

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)

☒ 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

☐ 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 ☒ No ☐

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 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. ☐

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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.

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

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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.

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.

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
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