

CORELOGIC, INC.
Form 10-Q
October 26, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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, 2012

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
(State or other jurisdiction of incorporation or
organization)

95-1068610
(I.R.S. Employer Identification No.)

40 Pacifica, Irvine, California
(Address of principal executive offices)

92618-7471
(Zip Code)

(949) 214-1013
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

On October 22, 2012 there were 97,472,241 shares of common stock outstanding.

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CoreLogic, Inc.
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PART I: FINANCIAL INFORMATION

Item 1. Financial Statements.

CoreLogic, Inc.

Condensed Consolidated Balance Sheets
(unaudited)

(in thousands, except par value)	September 30, 2012	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 154,552	\$ 259,266
Marketable securities	21,998	20,884
Accounts receivable (less allowance for doubtful accounts of \$23,659 and \$17,365 as of September 30, 2012 and December 31, 2011, respectively)	260,838	213,960
Prepaid expenses and other current assets	51,908	51,659
Income tax receivable	—	15,110
Deferred income tax assets, current	42,877	39,584
Assets of discontinued operations	9,816	55,516
Total current assets	541,989	655,979
Property and equipment, net	197,214	214,237
Goodwill, net	1,475,928	1,472,206
Other intangible assets, net	147,966	164,365
Capitalized data and database costs, net	309,147	304,006
Investment in affiliates, net	109,056	113,809
Deferred income tax assets, long-term	30,811	38,305
Restricted cash	22,081	22,044
Other assets	130,232	125,120
Total assets	\$ 2,964,424	\$ 3,110,071
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 165,755	\$ 122,859
Accrued salaries and benefits	91,065	86,444
Income taxes payable	14,849	—
Deferred revenue, current	223,355	201,689
Current portion of long-term debt	320	62,268
Liabilities of discontinued operations	19,812	27,399
Total current liabilities	515,156	500,659
Long-term debt, net of current	794,457	846,027
Deferred revenue, net of current	313,466	338,799
Deferred income tax liabilities, long term	19,376	18,383
Other liabilities	172,138	161,382
Total liabilities	1,814,593	1,865,250
Equity:		
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; 97,437 and 106,544 shares issued and outstanding as of September 30, 2012 and December 31, 2011, respectively	1	1

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Additional paid-in capital	858,633	1,053,447	
Retained earnings	303,795	209,389	
Accumulated other comprehensive loss	(14,679) (20,316)
Total CoreLogic stockholders' equity	1,147,750	1,242,521	
Noncontrolling interests	2,081	2,300	
Total equity	1,149,831	1,244,821	
Total liabilities and equity	\$2,964,424	\$3,110,071	

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

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CoreLogic, Inc.
Condensed Consolidated Statements of Income
(unaudited)

(in thousands, except per share amounts)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
Operating revenues	\$409,760	\$348,446	\$1,157,222	\$993,149
External cost of revenues	100,769	78,178	274,366	211,457
Salaries and benefits	133,794	131,523	406,045	414,545
Other operating expenses	80,778	76,061	209,206	209,739
Depreciation and amortization	33,037	34,844	93,434	84,160
Total operating expenses	348,378	320,606	983,051	919,901
Income from continuing operations	61,382	27,840	174,171	73,248
Interest expense:				
Interest income	800	817	2,262	4,005
Interest expense	13,525	15,236	42,463	47,783
Total interest expense, net	(12,725)	(14,419)	(40,201)	(43,778)
(Loss)/gain on investments and other, net	(4,254)	(4,118)	(3,865)	86,783
Income from continuing operations before equity in earnings of affiliates and income taxes	44,403	9,303	130,105	116,253
Provision for income taxes	16,406	20,535	53,222	76,829
Income/(loss) from continuing operations before equity in earnings of affiliates	27,997	(11,232)	76,883	39,424
Equity in earnings of affiliates, net of tax	8,166	8,340	29,381	20,393
Net income/(loss) from continuing operations	36,163	(2,892)	106,264	59,817
Loss from discontinued operations, net of tax	(10,157)	(104,220)	(18,142)	(111,125)
Gain from sale of discontinued operations, net of tax	12,264	—	9,277	—
Net income/(loss)	38,270	(107,112)	97,399	(51,308)
Less: Net (loss)/income attributable to noncontrolling interests	(50)	78	(209)	1,142
Net income/(loss) attributable to CoreLogic	\$38,320	\$(107,190)	\$97,608	\$(52,450)
Amounts attributable to CoreLogic stockholders:				
Net income/(loss) from continuing operations	\$36,213	\$(2,970)	\$106,473	\$58,675
Loss from discontinued operations, net of tax	(10,157)	(104,220)	(18,142)	(111,125)
Gain from sale of discontinued operations, net of tax	12,264	—	9,277	—
Net income/(loss) attributable to CoreLogic	\$38,320	\$(107,190)	\$97,608	\$(52,450)
Basic income/(loss) per share:				
Net income/(loss) from continuing operations	\$0.36	\$(0.03)	\$1.02	\$0.53
Loss from discontinued operations, net of tax	(0.10)	(0.98)	(0.17)	(1.01)
Gain from sale of discontinued operations, net of tax	0.12	—	0.09	—
Net income/(loss) attributable to CoreLogic	\$0.38	\$(1.01)	\$0.94	\$(0.48)
Diluted income/(loss) per share:				
Net income/(loss) from continuing operations	\$0.35	\$(0.03)	\$1.01	\$0.53
Loss from discontinued operations, net of tax	(0.10)	(0.98)	(0.17)	(1.00)
Gain from sale of discontinued operations, net of tax	0.12	—	0.09	—
Net income/(loss) attributable to CoreLogic	\$0.37	\$(1.01)	\$0.93	\$(0.47)
Weighted-average common shares outstanding:				
Basic	101,650	106,414	104,713	109,993

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Diluted	103,113	106,414	105,686	110,591
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The accompanying notes are an integral part of these condensed consolidated financial statements.

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CoreLogic, Inc.
Condensed Consolidated Statements of Comprehensive Income
(unaudited)

(in thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
Net income/(loss) attributable to CoreLogic	\$38,320	\$(107,190)	) \$97,608	\$(52,450)
Other comprehensive income/(loss):				
Unrealized (loss)/gain on marketable securities, net of tax	(419)	) (760)	) 680	(853)
Reclassification adjustment for gain on securities included in net income	—	—	—	(14,776)
Unrealized loss on interest rate swap, net of tax	(492)	) (3,165)	) (1,257)	) (5,869)
Reclassification adjustment for gains on terminated interest rate swap included in net income	—	—	—	(246)
Foreign currency translation adjustments	5,163	(27,789)	) 6,178	(26,498)
Supplemental benefit plans gain/(loss) adjustment, net of tax	12	(7)	) 36	(85)
Total other comprehensive income/(loss)	4,264	(31,721)	) 5,637	(48,327)
Comprehensive income/(loss) attributable to CoreLogic	\$42,584	\$(138,911)	) \$103,245	\$(100,777)

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

CoreLogic, Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited)

(in thousands)	For the Nine Months Ended	
	September 30, 2012	2011
Cash flows from operating activities:		
Net income/(loss)	\$97,399	\$(51,308)
Less: Loss from discontinued operations, net of tax	(18,142)	(111,125)
Less: Gain from sale of discontinued operations, net of tax	9,277	—
Net income from continuing operations	106,264	59,817
Adjustments to reconcile net income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	93,434	84,160
Provision for bad debt and claim losses	16,447	19,163
Share-based compensation	16,211	9,523
Tax benefit related to stock options	(643)	(234)
Equity in earnings of affiliates, net of taxes	(29,381)	(20,393)
Loss on sale of property and equipment	933	—
Loss on early extinguishment of debt	326	10,190
Deferred income tax	5,538	2,552
Loss/(gain) on investments and other, net	3,865	(86,783)
Change in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(46,358)	(17,403)
Prepaid expenses and other current assets	(326)	(20,596)
Accounts payable and accrued expenses	31,725	(16,878)
Deferred revenue	(3,667)	(23,935)
Due to/from FAFC	621	(18,678)
Income taxes	24,683	60,863
Dividends received from investments in affiliates	46,265	35,215
Other assets and other liabilities	(7,148)	(6,707)
Net cash provided by operating activities - continuing operations	258,789	69,876
Net cash provided by/(used in) operating activities - discontinued operations	9,684	(14,051)
Total cash provided by operating activities	\$268,473	\$55,825
Cash flows from investing activities:		
Purchase of redeemable noncontrolling interests	—	(72,000)
Purchases of capitalized data and other intangible assets	(24,054)	(19,874)
Purchases of property and equipment	(38,753)	(33,558)
Cash paid for acquisitions, net of cash acquired	111	(214,214)
Purchases of investments	—	(26,898)
Proceeds from sale of subsidiary and other decreases in noncontrolling interest, net	10,000	22,754
Proceeds from sale of property and equipment	1,852	389
Proceeds from sale of investments	8,000	53,847
Change in restricted cash	122	2,616
Net cash used in investing activities - continuing operations	(42,722)	(286,938)
Net cash used in investing activities - discontinued operations	(1,512)	(4,380)
Total cash used in investing activities	\$(44,234)	\$(291,318)
Cash flows from financing activities:		
Proceeds from long-term debt	—	857,985

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Debt issuance costs	—	(22,080)
Repayment of long-term debt	(114,365)	(727,699)
Proceeds from issuance of stock related to stock options and employee benefit plans	9,624	4,448	
Minimum tax withholding paid on behalf of employees for restricted stock units	(3,015	)	(2,023)
Shares repurchased and retired	(226,629	)	(176,512)
Distribution to noncontrolling interests	(10	)	(4,835)
Tax benefit related to stock options	643	234	
Net cash used in financing activities - continuing operations	(333,752	)	(70,482)
Net cash provided by financing activities - discontinued operations	3	70	
Total cash used in financing activities	\$(333,749	)	\$(70,412)
Net decrease in cash and cash equivalents	(109,510	)	(305,905)
Cash and cash equivalents at beginning of period	259,266	426,212	
Less: Change in cash and cash equivalents - discontinued operations	8,175	(18,361)
Plus: Cash swept from discontinued operations	12,971	—	
Cash and cash equivalents at end of period	\$154,552	\$138,668	
Supplemental disclosures of cash flow information:			
Cash paid for interest	\$31,853	\$54,161	
Cash paid for income taxes	\$39,029	\$35,053	
Cash refunds from income taxes	\$15,639	\$7,302	
Non-cash financing activities:			
Adjustment of carrying value of mandatorily redeemable noncontrolling interest	\$—	\$(3,800)
Non-cash investing activities:			
Note payable issued for investment in affiliate	\$—	\$12,700	

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

CoreLogic, Inc.
Condensed Consolidated Statement of Equity
(unaudited)

(in thousands)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests	Total
Balance as of December 31, 2011	106,544	\$1	\$1,053,447	\$209,389	\$ (20,316)	\$ 2,300	\$1,244,821
Net income/(loss)	—	—	—	97,608	—	(209)	97,399
Shares issued in connection with share-based compensation	922	—	9,624	—	—	—	9,624
Tax withholdings related to net share settlements of restricted stock units	—	—	(3,015)	—	—	—	(3,015)
Share-based compensation	—	—	16,274	—	—	—	16,274
Shares repurchased and retired	(10,029)	—	(226,629)	—	—	—	(226,629)
Distributions to noncontrolling interests	—	—	—	—	—	(10)	(10)
Additional Separation distribution of FAFC	—	—	8,932	(3,202)	—	—	5,730
Other comprehensive income	—	—	—	—	5,637	—	5,637
Balance as of September 30, 2012	97,437	\$1	\$858,633	\$303,795	\$ (14,679)	\$ 2,081	\$1,149,831

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

Note 1 – Basis of Condensed Consolidated Financial Statements

CoreLogic, Inc., together with its subsidiaries (collectively "we", "us" or "our"), is a leading provider of information, analytics and business services to mortgage originators and servicers, financial institutions and other businesses, government and government-sponsored enterprises.

Our condensed consolidated financial information included in this report has been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") including the instructions to Form 10-Q and Article 10 of SEC Regulation S-X. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the condensed consolidated financial statements and accompanying notes. Actual amounts may differ from these estimated amounts. Certain information and disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. The 2011 year-end condensed consolidated balance sheet was derived from audited financial statements. The principles for interim financial information do not require the inclusion of all the information and footnotes required by GAAP for complete financial statements. Therefore, these financial statements should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2011, as amended.

The accompanying unaudited condensed consolidated interim financial statements reflect all adjustments, consisting of only normal recurring items which, in the opinion of management, are necessary for a fair statement of the results of operations for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for the full year or for any future periods.

Reclassifications and Out-of-Period Adjustment

Our previously issued interim 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 14 - Discontinued Operations. In addition, the 2011 condensed consolidating financial information in Note 17 - Guarantor Subsidiaries have been revised to properly classify deferred income tax accounts and noncontrolling interest from CoreLogic, Inc.'s (the "Parent's") to guarantor subsidiaries and non-guarantor subsidiaries.

In connection with preparing our three and nine months ended September 30, 2012 financial statements, we identified an adjustment of \$4.1 million related to higher income taxes from discontinued operations in 2011 related to our marketing services business. We assessed the materiality of this error on our current and prior period financial statements in accordance with the SEC's Staff Accounting Bulletins ("SAB") No. 99 and SAB No. 108, and concluded the error was not material to the results of operations or financial condition for the current and prior annual or interim period. The out-of-period adjustment was recorded in the three and nine months ended September 30, 2012, and it impacted basic and diluted net income by \$0.04 per share for the three and nine months ended September 30, 2012 and 2011. See further discussion at Note 14 - Discontinued Operations.

Separation Transactions

On June 1, 2010, we completed the separation transactions (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. See further discussion at Note 15 - Transactions with FAFC.

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 Restrictive Covenants Agreement and a Tax Sharing Agreement (the “Tax Sharing Agreement”) as described in Note 8 – Income Taxes.

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.

Prior to the Separation, we operated primarily as a title insurance company regulated under Article 7 of Regulation S-

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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, 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.

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 \$947.8 million as of September 30, 2012 and \$593.9 million at December 31, 2011. Escrow deposits held on behalf of our customers are not our funds and, therefore, are not included in the accompanying consolidated balance sheets.

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 August 2012, the Financial Accounting Standards Board ("FASB") issued updated guidance related to the testing of indefinite-lived intangible assets other than 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 an indefinite-lived intangible assets other than goodwill 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 an indefinite-lived intangible asset other than goodwill is less than its carrying amount, then performing the two-step impairment test is unnecessary. The updated guidance is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. The adoption of this guidance did not have a material impact on our consolidated financial statements.

In December 2011, the 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. As the Company performs its annual impairment testing of goodwill in the fourth quarter, we do not expect 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. The updated guidance is effective for annual financial reporting periods beginning after December 15, 2011 and for interim periods within the fiscal year. The adoption of this guidance did not have a 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. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Note 2 – Investment in Affiliates, net

Investments in affiliates 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. Investments are carried at the cost of acquisition, including subsequent capital contributions and loans from us, plus our equity in undistributed earnings or losses since inception of investment. We recorded equity in earnings of affiliates, net of tax of \$8.2 million and \$8.3 million for the three months ended September 30, 2012 and 2011, respectively, and \$29.4 million and \$20.4 million for the nine months ended September 30, 2012 and 2011, respectively. Income tax expense of \$5.2 million and \$5.6 million was recorded on these earnings for the three months ended September 30, 2012 and 2011, respectively, and \$18.7 million and \$13.6 million for the nine months ended September 30, 2012 and 2011, 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 affiliate contributed 78.0% and 85.0% of our total equity in earnings of affiliates, net of tax, for the three months ended September 30, 2012 and 2011, respectively, and 74.6% and 86.9% for the nine months ended September 30, 2012 and 2011, respectively. 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, the joint venture. Accordingly, this investment is accounted for under the equity method. Summarized financial information for this investment (assuming a 100% ownership interest) is as follows:

(in thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
Statement of operations				
Net revenues	\$ 112,887	\$ 105,187	\$ 363,658	\$ 279,500
Expenses	91,635	81,429	290,370	220,055
Income before income taxes	\$ 21,252	\$ 23,758	\$ 73,288	\$ 59,445
Net income	\$ 21,185	\$ 23,582	\$ 72,944	\$ 58,974
CoreLogic equity in earnings of affiliate, pre-tax	\$ 10,614	\$ 11,815	\$ 36,545	\$ 29,546

In August 2012, we completed the disposition of our remaining 29.8% interest in Lone Wolf Real Estate Technologies, Inc. for \$8.0 million. The disposition resulted in a gain of \$2.2 million, net for the three and nine months ended September 30, 2012. This gain is included in (loss)/gain on investments and other, net in the accompanying condensed consolidated statements of income.

In July 2012, we completed our acquisition of RELS Reporting Services, LLC (dba RELS Credit) (“RELS Credit”), for \$3.0 million. We recorded \$1.5 million as dividends received from investments in affiliates related to the aforementioned transaction. The acquisition resulted in a change in equity interest loss of \$1.2 million, net for the three and nine months ended September 30, 2012. This loss is included in (loss)/gain on investments and other, net in the accompanying condensed consolidated statements of income. See further discussion at Note 13 - Acquisitions.

Note 3 – Marketable Securities

Our marketable securities consist primarily of investments in preferred stock of \$22.0 million and \$20.9 million as of September 30, 2012 and December 31, 2011, respectively. We classify our marketable 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. For the nine months ended September 30, 2011, we sold marketable securities resulting in a realized pre-tax gain of \$24.9 million. There were no gains or losses recognized on sales of marketable securities for the three months ended September 30, 2011 and the three and nine months ended September 30, 2012.

Note 4 - Property and Equipment, Net

Property and equipment as of September 30, 2012 and December 31, 2011 consists of the following:

(in thousands)	2012	2011
Land	\$4,000	\$13,204
Buildings	10,780	13,396
Furniture and equipment	101,773	104,081
Capitalized software	468,346	449,990
Leasehold improvements	40,577	42,873
	625,476	623,544
Less accumulated depreciation	(428,262)	(409,307)
Property and equipment, net	\$197,214	\$214,237

Depreciation expense for property and equipment was approximately \$19.0 million and \$19.9 million for the three months ended September 30, 2012 and 2011, respectively; and \$52.5 million and \$47.8 million for the nine months ended September 30, 2012 and 2011, respectively.

We have reclassified \$0.4 million and \$3.0 million of property and equipment, net, to assets of discontinued operations as of September 30, 2012 and December 31, 2011, respectively. We recognized impairment losses primarily related to internally developed software and land of \$8.5 million and \$13.6 million for the three and nine months ended September 30, 2012, respectively. We recognized impairment losses primarily related to internally developed software of \$5.4 million for the three and nine months ended September 30, 2011.

Note 5 – Goodwill, net

A reconciliation of the changes in the carrying amount of goodwill and accumulated impairment losses, by reporting unit, for the nine months ended September 30, 2012, is as follows:

(in thousands)	Data and Analytics	Mortgage Origination Services	Default Services	Consolidated
Balance as of December 31, 2011				
Goodwill	\$649,648	\$680,674	\$149,409	\$1,479,731
Accumulated impairment losses	(600)	(6,925)	—	(7,525)
Goodwill, net	649,048	673,749	149,409	1,472,206
Translation adjustments	3,722	—	—	3,722
Balance as of September 30, 2012				
Goodwill, net	\$652,770	\$673,749	\$149,409	\$1,475,928

We have reclassified \$1.6 million and \$17.3 million of goodwill, net, to assets of discontinued operations as of September 30, 2012 and December 31, 2011, respectively.

Note 6 – Other Intangible Assets, net

Other intangible assets consist of the following:

(in thousands)	September 30, 2012	December 31, 2011
Customer lists	\$261,815	\$276,112
Noncompete agreements	6,366	7,898
Trade names and licenses	24,618	24,402
	292,799	308,412
Less accumulated amortization	(144,833	) (144,047
Other intangible assets, net	\$147,966	\$164,365

Amortization expense for other intangible assets was \$7.1 million and \$8.3 million for the three months ended September 30, 2012 and 2011, respectively, and \$20.5 million and \$19.3 million for the nine months ended September 30, 2012 and 2011, respectively. We have reclassified \$0.5 million and \$2.6 million of other intangible assets, net, to assets of discontinued operations as of September 30, 2012 and December 31, 2011, respectively.

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

(in thousands)	
Remainder of 2012	\$6,931
2013	30,198
2014	23,322
2015	21,325
2016	18,721
Thereafter	47,469
	\$147,966

Note 7 – Long-Term Debt

Our long-term debt consists of the following:

(in thousands)	September 30, 2012	December 31, 2011
Acquisition-related notes:		
Non-interest bearing acquisition note due in \$5.0 million installments March 2014 and 2016	\$8,628	\$13,209
Notes:		
7.25% senior notes due June 2021	393,000	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	—	34,768
Bank debt:		
Revolving line of credit borrowings due March 2016, weighted average interest rate of 6.8%	51,890	51,045
Term loan facility borrowings through March 2016, weighted average interest rate of 4.0%	280,000	341,250
Other debt:		
Various interest rates with maturities through 2014	439	7,203
Total long-term debt	794,777	908,295
Less current portion of long-term debt	320	62,268
Long-term debt, net of current portion	\$794,457	\$846,027

Senior Notes

On May 20, 2011, we 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 of the Notes are full and unconditional and joint and several. There are 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. For the nine months ended September 30, 2012, we repurchased \$7.0 million of the Notes. As of September 30, 2012, we were 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 named therein 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. As of September 30, 2012, A\$50.0 million, or \$51.9 million, is outstanding under the multicurrency revolving sub-facility related to our acquisition of RP Data Limited ("RP Data"). 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. For the nine months ended September 30, 2012, we paid \$61.3 million of outstanding indebtedness under the Term Facility of which \$43.8 million was a prepayment. This prepayment was applied to the most current portion of the term loan amortization schedule.

As of September 30, 2012 and December 31, 2011, we have recorded \$12.0 million and \$4.4 million, respectively, of accrued interest expense. For the nine months ended September 30, 2012, debt prepayments resulted in \$0.3 million of incremental interest expense in the accompanying condensed consolidated statements of income due to the write-off of unamortized debt issuance costs.

Acquisition-Related Notes

In March 2011, we entered into a settlement services joint venture with Speedy Title & Appraisal Review Services LLC ("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, which is non-interest bearing and due in three equal installments. As of September 30, 2012, the discounted balance outstanding under the note was \$8.6 million.

Interest Rate Swaps

In June 2011, we entered into amortizing interest rate swap transactions ("Swaps") with a termination date of May 2016. The Swaps had an initial notional value of \$200.0 million, with a fixed interest rate of 1.73% and amortize 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.

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 \$7.1 million and \$5.1 million at September 30, 2012 and December 31, 2011, respectively, which is included in the accompanying condensed consolidated balance sheets as a component of other liabilities.

For the three months ended September 30, 2012 and September 30, 2011, unrealized losses of \$0.5 million (net of \$0.3 million in deferred taxes) and \$3.2 million (net of \$2.1 million in deferred taxes) were recognized in other comprehensive income/(loss) related to the Swaps. For the nine months ended September 30, 2012 and September 30, 2011, unrealized losses of \$1.3 million (net of \$0.8 million in deferred taxes) and \$5.9 million (net of \$3.9 million in deferred taxes) were recognized in other comprehensive income/(loss) related to the Swaps.

Note 8 – Income Taxes

The 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 36.9% and 220.7% for the three months ended September 30, 2012 and 2011, respectively, and 40.9% and 66.1% for the nine months ended September 30, 2012 and 2011, respectively. The change in the effective rate for the three months ended September 30, 2012 and 2011 is primarily attributable to the 2011 excess tax gain recognized upon the sale of Corelogic Global Services Private Limited ("Corelogic India"). The change in the effective tax rate for the nine months ended September 30, 2012 and 2011 is primarily attributable to the reversal of deferred taxes related to our interest in Dorado when it was held as an equity method investment in 2011 and the 2011 excess tax gain recognized upon the sale of Corelogic Global Services Private Limited ("Corelogic India"). Income taxes included in equity in earnings of affiliates were \$5.2 million and \$5.6 million for the three months ended September 30, 2012 and 2011, respectively, and \$18.7 million and \$13.6 million for the nine months ended September 30, 2012 and 2011, respectively. For the purpose of segment reporting, these amounts are not reflected at the segment level but are recorded as a component of the corporate and eliminations group.

As of September 30, 2012 and December 31, 2011, the liability for income taxes associated with uncertain tax positions was \$52.7 million and \$19.3 million, respectively. The increase in the liability as of September 30, 2012 relates primarily to the Company's claim, on behalf of FAFC, for a timing adjustment in a prior year tax return. The claim is for FAFC losses reported and is subject to indemnification from FAFC under the Tax Sharing Agreement. As of September 30, 2012, the liability can be reduced by \$1.8 million of offsets related to state income taxes and timing adjustments. The net amount of \$50.9 million, if recognized, would favorably affect the Company's effective tax rate

and after considering the impact of the agreement with FAFC, the impact to net income would be \$6.7 million.

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 a 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 2006.

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 entered into a Tax Sharing Agreement with FAFC in connection with the Separation. The Tax Sharing Agreement

governs ours and FAFC's respective rights, responsibilities and obligations 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 Internal Revenue Code of 1986, as amended, and taxes incurred in connection with certain internal transactions undertaken in anticipation of the Separation. Our rights, responsibilities and obligations under the Tax Sharing Agreement are discussed in our Annual Report filed with the SEC on Form 10-K for the year ended December 31, 2011, as amended.

Note 9 – Earnings Per Share

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
(in thousands, except per share amounts)				
Numerator for basic and diluted net income/(loss) per share:				
Net income/(loss) from continuing operations	\$36,213	\$(2,970)	) \$106,473	\$58,675
Loss from discontinued operations, net of tax	(10,157)	) (104,220)	) (18,142)	) (111,125)
Gain from sale of discontinued operations, net of tax	12,264	—	9,277	—
Net income/(loss) attributable to CoreLogic	\$38,320	\$(107,190)	) \$97,608	\$(52,450)
Denominator:				
Weighted-average shares for basic income/(loss) per share	101,650	106,414	104,713	109,993
Dilutive effect of stock options and restricted stock units	1,463	—	973	598
Weighted-average shares for diluted income/(loss) per share	103,113	106,414	105,686	110,591
Income/(loss) per share				
Basic:				
Net income/(loss) from continuing operations	\$0.36	\$(0.03)	) \$1.02	\$0.53
Loss from discontinued operations, net of tax	(0.10)	) (0.98)	) (0.17)	) (1.01)
Gain from sale of discontinued operations, net of tax	0.12	—	0.09	—
Net income/(loss) attributable to CoreLogic	\$0.38	\$(1.01)	) \$0.94	\$(0.48)
Diluted:				
Net income/(loss) from continuing operations	\$0.35	\$(0.03)	) \$1.01	\$0.53
Loss from discontinued operations, net of tax	(0.10)	) (0.98)	) (0.17)	) (1.00)
Gain from sale of discontinued operations, net of tax	0.12	—	0.09	—
Net income/(loss) attributable to CoreLogic	\$0.37	\$(1.01)	) \$0.93	\$(0.47)

For the three months ended September 30, 2012 and 2011, 1.0 million and 7.1 million stock options and restricted stock units, respectively, were excluded from the computation of diluted earnings per share due to their anti-dilutive effect. For the nine months ended September 30, 2012 and 2011, 3.7 million and 5.5 million stock options and restricted stock units, respectively, were excluded from the computation of diluted earnings per share due to their anti-dilutive effect.

Note 10 – Fair Value of Financial Instruments

Fair value is the price that would be received to sell 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.

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 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

The fair value of the interest rate swap agreements were estimated based on market value quotes received from the counterparties to the agreements.

The fair values of our financial instruments as of September 30, 2012 are presented in the following table:

(in thousands)	Fair Value Measurements Using		Fair Value
	Level 1	Level 2	
Financial Assets:			
Cash and cash equivalents	\$154,552	\$—	\$154,552
Restricted cash	—	22,081	22,081
Equity securities	21,998	—	21,998
Total Financial Assets	\$176,550	\$22,081	\$198,631
Financial Liabilities:			
Total debt	—	881,011	881,011
Total Financial Liabilities	\$—	\$881,011	\$881,011

Derivatives:

Liability for interest rate swap agreements	\$—	\$7,136	\$7,136
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The fair values of our financial instruments as of December 31, 2011 are presented in the following table:

(in thousands)	Fair Value Measurements Using		Fair Value
	Level 1	Level 2	
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:			
Liability for interest rate swap agreements	\$—	\$5,078	\$5,078

Note 11 – Stock-Based Compensation

We currently 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 restricted stock units (“PBRsUs”), stock options, stock appreciation rights, stock bonuses and other forms of awards granted or denominated in our common stock, as well as cash bonus awards. The 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. Prior to the approval of the Plan, we issued share-based awards under the CoreLogic, Inc. 2006 Incentive Plan (the “2006 Plan”).

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 nine months ended September 30, 2012, we awarded 732,820 RSUs with an estimated grant date fair value of \$12.2 million. The RSU awards will vest ratably over three years.

RSU activity for the nine months ended September 30, 2012, is as follows:

(in thousands, except weighted average fair value prices)	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested RSUs outstanding at December 31, 2011	1,193	\$17.74
RSUs granted	733	\$16.70
RSUs vested	(458)	) \$17.99
RSUs forfeited	(55)	) \$16.71
Unvested RSUs outstanding at September 30, 2012	1,413	\$17.16

As of September 30, 2012, there was \$14.7 million of total unrecognized compensation cost related to unvested RSUs that is expected to be recognized over a weighted-average period of 2.2 years. The fair value of RSUs is based on the

market value of the Company's common stock on the date of grant.

Performance-Based Restricted Stock Units

For the nine months ended September 30, 2012, we awarded 345,348 PBRsUs with an estimated grant date fair value

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of \$5.5 million. These awards are subject to both service-based and performance-based vesting. The performance period is from January 1, 2012 to December 31, 2012 and the performance metric is adjusted earnings per share. To the extent the performance criteria are satisfied, the awards vest on December 31, 2014.

PBRUS activity for the nine months ended September 30, 2012, is as follows:

(in thousands, except weighted average fair value prices)	Number of Shares	Weighted Average Grant-Date Fair Value
Unvested PBRUSs outstanding at December 31, 2011	988	\$17.71
PBRUSs granted	345	\$16.05
PBRUSs vested	(103	) \$17.76
PBRUSs forfeited	(78	) \$17.95
Unvested PBRUSs outstanding at September 30, 2012	1,152	\$17.19

As of September 30, 2012, there was \$15.2 million of total unrecognized compensation cost related to unvested PBRUSs that is expected to be recognized over a weighted-average period of 1.9 years. The fair value of PBRUSs is based on the market value of the Company's common stock on the date of grant.

Stock Options

In 2012 and 2011, we issued 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 2012 and 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 the Black-Scholes valuation model with the following weighted-average assumptions:

	For the Nine Months Ended September 30,			
	2012	2011	2012	2011
Expected dividend yield	—	%	—	%
Risk-free interest rate ⁽¹⁾	1.00	%	1.85	%
Expected volatility ⁽²⁾	42.81	%	33.10	%
Expected life ⁽³⁾	5.5		5.5	

(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 nine months ended September 30, 2012 is as follows:

(in thousands, except weighted average price)	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Options outstanding at December 31, 2011	4,601	\$20.78		
Options granted	581	\$16.00		
Options exercised	(552)	) \$17.92		
Options canceled	(667)	) \$21.49		
Options outstanding at September 30, 2012	3,963	\$20.27	5.7	\$24,950
Options vested and expected to vest at September 30, 2012	3,915	\$20.32	5.6	\$24,462
Options exercisable at September 30, 2012	2,440	\$22.31	3.9	\$10,458

As of September 30, 2012, there was \$6.7 million of total unrecognized compensation cost related to unvested stock options that is expected to be recognized over a weighted-average period of 2.0 years.

The intrinsic value of options exercised was \$2.7 million and \$0.4 million for the nine months ended September 30, 2012 and 2011. 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 2001 employee stock purchase plan allowed eligible employees to purchase our common stock at 85.0% of the closing price on the last day of each quarter. The 2001 employee stock purchase plan expired in September 2011. Our 2012 employee stock purchase plan was approved by our stockholders at our 2012 annual meeting of stockholders and the first offering period commenced in October 2012. Similar to our 2001 employee stock purchase plan, the 2012 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. We recognized an expense for the amount equal to the discount during the last offering period under our 2001 plan, which ended in September 2011.

The following table sets forth the stock-based compensation expense recognized for the three and nine months ended September 30, 2012 and 2011.

(in thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
RSUs	\$2,108	\$1,592	6,896	5,333
PBRsUs	4,033	1,268	6,557	2,171
Stock options	1,039	578	2,758	1,719
Employee stock purchase plan	—	109	—	300
	\$7,180	\$3,547	\$16,211	\$9,523

Note 12 – 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.

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 or lawsuit 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.

We have \$9.4 million as of September 30, 2012 and \$6.9 million as of December 31, 2011 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"), as successor to 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 and its parent CoreLogic Real Estate Solutions, LLC f/k/a First American Real Estate Solutions, LLC as defendants. The amended complaint sought to recover losses of at least \$129.0 million that the FDIC alleges WaMu suffered on loans allegedly related to these 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. On April 25, 2012, the court granted the defendants' motion to dismiss that \$16.0 million claim with prejudice.

The defendants intend to defend against the remaining claims vigorously; however, they 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 September 27, 2012, the Company and its subsidiary CVS, as successors in interest respectively to The First American Corporation ("First American") and eAppraiseIT, entered into a settlement with the Office of the Attorney General of the State of New York in connection with the Attorney General's lawsuit in New York state court filed in 2007 against First American and eAppraiseIT. The lawsuit concerned appraisal management services eAppraiseIT had provided to WaMu in New York between June 2006 and November 2007. The Attorney General subsequently dropped all damage claims, but continued to seek civil penalties and related relief. In November 2011 the Company announced that it had decided to exit the business of CVS and in May 2012 the Company announced that CVS was being wound down and would be closed by September 30, 2012. Thereafter, in conjunction with the wind-down activities, defendants entered into the settlement in order to avoid further expense, time and uncertainty of continued litigation regarding this discontinued business, and without any findings or admissions as to any of the Attorney General's allegations.

In performance of the settlement, on October 4, 2012 CVS paid the Attorney General civil penalties in the sum of \$4.0 million, together with costs, fees and disbursements in the sum of \$3.8 million. As a result, the Attorney General has dismissed the lawsuit with prejudice and released the defendants from all claims concerning any appraisal or appraisal management services provided by either defendant to or on behalf of WaMu.

The settlement amounts were recorded in the results of discontinued operations.

RESPA Class Action

On February 8, 2008, a purported class action was filed in the United States District Court for the Northern District of California, San Jose Division, against WaMu and eAppraiseIT alleging breach of contract, unjust enrichment, and violations of the Real Estate Settlement Procedures Act (“RESPA”), the California Unfair Competition Law and the California Consumers Legal Remedies Act. The complaint alleged a conspiracy between WaMu and eAppraiseIT to allow WaMu to direct appraisers to artificially inflate appraisals in order to qualify higher value loans that WaMu could then sell in the secondary market. Plaintiffs subsequently voluntarily dismissed WaMu on March 9, 2009. On August 30, 2009, the court dismissed all claims against eAppraiseIT except the RESPA claim.

On July 2, 2010, the court denied plaintiff's first motion for class certification. On November 19, 2010, the plaintiffs filed a renewed motion for class certification. On April 25, 2012, the court granted plaintiffs' renewed motion and certified a

nationwide class of all persons who, on or after June 1, 2006, received home loans from WaMu in connection with appraisals that were obtained through eAppraiseIT. On July 12, 2012, the Ninth Circuit Court of Appeals declined to review the class certification order.

CVS, as the successor to eAppraiseIT, intends to defend against this claim vigorously; however, it 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, Teletrack filed a motion to dismiss the complaint on grounds that the plaintiffs lacked standing. That motion was denied on March 7, 2012. Teletrack has denied the allegations and is defending against this claim vigorously; however, it 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 September 30, 2012, 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 13 – Acquisitions

In July 2012, we completed our acquisition of RELS Credit, for \$3.0 million. We recorded \$1.5 million as dividends received from investments in affiliates related to the aforementioned transaction. RELS Credit is included as a component of the mortgage origination services segment. We previously held a 50.1% equity method investment in this entity and as a result of the purchase price paid, we recognized a loss of \$1.2 million on our existing investment which is included in (loss)/gain on investments and other, net in the accompanying condensed consolidated statement of operations for the three and nine months ended September 30, 2012. 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 \$3.1 million of customer lists with an estimated average life of 3 years. The business combination did not have a material impact on our consolidated financial statements.

Note 14 – Discontinued Operations

As of August 31, 2012, we completed the disposition of American Driving Records within our transportation services business for \$11.0 million, which resulted in a pre-tax gain of \$3.9 million for the three and nine months ended September 30, 2012. This gain is included in gain/(loss) from sale of discontinued operations, net of tax in the accompanying condensed consolidated statements of income. In June 2012, we determined to wind down our wholly-owned consumer services business in lieu of a sale. In March 2012, we determined to wind down our wholly-owned appraisal management company business in lieu of a sale which resulted in a pre-tax write-down of the remaining goodwill of \$13.9 million in the first quarter of 2012. In

September 2011, we closed our marketing services business (LeadClick). In connection with preparing our three and nine months ended September 30, 2012 financial statements, we recorded an additional adjustment of approximately \$4.1 million income tax expense associated with the closure of LeadClick as discussed in Note 1 - Basis for Consolidated Condensed Financial Statements. On December 2010, we entered into a purchase agreement with an affiliate of Symphony Technology Group, pursuant to which we sold our employer and litigation services businesses. For the three and nine months ended September 30, 2012, we recorded a gain of \$12.3 million and a loss of \$9.3 million on sale of discontinued operations, net, respectively.

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 2012 presentation.

Summarized below are certain assets and liabilities classified as discontinued operations as of September 30, 2012 and December 31, 2011:

(in thousands)	Data Analytics		Mortgage Origination	Default	Total
	Marketing	Consumer	Appraisal	Transportation	
As of September 30, 2012					
Current assets	\$(269)	\$7,200	\$359	\$16	\$7,306
Property and equipment, net	—	83	306	—	389
Other assets	40	2,081	—	—	2,121
Total assets	\$(229)	\$9,364	\$665	\$16	\$9,816
Total liabilities	\$1,411	\$5,572	\$12,146	\$683	\$19,812
As of December 31, 2011					
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

Summarized below are the components of our income/(loss) from discontinued operations for the three months ended September 30, 2012 and 2011:

(in thousands)	Data and Analytics		Mortgage Origination	Default	Total
	Marketing	Consumer	Appraisal	Transportation	
For the three months ended September 30, 2012					
Operating revenue	\$—	\$8,410	\$6,938	\$11,643	\$26,991
(Loss)/income from discontinued operations before income taxes	(66)	(348)	(7,121)	24	(7,511)
Income tax expense/(benefit)	3,972	(122)	(1,199)	(5)	2,646
(Loss)/income from discontinued operations, net of tax	\$(4,038)	\$(226)	\$(5,922)	\$29	\$(10,157)
For the three months ended September 30, 2011					
Operating revenue	\$6,431	\$22,877	\$12,463	\$16,838	\$58,609
(Loss)/income from discontinued operations before income taxes	(152,675)	(13,384)	(3,066)	157	(168,968)
Income tax (benefit)/expense	(58,300)	(5,318)	(1,188)	58	(64,748)
(Loss)/income from discontinued operations, net of tax	\$(94,375)	\$(8,066)	\$(1,878)	\$99	\$(104,220)

Summarized below are the components of our income/(loss) from discontinued operations for the nine months ended September 30, 2012 and 2011:

For the nine months ended September 30,	Data and Analytics		Business Information		Total
	Marketing	Consumer	Transportation	Appraisal	
2012					
Operating revenue	\$—	\$55,773	\$46,435	\$25,137	\$127,345
Income/(loss) from discontinued operations before income taxes	111	5,177	(1,707)	(23,675)	(20,094)
Income tax expense/(benefit)	4,041	2,030	(1,780)	(6,243)	(1,952)
(Loss)/income from discontinued operations, net of tax	\$(3,930)	\$3,147	\$73	\$(17,432)	\$(18,142)
For the nine months ended September 30, 2011					
Operating revenue	\$29,399	\$73,443	\$51,448	\$60,012	\$214,302
(Loss)/income from discontinued operations before income taxes	(166,342)	(7,603)	1,210	(7,741)	(180,476)
Income tax (benefit)/expense	(63,768)	(3,004)	479	(3,058)	(69,351)
(Loss)/income from discontinued operations, net of tax	\$(102,574)	\$(4,599)	\$731	\$(4,683)	\$(111,125)

Note 15 – 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 three months ended September 30, 2012 and 2011, the net amount of \$1.6 million and \$1.7 million, respectively, (reflecting services provided by us to FAFC and from FAFC to us) was recognized as a reduction of other operating expenses in connection with the transition services agreements. For the nine months ended September 30, 2012 and 2011, the net amount of \$4.9 million and \$4.8 million, respectively, was 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 certain consolidated securities litigation matters from which we have since been dropped. See further discussion at Note 12 – 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, in other assets in the accompanying Condensed Consolidated Balance Sheets, for these contingent tax obligations from FAFC of \$41.0 million and \$34.4 million as of September 30, 2012 and December 31, 2011, respectively. The liability for income taxes associated with uncertain tax positions was \$44.1 million and \$10.4 million as of September 30, 2012 and December 31, 2011, respectively. Further, during our first quarter of 2012, pursuant to our Tax Sharing Agreement, we recorded a net equity adjustment of approximately \$5.7 million related to Separation activity associated with FAFC. See further discussion at Note 8 – 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 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. Since the Separation, we repurchased 10,433,265 shares of our common stock that was owned by FAFC or one of its subsidiaries for an aggregate purchase price of \$227.7 million.

FAFC owns two office buildings that are leased to us under the terms of certain lease agreements. Rental expense associated with these properties totaled \$1.1 million and \$3.3 million for the three and nine months ended September 30, 2012 and 2011.

During the three and nine months ended September 30, 2012 and 2011, we entered into commercial transactions with affiliates of FAFC. The revenue associated with these transactions, which primarily related to sales of data and other settlement services totaled \$6.8 million and \$3.5 million for the three months ended September 30, 2012 and 2011, respectively, and \$14.3 million and \$11.6 million for the nine months ended September 30, 2012 and 2011, respectively. The expenses related to these transactions, which primarily related to purchase of data and other settlement services, totaled \$0.3 million and \$0.2 million for the three months ended September 30, 2012 and 2011, respectively, and totaled \$0.9 million and \$3.9 million for the nine months ended September 30, 2012 and 2011, respectively.

Note 16 – Segment Information

We have organized our reportable segments into the following three segments: data and analytics, mortgage origination services and default services.

Data and Analytics. Our data and analytics segment owns or licenses data including real estate information (such as property characteristic information, mortgage information, collateral information, and images of publicly recorded documents relating to real property), mortgage-backed securities information, criminal and eviction records, employment verification, and under-banked credit information. We 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. We also provide consumer screening and risk management for the multi-family housing and under-banked credit services industries. 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 \$2.2 million and \$2.9 million for the three months ended September 30, 2012 and 2011, respectively, and \$8.5 million and \$9.9 million for the nine months ended September 30, 2012 and 2011, respectively. The segment also includes intercompany expenses of \$1.4 million and \$2.9 million for the three months ended September 30, 2012 and 2011, respectively, and \$4.9 million and \$9.4 million for the nine months ended September 30, 2012 and 2011, 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 \$0.7 million and \$2.4 million for the three months ended September 30, 2012 and 2011, respectively, and \$2.1 million and \$4.2 million for the nine months ended September 30, 2012 and 2011, respectively. The segment also includes intercompany expenses of \$2.1 million and \$6.2 million for the three months ended September 30, 2012 and 2011, respectively, and \$8.3 million and \$25.5 million for the nine months ended September 30, 2012 and 2011, 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, government-sponsored enterprises and property and casualty insurance companies.

Our default services segment includes intercompany revenues of \$0.7 million and \$0.3 million for the three months ended September 30, 2012 and 2011, respectively, and \$2.1 million and \$0.5 million for the nine months ended September 30, 2012 and 2011, respectively. The segment also includes intercompany expenses of \$0.1 million and \$4.2 million for the three months ended September 30, 2012 and 2011, respectively, and \$0.3 million and \$12.8 million for the nine months ended September 30, 2012 and 2011, 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, income taxes, unallocated interest expense and elimination of intercompany revenues included in the results of the reportable segments.

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Selected financial information by reportable segment is as follows:

(in thousands)

For the three months ended September 30, 2012	Operating Revenue	Depreciation and Amortization	Income From Continuing Operations	Equity in Earnings of Affiliates, Net of Tax	Net Income/(Loss) From Continuing Operations	Capital Expenditures
Data and analytics	\$ 148,953	\$ 17,697	\$ 27,695	\$ 489	\$ 29,657	\$ 14,114
Mortgage origination services	175,120	6,409	51,600	12,851	64,366	3,679
Default services	89,364	799	16,722	—	16,792	1,219
Corporate and eliminations	(3,677)	8,132	(34,635)	(5,174)	(74,652)	3,459
Consolidated (excluding discontinued operations)	\$ 409,760	\$ 33,037	\$ 61,382	\$ 8,166	\$ 36,163	\$ 22,471
For the three months ended September 30, 2011						
Data and analytics	\$ 139,813	\$ 22,375	\$ 15,854	\$ 350	\$ 15,235	\$ 10,375
Mortgage origination services	129,176	6,719	20,490	13,411	34,534	3,668
Default services	85,106	1,292	12,708	(34)	12,747	1,473
Corporate and eliminations	(5,649)	4,458	(21,212)	(5,387)	(65,408)	2,121
Consolidated (excluding discontinued operations)	\$ 348,446	\$ 34,844	\$ 27,840	\$ 8,340	\$ (2,892)	\$ 17,637
For the nine months ended September 30, 2012						
Data and analytics	\$ 435,893	\$ 53,351	\$ 80,764	\$ 1,705	\$ 83,230	\$ 42,027
Mortgage origination services	476,944	21,219	123,925	46,239	169,705	12,533
Default services	257,995	3,406	46,931	—	47,145	3,103
Corporate and eliminations	(13,610)	15,458	(77,449)	(18,563)	(193,816)	5,144
Consolidated (excluding discontinued operations)	\$ 1,157,222	\$ 93,434	\$ 174,171	\$ 29,381	\$ 106,264	\$ 62,807
For the nine months ended September 30, 2011						
Data and analytics	\$ 386,875	\$ 48,237	\$ 49,615	\$ 1,089	\$ 50,398	\$ 31,341
Mortgage origination services	370,512	17,896	53,494	32,733	113,302	9,213
Default services	250,371	3,952	39,362	(129)	38,883	3,454
Corporate and eliminations	(14,609)	14,075	(69,223)	(13,300)	(142,766)	9,424
Consolidated (excluding discontinued operations)	\$ 993,149	\$ 84,160	\$ 73,248	\$ 20,393	\$ 59,817	\$ 53,432

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(in thousands)	As of	As of
Assets	September 30, 2012	December 31, 2011
Data and analytics	\$ 1,257,857	\$ 1,248,436
Mortgage origination services	1,044,557	1,039,069
Default services	229,631	226,034
Corporate and eliminations	422,563	541,016
Consolidated (excluding discontinued operations)	\$ 2,954,608	\$ 3,054,555

Note 17 - Guarantor Subsidiaries

As discussed in Note 7 - 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 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.

	Condensed Balance Sheet				
	As of September 30, 2012				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Eliminating Adjustments	Total
Assets:					
Current assets	\$171,969	\$323,345	\$46,675	\$ —	\$541,989
Property and equipment, net	13,935	149,877	33,402	—	197,214
Goodwill	—	1,288,328	187,600	—	1,475,928
Other identifiable intangible assets, net	—	96,186	51,780	—	147,966
Capitalized data and database cost, net	—	224,638	84,509	—	309,147
Investments in affiliates	—	102,728	6,328	—	109,056
Deferred income tax assets, long-term	45,711	—	—	(14,900)	30,811
Restricted cash	18,299	306	3,476	—	22,081
Investment in subsidiaries	1,744,865	—	—	(1,744,865)	—
Other assets	98,767	29,328	2,137	—	130,232
Total assets	\$2,093,546	\$2,214,736	\$415,907	\$ (1,759,765)	\$2,964,424
Liabilities and equity:					
Current liabilities	\$76,530	\$391,623	\$47,003	\$ —	\$515,156
Long-term debt, net	733,820	8,747	51,890	—	794,457
Deferred revenue	—	313,466	—	—	313,466
Deferred income taxes, long term	—	14,900	19,376	(14,900)	19,376
Other liabilities	135,446	32,861	3,831	—	172,138
Total CoreLogic stockholders' equity	1,147,750	1,453,139	291,726	(1,744,865)	1,147,750
Noncontrolling interests	—	—	2,081	—	2,081
Total liabilities and equity	\$2,093,546	\$2,214,736	\$415,907	\$ (1,759,765)	\$2,964,424

Condensed Balance Sheet
As of December 31, 2011

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Adjustments	Eliminating	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	1,797,065	—	—	(1,797,065)	—
Other assets	92,910	30,152	2,058	—		125,120
Total assets	\$2,254,826	\$2,267,680	\$400,049	\$ (1,812,484	)	\$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	—	15,419	18,383	(15,419	)	18,383
Other liabilities	132,498	24,333	4,551	—		161,382
Total CoreLogic stockholders' equity	1,242,521	1,509,086	287,979	(1,797,065	)	1,242,521
Noncontrolling interests	—	—	2,300	—		2,300
Total liabilities and equity	\$2,254,826	\$2,267,680	\$400,049	\$ (1,812,484	)	\$3,110,071

Condensed Statement of Operations
For the three months ended September 30, 2012

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/ Eliminating Adjustments	Total
Operating revenues	\$—	\$386,033	\$ 23,727	\$ —	\$409,760
External cost of revenues	—	97,213	3,556	—	100,769
Salaries and benefits	21,143	101,266	11,385	—	133,794
Other operating expenses	(3,684)	81,707	2,755	—	80,778
Depreciation and amortization	610	26,755	5,672	—	33,037
(Loss)/income from continuing operations	(18,069)	79,092	359	—	61,382
Total interest expense, net	(12,035)	(28)	(662)	—	(12,725)
Gain/(loss) on investment and other, net	1,111	(5,598)	233	—	(4,254)
(Benefit)/provision for income taxes	(10,228)	24,898	1,736	—	16,406
Equity in earnings of affiliates, net of tax	—	7,919	247	—	8,166
Equity in earnings of subsidiary, net of tax	57,085	—	—	(57,085)	—
Net income/(loss) from continuing operations, net of tax	38,320	56,487	(1,559)	(57,085)	36,163
Loss from discontinued operations, net of tax	—	(10,157)	—	—	(10,157)
Gain on sale of discontinued operations, net of tax	—	12,264	—	—	12,264
Net income/(loss)	38,320	58,594	(1,559)	(57,085)	38,270
Less: Net loss attributable to noncontrolling interest	—	—	(50)	—	(50)
Net income/(loss) attributable to CoreLogic	\$38,320	\$58,594	\$ (1,509)	\$ (57,085)	\$38,320
Total other comprehensive income/(loss)	4,264	—	5,163	(5,163)	4,264
Comprehensive income/(loss) attributable to CoreLogic	\$42,584	\$58,594	\$ 3,654	\$ (62,248)	\$42,584

