

HouseValues, Inc.  
Form 8-K  
March 05, 2007

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**Form 8-K**

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**CURRENT REPORT**

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

February 27, 2007

Date of Report

(Date of earliest event reported)

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**HouseValues, Inc.**

(Exact Name of Registrant as Specified in Charter)

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Washington  
(State or Other Jurisdiction  
of Incorporation)

000-51032  
(Commission File No.)

91-1982679  
(IRS Employer  
Identification No.)

11332 NE 122nd Way, Kirkland, WA 98034

(Address of Principal Executive Offices, including Zip Code)

(425) 952-5500

(Registrant's Telephone Number, Including Area Code)

## Edgar Filing: HouseValues, Inc. - Form 8-K

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

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  
  - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  
  - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  
  - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On February 27, 2007, the Compensation Committee approved the HouseValues, Inc. 2007 Management Bonus Plan (the **Plan**), which provides for cash bonuses to executive officers and other key personnel upon achievement of a specified performance goal. For 2007, the performance goal for the Plan is based on Adjusted EBITDA, a non-GAAP measure defined as earnings before interest, taxes, depreciation, amortization, stock-based compensation and impairment charges. Bonuses for 2007 are based on a percentage of base salary for each executive officer named in the 2006 Proxy Statement who continues to be employed by the Company (the **Executives**), ranging from 12% to 18% of base salary if at least 100% of the Adjusted EBITDA target is met and from 45% to 96% of base salary if at least 200% of the Adjusted EBITDA target is met. Payout percentages will be interpolated between the 100% and 200% performance target achievement levels. Performance above 200% may result in increased payouts at the discretion of the Compensation Committee, and the Compensation Committee may also modify awards based upon an Executive's personal performance. Executives will not receive a cash bonus under the Plan if less than 100% of the Adjusted EBITDA target is met. For 2007, the Executives have agreed to lower than historical bonuses at target.

**SIGNATURES**

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

**HouseValues, Inc.**

Date: March 5, 2007

By /s/ Patricia Kirsch  
Patricia Kirsch  
Secretary