

INSWEB CORP
Form 10-Q
November 12, 2010

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2010

Or

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

For the transition period from to

Commission file number 0-26083

INSWEB CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

94-3220749
(IRS Employer
Identification Number)

11290 Pyrites Way, Suite 200 Gold River, California 95670
(Address of principal executive offices)

(916) 853-3300
(Registrant's telephone number, including area code)

[

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

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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. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

The aggregate market value of registrant’s voting and non-voting common equity held by non-affiliates of registrant, based upon the closing sale price of the common stock as of the last business day of registrant’s most recently completed second fiscal quarter (June 30, 2010), as reported on the Nasdaq Capital Market, was approximately \$10,980,000. Registrant is a smaller reporting company as defined in Regulation S-K. Shares of common stock held by each officer, director and holder of 5% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

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

The number of outstanding shares of the Registrant’s Common Stock, par value \$0.001 per share, on October 29, 2010 were 4,991,476 shares.

FORM 10-Q
INSWEB CORPORATION
INDEX

PART I **FINANCIAL INFORMATION**

ITEM 1: **Financial Statements (unaudited)**

Condensed Consolidated Balance Sheets as of September 30, 2010 and December 31, 2009 3

Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2010 and 2009 4

Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2010 and 2009 5

Notes to Condensed Consolidated Financial Statements 6

ITEM 2: Management’s Discussion and Analysis of Financial Condition and Results of Operations 12

ITEM 4: Controls and Procedures 20

PART II **OTHER INFORMATION** 20

ITEM 1: Legal Proceedings 20

ITEM 1A: Risk Factors 20

ITEM 6: Exhibits 28

Signature 29

Certifications

2

PART I: FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

INSWEB CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)
(unaudited)

September 30, December 31,
2010 2009

Assets

Current assets:

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Cash and cash equivalents	\$	8,532	\$	6,401
Short-term investments		1,658		-
Accounts receivable, net		3,381		2,014
Prepaid expenses and other current assets		403		710
Restricted cash equivalents and short-term investments		580		2,105
Total current assets		14,554		11,230
Related party receivables		317		311
Property and equipment, net		117		109
Other assets		191		230
Total assets	\$	15,179	\$	11,880
Liabilities and stockholders' equity				
Current liabilities:				
Accounts payable	\$	3,435	\$	2,113
Accrued expenses		462		635
Deferred revenue		1,026		804
Total current liabilities		4,923		3,552
Commitments and contingencies				
Stockholders' equity:				
Common stock		8		8
Paid-in capital		208,394		207,617
Treasury stock		(6,334)		(6,334)
Unrealized gain on available-for-sale securities		2		-
Accumulated deficit		(191,814)		(192,963)
Total stockholders' equity		10,256		8,328
Total liabilities and stockholders' equity	\$	15,179	\$	11,880

See accompanying notes.

INSWEB CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

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(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Revenues:				
Transaction fees	\$ 10,480	\$ 8,907	\$ 29,046	\$ 26,332
Other	40	42	124	126
Total revenues	10,520	8,949	29,170	26,458
Operating expenses:				
Direct marketing	6,881	5,834	19,425	17,713
Sales and marketing	1,206	1,865	3,869	5,306
Technology	615	1,092	1,685	2,951
General and administrative	1,459	1,031	3,045	2,477
Total operating expenses	10,161	9,822	28,024	28,447
Income (loss) from operations	359	(873)	1,146	(1,989)
Interest income	8	3	20	23
Income (loss) before income taxes	367	(870)	1,166	(1,966)
Provision for income taxes	10	—	17	—
Net income (loss)	\$ 357	\$ (870)	\$ 1,149	\$ (1,966)
Net income (loss) per share:				
Basic	\$ 0.08	\$ (0.18)	\$ 0.24	\$ (0.41)
Diluted	\$ 0.07	\$ (0.18)	\$ 0.21	\$ (0.41)
Weighted-average shares used in computing per share amounts				