

MOVE INC
Form SC 14D9/A
November 10, 2014

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

SCHEDULE 14D-9

(Rule 14d-101)

Solicitation/Recommendation Statement

Under Section 14(d)(4) of the Securities Exchange Act of 1934

(Amendment No. 4)

MOVE, INC.

(Name of Subject Company)

MOVE, INC.

(Name of Person Filing Statement)

Common Stock, \$0.001 par value per share

(Title of Class of Securities)

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62458M207

(CUSIP Number of Class of Securities)

Steven H. Berkowitz

Chief Executive Officer

Move, Inc.

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(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications

on Behalf of the Person Filing Statement)

With copies to:

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.. Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

This Amendment No. 4 to Schedule 14D-9 amends and supplements the Schedule 14D-9 previously filed by Move, Inc., a Delaware corporation (Move or the Company), with the Securities and Exchange Commission on October 15, 2014 (as originally filed, the Schedule 14D-9 and as amended, the Statement), relating to the offer by News Corporation, a Delaware corporation (Parent), and Magpie Merger Sub, Inc., a Delaware corporation and a wholly-owned indirect subsidiary of Parent (Purchaser), to purchase all the issued and outstanding shares of Move's common stock, \$0.001 par value per share (the Shares), for a purchase price of \$21.00 per Share in cash, without interest, subject to any required withholding of taxes, if any, upon the terms and conditions set forth in the offer to purchase dated October 15, 2014, and in the related letter of transmittal. Capitalized terms used but not defined herein have the meanings ascribed to them in the Statement. Except as noted below, no changes are being made to the Statement. All page references below are to the Schedule 14D-9.

Item 4. The Solicitation or Recommendation.

The second and third paragraphs under the heading (b) Background and Reason for the Recommendation

(i) Background of Offer and Merger on page 13 is amended and replaced by the following:

In early 2013, Company A made a non-binding proposal to acquire Move, ultimately proposing a price of \$12.50 per share in a mix of cash and stock. Discussions terminated due to an inability to reach agreement on price. As part of these discussions, Move and Company A entered into a confidentiality agreement. Given the fact that Company A was in the same competitive space, Move did not provide any due diligence materials.

On October 2, 2013, representative of Parent contacted Move to request a meeting between Mr. Robert Thomson, Chief Executive Officer of Parent, and Mr. Steve Berkowitz, our Chief Executive Officer. On October 5, 2013, they met. Mr. Berkowitz and Ms. Rachel Glaser, our Chief Financial Officer, met with Mr. Thomson and Mr. Bedi A. Singh, Chief Financial Officer of Parent to discuss a potential strategic transaction. None of the board or executives at Move had a prior business relationship with any officer or director of News Corp.

The last paragraph under the heading (b) Background and Reason for the Recommendation (i) Background of Offer and Merger on page 13 is amended and replaced by the following:

On January 6, 2014, Mr. Hanauer met with Mr. Thomson, at which time Mr. Thomson informed Mr. Hanauer that Parent would not be moving forward at that time; however, his hope was that there would be interest in pursuing a potential transaction in the future. Parent decided that the time was not right for a transaction at this point.

The first paragraph under the heading (b) Background and Reason for the Recommendation (i) Background of Offer and Merger on page 14 is amended and replaced by the following:

From October 2013 through February 2014, Move also had meetings and discussions with Company B about a possible transaction. During that time, representatives of Company B, met with Mr. Hanauer, Mr. Berkowitz, and other members of our management team regarding a potential transaction and preliminary diligence matters. Representatives of Company B, Mr. Hanauer, Mr. Berkowitz and a representative of our management also met with the NAR during November 2013 to discuss a possible transaction. After further discussions between our company and Company B in February, Company B declined to pursue a transaction. Company B declined to pursue a transaction with Move due to the timing of the potential transaction and due to its own changing internal circumstances.

The fifth paragraph under the heading (b) Background and Reason for the Recommendation (i) Background of Offer and Merger on page 15 is amended and replaced by the following:

Our board of directors continued its evaluation of Parent's latest proposal and possible response at a board meeting on August 16, 2014, also attended by representatives of Morgan Stanley, Cooley and our management team. Having further reviewed factors relevant to Move's valuation with Morgan Stanley, including but not limited to, the risk of continuing as a standalone company, and in order to maximize shareholder value, our board of directors directed Morgan Stanley to propose to Parent a price of \$21 per share, with a customary no shop and termination fee, and on August 16, 2014, Morgan Stanley communicated to Goldman Sachs this proposal.

The eighth paragraph under the heading (b) Background and Reason for the Recommendation (i) Background of Offer and Merger on page 15 is amended and replaced by the following:

Parent submitted a revised non-binding indication of interest on August 19, 2014 contemplating a price of \$21 per share. Also on that day, Messrs. Hanauer and Berkowitz spoke with representatives of Morgan Stanley regarding contacting a list of other potential acquirors, which list was developed after taking into account past discussions with potentially interested parties, Parent, Company A and Company B, and the collective view of Morgan Stanley and Messrs. Hanauer and Berkowitz as to the likelihood of interest and ability of other potential parties to engage in a transaction.

The last two paragraphs under the heading (b) Background and Reason for the Recommendation (i) Background of Offer and Merger on page 15 is amended and replaced by the following:

On August 22, 2014, our board of directors held a meeting, also attended by representatives of Morgan Stanley, Cooley and our management team, in which our board of directors, with input from our management and financial and legal advisors, discussed and considered the revised proposal from Parent as well as the list of other potential acquirors to be contacted, which included, among others, Company A and Company B. After representatives of Morgan Stanley left the meeting, our board discussed entering into a new engagement letter with Morgan Stanley to take into account the difference in size of a potential transaction. Our board finalized its revised engagement terms with Morgan Stanley in a letter that was executed on August 25, 2014, which letter superseded the terms of the previous Morgan Stanley engagement letter.

Later in the day on August 22, 2014, at the direction of our board of directors, representatives of Morgan Stanley began their outreach to three other potential strategic buyers (none of which were Company A or Company B) selected based on strategic fit, business model fit, capacity to pay and acceptability to the NAR, which held a consent right with respect to any change of control of our company. Move did not contact Company A or Company B, because in the board of director's judgment, due to changed circumstances, neither company would likely be interested in a potential transaction with Move. Our board of directors believed that strategic buyers would be the most likely to pay the highest price given the availability of potential synergies. Of the three other potential buyers contacted by Morgan Stanley, none of them expressed an interest in entering into discussions with us regarding a possible strategic transaction.

The subsection under the heading (b) Background and Reason for the Recommendation (v) Opinion of Move's Financial Advisor Equity Research Analysts Future Price Targets on page 26 is amended by adding the following table immediately after the first paragraph:

Analyst	Date	Price Target
Benchmark Company	9/11/2014	\$ 23.00
B. Riley Caris	7/30/2014	\$ 18.00
Craig-Hallum Capital Group	8/2/2014	\$ 18.00
Oppenheimer & Co.	7/31/2014	\$ 18.00
Stephens	8/2/2014	\$ 21.00
Telsey Advisory Group	8/5/2014	\$ 18.00
Mean		\$ 19.33
Median		\$ 18.00

The subsection under the heading (b) Background and Reason for the Recommendation (v) Opinion of Move's Financial Advisor - Public Trading Comparable Analysis on page 27 is amended by adding the following table immediately after the last paragraph:

Observed multiples and implied per share values for each company observed

Comparable Companies Analysis

Comps	2014		2015	
	AV / Revenue	AV / EBITDA	AV / Revenue	AV / EBITDA
Online Advertising				
Facebook	16.4x	24.9x	12.2x	18.8x
Yahoo ⁽¹⁾	9.1x	9.6x	8.9x	13.8x
Google	5.3x	13.5x	4.5x	11.3x
AOL	1.6x	7.8x	1.4x	7.2x
Online Vertical				
Zillow Unaffected ⁽²⁾	16.7x	103.5x	12.3x	59.3x
Trulia Unaffected ⁽²⁾	7.9x	95.2x	6.0x	38.5x
WebMD	3.3x	12.2x	3.0x	10.2x
TechTarget	2.6x	15.5x	2.3x	10.3x
Bankrate	2.5x	9.4x	2.2x	8.1x
Dice	2.2x	7.0x	2.1x	6.8x
Shutterfly	2.2x	11.7x	1.9x	9.4x
XO Group	1.7x	14.3x	1.6x	12.0x
Travelzoo	1.1x	7.0x	1.1x	6.2x
Monster	0.9x	7.4x	0.9x	6.8x

1. Core Yahoo excluding investments in Asian assets
2. Unaffected Zillow and Trulia metrics as of 7/23/14 before the transaction was leaked and rumored

The subsection under the heading (b) Background and Reason for the Recommendation (v) Opinion of Move's Financial Advisor - Discounted Cash Flow Analysis on page 29 is amended by adding the following tables immediately after the table therein:

The projected NOLs

Case 1 NOL Calculation ⁽¹⁾

\$MM, except where noted

	CY14E	CY15E	CY16E	CY17E	CY18E	CY19E	CY20E	CY21E	CY22E	CY23E	CY24E	CY25E	CY26E	CY27E	CY28E	CY29E
NOLs																
Beginning balance) ⁽²⁾	\$ 761	\$ 755	\$ 748	\$ 737	\$ 720	\$ 674	\$ 624	\$ 570	\$ 473	\$ 357	\$ 91	\$ 17	\$ 0	\$ 0	\$ 0	\$ 0
	(5)	(7)	(11)	(17)	(46)	(50)	(54)	(58)	(63)	(68)	(73)	(17)	0	0	0	0

Used) / reated OL Expiration	0	0	0	0	0	0	0	0	(39)	(53)	(199)	0	(41)	(2)	(0)	(14)	0
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OLs (Ending Balance)	\$ 755	\$ 748	\$ 737	\$ 720	\$ 674	\$ 624	\$ 570	\$ 473	\$ 357	\$ 91	\$ 17	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
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**Phase 2 NOL
Calculation (1)**
MM, except
here noted

CY14E CY15E CY16E CY17E CY18E CY19E CY20E CY21E CY22E CY23E CY24E CY25E CY26E CY27E CY28E CY30E

OLs Beginning Balance) (2)	\$ 761	\$ 755	\$ 746	\$ 729	\$ 698	\$ 635	\$ 566	\$ 490	\$ 406	\$ 314	\$ 91	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
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Used) / reated OL Expiration	(5)	(10)	(17)	(31)	(63)	(69)	(76)	(84)	(92)	(101)	(91)	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	(122)	0	(58)	(2)	(0)	(14)	0	0

OLs (Ending Balance)	\$ 755	\$ 746	\$ 729	\$ 698	\$ 635	\$ 566	\$ 490	\$ 406	\$ 314	\$ 91	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
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**Phase 3 NOL
Calculation (1)**
MM, except
here noted

CY14E CY15E CY16E CY17E CY18E CY19E CY20E CY21E CY22E CY23E CY24E CY25E CY26E CY27E CY28E CY30E

OLs Beginning Balance) (2)	\$ 761	\$ 755	\$ 755	\$ 754	\$ 750	\$ 718	\$ 683	\$ 646	\$ 473	\$ 357	\$ 91	\$ 44	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
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Used) / reated OL Expiration	(5)	(0)	(1)	(4)	(33)	(35)	(37)	(39)	(41)	(44)	(47)	(44)	0	0	0	0	0
	0	0	0	0	0	0	(0)	(134)	(74)	(223)	0	(14)	(2)	(0)	(14)	0	0

OLs (Ending Balance)	\$ 755	\$ 755	\$ 754	\$ 750	\$ 718	\$ 683	\$ 646	\$ 473	\$ 357	\$ 91	\$ 44	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
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1. Assumes 35% federal tax rate
2. U.S. federal operating losses carry forward of \$761MM as of December 31, 2013
3. NOL valuation assumes 10.5% discount rate; 3% revenue growth and flat EBIT margins beyond 2024
4. NOL usage determined based on Post-SBC EBIT
5. Present value calculated as of 12/31/14; based on mid-year convention

Move Forecasted Metrics (2017-2024)

\$ 000s unless stated

Case 1

	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E
Revenue	\$ 388,831	\$ 419,938	\$ 453,533	\$ 489,815	\$ 529,001	\$ 571,321	\$ 617,026	\$ 666,388
Adjusted EBITDA	57,162	83,988	90,707	97,963	105,800	114,264	123,405	133,278
Free Cash Flow	12,955	31,581	34,107	36,836	39,783	42,965	46,403	50,115

Case 2

	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E
Revenue	\$ 440,007	\$ 484,008	\$ 532,408	\$ 585,649	\$ 644,214	\$ 708,636	\$ 779,499	\$ 857,449
Adjusted EBITDA	72,001	106,482	117,130	128,843	141,727	155,900	171,490	188,639
Free Cash Flow	23,010	43,099	47,409	52,149	57,364	63,101	69,411	76,352

Case 3

	2017E	2018E	2019E	2020E &
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