit us to amend the restrictive covenants to provide additional flexibility. In addition, the indenture contains a financial covenant for the incurrence of additional indebtedness that requires that the interest coverage ratio be at least 2:00 to 1:00 on a pro forma basis after giving effect to any new indebtedness. There are carve-outs that permit us to incur certain indebtedness notwithstanding satisfaction of this ratio, but they are limited. Based on our EBITDA and interest charges as of December 31, 2011, we would be able to incur additional indebtedness without breaching the limitation on indebtedness covenant contained in the indenture
and we are in compliance with all of our covenants under the indenture.

Credit Agreement

On May 23, 2011, the Company, CoreLogic Australia Pty Limited and the guarantors entered into a senior secured credit facility agreement (the "Credit Agreement") with Bank of America, N.A. as administrative agent and other financial institutions. The Credit Agreement provides for a $350.0 million five-year term loan facility (the "Term Facility") and a $550.0 million revolving credit facility (the "Revolving Facility"). The Revolving Facility includes a $100.0 million multicurrency revolving sub-facility and a $50.0 million letter of credit sub-facility. The Credit Agreement also provides for the ability to increase the Term Facility and Revolving Facility commitments provided that the total credit exposure under the Credit Agreement does not exceed $1.4 billion in the aggregate.

The loans under the Credit Agreement bear interest, at our election, at (i) the Alternate Base Rate (as defined in the Credit Agreement) plus the Applicable Rate (as defined in the Credit Agreement) or (ii) the London interbank offering rate for Eurocurrency borrowings, or the LIBO Rate, adjusted for statutory reserves, or the Adjusted LIBO Rate plus the Applicable Rate. The initial Applicable Rate for Alternate Base Rate borrowings is 1.00% and for Adjusted LIBO Rate borrowings is 2.00%. Starting with the full fiscal quarter after the closing date, the Applicable Rate will vary depending on our leverage ratio. The minimum Applicable Rate for Alternate Base Rate borrowings will be 0.75% and the maximum will be 1.75%. The minimum Applicable Rate for Adjusted LIBO Rate borrowings will be 1.75% and the maximum will be 2.75%. The Credit Agreement also requires us to pay commitment fees for the unused portion of the Revolving Facility, which will be a minimum of 0.30% and a maximum of 0.50%, depending on our leverage ratio.

The obligations under the Credit Agreement are our and the guarantors' senior secured obligations, collateralized by a lien on substantially all of our and the guarantors' personal property assets and mortgages or deeds of trust on our and the guarantors' real property with a fair market value of $10.0 million or more (collectively, the "Collateral") and rank senior to any of our and the guarantors' unsecured indebtedness (including the Notes) to the extent of the value of the Collateral.

The Credit Agreement provides that loans under the Term Facility shall be repaid in quarterly installments, commencing on September 30, 2011 and continuing on each three-month anniversary thereafter until and including March 31, 2016 in an amount equal to $4.4 million on each repayment date from September 30, 2011 through June 30, 2013, $8.8 million on each repayment date from September 30, 2013 through June 30, 2014 and $13.1 million on each repayment date from September 30, 2014 through March 31, 2016. The outstanding balance of the term loan will be due on the fifth anniversary of the closing date of the Credit Agreement. The Term Facility is also subject to prepayment from (i) the net cash proceeds of certain debt incurred or issued by us and the guarantors and (ii) the net cash proceeds received by us or the guarantors from certain assets sales and recovery events, subject to certain reinvestment rights.

The Credit Agreement contains financial maintenance covenants, including a (i) maximum total leverage ratio not to exceed 4.25 to 1.00 (stepping down to 4.00 to 1.00 starting in the fourth quarter of 2012, with a further step down to 3.50 to 1.00 starting in the fourth quarter of 2013), (ii) a minimum interest coverage ratio of note less than 3.00 to 1.00, and (iii) a maximum senior secured leverage ratio. not to exceed 3.25 to 1.00 (stepping down to 3.00 to 1.00 in the fourth quarter of 2012. At December 31, 2011, we were in compliance with these financial covenants and the restrictive covenants.

The Credit Agreement also contains restrictive covenants that limit, among other things, our ability and that of our subsidiaries, to incur additional indebtedness or issue certain preferred equity, pay dividends or make other distributions or other restricted payments, make certain investments, create restrictions on distributions from subsidiaries, to enter into sale leaseback transactions, amend the terms of certain other indebtedness, create liens on certain assets to secure debt, sell certain assets, consolidate, merge, sell or otherwise dispose of all or substantially all of our assets and enter into certain transactions with affiliates. The Credit Agreement also contains customary events of default, including upon the failure to make timely payments under the Term Facility and the Revolving Facility or other material indebtedness, the failure to satisfy certain covenants, the occurrence of a change of control and specified events of bankruptcy and insolvency. If we have a significant increase in our outstanding debt or if our earnings decrease significantly, we may be unable to incur additional amounts of indebtedness, and the lenders under the Credit Agreement may be unwilling to permit us to amend the financial or restrictive covenants described above to provide additional flexibility. At December 31, 2011, we had borrowing capacity under the revolving lines of credit of $499.0 million, and were in compliance with the financial and restricted covenants of our loan agreements. As of December 31, 2011 and 2010, we have recorded $4.4 million and $2.8 million, respectively, of accrued interest expense.

Former Credit Agreement

As of December 31, 2010, we had a signed third amended and restated credit agreement (the “Credit Agreement”), with JPMorgan Chase Bank, N.A. (“JPMorgan”), Wells Fargo Securities and a syndicate of lenders, with JPMorgan also serving as administrative agent and collateral agent. The Credit Agreement amended and restated our second amended and restated credit agreement dated as of November 16, 2009. Proceeds from the extensions of credit under the Credit Agreement were used for working capital, retirement of public debt and other general corporate purposes.

The Credit Agreement consisted of a $350.0 million six-year term loan facility, with an original expiration date of April 12, 2016, and a $500.0 million revolving credit facility with a $50.0 million letter of credit sub-facility. The term loan facility was drawn in full on the closing date and the proceeds were used to settle the cash tender offers discussed below, as well as to pay down amounts owed on the revolving credit facility.

The Credit Agreement provided for the ability to increase the term loan facility provided that the total credit exposure under the Credit Agreement did not exceed $1.05 billion in the aggregate.

At December 31, 2010, we had $200.0 million outstanding under our revolving line of credit and $300.0 million of borrowing capacity available on our revolving line of credit. At December 31, 2010, we were in compliance with the financial covenants contained in our loan agreements. The revolving loan commitments were scheduled to terminate on July 11, 2012. We paid an annual commitment fee of 50 basis points on the unused portion of the revolving facility.

To secure our obligations under the Credit Agreement, the Company and the Guarantors (as defined below, collectively the “Loan Parties”) had granted JPMorgan, as collateral agent, a security interest over substantially all of their personal property and a mortgage or deed of trust over all their real property with a fair market value of $1.0 million or more. In addition, our obligations under the Credit Agreement were guaranteed by our subsidiaries that comprise at least 95% of our total U.S. assets (the “Guarantors”).

The term loan was subject to mandatory repayment that commenced on September 30, 2010 and was to continue on each three-month anniversary thereafter until and including March 31, 2016 in an amount equal to $875,000. The outstanding balance of the term loan was due on April 12, 2016. The term loan was subject to prepayment from (i) the net proceeds (as defined in the Credit Agreement) of certain debt incurred or issued by any Loan Party (as defined in the Credit Agreement), (ii) a percentage of our excess cash flow (as defined in the Credit Agreement) (unless our leverage ratio is less than 1:1) and (iii) the net proceeds received (and not reinvested) by any Loan Party from certain assets sales and recovery events.

At our election, borrowings under the Credit Agreement beared interest at (i) the alternate base rate (defined as the greatest of (a) JPMorgan’s “prime rate”, (b) the Federal Funds effective rate plus 0.50% and (c) the reserve adjusted London interbank offering rate for a one month Eurodollar borrowing plus 1.00%) (the “Alternate Base Rate”) plus the Applicable Rate (as defined in the Credit Agreement) or (ii) the London interbank offering rate for Eurodollar borrowings (the “LIBO Rate”) adjusted for statutory reserves (the “Adjusted LIBO Rate”), provided that the minimum LIBO Rate with respect to any term loan shall not be less than 1.50%, plus the Applicable Rate. We had the option to select interest periods of one, two, three or six months or, if agreed to by all lenders, nine or twelve months for Eurodollar borrowings of revolving loans. We had the option to select interest periods of three or six months or (if agreed to by all lenders) one, two, nine or twelve months for Eurodollar borrowings of term loans.

The Applicable Rate varied depending upon the Company’s leverage ratio. The minimum Applicable Rate for Alternate Base Rate borrowings was 1.75% and the maximum was 2.25%. The minimum Applicable Rate for Adjusted LIBO Rate borrowings was 2.75% and the maximum was 3.25%. As of December 31, 2010, the Applicable Rate for the term loans was 4.75%.

Acquisition-Related Notes

In March 2011, we entered into a new settlement services joint venture called STARS. Our initial investment in STARS was $20.0 million and we also issued a note payable for an additional $15.0 million of consideration payable in three installments of $5.0 million (due on the first, third, and fifth anniversaries of the initial closing), which is non-interest bearing and was discounted to $13.2 million as of December 31, 2011.

Promissory Note Due to First American

On June 1, 2010, we issued a promissory note to FAFC in the amount of $19.9 million that accrued interest at a rate of 6.52% annually. Interest was first due on July 1, 2010 and quarterly thereafter. The note approximated the unfunded portion of the benefit obligation attributable to participants in the FAC defined benefit pension plan that were our employees. The balance outstanding on the note was $18.8 million at December 31, 2010 and had been paid in full as in September 2011.

Debt Issuance Costs

In connection with issuing the Notes and entering into the Credit Agreement and the related extinguishment of our previously outstanding bank debt, we wrote-off $10.2 million of unamortized debt issuance costs related to our extinguished bank debt facilities to interest expense in the accompanying consolidated statements of income for the year ended December 31, 2011. In addition, we capitalized $22.8 million of debt issuance costs relating to the issuance of the Note and Credit Agreement, included in other assets in the accompanying balance sheet as of December 31, 2011, and will amortize these costs to interest expense over the term of the Notes and Credit Agreement, as applicable.

Interest Rate Swaps

In June 2011, we entered into amortizing interest rate swap transactions (“Swaps”) that have a termination date of May 2016. The Swaps are for an initial balance of $200.0 million, with a fixed interest rate of 1.73% and amortizes quarterly by $2.5 million through September 30, 2013, $5.0 million from October 1, 2013 through September 30, 2014 and $7.5 million from October 1, 2014 through May 16, 2016, with a notional amount of $107.5 million. Previous swaps entered in October 2010 of $348.3 million were terminated with a realized gain of $0.4 million for the year ended December 31, 2011 upon full repayment of the underlying debt.

We entered into the Swaps in order to convert a portion of our interest rate exposure on the Term Facility floating rate borrowings from variable to fixed. We have designated the Swaps as cash flow hedges. The estimated fair value of these cash flow hedges resulted in a liability of $5.1 million at December 31, 2011 and an asset of $5.2 million at December 31, 2010.

For the years ended December 31, 2011 and 2010, unrealized loss of $5.8 million (net of $3.7 million in deferred taxes) and unrealized gain of $3.0 million (net of $1.9 million in deferred taxes), respectively, were recognized in other comprehensive loss related to these Swaps.

The Tender Offer

On April 12, 2010, we announced that we were (i) commencing cash tender offers for the outstanding $100.0 million

7.55% senior debentures of the Company due 2028, the $150.0 million 5.7% senior notes of the Company due 2014 and the $100.0 million 8.5% capital securities of First American Capital Trust I due 2012, as well as the PREFERRED PLUS 7.55% trust certificates issued by the PREFERRED PLUS Trust Series Far-1 due 2028 (collectively, the "Existing Notes"), and (ii) soliciting from the holders of certain of the Existing Notes consents to amend the indentures under which such Existing Notes were issued to expressly affirm that the Separation does not conflict with the terms of the indentures.

On April 27, 2010, we announced that we had received tenders and accompanying consents from the holders of 99% of the 5.7% senior notes of the Company due 2014 and the holders of 64.0% of the 8.5% capital securities of First American Capital Trust I due 2012. On May 10, 2010, we announced that over 50.0% of the 7.55% Senior Debentures due 2028 tendered valid consents. Accordingly, we received the requisite approvals and amended the related indentures.

The tender offers expired on May 12, 2010. Holders of 99.2% of the 5.7% senior notes of the Company due 2014, the holders of 65.2% of the 8.5% capital securities of First American Capital Trust I due 2012, the holders of 40.35% of the 7.55% senior debentures due 2028 and the holders of 48.5% of the PREFERRED PLUS 7.55% trust certificates tendered their senior notes and capital securities to the Company as of December 31, 2010.

Consent fees paid in connection with the tender offer totaling $2.7 million are included in other operating expenses for the year ended December 31, 2010.

The aggregate annual maturities for long-term debt are as follows:

(in thousands)	
Year ending December 31,	
2012	$62,320
2013	28,300
2014	50,026
2015	52,500
2016	257,295
Thereafter	459,645
Total (1)	$910,086

(1) Includes the acquisition related note payable of $15.0 million, which is non-interest and discounted to $13.2 million as of December 31, 2011.

Note 10 - Income Taxes

Domestic pretax income from continuing operations was $140.3 million, $140.1 million and $174.8 million for the years ended December 31, 2011, 2010 and 2009, respectively. Foreign pretax income/(loss) was $(1.4) million, $12.8 million and $7.1 million for the years ended December 31, 2011, 2010 and 2009, respectively.

The amounts shown in the tables below include income taxes included in equity of affiliates of $19.2 million, $27.7 million and $32.4 million for the years ended December 31, 2011, 2010 and 2009, respectively, with the changes driven by changes in the profitability of the investments in affiliates. For purposes of segment reporting, these amounts are not reflected at the segment level but are recorded as a component of corporate and eliminations in equity in earnings of affiliates.

Income taxes are summarized as follows:

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(in thousands)	2011	2010	2009
Current:			
Federal	$66,284	$33,719	$7,902
State	12,414	19,751	6,743
Foreign	13,765	634	1,631
	92,463	54,104	16,276
Deferred:			
Federal	(1,798)	11,446	18,294
State	(267)	(4,576)	12,317
Foreign	(3,998)	(2,909)	2,584
	(6,063)	3,961	33,195
Total current and deferred	$86,400	$58,065	$49,471

Income taxes differ from the amounts computed by applying the federal income tax rate of 35.0%. A reconciliation of this difference is as follows:

(in thousands)	2011	2010	2009
Taxes calculated at federal rate	$48,620	$48,592	$53,594
State taxes, net of federal benefit	7,896	9,863	12,475
Foreign taxes (less than) in excess of federal rate	(432)	(1,088)	(94)
Tax effect of noncontrolling interests	—	(10,521)	(17,633)
Non-deductible expenses, including Separation-related	636	6,436	463
Gain on disposition of subsidiary	11,367	—	—
Change from investee to subsidiary	12,285	—	—
Change in uncertain tax positions	4,588	1,351	570
Other items, net	1,440	3,432	96
	$86,400	$58,065	$49,471

Our effective income tax rate (provision for income taxes as a percentage of income from continuing operations before equity in earnings of affiliates and income taxes) was 74.3% for 2011, 41.8% for 2010 and 23.8% for 2009. The change in the effective rate in 2011 from 2010 was primarily attributable to the provision of income taxes on former partnership income that was attributable to noncontrolling interests for which no income taxes were provided in the quarter ended March 31, 2010, the $12.3 million reversal of deferred taxes related to our interest in Dorado when it was held as an equity method investment, non-deductible transaction costs incurred in connection with the Separation and excess tax gain on the sale of CoreLogic Global Services Private Limited ("CoreLogic India"). The change in the effective income tax rate in 2010 from 2009 was primarily due to a goodwill impairment charge in 2009 for which no corresponding tax benefit was recognized.

The primary components of temporary differences that give rise to the Company’s net deferred tax assets are as follows:

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(in thousands)	2011	2010
Deferred tax assets:		
Federal net operating and credit loss carryforwards	$65,168	$30,395
Deferred revenue	137,688	128,733
Bad debt reserves	7,119	5,144
Employee benefits	43,684	43,249
Investment in affiliates	—	1,538
Accrued expenses and loss reserves	29,384	18,738
Other	2,519	2,615
Less: valuation allowance	(29,389)	(19,058)
	256,173	211,354
Deferred tax liabilities:		
Depreciable and amortizable assets	186,260	159,178
Investment in affiliates	10,407	—
Marketable equity securities	—	15,050
	196,667	174,228
Net deferred tax asset/(liability)	$59,506	$37,126

The net change in the deferred tax balance is primarily attributable to acquired net operating loss and other tax attributes associated with the purchase of Dorado.

The exercise of stock options represents a tax benefit and has been reflected as a reduction of taxes payable and an increase to the additional paid-in capital account. The benefits recorded were $0.4 million in 2011, $3.4 million in 2010 and $0.8 million in 2009.

At December 31, 2011, we had available federal, state and foreign net operating loss carryforwards totaling, in aggregate, approximately $320.0 million for income tax purposes, of which $8.6 million has an indefinite expiration. The remaining $311.4 million expires at various times beginning in 2012.

The valuation allowance relates to deferred tax assets for federal and state net operating loss carryforwards relating to acquisitions, our foreign operations and state capital losses carryforwards related to the loss on the sale of the employer and litigation services businesses. Utilization of the pre-acquisition net operating losses is subject to limitations by the Internal Revenue Code of 1986, as amended (the “Code”), and state jurisdictions. The increase in the valuation allowance is primarily related to net operating loss and credit carryovers attributable to the acquisition of Dorado.We evaluate the realizability of our deferred tax assets by assessing the valuation allowance and by adjusting the amount of such allowance, if necessary. The factors used to assess the likelihood of realization are the Company’s forecast of future taxable income and available tax planning strategies that could be implemented to realize the net deferred tax assets. Failure to achieve the forecasted taxable income in the applicable taxing jurisdictions could affect the ultimate realization of deferred tax assets and could result in an increase in our effective tax rate on future earnings. To the extent that the related tax benefits are realized in subsequent years, they will be applied to reduce goodwill arising from the acquisitions.

As of December 31, 2011, U.S. taxes were not provided on approximately $18.9 million in earnings of our foreign subsidiaries, as we have invested or expect to invest the undistributed earnings indefinitely. If in the future these earnings are repatriated to the U.S., or if we determine that the earnings will be remitted in the foreseeable future, additional tax provisions may be required. It is not practical to calculate the deferred taxes associated with these earnings; however, foreign tax credits may be available to reduce federal income taxes in the event of distribution.

The liability for income taxes associated with uncertain tax positions was $19.3 million and $22.6 million as of December 31, 2011 and 2010, respectively. This liability can be reduced by $10.4 million of offsets for amounts subject to indemnification by FAFC under the Tax Sharing Agreement and $1.9 million in tax benefits from timing adjustments. The net amount of $7.0 million, if recognized, would favorably affect our effective tax rate.

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A reconciliation of the beginning and ending amount of unrecognized tax benefits for the years ended December 31, 2011, 2010 and 2009 is as follows:

(In thousands)	2011	2010	2009
Unrecognized Tax Benefits - Opening Balance	$22,590	$21,400	$28,200
Gross Increases - tax positions in prior period	19	2,126	—
Gross decreases - tax positions in prior period	(8,899)	(439)	(700)
Gross increases - current-period tax positions	5,727	3,027	2,600
Settlements with taxing authorities	—	(538)	(800)
Expiration of the statute of limitations for the assessment of taxes	(135)	(2,986)	(7,900)
Unrecognized Tax Benefits - Ending Balance	$19,302	$22,590	$21,400

Our continuing practice is to recognize interest and penalties, if any, related to uncertain tax positions in tax expense. For the years ended December 31, 2011, 2010 and 2009, we recognized approximately $1.2 million, $0.2 million and $0.1 million in interest and penalties, respectively. We had accrued $5.5 million in 2011 and $5.5 million in 2010 of interest and penalties related to uncertain tax positions. The liability as of December 31, 2011 can be reduced by $3.7 million of offsets subject to indemnification by FAFC under the Tax Sharing Agreement.

The Company or one of its subsidiaries files income tax returns in the U.S. federal jurisdiction, various state jurisdictions, and various non-U.S. jurisdictions. With few exceptions, we are no longer subject to U.S. federal, state, and non-U.S. income tax examinations by taxing authorities for years prior to 2005.

It is reasonably possible that the amount of the unrecognized benefit with respect to certain of our unrecognized tax positions could significantly increase or decrease within the next 12 months. These changes may be the result of items such as ongoing audits, competent authority proceedings related to transfer pricing, or the expiration of federal and state statutes of limitation for the assessment of taxes. We estimate that decreases in unrecognized tax benefits within the next 12 months will total approximately $0.8 million.

We record a liability for potential tax assessments based on estimates of the potential exposure. New tax laws and new interpretations of laws and rulings by tax authorities may affect the liability for potential tax assessments. Due to the subjectivity and complexity of the underlying issues, actual payments or assessments may differ from estimates. To the extent our estimates differ from actual payments or assessments, income tax expense is adjusted. Our income tax returns in several jurisdictions are being examined by various tax authorities. Management believes that adequate amounts of tax and related interest, if any, have been provided for any adjustments that may result from these examinations.

We entered into a Tax Sharing Agreement with FAFC in connection with the Separation. The Tax Sharing Agreement governs the respective rights, responsibilities and obligations of the Company and FAFC after the Distribution with respect to taxes, including ordinary course of business taxes and taxes, if any, incurred as a result of any failure of the Distribution to qualify as a tax-free distribution for U.S. federal income tax purposes within the meaning of Section 355 of the Code and taxes incurred in connection with certain internal transactions undertaken in anticipation of the Separation.

In general, pursuant to the Tax Sharing Agreement, we will prepare and file the consolidated federal income tax return, and any other tax returns that include both the Company (or any of its subsidiaries) and FAFC (or any of its subsidiaries) for all taxable periods ending on or prior to, or including, the date of the Distribution, with the appropriate tax authorities and will prepare and file all separate company tax returns of the Company and its subsidiaries. FAFC will prepare and file all tax returns that include solely FAFC and/or its subsidiaries for all taxable periods. In general, the Company controls all audits and administrative matters and other tax proceedings relating to the consolidated federal income tax return of the Company's group and any other tax returns for which it is responsible, except that FAFC has certain participation rights to the extent that it is liable for any taxes shown on such returns.

The Tax Sharing Agreement generally provides that, with respect to any consolidated tax return that includes the members of the FAFC group and the Company's group, (a) FAFC is generally responsible for all taxes that are attributable to members of the FAFC group of companies or the assets, liabilities or businesses of the FAFC group of companies (including any such liabilities arising from adjustments to prior year or partial year with respect to 2011), except with respect to the 2010 taxable year in which case FAFC is liable for 75% of such taxes as shown on the 2010 consolidated tax return, and (b) we are generally responsible for all taxes attributable to members of our group of companies or the assets, liabilities or businesses of our group of companies (including any such liabilities arising from adjustments to prior year or partial year with respect to 2011), except with respect to the 2010 taxable year in which case we are additionally liable for 25% of all taxes attributable to the FAFC group as shown on the 2010 consolidated tax return. The FAFC group and our group will each be liable for taxes reflected in their respective separate group tax returns. Notwithstanding the foregoing, the Company and FAFC will each be liable for one-half of the taxes as shown on the applicable tax return arising from the internal transactions undertaken prior to the Distribution that are expected to be taxable. If the Distribution itself, or certain preparatory internal transactions that are undertaken in connection therewith and are expected to be tax-free become taxable for U.S. federal income tax purposes or if there is an increase in taxes resulting from the taxable internal transactions undertaken in connection with the Separation other than due to an action or omission of either party, we will share the resulting tax liability equally with FAFC. If such taxes arise as a result of action or omission of either party, such party will generally be liable for 100% of such taxes. To the extent that the parties have made any payments to each other prior to the Distribution on account of taxes for which they are liable under the Tax Sharing Agreement, such payments will be treated as an offset to amounts owed under the Tax Sharing Agreement.

Under the Tax Sharing Agreement, neither FAFC or the Company generally may (a) take or fail to take any action that would cause any representation, information or covenant contained in the Separation and Distribution Agreement or the documents relating to the IRS private letter ruling and the tax opinion regarding the Separation to be untrue, (b) take or fail to take any other action that would cause the Separation or any internal transaction expected to be tax-free to lose its tax favorable treatment under the Code, (c) sell, issue, redeem or otherwise acquire any of its equity securities (or equity securities of members of its group), except in certain specified transactions for a period of 25 months following the Separation and (d) other than in the ordinary course of business, sell or otherwise dispose of a substantial portion of its assets, liquidate, merge or consolidate with any other person for a period of 25 months following the Separation. During the 25-month period, the Company and FAFC may take certain actions otherwise prohibited by these covenants if (a) it obtains the other party's prior written consent, or (b) it provides the other party with an IRS private letter ruling or an unqualified opinion of tax counsel to the effect that such actions will not affect the tax-free nature of the Separation.

Notwithstanding the receipt of any such IRS ruling or tax opinion, each party will be required to indemnify the other party for any taxes and related losses resulting from (a) any act or failure to act by such party described in the covenants above, (b) any acquisition of equity securities or assets of such party or any member of its group, or (c) any breach by such party or any member of its group of any representation or covenant contained in the Separation and Distribution Agreement or the documents relating to the IRS private letter ruling or tax opinion concerning the Separation.

The IRS private letter ruling includes a representation that FAFC and FATICO, will dispose of our shares held by them as of the date of the Distribution as soon as such disposition is practicable and consistent with the business purposes of the retention of the stock (as set forth in the IRS private letter ruling), but in no event later than five years after the Distribution. In the event that either FAFC or FATICO holds our shares longer than such time, it is possible that the IRS may determine upon audit that the Distribution and/or the internal transactions could be treated as taxable to us and/or our stockholders. If such a determination were made, then pursuant to the Tax Sharing Agreement, FAFC would be responsible for all taxes imposed on us and FAFC due to its failure to dispose of our shares (unless the failure of FAFC or FATICO to dispose of such shares was attributable to our failure to comply with our obligations set forth in the Separation and Distribution Agreement to register such shares). Further, if FAFC fails to comply with any other of its representations in its private letter ruling and the IRS determines that the Distribution or the internal transactions are taxable, FAFC would likewise be responsible under the Tax Sharing Agreement for all taxes imposed on FAFC and us due to such failure.

The Tax Sharing Agreement also contains provisions regarding the apportionment of tax attributes of the consolidated federal income tax return group, the allocation of deductions with respect to compensatory equity interests, cooperation, and other customary matters.

On December 22, 2010, we and STG-Fairway Holdings, LLC (the “Purchaser”), which is owned by affiliates of Symphony Technology Group, entered into a purchase agreement, pursuant to which we sold our employer and litigation services businesses to the Purchaser. See Note 19 - Discontinued Operations. Under the terms of the purchase agreement the Company remains liable for, and agreed to indemnify Purchaser for all taxes arising from the operation of the employer and litigation services businesses prior to the closing date of the sale. Purchaser assumed liability for, and agreed to indemnify us for all taxes arising from the operation of the employer and litigation businesses after the closing date of the sale. As of December 31, 2011, the liability for which we may be obligated to indemnify Purchaser for pre-closing date uncertain tax positions is approximately $0.7 million, net of tax benefits.

In July 2011, we entered into a definitive agreement with Cognizant Technology Solutions Corporation ("Cognizant"), under which an affiliate of Cognizant acquired CoreLogic India Global Services Private Limited, our India-based captive operations. See Note 15 - Commitments and Contingencies. Under the terms of the purchase agreement, we remain liable for, and agree to indemnify Cognizant for all taxes arising from the operation of the business prior to the closing date of the sale. Cognizant assumed liability for, and agreed, to indemnify us for all taxes arising from the operation of the business after the closing date of the sale. As of December 31, 2011, the liability for which we may be obligated to indemnify Cognizant for pre-closing date uncertain tax positions is approximately $1.1 million, net of tax benefits.

Note 11 - Earnings/(Loss) Per Share

The following is a reconciliation of net income/(loss) per share, using the treasury-stock method:

(in thousands, except per share amounts)	2011	2010	2009
Numerator:			
Income from continuing operations attributable to CoreLogic stockholders, net of tax	$52,515	$46,221	$45,981
(Loss)/income from discontinued operations attributable to CoreLogic stockholders, net of tax	(127,124)	(83,536)	150,658
Loss on sale of discontinued operations, net of tax	—	(18,985)	—
Net (loss)/income attributable to CoreLogic	$(74,609)	$(56,300)	$196,639
Denominator:			
Weighted-average shares for basic earnings per share	109,122	111,529	94,551
Effect of options and restricted stock	590	834	927
Denominator for diluted earnings per share	109,712	112,363	95,478
Earnings per share			
Basic:			
Income from continuing operations attributable to CoreLogic stockholders, net of tax	$0.48	$0.41	$0.49
(Loss)/income from discontinued operations attributable to CoreLogic stockholders, net of tax	(1.16)	(0.75)	1.59
Loss on sale of discontinued operations, net of tax	—	(0.17)	—
Net (loss)/income attributable to CoreLogic	$(0.68)	$(0.51)	$2.08
Diluted:			
Income from continuing operations attributable to CoreLogic stockholders, net of tax	$0.48	$0.41	$0.48
(Loss)/income from discontinued operations attributable to CoreLogic stockholders, net of tax	(1.16)	(0.74)	1.58
Loss on sale of discontinued operations, net of tax	—	(0.17)	—
Net (loss)/income attributable to CoreLogic	$(0.68)	$(0.50)	$2.06

For the years ended December 31, 2011 and 2010 and 2009, 5.5 million, 4.1 million and 3.7 million stock options and RSUs were excluded from the weighted average diluted common shares outstanding due to their antidilutive effect.

Note 12 - Employee Benefit Plans.

We currently offer a variety of employee benefit plans, including a 401(k) savings plan and non-qualified plans, including unfunded supplemental management and executive benefit plans (collectively, the “SERPs”) which were frozen effective December 31, 2010, a frozen pension restoration plan (“Restoration”), and deferred compensation plan.

The non-qualified plans are exempt from most provisions of the Employee Retirement Income Security Act because they are only available to a select group of management and highly compensated employees and are therefore not qualified employee benefit plans. To preserve the tax-deferred savings advantages of a non-qualified plan, federal law requires that it be an unfunded or informally funded future promise to pay.

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FAC's defined benefit pension plan was a noncontributory, qualified, defined benefit plan with benefits based on the employee's years of service. The policy was to fund all accrued pension costs. Contributions were intended to provide not only for benefits attributable to past service, but also for those benefits expected to be earned in the future. The sponsorship for this plan was transferred to FAFC as part of the Separation. As part of the Separation, we provided FAFC with a promissory note in the principal amount of $19.9 million. The note approximates the unfunded portion of the benefit obligation attributable to participants in the FAC defined benefit pension plan that are or were our employees. The balance outstanding on the note was $18.8 million at December 31, 2010 and was paid in full as of September 2011.

The liability associated with FAFC's participants in the FAC non-qualified, unfunded supplemental benefit plan, 401(k) savings plan and deferred compensation plan was transferred to FAFC as part of the Separation.

The following table summarizes the balance sheet impact, including benefit obligations, assets and funded status associated with the SERPs and Restoration plans as of December 31, 2011, and 2010:

(in thousands)	2011	2010
Change in projected benefit obligation:		
Benefit obligation at beginning of period	$26,954	$258,631
Service costs	565	2,743
Interest costs	1,434	7,300
Actuarial losses	3,058	1,735
Separation of FAFC	—	(228,347)
Benefits paid	(1,352)	(5,952)
Plan amendment	—	(9,156)
Projected benefit obligation at end of period	30,659	26,954
Change in plan assets:		
Company contributions	1,352	5,952
Benefits paid	(1,352)	(5,952)
Plan assets at fair value at end of the period	—	—
Reconciliation of funded status:		
Unfunded status of the plans	$(30,659)	$(26,954)
Amounts recognized in the consolidated balance sheet consist of:		
Accrued benefit liability	$(30,659)	$(26,954)
	$(30,659)	$(26,954)
Amounts recognized in accumulated other comprehensive income/(loss):		
Unrecognized net actuarial loss	$15,565	$16,529
Unrecognized prior service credit	(10,209)	(11,352)
Separation of FAFC	—	(2,955)
	$5,356	$2,222

The net periodic pension cost for the years ended December 31, 2011, 2010, and 2009, for the FAC defined benefit pension plan, SERPs and Restoration plans includes the following components:

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(in thousands)	2011	2010	2009
Expenses:			
Service costs	$565	$2,743	$6,049
Interest costs	1,435	7,300	34,845
Expected return on plan assets	—	—	(20,176)
Amortization of net loss	(76)	3,680	19,956
Amortization of prior service credit	—	—	(1,291)
	$1,924	$13,723	$39,383

Included in these expenses are $8.9 million and $34.5 million for the years ended December 31, 2010 and 2009, respectively, related to FAFC employees.

Weighted-average discount rate used to determine costs for the plans were as follows:

	2011	2010
SERP Plans	5.50%	5.81%
Restoration Plan	5.33%	5.81%

Weighted-average actuarial assumptions used to determine benefit obligations for the plans were as follows:

	2011	2010
SERP Plans		
Discount rate	4.52%	5.50%
Salary increase rate	N/A	—%
Restoration Plan		
Discount rate	4.57%	5.33%

The discount-rate assumption used for pension plan accounting reflects the yield available on high-quality, fixed-income debt securities that match the expected timing of the benefit obligation payments.

The following table provides the funded status in the defined SERPs as of December 31, 2011 and 2010:

(in thousands)	2011	2010
Projected benefit obligation	$30,660	$26,954
Accumulated benefit obligation	$30,660	$26,954
Plan assets at fair value at end of year	$—	$—

The following benefit payments for all plans, which reflect expected future turnover, as appropriate, are expected to be paid as follows:

(in thousands)	
2012	$1,871
2013	$1,865
2014	$1,843
2015	$1,821

2016	$1,273
2017-2020	$6,503

In February 2010, the name of the First Advantage Corporation 401(k) Plan was changed to the First American Information Solutions Company 401(k) Plan. All employees of the FAC information solutions companies who participated in The First American Corporation 401(k) Saving Plan (the "FAC Plan") and their related assets were transferred into the First American Information Solutions Company 401(k) Plan on February 23, 2010, as part of the transaction. In June 2010, the name of the First American Information Solutions Company 401(k) Plan was changed to the CoreLogic, Inc 401(k) Savings Plan (the "Savings Plan").

The Savings Plan allows for employee-elective contributions up to the maximum deductible amount as determined by the Internal Revenue Code. We make discretionary contributions to the Savings Plan based on profitability, as well as contributions of the participants. There were no contributions or expense for the years ended December 31, 2011 and 2010 related to the Savings Plan as a result of the determination that we did not meet the requirement for a profit driven 401(k) match. The Savings Plan allows the participants to purchase shares of our common stock as one of the investment options, subject to certain limitations. The Savings Plan held 1,236,874 and 1,287,357 shares of our common stock, representing 1.2% and 1.1% of the total shares outstanding at December 31, 2011 and 2010, respectively.

Our expense related to the FAC Plan amounted to $6.7 million for the year ended December 31, 2009. The FAC Plan permitted the participants to purchase shares of our common stock as one of the investment options, subject to certain limitations. The FAC Plan held 6,455,142 shares of our common stock, representing 6.2% of the total shares outstanding at 2009.

We have a deferred compensation plan that allows participants to defer up to 80% of their salary, commissions and bonus. Participants allocate their deferrals among a variety of investment crediting options (known as "deemed investments"). Deemed investments mean that the participant has no ownership interest in the funds they select; the funds are only used to measure the gains or losses that will be attributed to their deferral account over time. Participants can elect to have their deferral balance paid out in a future year while they are still employed or after their employment ends The participants' deferrals and any earnings on those deferrals are general unsecured obligations of the Company. The Company is informally funding the deferred compensation plan through a tax-advantaged investment known as variable universal life insurance. Deferred compensation plan assets are held as a Company asset within a special trust, called a "rabbi trust."

The value of the assets underlying our deferred compensation plan was $28.4 million and $30.7 million as of December 31, 2011, and 2010, respectively, and is included in other assets in the consolidated balance sheets. The unfunded liability for our deferred compensation plan was $30.1 million and $32.2 million as of December 31, 2011 and 2010, respectively, and is included in other liabilities in the consolidated balance sheets.

Note 13 - Fair Value of Financial Instruments

Fair value is the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). We utilize market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable.

The market approach is applied for recurring fair value measurements and endeavors to utilize the best available information. Accordingly, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Fair value balances are classified based on the observability of those inputs.

A fair value hierarchy prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). Level 2 measurements utilize observable inputs in markets other than active markets.

In estimating the fair value of the financial instruments presented, we used the following methods and assumptions:

Cash and cash equivalents

For cash and cash equivalents, we believe that the carrying value is a reasonable estimate of fair value due to the short-term nature of the instruments.

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Restricted cash

Restricted cash is comprised of certificates of deposit that are pledged for various letters of credit secured by the Company; we deem the carrying value to be a reasonable estimate of fair value due to the nature of these instruments.

Marketable securities

Equity and debt securities are classified as available-for-sale securities and are valued using quoted prices in active markets.

Long-term debt

The fair value of long-term debt was estimated based on the current rates available to us for debt of the same remaining maturities and consideration of our default and credit risk.

Interest rate swap agreements and foreign currency purchase agreements

The fair value of the interest rate swap agreements and forward currency purchase agreements were estimated based on market value quotes received from the counter parties to the agreements.

The fair values of our financial instruments as of December 31, 2011 are presented in the following table:

	Fair Value Measurements Using			
(in thousands)	Level 1	Level 2	Level 3	Fair Value
Financial Assets:				
Cash and cash equivalents	$259,266	$—	$—	$259,266
Restricted cash	—	22,044	—	22,044
Equity securities	20,884	—	—	20,884
Total Financial Assets	$280,150	$22,044	$—	$302,194
Financial Liabilities:				
Total debt	—	828,990	—	828,990
Total Financial Liabilities	$—	$828,990	$—	$828,990
Derivatives:				
Interest rate swap agreements	$—	$(5,078)	$—	$(5,078)

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The fair values of our financial instruments as of December 31, 2010 are presented in the following table:

	Fair Value Measurements Using			
(in thousands)	Level 1	Level 2	Level 3	Fair Value
Financial Assets:				
Cash and cash equivalents	$426,212	$—	$—	$426,212
Restricted cash	—	21,095	—	21,095
Debt securities	1,791	—	—	1,791
Equity securities	73,430	—	—	73,430
Total Financial Assets	$501,433	$21,095	$—	$522,528
Financial Liabilities:				
Total debt	—	727,440	—	727,440
Total Financial Liabilities	$—	$727,440	$—	$727,440
Derivatives:				
Interest rate swap agreements	$—	$5,156	$—	$5,156
Foreign currency forward purchase agreements, net	$—	$(971)	$—	$(971)

Note 14 - Share-Based Compensation Plans

We issue equity awards under the CoreLogic, Inc. 2011 Performance Incentive Plan (the “Plan”) which was approved by our stockholders at our Annual Meeting, held on May 19, 2011. The Plan permits the grant of restricted stock units (“RSUs”), performance based awards and stock options (“PBRSUs”). Prior to the approval of the Plan, we issued share-based awards under the CoreLogic, Inc. 2006 Incentive Plan (the “2006 Plan”). The 2011 Plan was adopted, in part, to make an additional 18,000,000 shares of the Company's common stock available for award grants, so that the Company will have sufficient authority and flexibility to adequately provide for future incentives.

In connection with the Separation, on June 1, 2010, each FAC stock option held by a CoreLogic employee was converted into an adjusted CoreLogic stock option. The exercise prices of the adjusted CoreLogic stock options and the number of shares subject to each such stock option reflects a mechanism that was intended to preserve the intrinsic value of the original stock option. The resulting CoreLogic stock options are subject to substantially the same terms, vesting conditions and other restrictions, if any, that were applicable to the FAC stock options immediately prior to the Separation.

Also, in connection with the Separation, on June 1, 2010, any unvested FAC RSUs granted to CoreLogic employees were converted into CoreLogic RSUs. The RSU grants were converted in a manner that was intended to preserve the fair market value of the FAC awards. The resulting CoreLogic RSU grants are subject to substantially the same terms, vesting conditions and other restrictions, if any, that were applicable to the FAC RSU grants immediately prior to the Separation. FAC stock options and RSUs held by FAFC employees were canceled at the date of the Separation.

We primarily utilize RSUs, PBRSUs and stock options as our share-based compensation instruments for employees and directors. The fair value of any share-based compensation instrument grant is based on the market value of our shares on the date of grant and is recognized as compensation expense over the vesting period.

Restricted Stock Units

For the year ended December 31, 2011, we awarded 461,458 RSUs with an estimated value of $7.8 million. The RSU awards will vest ratably over three years.

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(in thousands, except weighted average fair value prices)	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested RSUs outstanding at December 31, 2010	1,194	$18.29
RSUs granted	461	$16.97
RSUs vested	(331)	$18.76
RSUs forfeited	(131)	$16.86
Unvested RSUs outstanding at December 31, 2011	1,193	$17.74

As of December 31, 2011, there was $10.4 million of total unrecognized compensation cost related to unvested RSUs that is expected to be recognized over a weighted-average period of 2.6 years. The fair value of RSUs is based on the market value of the Company’s shares on the date of grant.

Performance Based Restricted Stock Units

In connection with the Separation, we awarded PBRSUs to certain key employees pursuant to the Plan, and subject to certain conditions in the grant agreement. In June 2010, a total of 366,154 PBRSUs were issued at an estimated value of $6.9 million. These awards will vest based on the attainment of certain performance goals relating to our earnings before interest, taxes, depreciation and amortization (“EBITDA”) for the years ending December 31, 2011 through 2014 and 2015.

For the year ended December 31, 2011, we awarded 227,860 PBRSUs with an estimated value of $3.7 million. As part of our acquisition of Dorado in March 2011, we assumed 506,736 PBRSUs from the acquired company's restricted stock unit plan and outstanding PBRSUs with an estimated value of $9.0 million. These awards will vest based on the attainment of certain performance goals relating to the acquired entity's revenues and EBITDA for the years ending December 31, 2011, 2012 and 2013.

PBRSU activity for the year ended December 31, 2011, is as follows:

(in thousands, except weighted average fair value prices)	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested PBRSUs outstanding at December 31, 2010	364	$18.76
PBRSUs granted	228	$16.32
PBRSUs assumed from acquisitions	507	$17.76
PBRSUs forfeited	(111)	$18.47
Unvested PBRSUs outstanding at December 31, 2011	988	$17.71

As of December 31, 2011, there was $13.0 million of total unrecognized compensation cost related to unvested RSUs that is expected to be recognized over a weighted-average period of 2.6 years. The fair value of RSUs is based on the market value of the Company’s shares on the date of grant.

Stock Options

In 2011 and 2010, we issued CoreLogic stock options as incentive compensation for certain key employees. The exercise price of each stock option is the closing market price of our common stock on the date of grant. The 2010 options will vest over a four-year period (33% on the second, third, and fourth anniversaries) and expire ten years after the grant date. The 2011 options will vest in three equal annual installments on the first, second and third anniversaries of grant and expire ten years after the grant date. The fair values of these stock options were estimated using a Black-Scholes model with the following weighted-average assumptions:

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	2011		2010	
Expected dividend yield	0	%	0	%
Risk-free interest rate (1)	1.84	%	2.58	%
Expected volatility (2)	33.19	%	34.59	%
Expected life (3)	5.5		6.5	

(1) The risk-free interest rate for the periods within the contractual term of the options is based on the U.S. Treasury yield curve in effect at the time of the grant.
(2) The expected volatility is a measure of the amount by which a stock price has fluctuated or is expected to fluctuate based primarily on our and our peers' historical data.
(3) The expected life is the period of time, on average, that participants are expected to hold their options before exercise based primarily on our historical data.

Option activity for the year ended December 31, 2011, is as follows:

(in thousands, except weighted average prices)	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Options outstanding at December 31, 2010	5,129	$21.27		
Options granted	684	$16.32		
Options exercised	(221)	$15.32		
Options canceled	(991)	$21.45		
Options outstanding at December 31, 2011	4,601	$20.78	2.4	$484
Options vested and expected to vest at December 31, 2011	4,580	$20.80	4.8	$248
Options exercisable at December 31, 2011	3,060	$22.35	2.8	$49

As of December 31, 2011, there was $6.5 million of total unrecognized compensation cost related to unvested CoreLogic stock options that is expected to be recognized over a weighted-average period of 2.4 years.

The intrinsic value of options exercised was $0.5 million, $6.1 million and $4.9 million for the year ended December 31, 2011, 2010 and 2009, respectively. This intrinsic value represents the difference between the fair market value of the Company’s common stock on the date of exercise and the exercise price of each option.

Employee Stock Purchase Plan

The employee stock purchase plan allows eligible employees to purchase our common stock at 85.0% of the closing price on the last day of each quarter. The employee stock purchase plan expired in September 2011. We recognize an expense for the amount equal to the discount.

The following table sets forth the share-based compensation expense recognized, excluding discontinued operations, for the years ended December 31, 2011, 2010 and 2009.

(in thousands)	2011	2010	2009

Restricted stock	$7,141	$9,979	$19,476
Performance based restricted stock	1,779	2,098	—
Stock options	2,430	1,469	5,212
Employee stock purchase plan	299	423	949
	$11,649	$13,969	$25,637

On November 18, 2009, we issued approximately 9.5 million shares of our common stock in connection with our acquisition of the minority interest shares of our then publicly-traded subsidiary First Advantage Corporation ("FADV"). This transaction constituted a "Change in Control" under the First Advantage 2003 Incentive Compensation Plan. Upon a Change in Control, the unvested awards of stock options, restricted stock and RSUs issued under the First Advantage 2003 Incentive Compensation Plan vested and the unamortized costs of those awards was expensed. For the year ended December 31, 2009, the additional compensation expense was approximately $9.1 million related to the unvested restricted stock and RSUs and unvested stock options. FADV's vested restricted stock and RSUs were distributed as shares of our common stock. The ratio used to convert the stock options, restricted stock and RSUs was the same per-share ratio used in the exchange offer of 0.58 per share of our common stock. As of December 31, 2009, 0.4 million shares of our common stock were issued for vested restricted stock and RSUs and 1.8 million stock options were granted in exchange for FADV outstanding stock options.

Note 15 - Commitments and Contingencies

Lease Commitments

We lease certain office facilities, automobiles and equipment under operating leases, which, for the most part, are renewable. The majority of these leases also provide that the Company will pay insurance and taxes.

Future minimum rental payments under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2011 are as follows:

(in thousands)	
2012	$46,974
2013	37,972
2014	24,663
2015	22,251
2016	19,699
Thereafter	33,689
	$185,248

In December 2011, we exited and ceased use of two buildings in Westlake, Texas, which resulted in a pre-tax charge of $14.2 million for the year ended December 31, 2011. The charge is primarily comprised of the estimated fair value of the existing operating lease obligations for the vacated buildings, net of assumed sub-lease amounts or credits assumed to be received through the remainder of the lease terms, the last of which ends in 2017. The actual amounts of the facility-related charges are dependent upon the timing and terms we are able to negotiate on the sub-lease of these facilities. These estimates are subject to change if the events and circumstances regarding our ability to sublease the facilities change.

Total rental expenses for all operating leases and month-to-month rentals were $63.2 million, $57.0 million, $69.3 million in 2011, 2010 and 2009, respectively.

Operational Commitments

In August 2011, an affiliate of Cognizant Technology Solutions Corporation ("Cognizant"), acquired CoreLogic India Global Services Private Limited, our India-based captive operations. The purchase price for CoreLogic India was $50.0 million in cash before working capital adjustments. As part of the transaction, we entered into a Master Professional Services Agreement ("Services Agreement") and supplement ("Supplement") with Cognizant under which Cognizant will provide a range of business process and information technology services to us. The Supplement has an initial term of seven years and we have the unilateral right to extend the term for up to three one-year periods. During the first five years of the agreement, we are subject to a net total minimum commitment of approximately $303.5 million, plus applicable inflation adjustments. In connection with the sale, we recorded $27.1 million of deferred gain on sale which is being recognized over the commitment period of five years.

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Note 16 - Litigation and Regulatory Contingencies

We have been named in various lawsuits. Also, we may from time to time be subject to audit or investigation by governmental agencies. Currently, governmental agencies are auditing or investigating certain of our operations. We do not believe the results of these audit or investigations to result will be material at this time. We are also in litigation with governmental agencies regarding certain appraisal matters

With respect to matters where we have determined that a loss is both probable and reasonably estimable, we have recorded a liability representing our best estimate of the financial exposure based on known facts. While the ultimate disposition of each such audit or investigation is not yet determinable, we do not believe that the ultimate resolution of these matters, either individually or in the aggregate, will have a material adverse effect on our financial condition, results of operations or cash flows. In addition, we do not believe there is a reasonable possibility that a material loss exceeding amounts already accrued may have been incurred. We record expenses for legal fees as incurred.

At December 31, 2011, we have $6.9 million reserved for litigation and regulatory contingency matters.

FDIC

On May 9, 2011, the Federal Deposit Insurance Corporation (the “FDIC”), as Receiver of Washington Mutual Bank (“WaMu”), filed a complaint in the United States District Court for the Central District of California (the “Court”) against CoreLogic Valuation Services, LLC (“CVS”), f/k/a eAppraiseIT, LLC (“eAppraiseIT”) and several of its current and former affiliates.

The FDIC complaint alleged that eAppraiseIT was grossly negligent and breached its contract with WaMu in the provision of appraisal services in 2006 and 2007 relating to 194 residential mortgage loans. On November 14, 2011, the Court granted the defendants' motion to dismiss the FDIC's gross negligence, alter ego, single business enterprise and joint venture claims, and a portion of the breach of contract claim. On November 30, 2011, the FDIC filed its first amended complaint, alleging only breach of contract claims and naming only CVS f/k/a eAppraiseIT and its parent CoreLogic Real Estate Solutions, LLC f/k/a First American Real Estate Solutions, LLC as Defendants. FDIC seeks to recover losses of at least $129.0 million it alleges WaMu suffered on loans allegedly related to the appraisal services. On February 6, 2012, the Court granted the defendants' motion to dismiss the FDIC's $16.0 million breach of contract claim related to 26 appraisal services allegedly provided before the effective date of the WaMu - eAppraiseIT Agreement. On February 16, 2012, the FDIC filed a second amended complaint reasserting that claim.

The Company intends to defend against these claims vigorously; however, we may not be successful. At this time, we cannot predict the ultimate outcome of this claim or the potential range of damages, if any.

New York Attorney General

On November 1, 2007, the New York Attorney General filed a complaint in New York state court against First American Corporation (“First American”) and eAppraiseIT, LLC (“eAppraiseIT”). CoreLogic and its subsidiary, CoreLogic Valuation Services, LLC (“CVS”), are the successors in interest to First American and EA.

The lawsuit concerns appraisal services eAppraiseIT obtained for Washington Mutual Bank (“WaMu”) in New York in 2006-2007. The Attorney General alleges that eAppraiseIT acceded to pressure from WaMu and agreed to use a panel of appraisers chosen by WaMu's loan origination staff because they provided high values and that First American and eAppraiseIT falsely represented to the public that the appraisals produced through their efforts were independent of the lender and in compliance with Uniform Standards of Professional Appraisal Practice. The Attorney General subsequently dropped the damages claims, but continues to seek civil penalties, restitution, disgorgement, and unspecified injunctive relief. On November 22, 2011, the Court of Appeals of New York issued a divided ruling affirming lower court decisions denying the defendants' motion to dismiss the complaint on grounds that the Attorney General's claims are pre-empted by federal law. On February 22, 2012, CoreLogic and CVS filed a petition for a Writ of Certiorari with the United States Supreme Court seeking review of the Court of Appeals decision. The case has been set for trial beginning May 1, 2012 in New York state trial court.

The Company intends to defend against these claims vigorously; however, we may not be successful. At this time, we cannot predict the ultimate outcome of this claim or the potential range of damages, if any.

FCRA Class Action

On June 30, 2011, a purported class action was filed in the United States District Court for the Northern District of Illinois against Teletrack, Inc. ("Teletrack"), one of our subsidiaries. The complaint alleges that Teletrack has been furnishing consumer reports to third parties who did not have a permissible purpose to obtain them in violation of the Fair Credit Reporting Act, 15 U.S.C. §1681 et seq., and seeks to recover actual, punitive and statutory damages, as well as attorney's fees, litigation expenses and cost of suit. On September 20, 2011, we filed a Motion to Dismiss the complaint in its entirety. We intend to defend against this claim vigorously; however, we may not be successful. At this time, we cannot predict the ultimate outcome of this claim or the potential range of damages, if any.

Separation

As part of the Separation, we are responsible for a portion of FAFC's contingent and other corporate liabilities.

In the Separation and Distribution Agreement, we agreed with FAFC to share equally in the cost of resolution of a small number of corporate-level lawsuits, including certain consolidated securities litigation matters from which we have since been dropped. There were no liabilities incurred in connection with the consolidated securities matters. Responsibility to manage each case has been assigned to either FAFC or us, with the managing party required to update the other party regularly and consult with the other party prior to certain important decisions such as settlement. The managing party will also have primary responsibility for determining the ultimate total liability, if any, related to the applicable case. We will record our share of any such liability when the responsible party determines a reserve is necessary in accordance with GAAP. At December 31, 2011, no reserves were considered necessary.

In addition, the Separation and Distribution Agreement provides for cross-indemnities principally designed to place financial responsibility for the obligations and liabilities of FAC's financial services business with FAFC and financial responsibility for the obligations and liabilities of FAC's information solutions business with us. Specifically, each party will, and will cause its subsidiaries and affiliates to, indemnify, defend and hold harmless the other party, its respective affiliates and subsidiaries and each of its respective officers, directors, employees and agents for any losses arising out of or otherwise in connection with the liabilities each such party assumed or retained pursuant to the Separation and Distribution Agreement; and any breach by such party of the Separation and Distribution Agreement.

Note 17 - Acquisitions

In September 2011, we completed our acquisition of Tarasoft, a Canadian provider of multiple listing services ("MLS"), for a cash purchase price of C$30.0 million or $30.3 million. Tarasoft is included as a component of the data & analytics segment. The purchase price was allocated to the assets acquired and liabilities assumed using a variety of valuation techniques including discounted cash flow analysis which included significant unobservables. We recorded $17.9 million of goodwill, $2.7 million of customer lists with an estimated average life of 10 years, $0.4 million of tradenames with an estimated average life of 10 years and $0.2 million of noncompete agreements with an estimated average life of 5 years. The business combination did not have a material impact on our consolidated financial statements.

In May 2011, we completed our acquisition of the remaining interest in RP Data for a cash purchase price of A$147.2 million or $157.2 million. RP Data is included as a component of the data and analytics segment. We previously held a 40.2% equity method investment in this entity and as a result of the purchase price paid and the change in control, we recognized a gain of $58.9 million on our existing investment in the second quarter of 2011 which is included in gain/(loss) on investment and other, net in the accompanying consolidated statement of operations. The purchase price was allocated to the assets acquired and liabilities assumed using a variety of valuation techniques including discounted cash flow analysis which included significant unobservables. We have recorded $154.5 million of goodwill, $46.7 million of customer lists with an estimated average life of 8 years and $11.7 million of tradenames with an estimated average life of 10 years. The business combination did not have a material impact on our consolidated financial statements.

We entered into forward purchase agreements totaling A$180.3 million to economically hedge a portion of the foreign currency exchange rate risk associated with the acquisition of RP Data. We recorded a gain of $1.8 million during the second quarter of 2011 when the agreements were terminated upon the closing of the acquisition in May 2011.

In March 2011, we completed our acquisition of the remaining interest in Dorado for $31.6 million in cash. Dorado is included as a component of the mortgage origination services segment. We previously held a 39.0% equity method investment in this entity and as a result of the purchase price paid, we recognized a loss of $14.5 million on our existing investment in the fourth quarter of 2010 which is included in gain/(loss) on investments and other, net in the accompanying consolidated statement of operations. The purchase price was allocated to the assets acquired and liabilities assumed using a variety of valuation techniques including discounted cash flow analysis which included significant unobservables. We recorded $19.7 million of goodwill, $20.4 million of customer lists with an estimated average life of 12 years, and $3.2 million of tradenames with an estimated average life of 5 years. The business combination did not have a material impact on our consolidated financial statements.

In March 2010, we entered into an agreement to acquire the 18% redeemable noncontrolling interest in CoreLogic Information Solutions Holdings, Inc. (formerly First American CoreLogic Holdings, Inc.). On March 29, 2010, we acquired half of the noncontrolling interests (approximately 9% of the total outstanding noncontrolling interests) in exchange for a cash payment of $72.0 million and agreed to acquire the remaining half of the noncontrolling interests in 2011 in exchange for additional consideration of $72.0 million. In February 2011, we agreed to pay all of the additional consideration in cash and we closed the transaction.

In 2010, we completed one acquisition in the default services segment. This acquisition had a purchase price of $11.4 million in cash. We previously held a noncontrolling interest in the acquired entity and as a result of the purchase price paid, we recognized a gain of $3.4 million on our existing investment. The purchase price was allocated to the assets acquired and liabilities assumed using a variety of valuation techniques including discounted cash flow analysis. We recorded approximately $12.1 million of goodwill, $3.7 million of intangible assets with finite lives and noncontrolling interests with a fair value at the date of acquisition of $2.3 million.

For the year ended December 31, 2009, we completed one acquisition in the data and analytics segment. This acquisition had a cash purchase price of $4.8 million and is not considered material. The purchase price was allocated to the assets acquired and liabilities assumed using a variety of valuation techniques including discounted cash flow analysis. As a result of the acquisition, we recorded approximately $2.3 million of goodwill and $3.0 million of intangible assets with finite lives.

In 2009, we also paid consideration of approximately $5.2 million in cash related to earnout provisions from prior year acquisitions, and approximately $62.0 million to acquire an additional portion of noncontrolling interest in a consolidated subsidiary. The additional consideration related to earnout provisions was recorded to goodwill and the purchase of noncontrolling interests was recorded to additional paid in capital when paid.

In 2009, we completed the acquisition of FADV in a stock for stock transaction for $311.3 million. In connection with the acquisition, we recorded $9.1 million of stock-based compensation expense due to accelerated vesting of FADV options and RSUs.

Note 18 - Discontinued Operations

As of September 30, 2011, we closed our marketing services business (LeadClick) and concluded we would actively pursue the sale of our consumer services (Consumer Credit Monitoring Services), transportation services (comprised of our American Driving Records and CompuNet Credit Services business units) and our wholly-owned appraisal management services businesses. As a result, each of these businesses is reflected in our consolidated financial statements as discontinued operations and the results of these businesses in the prior years have been recast to conform to the 2011 presentation.

For the year ended December 31, 2011, we recorded pre-tax impairment charges of $137.7 million as a component of loss from discontinued operations comprised of $123.3 million for marketing services, $8.3 million for our wholly-owned appraisal management services, $3.6 million for transportation services and $2.6 million for consumer services. In addition, we incurred a non-cash impairment charge of $17.1 million for intangibles, a non-cash impairment charge of $10.6 million for internally developed software and bad debt expense of $8.9 million for accounts receivable we deemed to be uncollectible. Finally, we incurred $1.8 million in expense to write-off various other assets and to accrue for expenses related to the closure of our marketing services business.

On December 22, 2010, the Company and STG-Fairway Holdings, LLC (the “Purchaser”), which is owned by affiliates of Symphony Technology Group, entered into a Purchase Agreement, pursuant to which we sold our employer and litigation services businesses to the Purchaser for all cash proceeds of $265.0 million. We also agreed to provide certain transition services to the Purchaser for up to one year following the closing. For the year ended December 31, 2010, we recorded pre-tax impairment charge of $174.0 million, related to the sale of the employer and litigation services businesses, as a component of loss from discontinued operations. Further, we recognized a loss on sale of discontinued operation, net of tax of $19.0 million, which included a tax benefit of $34.5 million. The businesses are reflected in our consolidated financial statements as discontinued operations and the results of the businesses in the prior years have been recast to conform to the 2011 presentation.

The businesses distributed as part of the Separation are presented within the consolidated financial statements as discontinued operations. The net income from discontinued operations for the year ended December 31, 2011 includes an allocation of the income tax expense or benefit originally allocated to income from continuing operations. The amount of tax allocated to discontinued operations is the difference between the tax originally allocated to continuing operations and the tax allocated to the restated amount of income from continuing operations in each period.

Summarized below are certain assets and liabilities classified as discontinued operation as of December 31, 2011 and 2010:

(in thousands)			Data Analytics		Mortgage Origination	Default	
As of December 31, 2011	FAFC	ELI	Marketing	Consumer	Appraisal	Transportation	Total
Current assets	$—	$—	$3,380	$14,833	$1,038	$13,252	$32,503
Property and equipment, net	—	—	—	114	911	1,967	2,992
Goodwill and other identifiable intangible assets, net	—	—	—	2,109	13,959	3,845	19,913
Other assets	—	—	—	—	—	108	108
Total assets	$—	$—	$3,380	$17,056	$15,908	$19,172	$55,516
Total liabilities	$—	$—	$(2,210)	$11,849	$10,907	$6,853	$27,399
As of December 30, 2010							
Current assets	$—	$—	$31,411	$17,674	$8,911	$19,594	$77,590
Property and equipment, net	—	—	980	9,275	1,683	2,085	14,023
Goodwill and other identifiable intangible assets, net	—	—	142,792	4,996	22,330	7,825	177,943
Other assets	—	—	—	331	193	213	737
Total assets	$—	$—	$175,183	$32,276	$33,117	$29,717	$270,293
Total liabilities	$—	$—	$11,440	$9,386	$12,005	$7,331	$40,162

Summarized below are the components of our income (loss) from discontinued operations for the year ended December 31, 2011, 2010 and 2009:

(in thousands)			Data and Analytics		Mortgage Origination	Default	
For the year ended December 31, 2011	FAFC	ELI	Marketing	Consumer	Appraisal	Transportation	Total

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Operating revenue	$—	$—	$29,399	$94,755	$69,890	$66,115	$260,159
(Loss)/income from discontinued operations before income taxes	—	—	(164,094)	(10,453)	(20,178)	(2,472)	(197,197)
(Benefit)/provision for income taxes	—	—	(61,947)	(2,205)	(6,172)	251	(70,073)
(Loss)/income, net of tax	—	—	(102,147)	(8,248)	(14,006)	(2,723)	(127,124)
Less: Net income attributable to noncontrolling interests	—	—	—	—	—	—	—
(Loss)/income from discontinued operations, net of tax	$—	$—	$(102,147)	$(8,248)	$(14,006)	$(2,723)	$(127,124)
For the year ended December 31, 2010							
Operating revenue	$1,490,501	$242,895	$44,221	$89,573	$141,856	$67,346	$2,076,392
Income/(loss) from discontinued operations before income taxes	76,323	(166,064)	(11,777)	11,950	8,304	1,432	(79,832)
Provision/(benefit) for income taxes	33,222	(27,433)	(10,340)	4,780	3,321	573	4,123
Income/(benefit), net of tax	43,101	(138,631)	(1,437)	7,170	4,983	859	(83,955)
Less: Net loss attributable to noncontrolling interests	(419)	—	—	—	—	—	(419)
Income/(loss) from discontinued operations, net of tax	$43,520	$(138,631)	$(1,437)	$7,170	$4,983	$859	$(83,536)
For the year ended December 31, 2009							
Operating revenue	$3,938,616	$209,280	$97,842	$58,399	$149,693	$64,596	$4,518,426
Income/(loss) from discontinued operations before income taxes	229,989	9,193	(7,859)	12,713	17,391	6,051	267,478

Provision/(benefit) for income taxes	86,459	7,104	(3,144)	5,085	7,008	2,420	104,932
Income/(loss), net of tax	143,530	2,089	(4,715)	7,628	10,383	3,631	162,546
Less: Net income attributable to noncontrolling interests	11,888	—	—	—	—	—	11,888
Income/(loss) from discontinued operations, net of tax	$131,642	$2,089	$(4,715)	$7,628	$10,383	$3,631	$150,658

Note 19 - Transactions with FAFC.

In connection with the Separation, we entered into various transition services agreements with FAFC effective June 1, 2010. The agreements include transitional services in the areas of information technology, tax, accounting and finance, employee benefits and internal audit. Except for the information technology services agreements, the transition services agreements are short-term in nature. For the year ended December 31, 2011 and 2010, the net amount of $6.4 million and $5.4 million, respectively, were recognized as a reduction of other operating expenses in connection with the transition services agreements.

In the Separation and Distribution Agreement, we and FAFC agreed to share equally in the cost of resolution of a small number of corporate-level lawsuits including the consolidated securities litigation. Responsibility to manage each case has been assigned to either FAFC or us, with the managing party required to update the other party regularly and consult with the other party prior to certain important decisions such as settlement. The managing party will also have primary responsibility for determining the ultimate total liability, if any, related to the cases. We will record our share of any such liability when the responsible party determines a reserve is necessary in accordance with GAAP. At December 31, 2011, no reserves were considered necessary. See further discussion at Note 16 – Litigation and Regulatory Contingencies.

Additionally, as part of the Separation, we entered into a Tax Sharing Agreement whereby FAFC is contingently liable for certain tax liabilities. We recorded a receivable for these contingent tax obligations from FAFC of $34.4 million and $59.7 million as of December 31, 2011 and 2010, respectively. The liability for income taxes associated with uncertain tax positions was $10.4 million and $10.8 million as of December 31, 2011 and 2010, respectively. See further discussion at Note 10 – Income Taxes.

In connection with the Separation transactions, we issued approximately $250.0 million in value, or 12,933,265 shares of our common stock to FAFC. Based on the closing price of our stock on June 1, 2010, the value of the equity issued to FAFC was $242.6 million. As a result, we made a cash payment to FAFC of $7.4 million to arrive at the full value of $250.0 million. FAFC has agreed to dispose of the shares within five years after the Separation or to bear any adverse tax consequences arising out of holding the shares for longer than that period. On April 11, 2011, we purchased 4.0 million shares of our common stock from a wholly-owned subsidiary of FAFC for total consideration of $75.8 million based on a spot market price of our common stock on April 5, 2011 of $18.95 per share. The price per share was agreed upon by the parties during the trading day on April 5, 2011.

On June 1, 2010, we issued a promissory note to FAFC in the amount of $19.9 million that accrues interest at a rate of 6.52% per annum. Interest was first due on July 1, 2010 and is due quarterly thereafter. The note approximates the unfunded portion of the benefit obligation attributable to participants in the FAC defined benefit pension plan that were our employees. The balance outstanding on the note was $18.8 million at December 31, 2010 and was paid in full as of September 2011.

FAFC owns two office buildings that are leased to us under the terms of certain lease agreements which expire in December 2012. Rental expense associated with these properties totaled $4.4 million in 2011, $4.5 million in 2010, and $6.4 million in 2009.

During the years ended December 31, 2011, 2010, and 2009 we entered into commercial transactions with affiliates of FAFC. The revenue associated with these transactions, which primarily relate to sales of data and other settlement services totaled $15.0 million, $21.4 million and $46.4 million in 2011, 2010 and 2009, respectively. The expenses related to these transactions, which primarily related to purchase of sales of data and other settlement services, totaled $4.2 million, $11.8 million and $6.6 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Note 20 - Segment Financial Information.

Following the closure of LeadClick and the active pursuance of sale of consumer services, transportation services and our wholly-owned appraisal management services businesses, during the quarter ended December 31, 2011, we reorganized our management structure, changed our internal reporting and revised our reportable segments into three reportable segments consisting of data and analytics, mortgage origination services and default services.

Data and Analytics: Our data and analytics segment owns or licenses data assets including loan information, criminal and eviction records, employment verification, property characteristic information and information on mortgage-backed securities. We both license our data directly to our customers and provide our customers with analytical products for risk management, collateral assessment, loan quality reviews and fraud assessment. Our primary customers are commercial banks, mortgage lenders and brokers, investment banks, fixed-income investors, real estate agents, property and casualty insurance companies, title insurance companies and government-sponsored enterprises.

Our data and analytics segment includes intercompany revenues of $13.1 million, $14.0 million, and $20.6 million for the years ended December 31, 2011, 2010 and 2009, respectively; and intercompany expenses of $11.2 million, $10.8 million, $9.2 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Mortgage Origination Services: Our mortgage origination services segment provides tax monitoring, flood zone certification and monitoring, credit services, mortgage loan administration and production services, lending solutions and mortgage-related business process outsourcing. We are also a provider of geospatial proprietary software and databases combining geographic mapping and data. The segment’s primary customers are large, national mortgage lenders and servicers, but we also serve regional mortgage lenders and brokers, credit unions, commercial banks, government agencies and property and casualty insurance companies.

Our mortgage origination services segment includes intercompany revenues of $6.6 million, $3.0 million, and $3.3 million for the years ended December 31, 2011, 2010 and 2009, respectively; and intercompany expenses of $28.1 million, $31.1 million, $19.0 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Default Services: Our default services segment provides mortgage default management services, loss mitigation services, claims management, property valuation and management services. The segment’s primary customers are large, national mortgage lenders and servicers, but we also serve regional mortgage lenders and brokers, credit unions, commercial banks, government agencies and property and casualty insurance companies.

Our default services segment includes intercompany revenues of $0.9 million, $2.3 million, and $3.5 million for the years ended December 31, 2011, 2010 and 2009, respectively; and intercompany expenses of $14.8 million, $16.0 million, $17.8 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Corporate and eliminations consists primarily of investment gains and losses, corporate personnel and other operating expenses associated with our corporate facilities, certain technology initiatives, equity in earnings of affiliates, net of tax, unallocated interest expense, our marketing services group (which focuses on lead generation) and elimination of inter-company revenues included in the results of the reportable segments.

Selected financial information segment is as follows:

(in thousands)

For the year ended December 31, 2011	Data and Analytics	Mortgage Origination Services	Default Services	Corporate and Eliminations	Consolidated (excluding discontinued operations)
Operating revenue	$525,350	$504,872	$329,273	$(20,948)	$1,338,547
Depreciation and amortization	65,957	23,782	7,484	18,323	115,546
Income/(loss) from continuing operations	69,713	77,567	45,086	(103,681)	88,685
Equity in earnings of affiliates, net of tax	1,512	47,673	(245)	(18,670)	30,270
Net income/(loss) from continuing operations	70,039	126,616	44,310	(187,470)	53,495
Capital expenditures	16,808	12,242	4,062	$12,103	45,215
For the year ended December 31, 2010					
Operating revenue	$444,690	$484,940	$368,536	$(17,890)	$1,280,276
Depreciation and amortization	47,459	19,108	5,446	22,868	94,881
Income/(loss) from continuing operations	85,073	85,960	77,206	(134,556)	113,683
Equity in earnings of affiliates, net of tax	4,606	64,588	755	(28,308)	41,641
Net income/(loss) from continuing operations	89,658	150,855	81,311	$(237,933)	83,891
Capital expenditures	9,378	8,698	2,658	31,876	52,610
For the year ended December 31, 2009					
Operating revenue	$436,458	$518,882	$360,638	14,184	$1,330,162
Depreciation and amortization	47,919	21,390	6,313	38,752	114,374
Income/(loss) from continuing operations	105,812	101,027	60,905	(159,092)	108,652
Equity in earnings of affiliates, net of tax	638	77,075	586	(29,452)	48,847
Net Income/(loss) from continuing operations	107,233	178,245	61,478	(243,337)	103,619
Capital expenditures	11,593	11,003	984	8,307	31,887

(in thousands)

As of December 31, 2011	Data and Analytics	Mortgage Origination Services	Default Services	Corporate and Eliminations	Consolidated (excluding discontinued operations)
Investment in affiliates, net	$24,398	$79,538	$—	$9,873	$113,809
Long-lived assets	1,141,749	929,116	177,122	206,105	2,454,092
Total assets	1,248,436	1,039,069	226,034	541,016	3,054,555

As of December 31, 2010					
Investment in affiliates, net	$73,108	$66,019	$—	$26,582	$165,709
Long-lived assets	877,715	862,004	181,441	261,364	2,182,524
Total assets	972,562	994,124	230,142	767,704	2,964,532

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CoreLogic, Inc.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2011, 2010 and 2009

Operating revenues separated between domestic and foreign operations and by segment is as follows:

	Year ending December 31,					
(in thousands)	2011		2010		2009	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Data and Analytics	$468,022	$57,328	$438,359	$6,331	$431,214	$5,244
Mortgage Origination Services	504,633	239	484,888	52	518,882	—
Default Services	329,273	—	368,536	—	360,638	—
Corporate and Eliminations	(62,254)	41,306	(71,118)	53,228	(47,412)	61,596
Consolidated	$1,239,674	$98,873	$1,220,665	$59,611	$1,263,322	$66,840

Long-lived assets separated between domestic and foreign operations and by segment is as follows:

	As of December 31,			
(in thousands)	2011		2010	
	Domestic	Foreign	Domestic	Foreign
Data and Analytics	787,901	353,848	867,088	10,627
Mortgage Origination Services	929,075	41	861,901	103
Default Services	177,122	—	181,441	—
Corporate and Eliminations	(292,381)	498,486	257,719	3,645
Consolidated (excluding assets for discontinued operations)	$1,601,717	$852,375	$2,168,149	$14,375

Note 21 - Guarantor Subsidiaries

As discussed in Note 9 - Long-Term Debt, the Notes are guaranteed on a senior unsecured basis by each of our existing and future direct and indirect subsidiaries that guarantee our Credit Agreement. These guarantees are required in support of the Notes, are coterminous with the terms of the Notes and would require performance upon certain events of default referred to in the respective guarantees. The maximum potential amounts that could be required to be paid under the domestic guarantees are essentially equal to the outstanding principal and interest under the Notes. The following condensed consolidating financial information reflects CoreLogic, Inc.'s (the "Parent's") separate accounts, the combined accounts of the guarantor subsidiaries, the combined accounts of the non-guarantor subsidiaries, the combined consolidating adjustments and eliminations and the Parent's consolidated accounts for the dates and periods indicated.

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Condensed Balance Sheet
As of December 31, 2011

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/Eliminating Adjustments	Total
Assets:					
Current assets	$284,329	$339,098	$32,552	$ —	$655,979
Property and equipment, net	8,500	175,129	30,608	—	214,237
Goodwill	—	1,288,328	183,878	—	1,472,206
Other identifiable intangible assets, net	—	107,994	56,371		164,365
Capitalized data and database cost, net	—	218,534	85,472	—	304,006
Investments in affiliates	—	108,323	5,486	—	113,809
Deferred income tax assets, long-term	53,724	(15,419)	—	—	38,305
Restricted cash	18,298	122	3,624	—	22,044
Investment in subsidiaries	1,799,365	—	—	(1,799,365)	—
Other assets	92,910	30,151	2,059	—	125,120
Total assets	$2,257,126	$2,252,260	$400,050	$ (1,799,365)	$3,110,071
Liabilities and equity:					
Current liabilities	$95,237	$369,631	$35,791	$ —	$500,659
Long-term debt, net	784,570	10,412	51,045	—	846,027
Deferred revenue	—	338,799	—	—	338,799
Deferred income taxes, long term	—	—	18,383	—	18,383
Other liabilities	132,498	24,333	4,551	—	161,382
Total equity	1,244,821	1,509,085	290,280	(1,799,365)	1,244,821
Total liabilities and equity	$2,257,126	$2,252,260	$400,050	$ (1,799,365)	$3,110,071

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Condensed Balance Sheet
As of December 31, 2010

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/Eliminating Adjustments	Total
Assets:					
Current assets	$421,614	$567,682	$63,005	$ —	$1,052,301
Property and equipment, net	11,417	180,679	5,330	—	197,426
Goodwill	—	1,270,751	19,137	—	1,289,888
Other identifiable intangible assets, net	—	106,060	3,790	—	109,850
Capitalized data and database cost, net	—	211,325	6	—	211,331
Investments in affiliates	18,383	147,326	—	—	165,709
Deferred income tax assets, long-term	34,799	(28,769)	314	—	6,344
Restricted cash	20,973	122	—	—	21,095
Investment in subsidiaries	1,773,507	—	—	(1,773,507)	—
Other assets	118,775	60,000	2,106	—	180,881
Total assets	$2,399,468	$2,515,176	$93,688	$ (1,773,507)	$3,234,825
Liabilities and equity:					
Current liabilities	$326,258	$408,611	$9,569	$ —	$744,438
Long-term debt, net	443,838	43,599	—	—	487,437
Deferred revenue	—	350,827	—	—	350,827
Deferred income taxes, long term	—	—	—	—	—
Other liabilities	84,231	22,698	53	—	106,982
Total equity	1,545,141	1,689,441	84,066	(1,773,507)	1,545,141
Total liabilities and equity	$2,399,468	$2,515,176	$93,688	$ (1,773,507)	$3,234,825

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Condensed Statement of Operations
For the Year Ended December 31, 2011

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/Eliminating Adjustments	Total
Operating revenues	$—	$1,230,299	$108,248	$ —	$1,338,547
External cost of revenues	—	280,509	7,547	—	288,056
Salaries and benefits	74,968	421,480	57,450	—	553,898
Other operating expenses	21,714	245,414	25,234	—	292,362
Depreciation and amortization	3,702	92,046	19,798	—	115,546
Income from continuing operations	(100,384)	190,850	(1,781)	—	88,685
Total interest expenses, net	(55,564)	(978)	(1,748)	—	(58,290)
(Loss)/gain on investment and other, net	64,984	(5,061)	82	—	60,005
Provision/(benefit) for income taxes	(65,471)	133,017	(371)	—	67,175
Equity in earnings of affiliates, net of tax	—	30,078	192	—	30,270
Equity in earnings of subsidiary, net of tax	(48,136)	—	—	48,136	—
Net (loss)/income from continuing operations, net of tax	(73,629)	81,872	(2,884)	48,136	53,495
Loss from discontinued operations, net of tax	—	(127,124)	—	—	(127,124)
Loss on sale of discontinued operations, net of tax	—	—	—	—	—
Net loss	(73,629)	(45,252)	(2,884)	48,136	(73,629)
Less: Net income attributable to noncontrolling interest	980	—	—	—	980
Net loss attributable to CoreLogic	$(74,609)	$(45,252)	$(2,884)	$ 48,136	$(74,609)
Total other comprehensive (loss)/income	(36,259)	(14,093)	(12,612)	26,705	(36,259)
Comprehensive (loss)/income attributable to CoreLogic	(110,868)	(59,345)	(15,496)	74,841	(110,868)

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Condensed Statement of Operations
For the Year Ended December 31, 2010

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/Eliminating Adjustments	Total
Operating revenues	$—	$1,219,615	$60,661	$ —	$1,280,276
External cost of revenues	—	281,564	1,260	—	282,824
Salaries and benefits	56,723	437,164	39,381	—	533,268
Other operating expenses	17,060	229,014	9,546	—	255,620
Depreciation and amortization	5,093	86,960	2,828	—	94,881
(Loss)/income from continuing operations	(78,876)	184,913	7,646	—	113,683
Total interest (expense)/income, net	(30,279)	(650)	704	—	(30,225)
(Loss)/gain on investment and other, net	(13,852)	(1,828)	4,795	—	(10,885)
(Benefit)/provision for income taxes	(55,525)	82,351	3,497	—	30,323
Equity in (losses)/earnings of affiliates, net of tax	(29)	41,670	—	—	41,641
Equity in earnings of subsidiary, net of tax	48,882	—	—	(48,882)	—
Net (loss)/income from continuing operations, net of tax	(18,629)	141,754	9,648	(48,882)	83,891
Income/(loss) from discontinued operations, net of tax	—	18,517	(102,053)	—	(83,536)
Loss on sale of discontinued operations, net of tax	—	—	(18,985)	—	(18,985)
Net (loss)/income	(18,629)	160,271	(111,390)	(48,882)	(18,630)
Less: Net income attributable to noncontrolling interest	37,670	—	—	—	37,670
Net (loss)/income attributable to CoreLogic	$(56,299)	$160,271	$(111,390)	$ (48,882)	$(56,300)
Total other comprehensive income/(loss)	12,831	1,759	(547)	(1,212)	12,831
Comprehensive (loss)/income	(43,468)	162,030	(111,937)	(50,094)	(43,469)
Less: Comprehensive (loss)/income attributable to the noncontrolling interests	(17)	(17)	—	17	(17)
Comprehensive (loss)/income attributable to CoreLogic	(43,451)	162,047	(111,937)	(50,111)	(43,452)

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Condensed Statement of Operations
For the Year Ended December 31, 2009

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/Eliminating Adjustments	Total
Operating revenues	$—	$1,263,321	$66,841	$ —	$1,330,162
External cost of revenues	—	289,687	387	—	290,074
Salaries and benefits	46,684	474,314	44,919	—	565,917
Other operating expenses	(22,361)	262,562	10,944	—	251,145
Depreciation and amortization	4,320	106,363	3,691	—	114,374
Income from continuing operations	(28,643)	130,395	6,900	—	108,652
Total interest (expense)/income, net	(33,797)	2,726	225	—	(30,846)
Loss on investment and other, net	—	(5,933)	—	—	(5,933)
(Benefit)/provision for income taxes	(14,822)	30,191	1,732	—	17,101
Equity in (losses)/earnings of affiliates, net of tax	(740)	49,587	—	—	48,847
Equity in earnings of subsidiary, net of tax	302,633	—	—	(302,633)	—
Net income from continuing operations, net of tax	254,275	146,584	5,393	(302,633)	103,619
Income from discontinued operations, net of tax	—	14,172	136,486	—	150,658
Net income/(loss)	254,275	160,756	141,879	(302,633)	254,277
Less: Net income attributable to noncontrolling interest	57,638	—	—	—	57,638
Net income/(loss) attributable to CoreLogic	$196,637	$160,756	$141,879	$ (302,633)	$196,639
Total other comprehensive income/(loss)	12,929	12,348	411	(12,759)	12,929
Comprehensive income/(loss)	209,566	173,104	142,290	(315,392)	209,568
Less: Comprehensive income/(loss) attributable to the noncontrolling interests	3,729	2,741	988	(3,729)	3,729
Comprehensive income/(loss) attributable to CoreLogic	205,837	170,363	141,302	(311,663)	205,839

Condensed Statement of Cash Flows
For the Year Ended December 31, 2011

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/Eliminating Adjustments	Total
Cash flows from operating activities:					
Net cash (used in)/provided by operating activities - continuing operations	(11,425)	176,002	7,015	—	171,592
Net cash provided by operating activities - discontinued operations	—	(10,655)	—	—	(10,655)

Total cash (used in)/provided by operating activities	$(11,425)	$165,347	$7,015	$ —	$160,937
Cash flow from investing activities:					—
Purchases of redeemable noncontrolling interests	(72,000)	—	—	—	(72,000)

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Purchases of property and equipment	(785)	(38,503)	(5,927)	—	(45,215)
Purchases of capitalized data and other intangible assets	—	(26,447)	(562)	—	(27,009)
Cash paid for acquisitions, net of cash acquired	(219,317)	4,220	882	—	(214,215)
Proceeds from sale of discontinued operations	—	—	—	—	—
Purchases of investments	725	(27,623)	—	—	(26,898)
Proceeds from sale of subsidiary and other increases in noncontrolling interest, net	22,754	5,300	—	—	28,054
Proceeds from sale of property and equipment	—	25,042	—	—	25,042
Proceeds from sale of investments	—	74,621	—	—	74,621
Change in restricted cash	2,675	(1)	(583)	—	2,091
Net cash (used in)/provided by investing activities - continuing operations	(265,948)	16,609	(6,190)	—	(255,529)
Net cash used in investing activities - discontinued operations	—	(4,497)	—	—	(4,497)
Total cash (used in)/provided by investing activities	$(265,948)	$12,112	$(6,190)	$—	$(260,026)
Cash flow from financing activities:					
Proceeds from long-term debt	750,000	54,544	53,610	—	858,154
Debt issuance costs	(22,810)	—	—	—	(22,810)
Repayments of long-term debt	(575,787)	(107,094)	(50,526)	—	(733,407)
Share repurchases	(176,512)	—	—	—	(176,512)
Proceeds from issuance of stock related to stock options and employee benefit plans	1,064	—	—	—	1,064
Distribution to noncontrolling interests	(4,835)	—	—	—	(4,835)
Tax benefit related to stock options	363	—	—	—	363
Other	179,787	(148,942)	(30,845)	—	—
Net cash provided by/(used in) financing activities - continuing operations	151,270	(201,492)	(27,761)	—	(77,983)
Net cash provided by financing activities - discontinued operations	—	71	—	—	71
Total cash provided by/(used in) financing activities	$151,270	$(201,421)	$(27,761)	$—	$(77,912)
Net increase/(decrease) in cash and cash equivalents	(126,103)	(23,962)	(26,936)	—	(177,001)
Cash and cash equivalents at beginning of period	355,974	23,013	47,225	—	426,212
Change in cash and cash equivalents - discontinued operations	—	10,055	—	—	10,055
Cash and cash equivalents at end of period	$229,871	$9,106	$20,289	$—	$259,266

Condensed Statement of Cash Flows
For the Year Ended December 31, 2010

Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/Eliminating Adjustments	Total

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Cash flows from operating activities:					
Net cash (used in)/provided by operating activities - continuing operations	$(68,913)	$224,975	$8,083	$—	$164,145
Net cash provided by operating activities - discontinued operations	—	18,598	23,451	—	42,049
Total cash (used in)/provided by operating activities	$(68,913)	$243,573	$31,534	$—	$206,194
Cash flow from investing activities:					—
Purchases of redeemable noncontrolling interests	(385,847)	—	—	—	(385,847)
Purchases of subsidiary shares from and other decreases in noncontrolling interests	(6,537)	—	—	—	(6,537)
Purchases of property and equipment	(3,347)	(48,114)	(1,149)	—	(52,610)
Purchases of capitalized data and other intangible assets	—	(24,814)	—	—	(24,814)
Cash paid for acquisitions, net of cash acquired	—	(11,401)	2,173	—	(9,228)
Cash received from sale of discontinued operations	—	—	265,000	—	265,000
Purchases of investments	(18,764)	(8,520)	—	—	(27,284)
Proceeds from maturities of debt securities	—	371	—	—	371
Proceeds from sale of investments	—	26,386	—	—	26,386
Issuance of notes receivable, net	—	(12,754)	—	—	(12,754)
Change in restricted cash	(20,973)	(122)	—	—	(21,095)
Net cash (used in)/provided by investing activities - continuing operations	(435,468)	(78,968)	266,024	—	(248,412)
Net cash used in investing activities - discontinued operations	—	(5,656)	(70,536)	—	(76,192)
Total cash (used in)/provided by investing activities	$(435,468)	$(84,624)	$195,488	$—	$(324,604)
Cash flow from financing activities:					
Proceeds from long-term debt	843,524	—	—	—	843,524
Debt issuance costs	(14,776)	—	—	—	(14,776)
Repayments of long-term debt	(691,258)	(22,385)	—	—	(713,643)
Share repurchases	(30,171)	—	—	—	(30,171)
Proceeds from issuance of stock related to stock options and employee benefit plans	6,997	—	—	—	6,997
Distribution to noncontrolling interests	(27,800)	—	—	—	(27,800)
Cash dividends	(22,657)	—	—	—	(22,657)
Tax benefit related to stock options	3,423	—	—	—	3,423
Other	628,061	(382,899)	(245,162)	—	—
Net cash provided by/(used in) financing activities - continuing	695,343	(405,284)	(245,162)	—	44,897

operations					
Net cash provided by financing activities - discontinued operations	—	—	29,087	—	29,087
Total cash provided by/(used in) financing activities	$695,343	$(405,284)	$(216,075)	$—	$73,984
Net increase/(decrease) in cash and cash equivalents	190,962	(246,335)	10,947	—	(44,426)

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Cash and cash equivalents at beginning of period	165,012	282,290	12,217	—	459,519
Change in cash and cash equivalents - discontinued operations	—	(12,942)	24,061	—	11,119
Cash and cash equivalents at end of period	$355,974	$23,013	$47,225	$—	$426,212

Condensed Statement of Cash Flows
For the Year Ended December 31, 2009

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/Eliminating Adjustments	Total
Cash flows from operating activities:					
Net cash (used in)/provided by operating activities - continuing operations	$(52,431)	$302,141	$943	$ —	$250,653
Net cash provided by operating activities - discontinued operations	—	9,538	298,728	—	308,266
Total cash (used in)/provided by operating activities	$(52,431)	$311,679	$299,671	$ —	$558,919
Cash flow from investing activities:					—
Purchases of subsidiary shares from and other decreases in noncontrolling interests	(58,511)	(3,500)	—	—	(62,011)
Purchases of property and equipment	(12,352)	(18,376)	(1,159)	—	(31,887)
Purchases of capitalized data and other intangible assets	—	(25,506)	—	—	(25,506)
Cash paid for acquisitions, net of cash acquired	—	(10,000)	—	—	(10,000)
Purchases of investments	—	(10,008)	—	—	(10,008)
Proceeds from maturities of debt securities	—	12,623	—	—	12,623
Proceeds from sale of subsidiary and other increases in noncontrolling interest, net	12,347	—	—	—	12,347
Proceeds from sale of investments	—	4,488	—	—	4,488
Change in restricted cash	—	—	—	—	—
Net cash used in investing activities - continuing operations	(58,516)	(50,279)	(1,159)	—	(109,954)
Net cash (used in)/provided by investing activities - discontinued operations	—	(5,504)	1,380	—	(4,124)
Total cash (used in)/provided by investing activities	$(58,516)	$(55,783)	$221	$ —	$(114,078)
Cash flow from financing activities:					—

Proceeds from long-term debt	(1)	50,783	—	—	50,782
Repayments of long-term debt	—	(102,188)	—	—	(102,188)
Proceeds from issuance of stock related to stock options and employee benefit plans	12,601	—	—	—	12,601
Distribution to noncontrolling interests	(31,525)	—	—	—	(31,525)
Cash dividends	(82,054)	—	—	—	(82,054)
Tax benefit related to stock options	1,057	(289)	—	—	768
Other	291,399	(105,564)	(185,835)	—	—

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Net cash provided by/(used in) financing activities - continuing operations	191,477	(157,258)	(185,835)	—	(151,616)
Net cash used in financing activities - discontinued operations	—	—	(198,276)	—	(198,276)
Total cash provided by/(used in) financing activities	$191,477	$(157,258)	$(384,111)	$—	$(349,892)
Net increase/(decrease) in cash and cash equivalents	80,530	98,638	(84,219)	—	94,949
Cash and cash equivalents at beginning of period	84,482	187,688	10,949	—	283,119
Change in cash and cash equivalents - discontinued operations	—	(4,036)	85,487	—	81,451
Cash and cash equivalents at end of period	$165,012	$282,290	$12,217	$—	$459,519

Note 22 - Unaudited Quarterly Financial Data.

The following table sets forth certain unaudited quarterly financial data of CoreLogic for years ended 2011 and 2010. As of September 30, 2011, we closed our marketing services business (LeadClick) and concluded we would actively pursue the sale of our consumer services (Consumer Credit Monitoring Services), transportation services (comprised of our American Driving Records and CompuNet Credit Services business units) and our wholly-owned appraisal management services businesses; accordingly we reclassified the results of operations from these businesses to discontinued operations in the statements of operations. In 2010 we decided to sell our employer and litigation services businesses and likewise reclassified its results of operations to discontinued operations.

As discussed in Note 2, we have revised certain prior periods to correct errors. See (1) below for the impact of these corrections on our quarterly financial data.

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	For the quarters ended			
(in thousands, except per share amounts)	3/31/2011	6/30/2011	9/30/2011	12/31/2011
Operating revenue	$316,282	$328,421	$348,446	$345,398
Income from continuing operations	$26,576	$18,833	$27,840	$15,436
Equity in earnings of affiliates, net of tax	$6,334	$5,719	$8,340	$9,877
Net income/(loss) from continuing operations attributable to CoreLogic stockholders	$21,605	$40,041	$(2,970)	$(6,161)
Income/(loss) from discontinued operations attributable to CoreLogic stockholders, net of tax (1)	1,651	(8,556)	(104,220)	(15,999)
Loss on sale of discontinued operations, net of tax	—	—	—	—
Net income/(loss) attributable to CoreLogic stockholders	$23,256	$31,485	$(107,190)	$(22,160)
Per share amounts				
Basic:				
Income/(loss) from continuing operations attributable to CoreLogic stockholders	$0.19	$0.37	$(0.03)	$(0.06)
Income/(loss) from discontinued operations attributable to CoreLogic stockholders, net of tax (1)	0.01	(0.08)	(0.98)	(0.15)
Loss on sale of discontinued operations, net of tax	—	—	—	—
Net income/(loss) attributable to CoreLogic stockholders	$0.20	$0.29	$(1.01)	$(0.21)
Diluted:				
Income/(loss) from continuing operations attributable to CoreLogic stockholders	$0.19	$0.37	$(0.03)	$(0.06)
Income/(loss) from discontinued operations attributable to CoreLogic stockholders, net of tax (1)	0.01	(0.08)	(0.98)	(0.15)
Loss on sale of discontinued operations, net of tax	—	—	—	—
Net income/(loss) attributable to CoreLogic stockholders (1)	$0.20	$0.29	$(1.01)	$(0.21)
Weighted-average common shares outstanding:				
Basic	115,545	108,018	106,414	106,508
Diluted	116,306	108,641	106,414	106,508

(1) Amounts for the quarter ended June 30, 2011, have been revised to reflect financial statement revisions net of tax of $1.8 million of income, which impacted earnings per share by $0.02 per share on both a basic and diluted basis in the second quarter of 2011.

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Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2011, 2010 and 2009

	For the quarters ended			
(in thousands, except per share amounts)	3/31/2010	6/30/2010	9/30/2010	12/31/2010
Operating revenue	$308,756	$326,007	$330,146	$315,367
Income from continuing operations	$13,168	$21,624	$45,692	$33,199
Equity in earnings of affiliates, net of tax	$7,523	$8,562	$13,507	$12,049
Net income/(loss) from continuing operations attributable to CoreLogic stockholders	$7,630	$(2,594)	$49,064	$(7,879)
Income/(loss) from discontinued operations attributable to CoreLogic stockholders, net of tax (1)	21,787	27,004	(142,479)	10,152
Loss on sale of discontinued operations, net of tax	—	—	—	(18,985)
Net income/(loss) attributable to CoreLogic stockholders	$29,417	$24,410	$(93,415)	$(16,712)
Per share amounts				
Basic:				
Income/(loss) from continuing operations attributable to CoreLogic stockholders	$0.07	$(0.02)	$0.42	$(0.07)
Income/(loss) from discontinued operations attributable to CoreLogic stockholders, net of tax (1)	0.21	0.25	(1.22)	0.09
Loss on sale of discontinued operations, net of tax	—	—	—	(0.16)
Net income attributable to CoreLogic stockholders	$0.28	$0.23	$(0.80)	$(0.14)
Diluted:				
Income/(loss) from continuing operations attributable to CoreLogic stockholders	$0.07	$(0.02)	$0.42	$(0.07)
Income/(loss) from discontinued operations attributable to CoreLogic stockholders, net of tax (1)	0.21	0.25	(1.21)	0.09
Loss on sale of discontinued operations, net of tax	—	—	—	(0.16)
Net income attributable to CoreLogic stockholders (1)	$0.28	$0.23	$(0.79)	$(0.14)
Weighted-average common shares outstanding:				
Basic	103,474	108,936	116,991	116,344
Diluted	104,752	108,936	117,829	116,344

(1) Amounts for the quarter ended June 30, 2010, have been revised to reflect financial statement revisions net of tax of $2.8 million of income, which impacted earnings per share by $0.02 per share on both a basic and diluted basis in the second quarter of 2010.

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CORELOGIC AND SUBSIDIARY COMPANIES

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

For the Years Ended December 31, 2011, 2010 and 2009

(in thousands) Description	Balance at Beginning of Period	Charged to Costs & Expenses	Charged to Other Accounts	Deductions		Balance at End of Period
Year ended December 31, 2011						
Allowance for doubtful accounts	$12,314	$6,180	$—	$(1,129	)(1)	$17,365
Claim losses	$28,197	$25,204	$—	$(22,036	)(2)	$31,365
Tax valuation allowance	$19,058	$—	$12,156	$(1,825	)	$29,389
Year ended December 31, 2010						
Allowance for doubtful accounts	$15,289	$1,276	$—	$(4,251	)(1)	$12,314
Claim losses	$26,286	$25,343	$—	$(23,432	)(2)	$28,197
Tax valuation allowance	$14,692	$4,366	$—	$—		$19,058
Year ended December 31, 2009						
Allowance for doubtful accounts	$20,650	$2,544	$—	$(7,905	)(1)	$15,289
Claim losses	$27,997	$36,833	$—	$(38,544	)(2)	$26,286
Tax valuation allowance	$13,707	$985	$—	$—		$14,692

(1) Amount represents accounts written off, net of recoveries.
(2) Amount represents claim payments, net of recoveries.

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

Directors and Executive Officers of the Company

Directors

The following provides information regarding current members of the Company's Board of Directors. Each director is elected at our annual meeting of stockholders and holds office until the next annual meeting of stockholders and until his or her successor is elected and qualified. Our bylaws permit the Board of Directors to fill any vacancy and such director may serve until the next annual meeting of stockholders and until his or her successor is elected and qualified.

Name	Biography	Age
J. David Chatham	Mr. Chatham has served as a member of our Board since 1989. Mr. Chatham has served as the President and Chief Executive Officer of Chatham Holdings Corporation, a firm specializing in real estate development and associated industries, since its incorporation in 1991. From 2003 until its acquisition by the Company in late 2009, Mr. Chatham served on the Board of First Advantage Corporation (“FADV”), a Nasdaq-listed majority-owned subsidiary of the Company that was a provider of credit and data services, employer services, multifamily services and investigative and litigation support services. Through his experience as a real estate developer, Mr. Chatham enhances our understanding of the residential real estate market.	61
Paul F. Folino	Mr. Folino has served as a member of our Board since July 2011. Mr. Folino was Executive Chairman of the Board of Directors of Emulex Corporation, an information technology product manufacturer specializing in servers, network and storage devices for data centers, from 2006 until his retirement in 2011. Previously, he had served as a director of Emulex since 1993, as Chairman from 2002 to 2006, and as Chief Executive Officer from 1993 to 2002. Mr. Folino also serves on the boards of Microsemi Corporation and Commercial Bank of California, as well as numerous charitable organizations. Mr. Folino brings significant expertise regarding information technology and intellectual property. In addition, as a seasoned CEO, Mr. Folino provides valued input on a variety of leadership, strategy and organizational matters.	67
Anand K. Nallathambi	Mr. Nallathambi is our President and Chief Executive Officer and has served as a member of our Board since June 2010. From November 2009 until the spin-off of our financial services business in June 2010 (the “Separation”), Mr. Nallathambi served as President and Chief Operating Officer of the information solutions group of our predecessor, The First American Corporation (“FAC”). From March 2007 to November 2009, Mr. Nallathambi served as chief executive officer of FADV and from 2005 to March 2007 served as its president. From 2007 to 2009, Mr. Nallathambi was also a member of the Board of Directors of FADV. Prior to joining FADV, from 1996 to 1998, Mr. Nallathambi served as president of FAC's credit information group and as president of First American Appraisal Services, a real-estate appraisal company. Mr. Nallathambi has worked with us in various capacities for nearly 15 years and brings unique insight into our management practices and has a deep understanding of our history and culture. Respected	50

for his vision in the consumer data industry and his leadership as former chairman of the Consumer Data Industry Association, Mr. Nallathambi's strategic perspectives on combining property and consumer information have helped drive innovative product development initiatives at the Company.

Thomas C. O'Brien	Mr. O'Brien was originally appointed to our Board in April 2008 pursuant to an agreement with Highfields Capital Management LP ("Highfields"), as discussed in our Current Report on Form 8-K dated April 10, 2008. Our agreement with Highfields expired in December 2009. Mr. O'Brien has served as the Chief Executive Officer and President of Insurance Auto Auctions Inc., a provider of specialized services for automobile insurance, since 2000. Mr. O'Brien also serves as a director of KAR Auction Services, Inc. As a result of his experience as a chief executive officer, Mr. O'Brien brings to our Company insight into our management practices, in particular with respect to the relationship between compensation and performance.	58
D. Van Skilling	Mr. Skilling has served as a member of our Board since 1998 and as Chairman of the Board since May 2011. Mr. Skilling served as Chairman and Chief Executive Officer of Experian Information Solutions, Inc. ("Experian") from 1996 to 1999 and was originally appointed to our Board pursuant to an agreement with Experian which required that we nominate an Experian designee as a candidate for election to our Board. Our agreement with Experian terminated in December 2009. Mr. Skilling has served as the President of Skilling Enterprises, a private investment firm, since 1999. Mr. Skilling also serves as chairman of the board of ONVIA, Inc. and as a director of American Business Bank. Previously, he served as a director of FADV, The Lamson & Sessions Co. and McData Corporation. Mr. Skilling, who was responsible for businesses that Experian contributed to a joint venture with us (which is now wholly owned by us), provides our Company with insight into the development of these businesses as well as strategies for managing them. Mr. Skilling has extensive experience as a director of publicly-traded companies and a strong executive background including extensive executive experience in corporate finance and strategic planning, corporate governance and public company executive compensation.	78
David F. Walker	Mr. Walker has served as a member of our Board since May 2010. Mr. Walker served as the Director of the Program of Accountancy at the University of South Florida in St. Petersburg from 2002 through June 2009. From 1986 to 2002, Mr. Walker was a partner with Arthur Andersen, an accounting firm, having led the firm's assurance and business advisory practice for the Florida Caribbean Region, from 1999 through 2002. Mr. Walker also serves on the boards of Commvault Systems, Inc. and Chico's FAS Inc. Mr. Walker previously served as a director of Technology Research Corporation, Inc. and FADV. Mr. Walker's extensive experience in public accounting and on corporate boards, including as a past or present chair of other audit committees, contributes to the Board's oversight of the Company's financial reporting and risk management.	58
Mary Lee Widener	Ms. Widener has served as a member of our Board since 2006. Ms. Widener is a community investment consultant. From 1974 until her retirement in 2009, Ms. Widener was President and Chief Executive Officer of Neighborhood Housing Services of America, Inc., a nonprofit housing agency. Ms. Widener also serves on the board of The PMI Group, Inc. Given her extensive experience with organizations dedicated to revitalizing neighborhoods and increasing homeownership opportunities, Ms. Widener	73

brings to our Company an understanding of the opportunities we have to improve homeownership in underserved communities and the difficulties people in those communities face in purchasing a home.

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Executive Officers

The following provides information regarding the Company's current executive officers. Executive officers of the Company are appointed annually by the Board on the day of the annual meeting of stockholders or at such other times as determined by the Board.

Name	Position(s) Held	Age
Anand K. Nallathambi	President and Chief Executive Officer	50
Frank D. Martell	Chief Financial Officer	52
George S. Livermore	Group Executive and Executive Vice President for Data and Analytics	51
Barry M. Sando	Group Executive and Executive Vice President for Mortgage Origination Services and Default Services	52
Stergios Theologides	Senior Vice President, General Counsel and Secretary	45
James L. Balas	Senior Vice President, Controller	41

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- Anand K. Nallathambi's biography is set forth above under "Directors."
- Frank D. Martell has served as the Company's Chief Financial Officer since August 2011. From July 2010 to August 2011, Mr. Martell was president and chief executive officer for Western Institutional Review Board, a leading provider of review, approval and oversight for clinical research studies involving human subjects. Mr. Martell has served as a director of Western Institutional Review Board since December 2010. Previously, Mr. Martell served as chief financial officer from October 2009 to June 2010 for Advantage Sales and Marketing, a retail merchandising and marketing services company. From January 2007 to September 2009, Mr. Martell served as executive vice president and chief financial officer for Information Services Group, Inc., a technology insight, market intelligence and advisory services company, where he was responsible for global financial management, investor and rating agency relations and information technology operations. From 1996 to 2006, Mr. Martell held a number of leadership positions for ACNielsen Corporation, including vice president and treasurer, as well as chief financial officer, chief operating officer and president of Asia Pacific & Emerging Markets, executive vice president, marketing information group, and chief operating officer of ACNielsen and president Europe, Middle East & Africa.
- George S. Livermore has served as the Company's Group Executive and Executive Vice President for the Company's data and analytics segment since June 2010. From September 2005 to June 2010, Mr. Livermore was president of FAC's property information and services group within the information solutions company. Additionally, he served as president of First American Real Estate Solutions L.P. since its formation in 1998.
- Barry M. Sando has served as the Company's Group Executive and Executive Vice President for the mortgage origination services and default services segments since December 2011 and of the business and information services segment of the Company from June 2010 to December 2011. From 1997 to June 2010, Mr. Sando was president of the information and outsourcing solutions business segment of FAC. He also served as president of FAC's flood zone certification subsidiary during 1997, served as its executive vice president from 1995 to 1997 and was employed by FAC's tax service subsidiary from 1991 to 1995.
- Stergios Theologides has served as the Company's Senior Vice President, General Counsel and Secretary since June 2010. Mr. Theologides served as senior vice president and general counsel of the information solutions group of FAC from November 2009 until June 2010. Mr. Theologides served as the executive vice president and general counsel of Morgan Stanley's U.S. residential mortgage business from 2007 to 2009, overseeing legal, compliance, operational risk, fraud prevention, quality assurance and consumer and community affairs for Morgan Stanley's mortgage origination and servicing platforms. From 1998 to 2007, Mr. Theologides was the executive vice president and general counsel of New Century Financial Corporation, a $2.5 billion, NYSE-listed mortgage real estate investment trust with over $60 billion in 2006 loan originations through 7,500 employees in over 200 locations. At New Century, Mr. Theologides oversaw legal, compliance, privacy, security, consumer relations and government affairs. New Century filed for

bankruptcy protection in April 2007 and was ultimately liquidated. Mr. Theologides began his career as a corporate and securities lawyer at O'Melveny & Myers, LLP.

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- James L. Balas has served as the Company's Senior Vice President, Controller since March 2011. From April 2009 to March 2011, Mr. Balas was the vice president and corporate controller for Ameron International, an international manufacturer of products and materials for the chemical, industrial, energy, transportation and infrastructure markets. From 2008 to 2009, Mr. Balas served as chief financial officer of Solar Integrated Technologies, a provider of commercial solutions for the production of solar electric power, and as vice president of finance from 2006 to 2008. From 2003 to 2006, Mr. Balas served as the director of finance and corporate development for Keystone Automotives Industries, a distributor of aftermarket automotive parts and accessories. From 1998 to 2003, Mr. Balas was with Ernst & Young LLP's consulting division (acquired in May 2000 by Cap Gemini S.A.) where he served as senior manager, corporate development beginning in 2000.

Section 16(a) Beneficial Ownership Reporting Compliance

Rules adopted by the SEC require our officers and directors, and persons who beneficially own more than ten percent of our issued and outstanding common stock, to file reports of their ownership, and changes in ownership, of our shares with the SEC on prescribed forms. Officers, directors and greater-than-ten-percent stockholders are required by the SEC's rules to furnish us with copies of all such forms they file with the SEC.

Based solely on the review of the copies of the forms received by us, or written representations from reporting persons that they were not required to file a Form 5 to report previously unreported ownership or changes in ownership, we believe that our officers, directors and greater-than-ten-percent beneficial owners timely complied with all such filing requirements during fiscal 2011, except that gifts in 2010 totaling 4,562 shares made by Mr. Chatham were reported on a Form 5 during 2011 rather than on a Form 4 in 2010.

Code of Ethics

The Board has adopted a code of ethics that applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. A copy of this code of ethics is posted on the Investors section of the Company's Web site under corporate governance at www.corelogic.com. To the extent the Company waives or amends any provisions of this code of ethics, it will disclose such waivers or amendments on the above Web site. The Board also has adopted a broader code of ethics and conduct, applying to all employees, officers and directors, which also has been posted to the Web site at the address stated above.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines which have been posted on the Investors section of our Web site under corporate governance at www.corelogic.com. In addition to stating the standards that the Board applies in determining whether or not its members are independent, these guidelines state the qualifications and responsibilities of our directors and describe fundamental aspects of our Board and certain of its committees.

Audit Committee of the Board of Directors

The Company has a standing Audit Committee of the Board of Directors. The current members of the Audit Committee are Messrs. Walker (Chairman), Chatham and Skilling and Ms. Widener. Ms. Widener joined the Audit Committee effective December 8, 2011.

Our Board has determined that each of Messrs. Walker and Skilling is an “audit committee financial expert” within the meaning of the SEC's rules and regulations and that each of the members of our Audit Committee is “financially literate” under the listing standards of the NYSE.

Item 11. Executive Compensation

Compensation Discussion and Analysis

This discussion and analysis of the compensation program for our named executive officers should be read in conjunction with the tables and text contained elsewhere in this Item 11 that describe the compensation awarded to, earned by or paid to the named executive officers in 2011.

Our Compensation Discussion and Analysis ("CD&A") describes the Compensation Committee's (the "Committee's") compensation philosophy, objectives, policies and compensation decisions made for "named executive officers" for 2011 listed below:

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Named Executive Officer	Position as of December 31, 2011
Anand K. Nallathambi	President and Chief Executive Officer
Frank D. Martell	Chief Financial Officer
George S. Livermore	Group Executive and Executive Vice President for Data and Analytics
Barry M. Sando	Group Executive and Executive Vice President for Mortgage Origination Services and Default Services
Stergios Theologides	Senior Vice President, General Counsel and Secretary
James L. Balas	Senior Vice President, Controller
Anthony S. Piszel	Former Chief Financial Officer
Michael A. Rasic	Former Senior Vice President, Finance and Accounting

Mr. Sando served as Group Executive and Executive Vice President for the business and information services segment until December 2011 when the business was reorganized to focus on three segments - data and analytics, mortgage origination services and default services. Mr. Sando's 2011 compensation was tied to the performance of the business and information services segment and, as a result, our discussion focuses on this segment rather than the two new segments he currently leads.

On February 10, 2011, Mr. Piszel resigned as Chief Financial Officer. During the gap between Mr. Piszel's resignation and the commencement of employment by the current Chief Financial Officer, Mr. Martell, on August 29, 2011, Messrs. Rasic and Balas each served for a period of time as the Company's principal financial officer.

Executive Summary

2011 was a challenging year from a financial perspective, but a highly productive year in terms of positioning the Company for enhanced future results.

Financial Results

Our financial results fell short of our expectations, as the single most important driver of our business - residential mortgage origination volume - fell by approximately 20% in 2011 compared to 2010 based on statistics published by the Mortgage Bankers Association and data from significant mortgage originators. Although overall data and analytics segment performance was strong, the business and information services segment was negatively affected by lagging market demand in key sectors, lower equity earnings in the Company's affiliates, softness in default services, lower flood certification volumes, and increased external cost of consumer credit data. As a result, our adjusted EBITDA from continuing operations was 11% lower than 2010 results and also fell short of our 2011 revenue, adjusted EBITDA and EBITDA margin financial targets by 1%, 8% and 7%, respectively.

Operational Improvements and Accomplishments

Despite the challenges presented by the market environment in 2011, our named executive officers improved operations and introduced aggressive actions to sharpen our focus on our core businesses, reduce our cost structure and better position us to capitalize on our competitive strengths. The more significant actions in 2011 that set the stage for future growth include:

- Completing a strategic review of our businesses, resulting in the decision to exit five non-strategic businesses and the reorganization of our remaining businesses into three core segments: data and analytics, mortgage origination services and default services;
- Initiating an aggressive cost reduction and productivity improvement program that achieved $20 million in cost reductions in 2011 and set the stage for more substantial reductions expected to lower our cost structure by an additional $60 million in 2012;
- Outsourcing our India operations through a large and complex sale of captive offshore operations to a leading third-party outsourcer;
- Acquiring RP Data Limited, an Australian real estate data firm, thereby contributing to diversification of revenues away from the U.S. real estate market and providing a platform for growth in that region; and
- Refinancing the Company's debt through a new $550 million revolving credit facility, a $350 term loan facility and the issuance of $400 million in 7.25% Senior Notes due 2021.

Executive Compensation Program Structures and Decisions Reflect Lower Financial Results

Notwithstanding the significant progress in positioning the Company for the future, the Committee's pay-for-performance compensation approach resulted in executive management receiving below-target compensation in 2011 as a result of falling short of the Company's 2011 financial targets. For example, based on below-target performance of the Company's 2011 revenue, EBITDA and EBITDA margin goals, our CEO received a cash annual incentive bonus of $525,000 for 2011, which represents 44% of our CEO's $1.2 million target annual cash and one-time incentive compensation opportunity for 2011. It also represents a 41% reduction in the CEO's annual incentive bonus compared to 2010, when results were better and more in line with that year's budget.

CoreLogic's long-term incentive plans also demonstrate the pay-for-performance approach. The Company's majority focus on performance-based long-term incentives and stock options requires the executive team to generate financial and stock price performance to achieve target levels of long-term incentive payouts. As of December 30, 2011, the estimated value of the CEO's 2010 and 2011 long-term incentive awards is 35% of the target grant date fair value (see the table in Pay for Performance below for details).

Operational Improvements Beginning to Bear Fruit

With a more focused business profile and an aggressive cost reduction plan, we believe CoreLogic is positioned for stronger financial results in 2012 and that stockholders will benefit from balanced revenue growth and enhanced margin profiles across our businesses. In the first quarter of 2012, net income from continuing operations was up 34.5% year-over-year and the share price closed at $16.96 on April 27, 2012, an increase of over 31% year to date.

Key Elements of 2011 Executive Compensation Program and Strategy

In setting the mix of target total 2011 compensation for our named executive officers, the Committee sought to award a combination of direct cash and equity compensation with a high percentage of compensation composed of variable performance-based pay. The Committee took the following actions in 2011 which concretely reflected the compensation philosophy:

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Program or Policy	2011 Summary
Rewards Strategy	• Maintained a rewards strategy that links total compensation to Company's operating results and share price performance. • Positioned target compensation at approximately market median levels.
Peer Group	• Set compensation and pay policies and practices following a comparison against a market peer group that includes companies with whom we compete for talent and are of a generally comparable size.
Base Salaries	• Established base salaries that reflect market-competitive pay levels
Annual Incentive Bonus (Incentive Compensation Plan, or ICP)	• Performance for continuing operations was somewhat below target expectations. For the CEO, this translated into an award of 44% of his target bonus. For other corporate executives, this translated into an earned annual incentive award of 83% of target. The data and analytics segment had a stronger year, and the group executive earned an incentive award of 103% of target, while the business and information services segment experienced more challenges and the group executive earned an annual incentive award of 74% of target. • Also assessed performance against certain pre-defined, one-time strategic goals that position the Company for enhanced results in future periods. • For 2012 ICP, added free cash flow as a metric, increased the weighting of Company financial performance to 80% of the annual incentive bonus opportunity for all named executive officers to emphasize team alignment and the importance of Company financial performance.
Long-Term Incentives (LTI)	• Continued to emphasize LTI compensation as the majority of total target compensation for named executive officers. • Placed a significant emphasis on performance-based awards with the 2011 long-term incentive strategy, with stretch results for 2013 earnings per share and EBITDA per share forming 40% of each executive's target 2011 LTI award. • For 2012, the Company is reinforcing this performance emphasis by increasing the weighting of performance-based restricted stock units to 50% of total target annual grant value for CoreLogic's NEOs.
Retirement Programs	• The Company's overall plans are aligned with the market. The supplemental executive retirement program that the Committee froze in 2010 remains closed to new participants.

Governance / Other	• Adopted a formal policy prohibiting executive officer, director and employee transactions in put options, call options or other derivative securities, on an exchange or in any other organized market as well as holding Company securities in a margin account or otherwise pledging Company securities as collateral for a loan. • For 2012, CoreLogic adopted: - Named executive officer stock ownership guidelines; - Share retention requirements; and - Recoupment policies. • None of CoreLogic's executive officers is eligible for a 280G excise tax gross-up in the event of termination following a change in control.

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Our Compensation Philosophy and Objectives

The Committee has designed our named executive officer compensation program to enhance stockholder value by ensuring that a large part of compensation is performance-based variable compensation aligned to the Company's performance. In addition, a named executive officer's rewards are also partially influenced by (i) the performance of the officer's business unit or function and (ii) a subjective analysis of the individual named executive officer's performance. The Committee's executive compensation decisions reflected its compensation philosophy of:

- paying for performance;
- attracting, motivating and retaining highly-qualified executive officers critical to our long-term success;
- aligning the interests of our executive officers with the interests of our stockholders;
- providing reasonable and competitive compensation levels in line with the Company's peer group members, as identified by the Committee from time to time;
- rewarding executive officers for achieving pre-defined stretch goals and objectives, including objectives that may not yield current-period financial results but that will position the Company for enhanced results in future periods; and
- encouraging strategic long-term development and investment in the business.

Our Compensation Program Governance Practices

In making compensation decisions for our named executive officers, the Committee operates within a governance structure that provides for annual review of our executive compensation programs to ensure they support our compensation philosophy and ultimately serve the best interests of our stockholders. Key attributes of our compensation program governance are:

- Evaluation of Company and business line performance compared to target performance;
- Peer group analysis;
- Evaluation of individual performance;
- Independent compensation consultant advice;
- Evaluation of trends in total stockholder return;
- Risk management;
- Exercise of Committee discretion; and
- Analysis and adoption of emerging best practices in compensation and governance.

With respect to the adoption of emerging best practices in compensation and governance, among the practices we employ are the following:

- We regularly compare our practices to our peer group with respect to our rewards programs to ensure that these are in line with current best practices;
- We have performance-based vesting conditions in grants of restricted stock units;
- We provide limited perquisites;
- For 2012, we have recoupment provisions in our annual and long-term incentive plan award agreements;
- For 2012, we have stock ownership and retention guidelines for our executive officers;
- We do not provide tax gross-ups for compensation paid due to a change in control;
- We do not provide single-trigger severance payments; and
- We have separated the positions of CEO and Chairman.

We believe that each element of our executive compensation program helps us to achieve one or more of our compensation objectives and that the relative mixture of executive compensation program elements helps us to achieve all of our compensation objectives. The following table lists each material element of our executive compensation program and the compensation program objectives that it is designed to achieve. The following table also illustrates how our compensation philosophy guided the Committee's 2011 compensation actions.

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	Pay for Performance	Attract, Motivate & Retain Highly Qualified Executives with Competitive Pay	Align Executives; Interests with Stockholders	Encouraging Strategic Long-Term Investment in the Business
Peer Group		√	√	
Base Salaries/Merit Increases	√	√		
Annual Incentive Compensation Plan	√	√	√	
Long-Term Incentives	√	√	√	√
Retirement Plans			√	

2011 Say-on-Pay Votes on Compensation Decisions

Our stockholders are provided with an opportunity to cast an annual advisory vote on our executive compensation program through the say-on-pay proposal. At the 2011 Annual Meeting of Stockholders, we held our first stockholder advisory vote on compensation of our named executive officers, pursuant to which approximately 98% of the votes cast supported our say-on-pay proposal. The Committee has considered these strong results of the advisory votes and believes that our compensation programs achieve their stated objective of rewarding annual and long-term Company performance goals that create stockholder value. The Committee will continue to consider the outcome of the Company's say-on-pay proposals when making future compensation decisions for our named executive officers.

Role of the Compensation Committee and the Chief Executive Officer

The Committee is composed of independent members of our Board. The Committee reviews and approves named executive officer base salaries, annual incentive bonus programs, long-term incentive compensation and other incentive and executive benefit plans. The Committee also reviews and recommends to the Board the form and level of director compensation. The Committee, in consultation with its independent compensation consultant, analyzes the reasonableness of named executive officer compensation, in part by reviewing compensation data from comparable companies and from relevant surveys.

Decisions regarding compensation of the Chief Executive Officer are made solely by the Committee based on its deliberations with input from its independent compensation consultant. Decisions regarding other named executive officers are made by the Committee after considering recommendations from the Chief Executive Officer and certain other named executive officers, as appropriate, as well as input from the Committee's independent compensation consultant. No executive officer controls his or her own compensation. The Company's Chairman, Chief Executive Officer, and as appropriate, its General Counsel, Chief Financial Officer and Senior Vice President, Human Resources, may attend the portion of the Committee's meetings where individual named executive officer performance is discussed. Only Committee members may vote on named executive officer compensation decisions.

The Committee meets in executive session with its independent compensation consultant at most meetings.

Role of Independent Compensation Consultant

The Compensation Committee has retained Steven Hall & Partners (“Steven Hall”) as its independent compensation consultant to advise on the compensation of our named executive officers and directors. The Committee's independent compensation consultant generally advises the Committee on the appropriateness of the Company's compensation philosophy, peer group selection and general executive compensation program design. During 2011, as part of Steven Hall's engagement with the Committee, Steven Hall:

- advised on the selection of a peer group of companies for executive compensation comparison purposes;
- provided comparative market data on director compensation practices and programs of peer companies and competitors;
- provided guidance on industry best practices and emerging trends and developments in executive officer and director compensation;

- analyzed pay survey data; and
- advised on determining the total compensation of each of our named executive officers and the material elements

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of total compensation, including (1) annual base salaries, (2) target cash bonus amounts, and (3) long-term incentive awards.

The Committee retained its independent compensation consultant directly, although in carrying out assignments, the independent compensation consultant also interacted with Company management to the extent necessary and appropriate. The independent compensation consultant performed no additional services for the Company. The Committee has the sole authority to select, retain, and terminate the independent compensation consultant, as the Committee deems appropriate.

Pay for Performance

2011 was a challenging business environment for our Company due to the slow recovery of the global housing market. The single most important driver of our business - residential mortgage origination volume - fell by approximately 20.5% in 2011 compared to 2010 based on statistics published by the Mortgage Bankers Association and data from significant mortgage originators. Although overall data and analytics segment performance was strong, the business and information services segment was negatively affected by lagging market demand in key sectors, lower equity earnings in the Company's affiliates, softness in default services, lower flood certification volumes, and increased external cost of consumer credit data. As a result, our financial results fell short of our goals for 2011. Our stock price also fell over the course of the year, closing at $12.93 at December 30, 2011, down 30% from the December 31, 2010 closing price of $18.52.

Despite the challenges presented by the market environment, through the course of the year, our named executive officers contributed substantially to the continued effort to improve operations and introduced aggressive actions to sharpen our focus on our core businesses, reduce our cost structure and better position us to capitalize on our competitive strengths. . With a more focused business profile and an aggressive cost reduction plan, we believe CoreLogic is positioned for stronger financial results in 2012 and that stockholders will benefit from balanced revenue growth and enhanced margin profiles across our businesses. Indeed, these actions are bearing fruit in the first few months of 2012 with first quarter net income from continuing operations up 34.5% year-over-year and the closing share price on April 27, 2012 at $16.96, an increase of over 31% year to date.

The guiding principle of our executive compensation philosophy is to “pay for performance.” This philosophy forms the basis for our executive compensation program design, performance target setting, and the Committee's determination of compensation levels. To ensure responsible levels of executive compensation, the Committee evaluates the performance of the individual and the Company as a whole when determining incentive pay for executive officers. We believe this approach aligns compensation decisions with the long-term interests of the Company and its stockholders.

One significant way that this pay-for-performance approach manifests itself in an individual year is through changes to annual incentive compensation. For example, our Chief Executive Officer's target annual incentive compensation for 2011 was $1.2 million, consisting of (i) a $1 million cash target tied to achievement of revenue, EBITDA and EBITDA Margin goals and individual MBOs and (ii) a $200,000 one-time incentive tied to achievement of certain strategic goals including successful outsourcing of our captive offshore operations, to be paid in 2012 in the form of a Restricted Stock Unit (“RSU”) award.

Based on below-target performance on the financial goals and notwithstanding achievement of the one-time long-term strategic goals, our CEO received a cash annual incentive bonus of $525,000 for 2011 and received no RSUs tied to the one-time strategic goals. This $525,000 annual incentive bonus represents only 44% of our CEO's $1.2 million target incentive compensation for 2011. It also represents a 41% reduction in the CEO's annual incentive bonus compared to 2010, when results were better and more in line with that year's budget.

Likewise, CoreLogic's LTI program requires delivering operating and share price performance in order to achieve the target level of award value. For example, at the time of grant, our CEO's 2011 LTI awards were valued at $2,700,000 ($540,000 for RSUs; $1,080,000 for stock options and $1,080,000 for Performance-Based Restricted Stock Units (“PBRSUs”)). The RSUs he received have declined in value as the Company's share price has declined. The stock options he received have a strike price of $17.24 per share, and were substantially underwater at year-end 2011. The PBRSUs are tied to aggressive EPS and EBITDA per share goals for 2013, and therefore are at risk of forfeiture absent significant improvement in earnings and EBITDA in 2012 and 2013. The CEO's 2010 LTI awards also had a significant performance emphasis through PBRSUs requiring achievement of EBITDA per share goals to vest and stock options requiring stock appreciation to deliver value. The performance emphasis in the LTI structure is demonstrated by the CEO's 2010 and 2011 LTI awards having an estimated December 30, 2011 value of 35% of the target grant date fair value.

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CoreLogic CEO Long-Term Incentives ($000s, except Grant Price)

Grant Date	Grant Type	Grant Price		Grant Date Fair Value	Value at December 30, 2011 Amount		% of Grant Date Fair Value
		($)		($000s)	($000s)		(%)
March 3, 2010	RSUs	$18.28	(1)	$637	$451	(2)	71%
June 1, 2010	PBRSUs	$18.76		$1,425	$564	(3)	40%
June 1, 2010	Options	$18.76		$1,698	—	(4)	—
March 16, 2011	RSUs	$17.24		$540	$405	(2)	75%
March 16, 2011	PBRSUs	$17.24		$1,080	$810	(5)	75%
March 16, 2011	Options	$17.24		$1,071	—	(4)	—
Total				$6,451	$2,230		35%

(1) Grant price adjusted for the June 1, 2010 spin-off.
(2) RSUs are valued at the December 30, 2011 closing price of $12.93.
(3) June 1, 2010 PBRSUs are valued at the December 30, 2011 closing price of $12.93 and assume 57% achievement of original target expectations in accordance with period-end accounting assumptions.
(4) Value represents the intrinsic value of the options (December 30, 2011 price minus grant price). Both the June 1, 2010 and the March 16, 2011 option grants were out-of-the-money based on the December 30, 2011 closing price of $12.93.
(5) March 16, 2011 PBRSUs are valued at target in accordance with period-end accounting assumptions and the December 30, 2011 closing price of $12.93.

Pay Levels and Benchmarking

The Committee determines overall named executive officer compensation levels based on several factors, including each individual's role and responsibility within the Company, each individual's experience and expertise, the compensation levels for peers within the Company, compensation levels in the marketplace for similar positions and performance of the individual and the Company as a whole.

In order to determine competitive compensation practices, the Committee relies primarily upon data compiled from public filings of selected companies (“comparator companies”) that it considers appropriate comparators for these purposes. The comparator companies used by the Committee for 2011 compensation are identified below. In addition, the Company considers nationally-recognized survey data published by various consulting firms, such as Towers Watson and Mercer. The Committee considers compensation survey data that is scoped to a comparable revenue size for the Company, and is primarily general industry survey data. However, high technology segment survey data may be used periodically.

The Committee employed numerous factors to select the comparator companies, including similarities of business lines as well as comparable financial measures such as revenues, market capitalization, and margins. The Committee used the comparator companies in CoreLogic's 2011 peer group as a market reference point for March 2011 compensation decisions. For 2012, the Committee reassessed the comparator companies and developed a new peer group based on the following principles:

- CoreLogic's most direct business and talent competitors should be included; and
- The overall peer group should be constructed to be generally comparable to our post-restructuring size.

The 2011 and 2012 peer groups consist of the following companies:

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2011 Peer Group	2012 Peer Group
Alliance Data Systems Corporation	Acxiom
Broadridge Financial Solutions, Inc.	Alliance Data Systems Corporation
Cognizant Technology Solutions Corporation	Broadridge Financial Solutions, Inc.
Convergys Corporation	Ciber, Inc.
DST Systems, Inc.	DST Systems, Inc.
The Dun & Bradstreet Corporation	The Dun & Bradstreet Corporation
Equifax, Inc.	Equifax, Inc.
Fidelity National Information Services, Inc.	FICO (Fair Isaac Corporation)
Fiserv, Inc.	Fidelity National Information Services, Inc.
Global Payments Inc.	Fiserv, Inc.
Lender Processing Services, Inc.	Gartner, Inc.
Paychex	IHS
Total System Services, Inc.	Jack Henry & Associates, Inc.
Verisk Analytics, Inc.	Lender Processing Services, Inc.
	Verisk Analytics, Inc.

After considering the data collected on competitive compensation levels and relative compensation within the executive officer group, the Committee determined each individual named executive officer's target total compensation opportunity based on Company and individual performance and the need to attract, motivate and retain an experienced and effective management team. The Committee primarily examines the relationship of each named executive officer's base salary, target annual incentive bonus opportunity and long-term incentive opportunity to market median data. The Committee does not believe, however, that compensation opportunities should be structured toward a uniform relationship to median market data. Accordingly, total compensation for specific individuals or roles will vary based on a number of factors including Company and individual performance, scope of responsibilities, tenure, experience, comparisons with other executives within the firm, institutional knowledge, external market compensation data, and/or difficulty in recruiting a replacement executive officer.

Compensation Structure

The Company's named executive officer compensation program consists of three main elements, which are discussed in more detail below:

- Base Salary: fixed pay that takes into account an individual's role and responsibilities, experience, expertise and performance and is designed to compensate individuals for their expected day-to-day performance;
- Annual Incentive Bonus: cash-based variable pay designed to reward named executive officers primarily based on annual Company and/or business unit or function performance; and
- Long-Term Incentives: stock-based awards that are designed to align our executive officers' incentives with the long-term performance of the Company.

Pay Mix

The Committee has designed the Company's compensation structure to focus our named executive officers on total Company performance and has weighted their pay mix heavily on performance-based incentive pay. The Committee believes that the overall pay mix balance and emphasis on long-term incentives reduces the temptation to take excessive business risks to enhance short-term reward outcomes. By following this balanced approach, the Committee endeavors to provide our named executive officers with a measure of security with respect to the minimum level of compensation to be received through base salaries, while motivating our named executive officers to focus on the business metrics that we believe will produce a high level of performance for the Company with corresponding increases in stockholder value. The Committee also seeks to provide an incentive for performance, while simultaneously reducing the risk of loss of top executive talent to competitors. The target pay mix for the Company's

Chief Executive Officer and the next three highest paid named executive officers in 2011 is displayed in the chart below:

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Base Salary

The Committee sets named executive officer base salaries based on the individual's position and current and sustained individual performance. Base salaries are paid in cash, reflect the executive officer's experience and level of responsibility, and together with annual incentive awards, are intended to be competitive with annual compensation for comparable positions with comparators or the broader market. The Committee reviews base salaries annually and adjusts them, if appropriate, based on factors such as the Company's, the business unit's and the individual executive's overall performance, changes to the executive officer's roles and responsibilities, the executive officer's length of service, and his or her base salary relative to those of similar individuals in peer companies or the broader market. The Committee does not specifically weigh any one factor in setting base salaries, but makes a subjective judgment based on a consideration of various factors. Although the Committee generally targets base salaries at market median or below based on the Company's peer group and relevant compensation survey data, the Committee also takes into account the factors described above, as well as the named executive officer's potential as a key contributor and the potential cost of replacing the executive officer.

Other than for new hires, the Committee generally determines named executive officer base salaries in the first quarter of each year. The Committee may increase these amounts in its discretion. Following a market compensation assessment, in March 2011 the Committee exercised its discretion and increased the base salaries for Messrs. Nallathambi and Theologides to reflect market-competitive pay levels. The base salaries of the named executive officers from 2010 and 2011 are as follows:

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Named Executive Officer	2010 Base Salary	2011 Base Salary	Percent Change
Nallathambi, Anand K.	$750,000	$800,000	6.7%
Martell, Frank D.(1)	—	$550,000	—
Livermore, George S.	$500,000	$500,000	—
Sando, Barry M.	$500,000	$500,000	—
Theologides, Stergios.	$300,000	$350,000	16.7%
Balas, James L.(2)	—	$275,000	—
Piszel, Anthony S. (3)	$650,000	$650,000	—
Rasic, Michael A. (4)	$325,000	$325,000	—

(1) Mr. Martell commenced employment on August 29, 2011.
(2) Mr. Balas commenced employment on March 14, 2011.
(2) Mr. Piszel resigned effective February 10, 2011.
(3) Mr. Rasic resigned effective September 1, 2011.

Annual Incentive Bonus

The annual incentive bonus is a critical component of the named executive officer compensation program, rewarding executive officers primarily based on annual performance of the Company and/or the executive officer's business unit or functional area. When considered in combination with other compensation components, the annual incentive bonus ensures balanced emphasis on growth initiatives and prudent risk taking, while remaining consistent with the Company's emphasis on long-term incentives as opposed to short-term cash payouts.

As part of the rewards strategy, the Committee first establishes target bonus opportunities at levels generally aligned with market median annual incentive opportunities, except where performance warrants a different amount or the change represents a dramatic shift in cash opportunity available to the named executive officer. Next, the Committee awards performance units under the CoreLogic, Inc. 2006 Incentive Compensation Plan (“2006 Plan”), or the CoreLogic, Inc. 2011 Performance Incentive Plan (“2011 Plan”) for awards issued after May 2011, in order to permit the Company to deduct for tax purposes under Section 162(m) of the Internal Revenue Code the entire amount of the annual bonus. The number of performance units awarded to each named executive officer is established at twice the target bonus opportunity that is payable to the named executive officer if specified performance measures are achieved. Then, after the year has ended and the Committee determines the actual bonus for each named executive officer, the appropriate number of performance units is converted into cash or restricted stock units and paid to the executive officer, with the remaining units being canceled. No award is payable unless the Company's 2011 adjusted net income exceeded a $50 million minimum level. If this initial performance hurdle is satisfied then, in order for any bonus to be paid, the Company must have also achieved a threshold performance level of 84% of budgeted performance for a particular performance measure. At this threshold performance level, 50% of the target bonus is payable; at the target performance level, 100% of the target bonus is payable; and at the superior performance level of 120% of budgeted performance, 200% of the target bonus is payable. No bonus is earned for performance below the threshold amount. Total cash payable under the performance units is capped at 200% of target. Notwithstanding the bonus program design, the Committee retains the discretion to increase or decrease the actual annual bonus.

For 2011, in addition to the annual target bonus opportunity, named executive officers were eligible to receive an additional one-time incentive based on pre-defined strategic goals which positioned the Company for enhanced results in future periods; payable in the Committee's discretion either in cash or in the form of restricted stock units with vesting in three equal annual installments beginning on the first anniversary of the award. As with the target annual incentive bonus, this one-time incentive bonus opportunity was structured through award of performance units equal to two times the target one-time incentive target amount. Likewise, no award was payable unless, as was the case, the adjusted net income of the Company for 2011 was at least $50 million. See below for additional details regarding the target annual bonus awards and special one-time incentive for the named executive officers.

Details of the annual incentive bonus targets are as follows:

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Named Executive Officer	2011 Target Incentive (% of Base Salary)	One-Time Incentive
Nallathambi, Anand K.	125%	25%
Martell, Frank D.	125%	—
Livermore, George S.	100%	20%
Sando, Barry M.	100%	20%
Theologides, Stergios	80%	16%
Balas, James L.	40%	14%
Piszel, Anthony S.	—	—
Rasic, Michael A.	—	—

Messrs. Nallathambi, Martell, Theologides and Balas: The annual incentive opportunities for Messrs. Nallathambi, Martell, Theologides and Balas were based on results of the entire Company. During the third quarter, the Company determined that five business units would be exited and, as a result, the Committee exercised its discretion and excluded the financial results of any discontinued business during the second half of the year with respect to the 2011 annual incentive opportunity for Messrs. Nallathambi, Martell, Theologides and Balas. The Committee established performance measures based on adjusted revenue, adjusted EBITDA and adjusted EBITDA margin. As contemplated in the award design, adjusted EBITDA and adjusted EBITDA margin are determined without regard to (a) asset write-downs, (b) litigation or claim judgments or settlements, (c) the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results, (d) any reorganization and restructuring programs, (e) extraordinary, unusual and/or nonrecurring items of gain or loss, (f) foreign exchange gains and losses and (g) the effects of a stock dividend, stock split or reverse stock split. The Committee selected these measures in order to provide a balanced focus on performance across several key metrics aligned with growth and profitability. In addition, the Committee believes these measures drive stockholder value. The incentive opportunities were weighted 80% (65% for Messrs. Theologides and Balas) to Company performance goals and 20% (35% for Messrs. Theologides and Balas) to pre-established individual performance goals, which we refer to as management by objectives ("MBOs"). A named executive officer's MBOs are stretch goals aligned to growth objectives, which are critical to the Company's short and long-term performance that are otherwise not measurable through the financial performance metrics. For Messrs. Nallathambi, Martell, Theologides and Balas, the MBOs included a combination of the following objectives: achievement of revenue growth targets, strengthening infrastructure and capabilities, and developing and delivering against long-term strategic goals. The MBO component of the annual bonus is not funded unless the 84% Company financial performance is met. The weighting, targets, and actual performance for the respective measures are outlined in the table below.

Financial Performance Metric (1)	Percentage of Total Incentive Award (1)	Budget (In millions, except percentages)	Actual 2011 Results (In millions, except percentages)	Percentage Achieved
2011 Corporate adjusted EBITDA Margin	27%	21.1%	19.6%	93%
2011 Corporate adjusted EBITDA	27%	$330.4	$303.2	92%
2011 Corporate adjusted Revenue	26%	$1.566	$1.546	99%
Individual Performance Goals/MBOs	20%	—	—	—

(1) 2011 performance budgets were adjusted for the second half of the year to account for discontinued operations. For financial performance metrics, achievement of budget performance yields a payout at target. Threshold performance was defined as 84% of budget for 2011, and equates to a 50% of target award. Maximum performance is defined as 120% of budget, and equates to a 200% of target award.

Messrs. Livermore and Sando: The 2011 annual incentive opportunity for Mr. Livermore was focused primarily on results for the data and analytics segment and the 2011 annual incentive opportunity for Mr. Sando was focused primarily on results for the business and information services segment. The incentive opportunities were weighted 70% to segment performance and 30% to MBOs. For Messrs. Livermore and Sando, the MBOs included a combination of the following objectives: growth opportunities, strengthening infrastructure and capabilities, and developing and delivering against long-term strategic goals for their respective business segments. The MBO component of the annual bonus is not funded unless
the 84% Company financial performance measures are met. The weighting, targets, and actual performance for the respective measures are outlined in the tables below.

Data and Analytics 2011 Targets and Achievements

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Metric	Percentage of Target	Budget (In millions, except percentages)	Actual 2011 Results (In millions, except percentages)	Percentage Achieved
2011 Segment adjusted EBITDA Margin	23%	25.2%	25.4%	101%
2011 Segment adjusted EBITDA	23%	$183.8	$197.5	107%
2011 Segment adjusted Revenue	24%	$728.7	$777.4	107%
Individual Performance Goals/MBOs	30%	—	—	—

Business and Information Services 2011 Targets and Achievements

Metric	Percentage of Target	Budget (In millions, except percentages)	Actual 2011 Results (In millions, except percentages)	Percentage Achieved
2011 Segment adjusted EBITDA Margin	23%	22.7%	20.8%	92%
2011 Segment adjusted EBITDA	23%	$190.2	$164.0	86%
2011 Segment adjusted Revenue	24%	$839.4	$789.3	94%
Individual Performance Goals/MBOs	30%	—	—	—

Based on 2011 Company and segment performance, funding for the annual incentive bonuses was slightly above target for Mr. Livermore whose segment exceeded budgeted revenue and EBITDA measures and slightly above threshold for Mr. Sando whose segment results were modestly lower than target.

Special One-Time Incentives tied to 2011 Strategic Projects

In addition to the annual incentive bonus opportunity for 2011, the Committee also sought to incentivize the named executive officers to achieve some longer-term strategic initiatives including monetizing identified non-strategic investments that required substantial effort in 2011.

The cash awards for the 2011 annual incentive plan, provided in 2012, are reflected in the non-equity incentive plan compensation column in the 2011 Summary Compensation Table. The one-time incentive awards were granted in 2012 in the form of time-vested RSUs. As required by applicable rules, these awards are not reflected in the 2011 Summary Compensation Table, but rather will be reflected in the stock awards column in the 2012 Summary Compensation Table.

The table below summarizes the target and actual annual and one-time incentive awards that comprise 2011 annual incentive compensation.

Named Executive Officer	2011 Target Annual Incentive (% of Base Salary)	2011 Actual Annual Incentive Cash Award (% of Base Salary)	One-Time Incentive (% of Base Salary)	2011 Actual Annual Incentive Award ($)	One-Time Incentive Award [3]
Nallathambi, Anand K.	125%	66%	—	$525,000	—
Martell, Frank D.	125%	76%	27%	$418,618	$150,000
Livermore, George S.	100%	103%	34%	$517,031	$170,140
Sando, Barry M.	100%	74%	34%	$371,927	$170,140
Theologides, Stergios	80%	66%	34%	$231,582	$120,000
Balas, James L. [1]	40%	45%	25%	$125,000	$68,750
Piszel, Anthony S. [2]	—	—	—	—	—
Rasic, Michael A. [2]	—	—	—	—	—

(1)

Annual incentives for Mr. Balas were adjusted upward in recognition of his individual performance and his contributions in support of the strategic review process.

(2) Messrs. Piszel and Rasic were not eligible as they resigned from their positions in 2011.

(3) One-time incentive awards were granted in 2012 in time-vested RSUs and will vest in equal annual installments on the first three anniversaries of the grant date.

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Long-Term Incentives

The Company's long-term incentive compensation program emphasizes achievement of long-term operating objectives and stockholder value creation through a focus on RSUs, PBRSUs and stock options. The Committee believes that utilizing a portfolio of long-term incentive vehicles with majority weighting on performance-based vehicles (PBRSUs and stock options) balances the need to reward superior performance with the desire to align our named executive officers with stockholders through equity ownership. When considered in combination with other Company compensation components, long-term incentives ensure balanced emphasis on growth initiatives and appropriate risk taking.

For 2011, long-term equity incentive compensation represented the largest component of the total named executive officer compensation package. Each named executive received a target long-term equity incentive award granted 40% in the form of PBRSUs, 40% in the form of stock options and 20% in the form of RSUs. In determining the amounts of the equity compensation awarded, the Committee considered a variety of factors including: individual performance, competencies, skills, prior experiences, scope of responsibility and accountability within the organization, and our desired mix of fixed vs. performance-based pay. For 2012, the Committee has shifted the equity vehicle mix to 50% PBRSUs, 30% stock options and 20% RSUs. The PBRSUs will vest three years from the grant date contingent upon achieving one-year adjusted EPS results.

Performance-Based Restricted Stock Units

PBRSUs granted in March 2011 have a one-year performance period — January 1 through December 31, 2013 — in which the awards will vest from 0% to 200% of target depending on actual performance. Seventy percent of PBRSUs vest based on 2013 adjusted earnings per share results and the remainder of the PBRSUs vest based on 2013 adjusted EBITDA per share results. The Committee selected the adjusted earnings per share and adjusted EBITDA per share metrics because the Committee believed that growth in these metrics would lead to stockholder value creation and because they are considered by our stockholders to be key performance metrics. The Committee determined target performance levels based on stretch performance goals.

Stock Options

Forty percent of the March 2011 award grant value was in the form of stock options vesting in three equal installments on the first, second, and third anniversaries of the grant date. The stock option awards have an exercise price that is equal to the closing price of our common stock on the date of grant. Thus these awards provide an incentive to grow overall stockholder value as they provide a reward to the named executive officers if the Company's stock price appreciates above the exercise price.

Restricted Stock Units

The remaining 20% of the March 2011 award grant value was in the form of restricted stock units vesting in three equal installments on the first, second, and third anniversaries of the grant date. Entitlement to these awards is contingent upon the Company's achievement of net income for 2011 of $50 million or more. These awards encourage executive retention as the vesting condition is continuous employment by the executive officer following the grant date in addition to aligning the interest of the named executive officers with those of stockholders as the value increases or decreases in conjunction with the Company's stock price.

In 2011, we positioned our long-term incentives at approximately the market median. This positioning is considered sufficient to enable us to be competitive in overall compensation, while allowing for additional awards to be earned if performance is strong. Details of the 2011 grant awards are in the table below.

Named Executive Officer	March 2011 RSUs Granted	March 2011 Stock Options Granted	March 2011 PBRSUs Granted(1)
Nallathambi, Anand K.	31,322	187,935	62,645
Martell, Frank D. (2)	19,383	116,298	38,766
Livermore, George S.	8,700	52,203	17,401
Sando, Barry M.	8,700	52,203	17,401

Theologides, Stergios.	3,132	18,792	6,264
Balas, James L. [3]	1,933	11,598	3,866
Piszel, Anthony S.[4]	—	—	—
Rasic, Michael A [4]	—	—	—

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(1) PBRSU amounts shown at target performance level. The amount that eventually vests may vary from 0% to 200% of target depending on performance.
(2) Mr. Martell was granted equity on August 30, 2011, the day after his start date of August 29, 2011.
(3) Mr. Balas' equity was granted on September 27, 2011.
(4) Mr. Piszel and Mr. Rasic were not granted equity in 2011 as they announced their intention to resign prior to the 2011 grant date.

Timing of Equity Grants

After Committee approval, the Company generally issues annual equity awards to named executive officers on the second day on which the NYSE is open for trading following the filing of the Company's Annual Report on Form 10-K. In the case of RSUs denominated in dollars and stock options, pricing (that is, the number of shares or units issued for each dollar denominated RSU award or the exercise price with respect to stock options) is determined as of that date. The price of the Company common stock used for these purposes is the last sale price reported for a share of the Company's common stock on the NYSE on that date. With respect to new hire grants and employees other than executive officers, the methodology is the same, except that awards are issued on the 20th day of the third month of the calendar quarter that follows the date on which the Committee approved the awards.

Consideration of Prior Amounts Realized

The Company's philosophy is to incentivize and reward named executive officers for future performance. Accordingly, prior stock compensation gains (option gains or restricted stock awarded in prior years) are not considered in setting future compensation levels.

Retirement and Employee Benefit Plans

Named executive officers are entitled to the same benefits generally available to all full-time employees (subject to fulfilling any minimum service requirement) including a 401(k) savings plan, health care, life insurance and other welfare benefit programs. In designing these benefits, the Company seeks to provide an overall level of benefits that are competitive with those offered by similar companies in the markets in which the Company operates. The Company believes that these employee benefits provide a valuable recruiting and retention mechanism for its named executive officers and enable the Company to compete more successfully for qualified executive talent.

Executive Supplemental Benefit Plan and the Pension Restoration Plan

Named executive officers may participate in the Company's Executive Supplemental Benefit Plan (the “Executive Supplemental Benefit Plan") and the Pension Restoration Plan retirement plans. On November 18, 2010, the Company amended the Executive Supplemental Benefit Plan to freeze benefits as of December 31, 2010. As a result, compensation earned after 2010 is not taken into account in determining covered compensation and final average compensation; service after 2010 is not recognized, except for vesting purposes; and the plan will not accept new participants after 2010. The Pension Restoration Plan is limited to individuals who became participants before 1995. Explanation of the these plans can be found in the Pension Benefits table below.

Deferred Compensation Plan

The Deferred Compensation Plan is a non-qualified retirement plan that allows eligible participants to defer up to 80% of their salary and annual incentive bonus. Participation is limited to executive officers and certain other key employees. In 2010, the Company amended the Deferred Compensation Plan to provide additional Company contributions in the form of 401(k) restoration contributions and discretionary retirement savings contributions to a limited number of executive officers who were not eligible to participate in the Executive Supplemental Benefit Plan. Mr. Piszel received a $208,000 discretionary Company contribution in 2010. On February 10, 2011, the Company announced that Mr. Piszel resigned as Chief Financial Officer and, in connection with his resignation, this contribution was forfeited. Mr. Theologides received discretionary contributions of $60,000 and $70,000 in 2010 and 2011, respectively.

Pension Plan

Prior to the Separation, the Company also sponsored a qualified defined benefit plan. On June 1, 2010, FAFC assumed responsibility for the obligations under this plan and the Company no longer sponsors a qualified defined benefit plan.

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Other Benefits

On June 8, 2010, the Committee approved a relocation assistance package for Mr. Nallathambi in connection with his relocation to the Santa Ana area as a result of his appointment as Chief Executive Officer, consisting of payment of (a) customary closing costs on the sale of his existing house and the purchase of a new house, (b) duplicate housing carrying costs, (c) moving expenses, (d) expenses related to temporary living arrangements, and (e) a relocation allowance. The relocation package also provided Mr. Nallathambi assistance with the payment of income taxes associated with the sale of his existing house and purchase of his new house, as well as first mortgage interest rate buydown assistance. Mr. Nallathambi's relocation package was consistent with the elements of the Company's executive relocation program. The aggregate amount of Mr. Nallathambi's relocation package was to be less than $673,081 in aggregate. In 2011, Mr. Nallathambi was reimbursed $161,134. Additional relocation reimbursements to Mr. Nallathambi are not anticipated.

On January 1, 2011, the Company introduced an executive life insurance program for executive officers and other key employees. This program provides the participant with up to two times their annualized base salary (up to a maximum of $1 million) in group universal life insurance.

Further details regarding perquisites are found in the 2011 Summary Compensation Table and accompanying footnotes.

Adjustment or Recovery of Awards

During 2011, the Company had no specific policies to adjust or recoup prior awards in the event of a financial restatement or otherwise. However, under Section 304 of Sarbanes-Oxley, if the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, the chief executive officer and chief financial officer shall reimburse the Company for any bonus or other incentive-based or equity-based compensation received during the 12-month period following the first public issuance or filing with the Securities and Exchange Commission (whichever first occurs) of the financial document embodying such financial reporting requirement and any profits realized from the sale of securities of the Company during that 12-month period. Our long-term incentive plan agreements and the awards to be granted pursuant to the 2011 Plan include a provision which subjects them to any claw-back or similar policy adopted by the Company, as well as similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of the units or any shares or other cash or property received with respect to the awards. As discussed below the Company adopted a recoupment policy in 2012 that covers all of its incentive plans.

Employment Agreements and Severance Arrangements

Each named executive officer employed by the Company as of December 31, 2011 has entered into an employment agreement with the Company. The Committee believes that offering employment agreements to key executive officers is consistent with peer practices and serves as an effective retention tool. Each agreement is individually negotiated and terms vary. For additional information regarding the terms of the employment agreements that the Company has entered into with certain of our named executive officers, see Employment Agreements below.

On February 10, 2011, the Company announced that Mr. Piszel resigned as Chief Financial Officer effective February 10, 2011, and would depart from the Company on June 1, 2011. On February 22, 2011, the Company entered into a Separation and General Release Agreement (the “Piszel Separation Agreement”) with Mr. Piszel. The Piszel Separation Agreement provides that the Company would pay Mr. Piszel (a) an aggregate of $1,008,000 in connection with his separation from the Company, subject to applicable withholdings, and (b) up to a maximum of $20,000 in continued group health insurance premiums under COBRA through June 1, 2012, in the event he timely elected to obtain such coverage. The Piszel Separation Agreement also provided that Mr. Piszel's outstanding equity awards shall vest and become exercisable in accordance with the terms of the applicable equity award agreements through June 1, 2011. Any outstanding equity awards that had not vested as of June 1, 2011 were forfeited, with the exception of 22,205 of Mr. Piszel's bonus RSUs which will vest on June 1, 2012. Pursuant to the Piszel Separation Agreement, Mr. Piszel released the Company from claims and agreed not to disparage the Company.

In November 2010, the Company reported that Mr. Rasic intended to resign effective as of April 1, 2011. In February 2011, Mr. Rasic was designated as the Company's principal financial officer in connection with Mr. Piszel's resignation as the Company's Chief Financial Officer, and Mr. Rasic agreed to remain with the Company through June 30, 2011 and agreed to serve as the Company's principal financial officer pending the selection of a new Chief Financial Officer. In connection with Mr. Piszel's resignation, Mr. Rasic was offered a special retention award to remain at the Company through September 1, 2011. Mr. Rasic was paid a $130,000 retention award contingent on his continued employment through September 1, 2011. On September 1, 2011 the Company entered into a Separation and General Release Agreement (the “Rasic Separation Agreement") with Mr. Rasic. The Rasic Separation Agreement provides that the Company would pay Mr. Rasic (a) an aggregate of $325,000 in connection with his separation from the Company, subject to applicable withholdings, (b) up to twelve months in continued

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group health insurance premiums under COBRA and (c) up to $14,000 in executive career transition services. The Rasic Separation Agreement also provided that Mr. Rasic's outstanding equity awards shall vest and become exercisable in accordance with the terms of the applicable equity award agreements through September 1, 2011. Any outstanding equity awards that had not vested as of September 1, 2011, were forfeited with the exception of 8,213 of Mr. Rasic's bonus RSUs which will vest on September 1, 2012. Pursuant to the Rasic Separation Agreement, Mr. Rasic released the Company from claims and agreed not to disparage the Company.

Change in Control Agreements

The Company's 2011 Plan, 2006 Plan (except as otherwise provided in an award agreement), 1996 Option Plan, 1997 Directors' Stock Plan (except as otherwise directed by the Company's Board of Directors), the Executive Supplemental Benefit Plan and the Deferred Compensation Plan generally provide for accelerated vesting of award or benefits, as the case may be, in the event of a change in control of the Company. Award agreements evidencing RSUs issued in 2007 through 2011 provide that vesting will not accelerate as a result of a change in control that has been approved by the Company's incumbent Board of Directors prior to the change in control. In addition, the Executive Supplemental Benefit Plan provides that when a participant incurs an involuntary separation from service without good cause subsequent to a change in control, payment of benefits will commence in the same manner and in the same amount as if the participant had attained his or her normal retirement age on the date of termination.

In addition to our equity compensation plan and award agreement provisions which provide for acceleration upon a “change in control,” the Company has entered into change in control agreements with certain executive officers which provide these officers with certain payments upon separation from the Company following a “change in control.” Details of the program are outlined below.

During 2010, the Compensation Committee approved a new form of change in control agreement (the “Change in Control Agreement”). In January 2011, Messrs. Nallathambi, Livermore, Sando and Theologides entered into the Change in Control Agreement with the Company, terminating and replacing their prior change in control agreements. Messrs. Martell and Balas entered into Change in Control Agreements with the Company on August 29, 2011, and March 14, 2011, respectively.

Under the Change in Control Agreement, a “change in control” means any one of the following:

- a merger or consolidation of the Company in which the Company's stockholders end up owning less than 50% of the voting securities of the surviving entity;
- the sale, transfer or other disposition of all or substantially all of the Company's assets or the complete liquidation or dissolution of the Company;
- a change in the composition of the Company's Board of Directors over a two-year period as a result of which fewer than a majority of the directors are incumbent directors, as defined in the agreement; or
- the acquisition or accumulation by any person or group, subject to certain limited exceptions, of at least 30% of the Company's voting securities.

Under the Change in Control Agreement, if the termination of the named executive officer's employment occurs without cause or if the executive officer terminates his employment for good reason within the twenty-four month period following a change in control, the Company will pay the following benefits in one lump sum in the month following the month in which the date of the termination occurs:

- the executive officer's base salary through and including the date of termination and any accrued but unpaid annual incentive bonus;
- between one and a half and three times the executive officer's target annual cash bonus amount established for the fiscal year in which the termination occurs; and
- between one and a half and three times the executive officer's annual base salary in effect immediately prior to the date of termination.

In addition, for a period ranging from eighteen to thirty-six months and subject to the executive officer's continued payment of the same percentage of the applicable premiums as the executive officer was paying immediately prior to the date of termination or, if more favorable to the executive officer, at the time at which the change in control occurred, the Company

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will provide medical and dental coverage pursuant to COBRA for the executive officer (and if applicable, the executive officer's dependents). To the extent that the executive officer cannot participate in the plans previously available, the Company will provide such benefits on the same after-tax basis as if they had been available. These obligations are reduced by any welfare benefits made available to the executive officer from subsequent employers.

The Change in Control Agreement provides that if any excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (or any similar tax), applies to the payments, benefits or other amounts payable under the agreement or otherwise, including without limitation, any acceleration of the vesting of outstanding stock options, restricted stock or performance shares (collectively, the “Total Payments”), then the Total Payments will be reduced (but not below zero) so that the maximum amount of the Total Payments (after reduction) will be $1.00 less than the amount which would cause the Total Payments to be subject to the excise tax; provided that such reduction to the Total Payments will be made only if the after-tax benefit to the executive officer is greater after giving effect to such reduction than if no such reduction had been made.

The Change in Control Agreement had an initial term through December 31, 2011 and is automatically extended for additional one-year periods unless either party notifies the other not later than the preceding January 1 that it does not wish to extend the term an additional year. All agreements with current named executive officers have since been extended through December 31, 2012.

Because Messrs. Piszel and Rasic are no longer employed by the Company, their Change in Control Agreements have not been included in this discussion.

For a description of the calculations and further explanation of the payments due to the named executive officers upon termination of employment and/or a change in control, see Potential Payments upon Termination or Change in Control tables below.

2012 Compensation Policies and Provisions

For 2012, the Committee formally adopted new compensation policies and provisions to further improve alignment with best practices. The new policies include executive stock ownership and retention guidelines requiring our executive officers to hold a fixed amount of company stock and incentive recoupment provisions which enable the Company to recover performance-based compensation to the extent we later determine that performance goals were not actually achieved.

The new policies and provisions, which have been implemented as of March 1, 2012, are discussed in more detail below:

Executive Stock Ownership Guidelines and Retention Requirements

We have adopted formal guidelines requiring our named executive officers to own a fixed amount of Company stock. The guidelines are based on a multiple of base salary as outlined below:

- Chief Executive Officer: six times annual base salary;
- Chief Financial Officer and Group Executive: three times annual base salary; and
- Other Named Executive Officers: one times annual base salary.

Covered executive officers have five years from the date of hire or promotion to the covered position to reach the ownership requirement. All Company securities owned outright or earned and subject only to time-based vesting restrictions will count toward the requirement; stock options will not count toward the ownership requirement. Furthermore, we have adopted a share retention requirement which provides that all covered executives must hold at least 50% of net (after tax) shares until the stock ownership guidelines described above are achieved.

Recoupment Provisions

We have adopted recoupment provisions which allow the Company to recover performance-based compensation to the extent that we later determine that applicable performance goals were not actually achieved due to financial restatement or ethical misconduct. We have also added non-compete claw-backs in termination agreements for all named executive officers. This policy applies to all performance-based incentive plans including but not limited to the annual incentive bonus and performance-based equity awards described above.

Impact of Tax and Accounting

As a general matter, the Committee takes into account the various tax and accounting implications of compensation vehicles employed by the Company. When determining amounts of long-term incentive grants to named executive officers and

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employees, the Committee examines the accounting cost associated with the grants. Under accounting guidance, grants of stock options, RSUs and PBRSUs result in an accounting charge for the Company. The accounting charge is equal to the fair value of the instruments being issued. For RSUs, the cost is generally equal to the fair value of the stock on the date of grant times the number of shares granted. This expense is amortized over the requisite service period. With respect to stock options, the Company calculates the fair value of the option and takes that value into account as an expense over the vesting period, after adjusting for possible forfeitures. For PBRSUs, the Company calculates the fair value of the award upon grant, and adjusts the value to be expensed on a quarterly basis over the performance period based on expected award payouts, after adjusting for possible forfeitures.

Section 162(m) of the Internal Revenue Code generally prohibits any publicly held corporation from taking a federal income tax deduction for compensation paid in excess of $1 million in any taxable year to each of the chief executive officer and certain of the other most highly compensated executive officers. Exceptions are made for qualified performance-based compensation, among other things. RSUs, PBRSUs and performance units granted to named executive officers have been structured in a manner intended to qualify under this exception for performance-based compensation. Other compensation may be subject to the $1 million deduction limit.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the foregoing Compensation Discussion and Analysis with management. Based on its review and discussion with management, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011, as amended, and in the Company's proxy statement for its 2012 annual meeting of stockholders.

Compensation Committee

Paul Folino, Chairman
D. Van Skilling
J. David Chatham
Thomas C. O'Brien

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2011 Summary Compensation Table

The following table sets forth certain information concerning compensation of each named executive officer during the fiscal years ended December 31, 2011, 2010 and 2009.

Name and Principal Position	Year	Salary(1)	Bonus	Stock Awards (2)	Option Awards (3)	Non-Equity Incentive Plan Compensation (4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (5)	All Other Compensation	Total
		($)	($)	($)	($)	($)	($)	($)	($)
Anand K. Nallathambi President & Chief Executive Officer	2011	790,192	—	1,619,991	1,071,230	525,000 (6)	582,339	163,940 (7)	4,752,692
	2010	736,538	—	2,062,463	1,697,691	893,625	—	102,719	5,493,036
	2009	700,000	—	662,000	—	490,000	279,281	20,841	2,152,122
Frank D. Martell (8) Chief Financial Officer	2011	169,231	—	659,991	481,474	418,618	—	1,251	1,730,565
George S. Livermore Group Executive and Executive Vice President	2011	500,000	—	449,981	297,557	517,031	596,510	7,603	2,368,682
	2010	459,615	—	1,348,091	789,275	621,750	24,458	14,248	3,257,437
	2009	350,000	—	551,978	—	669,740	480,846	6,211	2,058,775
Barry M. Sando Group Executive and Executive Vice President	2011	500,000	—	449,981	297,557	371,927	804,539	6,662	2,430,666
	2010	459,615	—	1,363,803	789,275	492,375	37,621	12,887	3,155,576
	2009	350,000	—	523,031	—	698,940	330,879	5,018	1,907,868
Stergios Theologides Senior Vice President, General Counsel and Secretary	2011	339,615	—	161,987	107,114	231,582	—	72,002 (9)	912,300

James L. Balas [10] Senior Vice President, Controller	2011	211,538	70,000 (11)	65,993	48,016	125,000	—	1,346	521,893
Anthony S. Piszel [12] Former Chief Financial Officer	2011	295,000	—	—	—	—	—	301,416 (13)	596,416
	2010	609,616	800,000 (14)	2,066,826	1,295,607	774,475	—	208,000	5,754,524
	2009	451,924	250,000 (15)	499,980	—	756,574	—	350,000	2,308,478
Michael R. Rasic [16] Former Senior Vice President, Finance and Accounting	2011	230,000	130,000 (17)	—	—	—	—	367,274 (18)	727,274
	2010	320,192	225,000 (19)	384,340	268,051	244,791	—	6,293	1,448,667

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(1) Effective March 1, 2011, Mr. Nallathambi's annual salary increased from $750,000 to $800,000 and Mr. Theologides' annual salary increased from $300,000 to $350,000.

(2) Reflects the aggregate grant date fair value of stock awards, computed in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 718, Compensation-Stock Compensation. In connection with the Separation on June 1, 2010, all unvested RSUs granted to the Company's employees prior to the Separation were adjusted in a manner designed to preserve the intrinsic value of the unvested RSUs. We valued the RSUs as of the grant date by multiplying the closing price of our common stock on that date by the number of RSUs awarded. We valued the PBRSUs as of the grant date by multiplying the closing price of our common stock on that date by the target number of PBRSUs that will vest upon achievement of the target performance. If the highest performance target is met or exceeded, the value of the awards at grant date would be as follows: Mr. Nallathambi - $2,160,000; Mr. Martell - $879.988; Mr. Livermore - $599,986; Mr. Sando - $599,986; Mr. Theologides - $215,983; and Mr. Balas - $87,990.

(3) Reflects the aggregate grant date fair value of stock option awards, computed in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 718, Compensation-Stock Compensation. See Note 14 to the Consolidated Financial Statements included in this Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion on the relevant assumptions used in calculating the aggregate grant date fair values.

(4) Represents the cash portion of the annual incentive bonus that was paid through performance units under our 2006 Plan or 2011 Plan.

(5) For 2011, the amounts reflect the change in the present value of the life annuity from the end of fiscal year 2010 to the end of fiscal year 2011 for the Executive Supplemental Benefit Plan with respect to Messrs. Nallathambi, Livermore and Sando, and the Pension Restoration Plan with respect to Mr. Sando only. The amounts in the column do not include earnings under the Company's deferred compensation plan as such earnings were neither above market nor preferential. See the Pension Benefits table below under "--Pension Benefits for 2011" for assumptions used in calculating these amounts. A significant portion of the increase in pension value is attributable to a 1% decrease in the interest rate assumption, or $400,000 for Mr. Nallathambi, $380,000 for Mr. Livermore and $525,000 for Mr. Sando.

(6) Although Mr. Nallathambi would have received non-equity incentive plan compensation for 2011 of approximately $747,000 based on Company achievement of specified performance targets and MBOs, Mr. Nallathambi recommended, and the Compensation Committee approved, a lower amount of $525,000.

(7) Represents amounts paid by the Company on behalf of Mr. Nallathambi as follows: (a) life insurance premiums of $1,006, (b) life insurance premiums for a universal life policy of $1,800, and (c) a $161,134 relocation allowance.

(8) Mr. Martell's employment with the Company commenced on August 29, 2011.

(9) Includes a $70,000 Company contribution on behalf of Mr. Theologides to the Company's Deferred Compensation Plan.

(10) Mr. Balas' employment with the Company commenced on March 14, 2011.

(11) Represents a $70,000 one-time sign-on bonus that was paid to Mr. Balas on April 1, 2011.

(12) Mr. Piszel resigned as the Company's Chief Financial Officer on February 10, 2011.

(13) Represents amounts paid by the Company on behalf of Mr. Piszel as follows: (a) life insurance premiums for a universal life policy of $2,310, (b) COBRA reimbursement of $8,337, and (c) severance payments of $290,769 in accordance with the Separation and General Release Agreement entered into between the Company and Mr. Piszel on February 22, 2011. Mr. Piszel's total separation payment is $1,008,000. The remaining $717,231 will be paid in 2012 in bi-weekly payments together with one lump sum payment on June 1, 2012.

(14) Represents a one-time cash bonus paid by the Company to Mr. Piszel in recognition of his performance in connection with the Separation transaction.

(15) Represents a sign-on bonus paid by the Company to Mr. Piszel pursuant to the terms of Mr. Piszel's employment agreement.

(16) Mr. Rasic was not a named executive officer in 2009. Accordingly, only information for 2010 and 2011 is presented. In November 2010, the Company reported that Mr. Rasic intended to resign effective as of April 1, 2011. Mr. Rasic was designated as the Company's principal financial officer in February 2011 in connection with Mr. Piszel's resignation as the Company's Chief Financial Officer effective February 10, 2011 and was replaced as principal financial officer by Mr. Balas in May 2011.

(17) To assist in Mr. Balas' onboarding and transition pending the hiring of a new Chief Financial Officer, Mr. Rasic was offered a special retention award of $130,000 to remain at the Company through September 1, 2011.

(18) Represents amounts paid by the Company on behalf of Mr. Rasic as follows: (a) life insurance premiums for a universal life policy of $538, (b) life insurance premiums of $67, (c) COBRA reimbursement of $4,168, (d) severance payments of $325,000 in accordance with the separation and general release agreement entered into between the Company and Mr. Rasic in September 2011, (e) payment of accrued PTO of $27,500, and (f) payment of $10,000 for outplacement services on behalf of Mr. Rasic.

(19) Represents a one-time cash bonus paid by the Company to Mr. Rasic in recognition of his performance in connection with the Separation transaction.

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Grants of Plan-Based Awards for 2011

The following table sets forth information concerning awards made to each of the named executive officers under the 2006 Plan and 2011 Plan during 2011, other than Messrs. Rasic and Piszel who did not receive awards in 2011.

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Option Awards: Number of Securities Underlying Options(3)	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock & Option Awards(4)
Name	Grant Date	Approval Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)	($)	($)
Anand K. Nallathambi											
Performance Units	3/1/2011	3/1/2011		2,395,440							
RSUs	3/16/2011	3/1/2011					31,322				539,991
PBRSUs	3/16/2011	3/1/2011				31,323	62,645	125,290			1,080,000
Options	3/16/2011	3/1/2011							187,935	17.24	1,071,230
Frank D. Martell											
Performance Units	8/29/2011	8/29/2011		1,375,000							
RSUs	8/30/2011	6/20/2011					19,383				219,997
PBRSUs	8/30/2011	6/20/2011				19,383	38,766	77,532			439,994
Options	8/30/2011	6/20/2011							116,298	11.35	481,474
George S. Livermore											
Performance Units	3/1/2011	3/1/2011		1,197,720							
RSUs	3/16/2011	3/1/2011					8,700				149,988
PBRSUs	3/16/2011	3/1/2011				8,701	17,401	34,802			299,993
Options	3/16/2011	3/1/2011							52,203	17.24	297,557
Barry M. Sando											
Performance Units	3/1/2011	3/1/2011		1,197,720							
RSUs	3/16/2011	3/1/2011					8,700				149,988
PBRSUs	3/16/2011	3/1/2011				8,701	17,401	34,802			299,993
Options	3/16/2011	3/1/2011							52,203	17.24	297,557
Stergios Theologides											
Performance Units	3/1/2011	3/1/2011		590,724							
RSUs	3/16/2011	3/1/2011					3,132				53,996

PBRSUs	3/16/2011	3/1/2011		3,132	6,264	12,528			107,991
Options	3/16/2011	3/1/2011					18,792	17.24	107,114
James L Balas									
Performance Units			—						
RSUs	9/27/2011	9/27/2011			1,933				21,998
PBRSUs	9/27/2011	9/27/2011		1,933	3,866	7,732			43,995
Options	9/27/2011	9/27/2011					11,598	11.38	48,016

(1) In 2011, the Compensation Committee awarded performance units under the 2006 Plan to each of Messrs. Nallathambi, Livermore, Sando and Theologides. These awards were valued at $1 per unit, and the number of units granted equaled twice the sum of each executive officer's target annual cash bonus amount and one-time incentive bonus amount. With respect to the one-time incentive bonus, the Compensation Committee retained the discretion to award those in RSUs rather than cash. To be earned, the net income of the Company for 2011 must be at least $50 million, excluding (a) asset write-downs, (b) litigation or claim judgments or settlements, (c) the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results, (d) any reorganization and restructuring programs, (e) extraordinary, unusual and/or nonrecurring items of gain or loss, and (f) foreign exchange gains and losses (collectively, “Extraordinary Items”). The Compensation Committee has the discretion to reduce the amount of the performance units and, for 2011, exercised this discretion by (i) reducing the amount of the performance units to the amount of the cash portion of the named executive officer's annual incentive bonus and converting the reduced performance units to cash and (ii) reducing the amount of the one-time incentive bonus and, with respect to certain executive officers, making the award in RSUs rather than cash. These

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performance units were awarded to permit the Company to deduct, for tax purposes, the entire amount of bonuses paid to named executive officers. Mr. Martell's performance units were granted under the 2011 Plan and his units were subject to the Company achieving net income of $25 million for the period from June 1 to December 31, 2011 (calculated after excluding Extraordinary Items). The Compensation Committee elected to pay $150,000 of Mr. Martell's performance units in the form of RSUs. The amounts identified in the Non-Equity Incentive Plan Compensation column of the 2011 Summary Compensation Table for 2011 are the cash portion of the target annual cash bonus amounts paid under the plan following such reduction. As required by applicable rules, the performance units awards for the one-time incentive bonus are not reflected in the 2011 Summary Compensation Table, but rather will be reflected in the 2012 Summary Compensation Table.

(2) Equity Incentive Plan Awards in 2011 consisted of RSUs and PBRSUs granted as part of the 2011 long-term incentive compensation program. The RSUs are tied to achievement of at least $50 million in net income ($25 million for Mr. Martell) in 2011 adjusted to exclude Extraordinary Items. For the RSUs, if as was the case, the adjusted net income performance target is met, the shares vest in three equal installments on the first three anniversaries of the grant date. In the case of the PBRSUs, 70% of each award is tied to achievement of certain adjusted earnings-per-share targets for 2013 and 30% of each award is tied to achievement of certain adjusted EBITDA-per-share targets for 2013. The awards to Messrs. Nallathambi, Livermore, Sando and Theologides were granted under the 2006 Plan. Awards to Messrs. Martell and Balas were granted under the 2011 Plan.

(3) Represents the number of shares of common stock underlying stock options awarded to the named executive officers as a portion of their 2011 long-term incentive compensation awards. These awards vest in three equal annual installments on the first, second and third anniversaries of the grant date.

(4) These amounts represent the aggregate grant date fair value of each award determined pursuant to Financial Accounting Standards Board's Accounting Standards Codification Topic 718, Compensation-Stock Compensation. See Note 14 to the Consolidated Financial Statements included in this Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion on the relevant assumptions used in calculating the aggregate grant date fair values for stock options. For the assumptions and methodologies used to value the awards, see footnotes (2) and (3) to the 2011 Summary Compensation Table above.

Employment Agreements

Anand K. Nallathambi, George S. Livermore, Barry M. Sando and Stergios Theologides

In May 2011, the Company entered into a new form employment agreement with the following named executive officers: Anand K. Nallathambi, George S. Livermore, Barry M. Sando and Stergios Theologides. The employment agreements are substantially similar in form. The material terms of the employment agreements with respect to each of these named executive officers are as follows:

- Term - Through December 31, 2013; the term automatically extends for an additional year unless either party provides 60 days prior written notice before the expiration of the current term. For Mr. Nallathambi, the effective date was May 3, 2011. For Messrs. Livermore, Sando, and Theologides, the effective date of the new employment agreement was January 1, 2012.
- Pay - Sets initial base salary at current salary and provides that base salary will be reviewed annually and may be increased (but not decreased) during the term at the Company's discretion.
- Severance - Provides for severance pay if executive is terminated without “cause” as defined in the employment agreement. For Mr. Nallathambi, severance pay is also provided if he resigns for “good reason” as defined in his employment agreement. The severance amount is a multiple of base pay and target annual bonus. For Messrs. Nallathambi, Livermore and Sando the multiple is two and COBRA reimbursement is provided for 24 months. For Mr. Theologides the multiple is one and COBRA reimbursement is provided for 12 months.
- Severance Payment Timing - Severance will be paid in installments as follows:
-

- Messrs. Nallathambi, Livermore and Sando - First payment is made in the seventh month after separation of employment and is 7/24th of the total severance and equal installments thereafter for the remainder;
- Mr. Theologides - First payment is made in the seventh month after separation of employment and is 7/12th of the total severance and equal installments thereafter for the remainder.

- Release of Liability - The employment agreement requires the executive officer to sign a release in exchange for severance. Moreover, the executive officers are covered by restrictive covenants such as confidentiality, cooperation in litigation, non-disparagement, non-solicitation and non-competition.
- Clawbacks - The employment agreement provides that the agreement is subject to “clawback” under applicable law or under the Company's clawback policy in effect from time to time. The Company adopted such a recoupment or "clawback" policy in March 2012 as further described in Item 11. Executive Compensation - Compensation, Discussion and Analysis - 2012 Compensation Policies and Provisions.

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The following is a summary of the material terms of the employment agreements in effect through December 31, 2011 for each of Messrs. Livermore, Sando and Theologides.

In December 2008, the Company entered into employment agreements with Messrs. Livermore and Sando. The agreements, which expired on December 31, 2011, specified initial base salaries which were subsequently increased during the term of employment. Determinations regarding bonus amounts, long-term incentive awards and any increases in base salary were at the discretion of the Compensation Committee. The agreements provided severance in the event of termination without cause equal to twice the sum of the executive officer's base salary and the second largest of the prior three years' annual incentive bonuses. The executive officer's receipt of severance is contingent on the Company's receipt of a release from the executive officer as well as his compliance with certain post-termination covenants and confidentiality provisions contained within the agreement. In addition, if the executive officer's employment is terminated without cause and the executive would otherwise, during the term of the agreement, have reached his "early retirement date" under the SERP, then the executive officer's benefit under the plan will be deemed vested on his early retirement date notwithstanding the termination, provided that the executive's "final average compensation" used to determine the amount of the benefit would be determined as of his actual termination date. No additional benefits are payable in the event that the executive voluntarily terminates or termination is on account of death, disability or for cause.

In November 2009, the Company entered into an employment agreement with Mr. Theologides, which expired on December 31, 2011. The agreement specified an initial base salary, which was subsequently increased during the term of employment. Determinations regarding bonus amounts, long-term incentive awards and any increases in base salary were at the discretion of the Compensation Committee subject to minimum guaranteed amounts for fiscal 2009, 2010 and 2011. The agreement provided severance in the event of termination without cause equal to one times the Mr. Theologides' base salary. Mr. Theologides' receipt of severance is contingent on the Company's receipt of a release from Mr. Theologides as well as his compliance with certain post-termination covenants and confidentiality provisions contained within the agreement.

Frank Martell

On July 20, 2011, the Company entered into an employment agreement with Mr. Frank Martell with an effective date of August 29, 2011. The employment agreement is in substantially the same form as Mr. Nallathambi's agreement with the exception that Mr. Martell is not entitled to severance pay if he terminates his employment based on "good reason" (as defined in the agreement).

James L. Balas

On March 14, 2011, the Company entered into an employment agreement with James L. Balas to serve as the Senior Vice-President and Controller of the Company. The period of employment is through March 14, 2013 after such time his employment shall transition to at-will employment status.

If Mr. Balas is terminated by the Company without cause (as the term is defined in his employment agreement) before March 14, 2013, Mr. Balas shall receive his base salary through the remainder of his agreement but in no event less than 12 months and a pro-rated annual bonus that would have otherwise been paid to him with respect to the fiscal year that his employment is terminated.

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Outstanding Equity Awards at Fiscal Year-End for 2011

The following table shows outstanding equity awards of the Company held by the named executive officers as of December 31, 2011.

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable(1)	Number of Securities Underlying Unexercised Options (#) Unexercisable(1)	Option Exercise Price ($)(1)	Option Expiration Date(2)	Number of Shares or Units of Stock That Have Not Vested(3) (#)	Market Value of Shares or Units of Stock That Have Not Vested(4) ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Anand K. Nallathambi	17,504		10.92	7/22/2012				
	52,515		13.06	2/26/2013				
	35,009		17.46	2/25/2014				
	52,515		20.88	2/27/2015				