CORELOGIC, INC.
Form 10-Q
October 23, 2015

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

FORM 10-Q

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

For the quarterly period ended September 30, 2015

OR

o 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<br>(State or other jurisdiction of incorporation or organization) | 95-1068610<br>(I.R.S. Employer Identification No.) |
| 40 Pacifica, Irvine, California<br>(Address of principal executive offices) | 92618-7471<br>(Zip Code) |

(949) 214-1000
(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 x No o

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 x No o

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 | x | | Accelerated filer | o |
| Non-accelerated filer | o | (Do not check if a smaller reporting company) | Smaller reporting company | o |

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

Yes o No x

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

On October 19, 2015 there were 88,148,716 shares of common stock outstanding.

CoreLogic, Inc.
INFORMATION INCLUDED IN REPORT


| | | |
|---|---|---|
| Part I: | Financial Information | 1 |
| Item 1. | Financial Statements (unaudited) | 1 |
| | A. Condensed Consolidated Balance Sheets as of September 30, 2015 and December 31, 2014 | 1 |
| | B. Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2015 and 2014 | 2 |
| | C. Condensed Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2015 and 2014 | 3 |
| | D. Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2015 and 2014 | 4 |
| | E. Condensed Consolidated Statement of Equity for the nine months ended September 30, 2015 | 5 |
| | F. Notes to Condensed Consolidated Financial Statements | 6 |
| Item 2. | Management's Discussion and Analysis of Financial Condition and Results of Operations | 37 |
| Item 3. | Quantitative and Qualitative Disclosures About Market Risk | 46 |
| Item 4. | Controls and Procedures | 47 |
| Part II: | Other Information | 47 |
| Item 1. | Legal Proceedings | 47 |
| Item 1A. | Risk Factors | 47 |
| Item 2. | Unregistered Sales of Equity Securities and Use of Proceeds | 54 |
| Item 3. | Defaults upon Senior Securities | 55 |
| Item 4. | Mine Safety Disclosures | 55 |
| Item 5. | Other Information | 55 |
| Item 6. | Exhibits | 55 |

PART I: FINANCIAL INFORMATION
Item 1. Financial Statements.
CoreLogic, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

| (in thousands, except par value) | September 30, 2015 | December 31, 2014 |
|---|---|---|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | $160,257 | $104,677 |
| Marketable securities | 22,613 | 22,264 |
| Accounts receivable (less allowance for doubtful accounts of $6,941 and $10,826 as of September 30, 2015 and December 31, 2014, respectively) | 239,938 | 214,344 |
| Prepaid expenses and other current assets | 47,955 | 51,375 |
| Income tax receivable | 3,501 | 13,357 |
| Deferred income tax assets, current | 90,341 | 90,341 |
| Assets of discontinued operations | 1,027 | 4,267 |
| Total current assets | 565,632 | 500,625 |
| Property and equipment, net | 340,993 | 368,614 |
| Goodwill, net | 1,821,822 | 1,780,758 |
| Other intangible assets, net | 302,190 | 278,270 |
| Capitalized data and database costs, net | 324,868 | 333,265 |
| Investment in affiliates, net | 100,556 | 103,598 |
| Restricted cash | 10,864 | 12,360 |
| Other assets | 135,645 | 138,872 |
| Total assets | $3,602,570 | $3,516,362 |
| Liabilities and Equity | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | $169,446 | $170,418 |
| Accrued salaries and benefits | 97,401 | 99,786 |
| Deferred revenue, current | 264,438 | 255,330 |
| Current portion of long-term debt | 48,253 | 11,352 |
| Liabilities of discontinued operations | 2,791 | 13,704 |
| Total current liabilities | 582,329 | 550,590 |
| Long-term debt, net of current | 1,350,898 | 1,319,211 |
| Deferred revenue, net of current | 436,573 | 389,308 |
| Deferred income tax liabilities, long term | 60,503 | 63,979 |
| Other liabilities | 163,265 | 161,084 |
| Total liabilities | 2,593,568 | 2,484,172 |
| | | |
| Redeemable noncontrolling interests | 19,491 | 18,023 |
| | | |
| 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; 88,132 and 89,343 shares issued and outstanding as of September 30, 2015 and December 31, 2014, respectively | 1 | 1 |
| Additional paid-in capital | 539,629 | 605,511 |

| | | |
|---|---|---|
| Retained earnings | 581,934 | 492,441 |
| Accumulated other comprehensive loss | (132,053) | (83,786) |
| Total CoreLogic stockholders' equity | 989,511 | 1,014,167 |
| Total liabilities and equity | $3,602,570 | $3,516,362 |

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

1

CoreLogic, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|---|---|---|
| (in thousands, except per share amounts) | 2015 | 2014 | 2015 | 2014 |
| Operating revenues | $386,439 | $367,454 | $1,137,224 | $1,059,528 |
| Cost of services (excluding depreciation and amortization shown below) | 192,838 | 185,168 | 568,125 | 564,916 |
| Selling, general and administrative expenses | 91,241 | 68,099 | 283,517 | 255,488 |
| Depreciation and amortization | 36,440 | 35,765 | 109,631 | 100,636 |
| Impairment loss | — | 667 | 58 | 4,888 |
| Total operating expenses | 320,519 | 289,699 | 961,331 | 925,928 |
| Operating income | 65,920 | 77,755 | 175,893 | 133,600 |
| Interest expense: | | | | |
| Interest income | 645 | 870 | 2,985 | 3,083 |
| Interest expense | 17,207 | 18,398 | 48,522 | 52,547 |
| Total interest expense, net | (16,562) | (17,528) | (45,537) | (49,464) |
| (Loss)/gain on investments and other, net | (2,448) | 183 | (3,494) | 2,825 |
| Income from continuing operations before equity in earnings of affiliates and income taxes | 46,910 | 60,410 | 126,862 | 86,961 |
| Provision for income taxes | 21,765 | 14,319 | 47,387 | 23,070 |
| Income from continuing operations before equity in earnings of affiliates | 25,145 | 46,091 | 79,475 | 63,891 |
| Equity in earnings of affiliates, net of tax | 3,497 | 4,032 | 11,931 | 10,289 |
| Net income from continuing operations | 28,642 | 50,123 | 91,406 | 74,180 |
| Loss from discontinued operations, net of tax | (117) | (4,856) | (445) | (15,219) |
| Gain from sale of discontinued operations, net of tax | — | 476 | — | 476 |
| Net income | 28,525 | 45,743 | 90,961 | 59,437 |
| Less: Net income attributable to noncontrolling interests | 357 | 404 | 823 | 899 |
| Net income attributable to CoreLogic | $28,168 | $45,339 | $90,138 | $58,538 |
| Amounts attributable to CoreLogic stockholders: | | | | |
| Net income from continuing operations | $28,285 | $49,719 | $90,583 | $73,281 |
| Loss from discontinued operations, net of tax | (117) | (4,856) | (445) | (15,219) |
| Gain from sale of discontinued operations, net of tax | — | 476 | — | 476 |
| Net income attributable to CoreLogic | $28,168 | $45,339 | $90,138 | $58,538 |
| Basic income per share: | | | | |
| Net income from continuing operations | $0.32 | $0.55 | $1.01 | $0.80 |
| Loss from discontinued operations, net of tax | — | (0.05) | — | (0.17) |
| Gain from sale of discontinued operations, net of tax | — | 0.01 | — | 0.01 |
| Net income attributable to CoreLogic | $0.32 | $0.51 | $1.01 | $0.64 |
| Diluted income per share: | | | | |
| Net income from continuing operations | $0.31 | $0.54 | $1.00 | $0.79 |
| Loss from discontinued operations, net of tax | — | (0.05) | — | (0.16) |
| Gain from sale of discontinued operations, net of tax | — | 0.01 | — | 0.01 |
| Net income attributable to CoreLogic | $0.31 | $0.50 | $1.00 | $0.64 |
| Weighted-average common shares outstanding: | | | | |
| Basic | 88,719 | 90,518 | 89,374 | 91,234 |
| Diluted | 90,154 | 91,987 | 90,741 | 92,833 |

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

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

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|---|---|---|
| (in thousands) | 2015 | 2014 | 2015 | 2014 |
| Net income | $28,525 | $45,743 | $90,961 | $59,437 |
| Other comprehensive loss | | | | |
| Market value adjustments to marketable securities, net of tax | (733 ) | (291 ) | 216 | (243 ) |
| Market value adjustments on interest rate swap, net of tax | (2,043 ) | 970 | (3,110 ) | 285 |
| Reclassification adjustment for loss on terminated interest rate swap included in net income | — | — | — | 2,555 |
| Foreign currency translation adjustments | (23,934 ) | (26,251 ) | (45,080 ) | (8,709 ) |
| Supplemental benefit plans adjustments, net of tax | (98 ) | (65 ) | (293 ) | (193 ) |
| Total other comprehensive loss | (26,808 ) | (25,637 ) | (48,267 ) | (6,305 ) |
| Comprehensive income | 1,717 | 20,106 | 42,694 | 53,132 |
| Less: Comprehensive income attributable to the noncontrolling interests | 357 | 404 | 823 | 899 |
| Comprehensive income attributable to CoreLogic | $1,360 | $19,702 | $41,871 | $52,233 |

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

3

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

| | For the Nine Months Ended September 30, | |
|---|---|---|
| (in thousands) | 2015 | 2014 |
| Cash flows from operating activities: | | |
| Net income | $90,961 | $59,437 |
| Less: Loss from discontinued operations, net of tax | (445) | (15,219) |
| Less: Gain from sale of discontinued operations, net of tax | — | 476 |
| Net income from continuing operations | 91,406 | 74,180 |
| Adjustments to reconcile net income from continuing operations to net cash provided by operating activities: | | |
| Depreciation and amortization | 109,631 | 100,636 |
| Impairment loss | 58 | 4,888 |
| Provision for bad debt and claim losses | 6,328 | 10,254 |
| Share-based compensation | 26,419 | 22,077 |
| Excess tax benefit related to stock options | (6,284) | (6,352) |
| Equity in earnings of affiliates, net of taxes | (11,931) | (10,289) |
| Gain on sale of property and equipment | (91) | (13,858) |
| Loss on early extinguishment of debt | 1,589 | 763 |
| Deferred income tax | (1,713) | 11,172 |
| Loss/(gain) on investments and other, net | 3,494 | (2,825) |
| Change in operating assets and liabilities, net of acquisitions: | | |
| Accounts receivable | (23,570) | 6,515 |
| Prepaid expenses and other current assets | 3,420 | 1,099 |
| Accounts payable and accrued expenses | (8,392) | (50,357) |
| Deferred revenue | 56,373 | (3,590) |
| Income taxes | 2,072 | 48,854 |
| Dividends received from investments in affiliates | 26,516 | 32,496 |
| Other assets and other liabilities | (14,072) | (14,920) |
| Net cash provided by operating activities - continuing operations | 261,253 | 210,743 |
| Net cash used in operating activities - discontinued operations | (7,584) | (2,104) |
| Total cash provided by operating activities | $253,669 | $208,639 |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | $(30,009) | $(37,122) |
| Purchases of capitalized data and other intangible assets | (27,706) | (25,207) |
| Cash paid for acquisitions, net of cash acquired | (119,346) | (672,336) |
| Purchases of investments | (3,748) | — |
| Cash received from sale of discontinued operations | — | 25,525 |
| Proceeds from sale of property and equipment | 94 | 13,937 |
| Change in restricted cash | 1,496 | (1,443) |
| Net cash used in investing activities - continuing operations | (179,219) | (696,646) |
| Net cash provided by investing activities - discontinued operations | — | 1,536 |
| Total cash used in investing activities | $(179,219) | $(695,110) |
| Cash flows from financing activities: | | |
| Proceeds from long-term debt | $114,375 | $690,017 |
| Debt issuance costs | (6,452) | (14,042) |
| Repayment of long-term debt | (46,999) | (118,836) |

| | | |
|---|---|---|
| Proceeds from issuance of shares in connection with share-based compensation | 19,554 | 5,736 |
| Minimum tax withholdings related to net share settlements | (14,425) | (15,247) |
| Shares repurchased and retired | (97,430) | (72,781) |
| Excess tax benefit related to stock options | 6,284 | 6,352 |
| Net cash (used in)/provided by financing activities - continuing operations | (25,093) | 481,199 |
| Net cash provided by financing activities - discontinued operations | — | — |
| Total cash (used in)/provided by financing activities | $(25,093) | $481,199 |
| Effect of exchange rate on cash | 6,757 | (144) |
| Net change in cash and cash equivalents | 56,114 | (5,416) |
| Cash and cash equivalents at beginning of period | 104,677 | 134,419 |
| Less: Change in cash and cash equivalents - discontinued operations | (7,584) | (568) |
| Plus: Cash swept to discontinued operations | (8,118) | (1,953) |
| Cash and cash equivalents at end of period | $160,257 | $127,618 |
| | | |
| Supplemental disclosures of cash flow information: | | |
| Cash paid for interest | $40,968 | $36,077 |
| Cash paid for income taxes | $40,946 | $4,488 |
| Cash refunds from income taxes | $3,559 | $27,153 |
| Non-cash investing activities: | | |
| Capital expenditures included in accounts payable and accrued liabilities | $5,353 | $2,441 |

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 | Total |
|---|---|---|---|---|---|---|
| Balance as of December 31, 2014 | 89,343 | $1 | $605,511 | $492,441 | $ (83,786) | $1,014,167 |
| Net income | — | — | — | 90,138 | — | 90,138 |
| Shares issued in connection with share-based compensation | 1,317 | — | 19,554 | — | — | 19,554 |
| Tax withholdings related to net share settlements | — | — | (14,425) | — | — | (14,425) |
| Share-based compensation | — | — | 26,419 | — | — | 26,419 |
| Shares repurchased and retired | (2,528) | — | (97,430) | — | — | (97,430) |
| Adjustment to redeemable noncontrolling interest to redemption value | — | — | — | (645) | — | (645) |
| Other comprehensive loss | — | — | — | — | (48,267) | (48,267) |
| Balance as of September 30, 2015 | 88,132 | $1 | $539,629 | $581,934 | $ (132,053) | $989,511 |

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 global property information, analytics and data-enabled services provider operating in North America, Western Europe and Asia Pacific. Our combined data from public, contributory and proprietary sources provides detailed coverage of property, mortgages and other encumbrances, property risk and replacement cost, consumer credit, tenancy, location, hazard risk and related performance information. The markets we serve include real estate and mortgage finance, insurance, capital markets and the public sector. We deliver value to clients through unique data, analytics, workflow technology, advisory and managed services. Clients rely on us to help identify and manage growth opportunities, improve performance and mitigate risk. We are also a party to several joint ventures both domestically and abroad.

Our condensed consolidated financial information included in this report has been prepared in accordance with accounting principles generally accepted in the U.S. (“GAAP”) for interim financial information pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). 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 GAAP have been condensed or omitted pursuant to such rules and regulations. The 2014 year-end condensed consolidated balance sheet was derived from the Company's audited financial statements for the year ended December 31, 2014. Interim financial information does 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, 2014.

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.

Out-of-Period Adjustment

During the first quarter of 2015, we identified an error which overstated our interest expense by $5.2 million ($3.1 million, net of tax), reflected within continuing operations, for the year ended December 31, 2014. We recorded an out-of-period adjustment to correct the error in the quarter ended March 31, 2015, which increased basic and diluted net income per share by $0.03. We assessed the materiality of this error and concluded the error was not material to the results of operations or financial condition for the prior annual or interim periods, and the correction is not expected to be material to the full year results for fiscal year 2015.

Comprehensive Income

Comprehensive income includes all changes in equity except those resulting from investments by owners and distributions to owners. Specifically, foreign currency translation adjustments, amounts related to supplemental benefit plans, unrealized gains and losses on interest rate swap transactions and unrealized gains and losses on investment are recorded in other comprehensive income.

The following table shows the components of accumulated other comprehensive loss, net of taxes as of September 30, 2015 and December 31, 2014:

| | 2015 | 2014 |
|---|---|---|

| | | |
|---|---|---|
| Cumulative foreign currency translation | $(122,539 ) | $(77,460 ) |
| Cumulative supplemental benefit plans | (4,559 ) | (4,266 ) |
| Net unrecognized losses on interest rate swap | (5,445 ) | (2,335 ) |
| Net unrealized gains on marketable securities | 490 | 275 |
| Accumulated other comprehensive loss | $(132,053 ) | $(83,786 ) |

Marketable Securities

Debt securities are carried at fair value and consist primarily of investments in obligations of various corporations and mortgage-backed securities. Equity securities are carried at fair value and consist primarily of investments in marketable common and preferred stock. We classify our publicly traded debt and equity securities as available-for-sale and carry them at fair value with unrealized gains or losses classified as a component of accumulated other comprehensive loss. As of September 30, 2015 and December 31, 2014, our marketable securities consisted primarily of investments in preferred stock of $22.6 million and $22.3 million, respectively. There were no gains or losses recognized on sales of marketable securities for the three and nine months ended September 30, 2015 and 2014.

Tax Escrow Disbursement Arrangements

We administer tax escrow disbursements as a service to our clients in connection with our tax services business. These deposits are maintained in segregated accounts for the benefit of our clients. Tax escrow deposits totaled $1.9 billion as of September 30, 2015 and $265.6 million as of December 31, 2014. Because these deposits are held on behalf of our clients, they are not our funds and, therefore, are not included in the accompanying condensed consolidated balance sheets.

These deposits generally remain in the accounts for a period of two to five business days and we invest the funds in a highly-rated, liquid investment, such as bank deposit products or AAA-rated money market funds. We earn interest income or earnings credits 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.

Under our contracts with our clients, if we make a payment in error or fail to pay a taxing authority when a payment is due, we could be held liable to our clients for all or part of the financial loss they suffer as a result of our act or omission. We maintained claim reserves relating to incorrect disposition of assets of $21.5 million and $20.2 million as of September 30, 2015 and December 31, 2014, respectively.

Recent Accounting Pronouncements

In September 2015, the Financial Accounting Standards Board ("FASB") issued updated guidance, which eliminates the requirement for an acquirer in a business combination to account for measurement-period adjustments retrospectively. Acquirers must recognize measurement-period adjustments during the period of resolution, including the effect on earnings of any amounts they would have recorded in previous periods if the accounting had been completed at the acquisition date. The updated guidance is effective for fiscal years beginning after December 15, 2015. Earlier adoption is permitted for any interim and annual financial statements that have not yet been issued. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In August 2015, the FASB issued updated guidance concerning presentation and subsequent measurement of debt issuance costs relating to line of credit arrangements, which can be presented on the balance sheet as an asset to be subsequently amortized ratably over the term of the line of credit arrangement. The updated guidance is effective immediately. This updated guidance did not have a material impact on our financial statements.

In April 2015, FASB issued guidance, which requires that debt issuance costs be presented in the balance sheet as a deduction from the carrying amount of the related liability, rather than as a deferred charge. The updated guidance is effective retrospectively for financial statements covering fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Earlier adoption is permitted but we do not anticipate electing early adoption. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In February 2015, the FASB issued guidance, which modifies the analysis regarding the evaluation of certain types of entities to be consolidated. Specifically, it (1) modifies the assessment of whether limited partnerships are variable interest entities (VIEs), (2) eliminates the presumption that a limited partnership should be consolidated by its general partner, (3) removes certain conditions for the evaluation of whether a fee paid to a decision-maker constitutes a variable interest, and (4) modifies the evaluation concerning the impact of related parties in the determination of the primary beneficiary of a VIE. The updated guidance is effective for annual reporting periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted but we do not anticipate electing early adoption. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In January 2015, the FASB issued guidance, which completely eliminates all references to and guidance concerning the concept of an extraordinary item from GAAP. The updated guidance is effective for annual reporting periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted but we do not anticipate electing early adoption. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In August 2014, the FASB issued updated guidance related to determining whether substantial doubt exists about an entity's ability to continue as a going concern. The amendment provides guidance for determining whether conditions or events give rise to substantial doubt that an entity has the ability to continue as a going concern within one year following issuance of the financial statements, and requires specific disclosures regarding the conditions or events leading to substantial doubt. The updated guidance is effective for annual reporting periods and interim periods within those annual periods beginning after December 15, 2016. Earlier adoption is permitted but we do not anticipate electing early adoption. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In June 2014, the FASB issued updated guidance related to stock compensation. The amendment requires that a performance target that affects vesting and that could be achieved after the requisite period, be treated as a performance condition. The updated guidance is effective for annual reporting periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted but we do not anticipate electing early adoption. We do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In May 2014, the FASB issued updated guidance on revenue recognition in order to 1) remove inconsistencies in revenue requirements, 2) provide a better framework for addressing revenue issues, 3) improve comparability across entities, industries, etc., 4) provide more useful information through improved disclosures, and 5) simplify the preparation of financial statements by reducing the number of requirements to which an entity must refer. Under the amendment, an entity should recognize revenue to depict the transfer of promised goods or services to clients in the amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also specifies the accounting treatment for the incremental costs of obtaining a contract, which would not have been incurred had the contract not been obtained. Further, an entity is required to disclose sufficient information to enable the user of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with clients. As updated by FASB in August 2015, the guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Earlier adoption is permitted for annual reporting periods beginning after December 15, 2016 but we do not anticipate early adoption. We are currently evaluating the impact of the adoption of this guidance on our consolidated financial statements.

Note 2 – Investment in Affiliates, Net

Investments in affiliates are accounted for under the equity method of accounting when 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 the investment. We recorded equity in earnings of affiliates, net of tax of $3.5 million and $4.0 million for the three months ended September 30, 2015 and 2014, respectively, and $11.9 million and $10.3 million for the nine months ended September 30, 2015 and 2014, respectively. For the three months ended September 30, 2015 and 2014, we recorded $4.8 million and $5.5 million, respectively, of operating revenues and $3.2 million and $3.3 million, respectively, of operating expenses related to our investment in affiliates. In addition, for the nine months ended September 30, 2015 and 2014, we recorded $14.2 million and $14.4 million, respectively, of operating revenues and $9.7 million and $9.5 million, respectively, of operating expenses related to our investment in affiliates.

One of our subsidiaries owns a 50.1% interest in RELS LLC ("RELS"), a provider of appraisals and appraisal management services used in connection with mortgage loan originations. This investment contributed 80.2% and 76.5% of our total equity in earnings of affiliates, net of tax, for the three months ended September 30, 2015 and 2014, respectively, and 83.5% and 81.6% for the nine months ended September 30, 2015 and 2014, respectively. The following summarizes the financial information for this investment (assuming 100% ownership interest):

| (in thousands) | For the Three Months Ended September 30, 2015 | 2014 | For the Nine Months Ended September 30, 2015 | 2014 |
|---|---|---|---|---|
| Statements of income | | | | |
| Total revenues | $62,503 | $57,777 | $190,707 | $166,278 |
| Expenses and other | 53,442 | 47,800 | 158,509 | 139,134 |
| Net income attributable to RELS LLC | $9,061 | $9,977 | $32,198 | $27,144 |
| CoreLogic equity in earnings of affiliate | $4,540 | $4,998 | $16,131 | $13,599 |

See Note 9 - Fair Value of Financial Instruments for further discussion on investment in affiliates, net, measured at fair value on a nonrecurring basis.

Note 3 - Property and Equipment, Net

Property and equipment, net as of September 30, 2015 and December 31, 2014 consists of the following:

| (in thousands) | 2015 | 2014 |
|---|---|---|
| Land | $4,000 | $4,000 |
| Buildings | 230 | 230 |
| Furniture and equipment | 81,134 | 91,397 |
| Capitalized software | 718,868 | 701,482 |
| Leasehold improvements | 30,294 | 30,001 |
| | 834,526 | 827,110 |
| Less accumulated depreciation | (493,533) | (458,496) |
| Property and equipment, net | $340,993 | $368,614 |

For the three and nine months ended September 30, 2014, we recorded a gain of $13.9 million from the sale of real estate-related assets. Depreciation expense for property and equipment was approximately $18.8 million and $17.5 million for the three months ended September 30, 2015 and 2014, respectively, and $56.0 million and $48.5 million for the nine months ended September 30, 2015 and 2014, respectively. See Note 9 - Fair Value of Financial Instruments for further discussion on property and equipment, net measured at fair value on a nonrecurring basis.

Note 4 – Goodwill, Net

A reconciliation of the changes in the carrying amount of goodwill and accumulated impairment losses, by operating segment and reporting unit, for the nine months ended September 30, 2015, is as follows:

| (in thousands) | D&A | TPS | Consolidated |
|---|---|---|---|
| Balance as of January 1, 2015 | | | |
| Goodwill | $957,929 | $876,470 | $1,834,399 |
| Accumulated impairment losses | (600) | (53,041) | (53,641) |
| Goodwill, net | 957,329 | 823,429 | 1,780,758 |
| Acquisitions | 64,565 | — | 64,565 |
| Translation adjustments | (23,362) | (139) | (23,501) |
| Other | (100) | 100 | — |
| Balance as of September 30, 2015 | | | |
| Goodwill, net | $998,432 | $823,390 | $1,821,822 |

In connection with the acquisition of LandSafe Appraisal Services, Inc. ("LandSafe"), we preliminarily recorded $64.6 million of goodwill within our Data & Analytics ("D&A") reporting unit for the nine months ended September 30, 2015.

Note 5 – Other Intangible Assets, Net

Other intangible assets, net consist of the following:

| | September 30, 2015 | | | December 31, 2014 | | |
|---|---|---|---|---|---|---|
| (in thousands) | Gross | Accumulated Amortization | Net | Gross | Accumulated Amortization | Net |
| Client lists | $440,692 | $(211,085) | $229,607 | $394,070 | $(192,612) | $201,458 |
| Non-compete agreements | 9,308 | (7,825) | 1,483 | 9,332 | (7,351) | 1,981 |
| Trade names and licenses | 91,948 | (25,148) | 66,800 | 93,497 | (18,666) | 74,831 |
| Other intangibles | 4,300 | — | 4,300 | — | — | — |
| | $546,248 | $(244,058) | $302,190 | $496,899 | $(218,629) | $278,270 |

Amortization expense for other intangible assets, net was $9.4 million and $10.2 million for the three months ended September 30, 2015 and 2014, respectively, and $28.9 million and $27.8 million for the nine months ended September 30, 2015 and 2014, respectively.

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

| (in thousands) | |
|---|---|
| Remainder of 2015 | $10,852 |
| 2016 | 37,955 |
| 2017 | 36,008 |
| 2018 | 35,204 |
| 2019 | 31,398 |
| Thereafter | 150,773 |
| | $302,190 |

Note 6 – Long-Term Debt

Our long-term debt consists of the following:

| (in thousands) | September 30, 2015 | December 31, 2014 |
|---|---|---|
| Acquisition-related note: | | |
| Non-interest bearing acquisition note, $5.0 million installment due March 2016 | $4,847 | $4,623 |
| Notes: | | |
| 7.25% senior notes due June 2021 | 393,000 | 393,000 |
| 7.55% senior debentures due April 2028 | 59,645 | 59,645 |
| Bank debt: | | |
| Term loan facility borrowings due April 2020, weighted-average interest rate of 1.94% at September 30, 2015 | 839,375 | — |
| Revolving line of credit borrowings due April 2020, weighted-average interest rate of 2.08% at September 30, 2015 | 100,000 | — |
| Revolving line of credit borrowings due March 2019, weighted-average interest rate of 3.92% at December 31, 2014, extinguished April 2015 | — | 85,000 |
| Term loan facility borrowings due March 2019, weighted-average interest rate of 2.41% at December 31, 2014, extinguished April 2015 | — | 786,250 |
| Other debt: | | |
| Various debt instruments with maturities through 2019 | 2,284 | 2,045 |
| Total long-term debt | 1,399,151 | 1,330,563 |
| Less current portion of long-term debt | 48,253 | 11,352 |
| Long-term debt, net of current portion | $1,350,898 | $1,319,211 |

As of September 30, 2015 and December 31, 2014, we have recorded $11.8 million and $9.2 million, respectively, of accrued interest expense on our debt-related instruments.

Senior Notes

In May 2011, we issued $400.0 million aggregate principal amount of 7.25% senior notes due 2021 (the "Notes"). 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 (defined below). Separate financial statements for each guarantor subsidiary are not included in this filing because each guarantor subsidiary is 100% owned and the guarantees of the Notes are joint and several and full and unconditional. The combined accounts of the guarantor subsidiaries, the combined accounts of the non-guarantor subsidiaries, the combined consolidating adjustments and eliminations and the consolidated accounts for CoreLogic, Inc. (the "Parent") for the dates and periods indicated are included in Note 16 - Guarantor Subsidiaries. The guarantees are subject to release under certain customary circumstances. The indenture governing the Notes provides that the guarantees may be automatically and unconditionally released only upon the following circumstances: 1) the guarantor is sold or sells all of its assets in compliance with the terms of the indenture; 2) the guarantor is released from its guarantee obligations under the Credit Agreement; 3) the guarantor is properly designated as an “unrestricted subsidiary;” or 4) the requirements for legal or covenant defeasance or satisfaction and discharge have been satisfied. The maximum potential amounts that could be required to be paid under the guarantees are essentially equal to the outstanding principal and interest under the Notes. There are no significant restrictions on the ability of the Parent 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. As of September 30, 2015, we were in compliance with all of our covenants under the indenture.

Credit Agreement

In April 2015, we amended and restated our senior secured credit facility (the "Credit Agreement") with Bank of America, N.A. as administrative agent and other financial institutions. The Credit Agreement provides for an $850.0 million five-year term loan facility (the "Term Facility") and a $550.0 million revolving credit facility (the "Revolving Facility") and expires on April 21, 2020. The Revolving Facility includes a $100.0 million multicurrency revolving sub-facility and a $50.0 million letter of credit sub-facility. The Credit Agreement also provides for the ability to increase the Term Facility and Revolving Facility by up to $750.0 million in the aggregate. As of September 30, 2015, we were in compliance with all of our covenants under the Credit Agreement.

Debt Issuance Costs

In connection with the amendment and restatement of the Credit Agreement, we incurred approximately $6.5 million of debt issuance costs of which $0.4 million were expensed in the accompanying condensed consolidated statements of operations for the nine months ended September 30, 2015. We capitalized the remaining $6.1 million of debt issuance costs within other assets in the accompanying condensed consolidated balance sheets, and will amortize these costs over the term of the Credit Agreement.

When we amended and restated the Credit Agreement, we had unamortized costs of $14.8 million related to previously recorded debt issuance costs, which we will amortize over the term of the Credit Agreement. In connection with the amendment and restatement of the Credit Agreement, during the nine months ended September 30, 2015, we wrote-off $1.6 million of unamortized debt issuance costs.

7.55% Senior Debentures

In April 1998, we issued $100.0 million in aggregate principal amount of 7.55% senior debentures due 2028. In April 2010, in anticipation of the spin-off of our financial services businesses into a new, publicly-traded, New York Stock Exchange-listed company called First American Financial Corporation ("FAFC") in June 2010 ("Separation"), we commenced a cash tender offer for these debentures and also solicited consent from the holders thereof to expressly affirm that the Separation would not conflict with the terms of the debentures. See Note 11 - Litigation and Regulatory Contingencies for further discussion on the Separation. In April 2010, we announced that valid consents were tendered representing over 50.0% of the outstanding debentures. Accordingly, we received the requisite approvals from debenture holders and amended the related indentures. The indentures governing these debentures, as amended, contain limited restrictions on the Company.

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, 2015, the discounted balance outstanding under the note was $4.8 million.

Interest Rate Swaps

In May 2014, we entered into amortizing interest rate swap transactions ("Swaps"). The Swaps became effective in December 2014 and terminate in March 2019. The Swaps are for an initial notional balance of $500.0 million, with a fixed interest rate of 1.57%, and amortize quarterly by $12.5 million through December 31, 2017 and $25.0 million through December 31, 2018, with a remaining notional amount of $250.0 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 $8.8 million and $3.8 million as of September 30, 2015 and December 31, 2014, respectively, which is included in the accompanying condensed consolidated balance sheets as a component of other liabilities.

Our previous amortizing interest rate swap transactions entered into in June 2011 were terminated with a realized loss of $4.1 million for the nine months ended September 30, 2014 upon full repayment of the underlying debt associated with the terminated credit agreement.

Unrealized losses of $2.0 million (net of $1.3 million in deferred taxes) and unrealized gains of $1.0 million (net of $0.6 million in deferred taxes) were recognized in other comprehensive loss related to the Swaps for the three months ended

September 30, 2015 and 2014, respectively. In addition, unrealized losses of $3.1 million (net of $1.9 million in deferred taxes) and unrealized gains of $0.3 million (net of $0.2 million in deferred taxes) were recognized in other comprehensive loss related to the Swaps for the nine months ended September 30, 2015 and 2014, respectively.

Note 7 – Income Taxes

The effective income tax rate for income taxes as a percentage of income from continuing operations before equity in earnings of affiliates and income taxes was 46.4% and 23.7% for the three months ended September 30, 2015 and 2014, respectively, and 37.4% and 26.5% for the nine months ended September 30, 2015 and 2014, respectively.

For the three months ended September 30, 2015 when compared to 2014, the increase in the effective income tax rates were primarily attributable to an increase in unbenefited foreign losses in tax jurisdictions with tax rates lower than the U.S., a decrease in foreign tax credits and prior year non-recurring favorable discrete items associated with the disposition of our collateral solutions and field services businesses.

For the nine months ended September 30, 2015 when compared to the same period in 2014, the increase in the effective income tax rates were attributable to an increase in unbenefited foreign losses in tax jurisdictions with tax rates lower than the U.S., a decrease in foreign tax credits and nonrecurring favorable discrete items associated with research credits and the disposition of our collateral solutions and field service businesses, which were offset by current year nonrecurring favorable discrete items associated with the release of a foreign valuation allowance and reserves related to the acquisition of MSB/DataQuick.

Income taxes included in equity in earnings of affiliates were $2.3 million and $2.5 million for the three months ended September 30, 2015 and 2014, respectively, and $7.8 million and $6.4 million for the nine months ended September 30, 2015 and 2014, respectively. For the purpose of segment reporting, these amounts are not reflected at the segment level.

We are currently under examination for the years 2005 to 2011 by the U.S. federal and various state taxing authorities. It is reasonably possible the amount of unrecognized tax benefit with respect to certain unrecognized tax positions could significantly increase or decrease within the next twelve months. We estimate the unrecognized tax benefit could decrease by up to $21.6 million within the next twelve months. The estimated change is primarily related to IRS audits, subject to the FAFC indemnification, and will have no impact to net income. See Note 11 - Litigation and Regulatory Contingencies for further discussion on FAFC.

Note 8 – Earnings Per Share

The following is a reconciliation of net income per share:

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 |
| (in thousands, except per share amounts) | | | | |
| Numerator for basic and diluted net income per share: | | | | |
| Net income from continuing operations | $28,285 | $49,719 | $90,583 | $73,281 |
| Loss from discontinued operations, net of tax | (117) | (4,856) | (445) | (15,219) |
| Gain from sale of discontinued operations, net of tax | — | 476 | — | 476 |
| Net income attributable to CoreLogic | $28,168 | $45,339 | $90,138 | $58,538 |
| Denominator: | | | | |
| Weighted-average shares for basic income per share | 88,719 | 90,518 | 89,374 | 91,234 |
| Dilutive effect of stock options and restricted stock units | 1,435 | 1,469 | 1,367 | 1,599 |
| Weighted-average shares for diluted income per share | 90,154 | 91,987 | 90,741 | 92,833 |
| Income per share | | | | |
| Basic: | | | | |
| Net income from continuing operations | $0.32 | $0.55 | $1.01 | $0.80 |
| Loss from discontinued operations, net of tax | — | (0.05) | — | (0.17) |
| Gain from sale of discontinued operations, net of tax | — | 0.01 | — | 0.01 |
| Net income attributable to CoreLogic | $0.32 | $0.51 | $1.01 | $0.64 |
| Diluted: | | | | |
| Net income from continuing operations | $0.31 | $0.54 | $1.00 | $0.79 |
| Loss from discontinued operations, net of tax | — | (0.05) | — | (0.16) |
| Gain from sale of discontinued operations, net of tax | — | 0.01 | — | 0.01 |
| Net income attributable to CoreLogic | $0.31 | $0.50 | $1.00 | $0.64 |

The dilutive effect of stock-based compensation awards has been calculated using the treasury-stock method. For the three months ended September 30, 2015 there were no anti-dilutive common shares. For the three months ended September 30, 2014, an aggregate of 0.4 million stock options were excluded from the weighted-average diluted common shares outstanding due to their anti-dilutive effect. For the nine months ended September 30, 2015 and 2014, 0.2 million restricted stock units ("RSUs") and stock options and 0.3 million stock options, respectively, were excluded from the weighted-average diluted common shares outstanding due to their antidilutive effect.

Note 9 – Fair Value of Financial Instruments

Fair value is the price that would be received upon sale of 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. We deem the carrying value to be a reasonable estimate of fair value due to the nature of these instruments.

Marketable securities

Marketable securities are classified as available-for-sale securities and are valued using quoted prices in active markets for similar assets.

Long-term debt

The fair value of long-term debt was estimated based on the current rates available to us for similar 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 was estimated based on market-value quotes received from the counterparties to the agreements.

The fair values of our financial instruments as of September 30, 2015 are presented in the following table:

| | Fair Value Measurements Using | | |
|---|---|---|---|
| (in thousands) | Level 1 | Level 2 | Fair Value |
| Financial Assets: | | | |
| Cash and cash equivalents | $160,257 | $— | $160,257 |
| Restricted cash | — | 10,864 | 10,864 |
| Marketable securities | 22,613 | — | 22,613 |
| Total Financial Assets | $182,870 | $10,864 | $193,734 |
| | | | |
| Financial Liabilities: | | | |
| Total debt | $— | $1,359,109 | $1,359,109 |
| | | | |
| Derivatives: | | | |
| Liability for interest rate swap agreements | $— | $8,818 | $8,818 |

The fair values of our financial instruments as of December 31, 2014 are presented in the following table:

| | Fair Value Measurements Using | | |
|---|---|---|---|
| (in thousands) | Level 1 | Level 2 | Fair Value |
| Financial Assets: | | | |
| Cash and cash equivalents | $104,677 | $— | $104,677 |
| Restricted cash | — | 12,360 | 12,360 |
| Marketable securities | 22,264 | — | 22,264 |
| Total Financial Assets | $126,941 | $12,360 | $139,301 |
| | | | |
| Financial Liabilities: | | | |
| Total debt | $— | $1,323,201 | $1,323,201 |
| | | | |
| Derivatives: | | | |
| Liability for interest rate swap agreements | $— | $3,781 | $3,781 |

The following table presents non-financial instruments that were measured at fair value, on a nonrecurring basis, as of September 30, 2015 and impairment losses for the three and nine months ended September 30, 2015:

| (in thousands) | As of September 30, 2015 Fair Value Measurements Using | | | Impairment Losses | |
|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | For the Three Months Ended September 30, 2015 | For the Nine Months Ended September 30, 2015 |
| Property and equipment, net | $— | $— | $— | $— | $58 |

The following table presents non-financial instruments that were measured at fair value, on a nonrecurring basis, as of September 30, 2014 and impairment losses for the three and nine months ended September 30, 2014:

| (in thousands) | As of September 30, 2014 Fair Value Measurements Using | | | Impairment Losses | |
|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | For the Three Months Ended September 30, 2014 | For the Nine Months Ended September 30, 2014 |
| Property and equipment, net | $— | $— | $— | $666 | $988 |
| Goodwill, net | — | — | — | — | 3,900 |
| Investment in affiliates, net | — | — | — | — | 360 |
| | $— | $— | $— | $666 | $5,248 |

We recorded non-cash impairment charges of $0.7 million for the three months ended September 30, 2014, and $0.1 million and $1.0 million for the nine months ended September 30, 2015 and 2014, respectively, in our property and equipment, net, primarily related to internally developed software. In addition, we recorded non-cash impairment charges of $3.9 million for the nine months ended September 30, 2014 in our goodwill, net related to our technology solutions, solutions express and outsourcing services businesses. Lastly, we recorded non-cash impairment charges of $0.4 million for the nine months ended September 30, 2014 in our investment in affiliates, net, due to other-than-temporary loss in value from the absence of an ability to recover the carrying amount of the investment.

Note 10 – Stock-Based Compensation

We currently issue equity awards under the Amended and Restated CoreLogic, Inc. 2011 Performance Incentive Plan, which was initially approved by our stockholders at our Annual Meeting held on May 19, 2011 with an amendment and restatement approved by our stockholders at our Annual Meeting held on July 29, 2014 (the “Plan”). The Plan includes the ability to grant RSUs, performance-based RSUs ("PBRSU") and stock options. The Plan provides for up to 21,930,000 shares of the Company's common stock to be available for award grants. Prior to the approval of the Plan, we issued share-based awards under the CoreLogic, Inc. 2006 Incentive Plan.

We have primarily utilized 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 its vesting period.

Restricted Stock Units

For the nine months ended September 30, 2015 and 2014, we awarded 943,486 and 774,414 RSUs, respectively, with an estimated grant-date fair value of $33.3 million and $23.7 million, respectively. The majority of the RSU awards will vest ratably over three years.

RSU activity for the nine months ended September 30, 2015 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, 2014 | 1,380 | $ 27.17 |

| | | |
|---|---|---|
| RSUs granted | 943 | $ 35.34 |
| RSUs vested | (664 ) | $ 24.86 |
| RSUs forfeited | (78 ) | $ 31.41 |
| Unvested RSUs outstanding at September 30, 2015 | 1,581 | $ 32.80 |

As of September 30, 2015, there was $32.1 million of total unrecognized compensation cost related to unvested RSUs that is expected to be recognized over a weighted-average period of 1.8 years. The fair value of RSUs is based on the market value of our common stock on the date of grant.

Performance-Based Restricted Stock Units

For the nine months ended September 30, 2015 and 2014, we awarded 222,788 and 367,558 PBRSUs, respectively, with an estimated grant-date fair value of $7.6 million and $11.6 million, respectively. These awards are subject to service-based, performance-based and market-based vesting conditions. For the PBRSUs awarded during the nine months ended September 30, 2015, the performance period is from January 1, 2015 to December 31, 2017 and the performance metric is adjusted earnings per share and market-based conditions. Subject to satisfaction of the performance criteria, the 2015 awards will vest on December 31, 2017.

The performance period for the PBRSUs awarded during the nine months ended September 30, 2014 is from January 1, 2014 to December 31, 2016 and the performance metric is adjusted earnings per share and market-based conditions. Subject to satisfaction of the performance criteria, the majority of the 2014 awards will vest on December 31, 2016.

The fair values of the 2015 and 2014 awards were estimated using Monte-Carlo simulation with the following weighted-average assumptions:

| | For the Nine Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2015 | | 2014 | |
| Expected dividend yield | — | % | — | % |
| Risk-free interest rate (1) | 0.93 | % | 0.74 | % |
| Expected volatility (2) | 24.01 | % | 27.88 | % |
| Average total stockholder return (2) | 8.37 | % | (0.90 | )% |

(1) The risk-free interest rate for the periods within the contractual term of the PBRSUs is based on the U.S. Treasury yield curve in effect at the time of the grant.

(2) The expected volatility and average total stockholder return 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.

PBRSU activity for the nine months ended September 30, 2015 is as follows:

| (in thousands, except weighted-average fair value prices) | Number of Shares | | Weighted-Average Grant-Date Fair Value |
|---|---|---|---|
| Unvested PBRSUs outstanding at December 31, 2014 | 903 | | $ 22.19 |
| PBRSUs granted | 223 | | $ 34.01 |
| PBRSUs vested | (415 | ) | $ 16.51 |
| PBRSUs forfeited | (49 | ) | $ 30.83 |
| Unvested PBRSUs outstanding at September 30, 2015 | 662 | | $ 29.21 |

As of September 30, 2015, there was $11.2 million of total unrecognized compensation cost related to unvested PBRSUs that is expected to be recognized over a weighted-average period of 2.1 years. The fair value of PBRSUs is based on the market value of our common stock on the date of grant.

18

Stock Options

In 2014, we issued stock options as incentive compensation for certain employees. The exercise price of each stock option is the closing market price of our common stock on the date of grant. The options vest in three equal annual installments on the first, second and third anniversaries of the grant date 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, 2014 | |
|---|---|---|
| Expected dividend yield | — | % |
| Risk-free interest rate (1) | 1.74 | % |
| Expected volatility (2) | 37.92 | % |
| Expected life (3) | 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.

For the nine months ended September 30, 2014, we awarded 290,737 options, with an estimated fair value of $9.1 million. There were no options awarded for the nine months ended September 30, 2015. Option activity for the nine months ended September 30, 2015 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, 2014 | 2,562 | $ 22.32 | | |
| Options exercised | (676) | $ 24.56 | | |
| Options canceled | (28) | $ 29.27 | | |
| Options outstanding at September 30, 2015 | 1,858 | $ 21.40 | 5.3 | $29,409 |
| Options vested and expected to vest at September 30, 2015 | 1,849 | $ 21.36 | 5.3 | $29,348 |
| Options exercisable at September 30, 2015 | 1,604 | $ 20.14 | 4.9 | $27,419 |

As of September 30, 2015, there was $1.7 million of total unrecognized compensation cost related to unvested stock options that is expected to be recognized over a weighted-average period of 1.2 years.

The intrinsic value of options exercised was $8.8 million and $1.7 million for the nine months ended September 30, 2015 and 2014, respectively. This intrinsic value represents the difference between the fair market value of our common stock on the date of exercise and the exercise price of each option.

Employee Stock Purchase Plan

The employee stock purchase plan allows eligible employees to purchase our common stock at 85.0% of the lesser of the closing price on the first day or the last day of each quarter. Our 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. We recognized an expense for the amount equal to the estimated fair value of the discount during each offering period.

The following table sets forth the stock-based compensation expense recognized for the three and nine months ended September 30, 2015 and 2014.

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|---|---|---|
| (in thousands) | 2015 | 2014 | 2015 | 2014 |
| RSUs | $5,699 | $4,316 | $18,532 | $14,746 |
| PBRSUs | 1,433 | 1,227 | 5,485 | 3,973 |
| Stock options | 443 | 778 | 1,480 | 2,999 |
| Employee stock purchase plan | 305 | 151 | 922 | 563 |
| | $7,880 | $6,472 | $26,419 | $22,281 |

The above includes $1.3 million and $0.4 million of stock-based compensation expense within cost of services in the accompanying condensed consolidated statements of operations for the three months ended September 30, 2015 and 2014, respectively, and $2.7 million and $1.4 million for the nine months ended September 30, 2015 and 2014, respectively. It also includes $0.1 million and $0.2 million for the three and nine months ended September 30, 2014, respectively, of stock-based compensation expense reported within loss from discontinued operations in the accompanying condensed consolidated statements of operations.

Note 11 – 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, 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. The ability to predict the ultimate outcome of such matters involves judgments, estimates and inherent uncertainties. The actual outcome of such matters could differ materially from management’s estimates. We record expenses for legal fees as incurred.

Real Estate Settlement Procedures Act 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. Following discovery, on July 1, 2014, the defendant filed motions for summary judgment and to decertify the class. On September 16, 2014, the trial court granted summary judgment against one named plaintiff but denied it as to the other, denied the motion to decertify the class, and bifurcated trial into two phases. The parties thereafter conducted a court-ordered mediation and subsequently reached an agreement in principle to settle the case for a total of $9.9 million, inclusive of attorney fees and subject to court approval. We previously recorded an accrual for this amount within loss from discontinued operations, net of tax.

On December 12, 2014, the court preliminarily approved the settlement. Notice to the class was subsequently made and, after a final fairness hearing on April 24, 2015, the court entered final judgment on April 27, 2015 approving the settlement and dismissing the case with prejudice.

Separation

Following the Separation, we are responsible for a portion of FAFC's contingent and other corporate liabilities. In the Separation and Distribution Agreement we entered into in connection with the Separation, 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. At September 30, 2015, 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 our predecessor, The First American Corporation's ("FAC") 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 12 – Acquisitions

In September 2015, we completed the acquisition of LandSafe for $122.0 million, subject to working capital adjustments, which is included as a component of our D&A reporting segment. The acquisition builds on our longstanding strategic relationship with a key client and continues to expand our property valuation capabilities. 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. The purchase price allocation is subject to change based on our final determination of fair value in connection with intangible assets and working capital matters. We preliminarily recorded customer lists of $53.4 million with an estimated average life of 10 years, other intangibles of $4.3 million with an estimated useful life of 10 years and goodwill of $64.6 million, which is fully deductible for tax purposes. The business combination did not have a material impact on our consolidated financial statements.

In March 2014, we completed the acquisition of Marshall & Swift/Boeckh ("MSB") and DataQuick Information Systems ("DataQuick"). In addition, we acquired the assets of the credit, flood services and automated valuation model operations of DataQuick Lending Solutions and certain intellectual property assets of Decision Insight Information Group S.à r.l. The total consideration paid in connection with the MSB/DataQuick acquisition was approximately $652.5 million in cash, which was primarily funded through borrowings under our Credit Agreement. The acquisition of MSB/DataQuick significantly expanded our footprint in property and casualty insurance and added scale to our existing property data and analytics business, which was a contributing factor to the recording of goodwill. The operations of MSB and DataQuick's data licensing and analytics units are reported within our D&A segment and DataQuick's flood zone determination and credit servicing operations are reported within our Technology and Processing Solutions ("TPS") segment. 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 unobservable inputs. Any excess of the purchase price over the fair value of identified assets acquired and liabilities assumed was recognized as goodwill. The allocation of the purchase price is as follows:

| (in thousands) | |
|---|---|
| Cash and cash equivalents | $36 |
| Accounts receivable | 9,227 |
| Prepaid expenses and other current assets | 2,190 |
| Deferred income tax assets, current | 6,658 |
| Property and equipment | 177,311 |
| Goodwill (1) | 307,773 |
| Other intangible assets | 129,400 |
| Deferred income tax, net of current | 29,760 |
| Investment in affiliates | 18,300 |
| Total assets acquired | $680,655 |
| Accounts payable and accrued expenses | 3,911 |
| Income taxes payable | 31 |
| Deferred revenue, current | 22,371 |
| Deferred revenue, net of current | 1,823 |
| Net assets acquired | $652,519 |

(1) Goodwill of $307.8 million includes $167.8 million of deductible basis for tax purposes.

We reported revenues of approximately $46.3 million from MSB/DataQuick from the acquisition date of March 25, 2014 through September 30, 2014.

Note 13 – Redeemable Noncontrolling Interest

Noncontrolling interests that are redeemable at the option of the holder are classified as redeemable noncontrolling interests in the mezzanine section of our condensed consolidated balance sheet between liabilities and stockholders' equity. Redeemable noncontrolling interests are reported at their estimated redemption value in each reporting period, but contractually not less than their initial fair value. Any adjustments to the redemption value impacts retained earnings.

In September 2013, we acquired an additional 10% interest in New Zealand based Property IQ Ltd. ("PIQ") for NZD$3.3 million, or $2.6 million, resulting in a 60.0% controlling interest. In connection with the acquisition, the other holder has the right to sell its remaining noncontrolling shares in PIQ to us (the "put") and we have the right to purchase the remaining noncontrolling interest in PIQ at fair value (the "call"). As the call and put do not represent separate assets or liabilities and the exercise of the put is outside of our control, the noncontrolling interest of NZD$13.2 million, or $10.2 million, was recorded on the date of acquisition as redeemable noncontrolling interest in the accompanying condensed consolidated balance sheet. We recognized $0.4 million for both the three months ended September 30, 2015 and 2014, and $0.8 million and $0.9 million for the nine months ended September 30, 2015 and 2014, respectively, of net income in connection with the redeemable noncontrolling interest. As of September 30, 2015, we recorded accumulated adjustments to redeemable noncontrolling interest and retained earnings to increase the estimated redemption value by $7.2 million.

Note 14 – Discontinued Operations

On September 30, 2014, we completed the sale of our collateral solutions and field services businesses, which were included in our previous Asset Management and Processing Solutions ("AMPS") segment, for total consideration of $29.1 million, subject to working capital adjustments.

22

Summarized below are certain assets and liabilities classified as discontinued operations as of September 30, 2015 and December 31, 2014:

| (in thousands) | D&A | | TPS | | |
|---|---|---|---|---|---|
| As of September 30, 2015 | Marketing | Consumer | Appraisal | AMPS | Total |
| Deferred income tax asset and other assets | $177 | $149 | $34 | $667 | $1,027 |
| Accounts payable, accrued expenses and other liabilities | $381 | $88 | $319 | $2,003 | $2,791 |
| As of December 31, 2014 | | | | | |
| Deferred income tax asset and other assets | $177 | $149 | $3,808 | $133 | $4,267 |
| Accounts payable, accrued expenses and other liabilities | $194 | $88 | $10,941 | $2,481 | $13,704 |

Summarized below are the components of our loss from discontinued operations for the three and nine months ended September 30, 2015 and 2014:

| (in thousands) | D&A | | TPS | | |
|---|---|---|---|---|---|
| For the Three Months Ended September 30, 2015 | Marketing | Consumer | Appraisal | AMPS | Total |
| Operating revenue | $— | $— | $— | $— | $— |
| Loss from discontinued operations before income taxes | (145) | — | (4) | (40) | (189) |
| Income tax benefit | (55) | — | 57 | (74) | (72) |
| (Loss)/income from discontinued operations, net of tax | $(90) | $— | $(61) | $34 | $(117) |
| For the Three Months Ended September 30, 2014 | | | | | |
| Operating revenue | $— | $— | $— | $34,358 | $34,358 |
| (Loss)/income from discontinued operations before income taxes | (25) | — | (11,644) | 3,864 | (7,805) |
| Income tax benefit | (10) | — | (681) | (2,258) | (2,949) |
| (Loss)/income from discontinued operations, net of tax | $(15) | $— | $(10,963) | $6,122 | $(4,856) |

| For the Nine Months Ended September 30, 2015 | D&A Marketing | Consumer | TPS Appraisal | AMPS | Total |
|---|---|---|---|---|---|
| Operating revenue | $— | $— | $— | $2 | $2 |
| Loss from discontinued operations before income taxes | (522) | — | (17) | (182) | (721) |
| Income tax benefit | (155) | — | (4) | (117) | (276) |
| (Loss)/income from discontinued operations, net of tax | $(367) | $— | $(13) | $(65) | $(445) |
| | | | | | |
| For the Nine Months Ended September 30, 2014 | | | | | |
| Operating revenue | $— | $— | $— | $93,756 | $93,756 |
| (Loss)/income from discontinued operations before income taxes | (915) | — | (29,585) | 8,192 | (22,308) |
| Income tax (benefit)/provision | (350) | — | (7,544) | 805 | (7,089) |
| (Loss)/income from discontinued operations, net of tax | $(565) | $— | $(22,041) | $7,387 | $(15,219) |

Note 15 – Segment Information

We have organized our reportable segments into two segments: D&A and TPS. We also separately report on our corporate and eliminations group.

Data & Analytics. Our D&A segment owns or licenses data assets including loan information, property sales and characteristic information, property risk and replacement cost, information on mortgage-backed securities, criminal and eviction records and employment verification information. We both license our data directly to our clients and provide our clients with analytical products and workflow solutions for risk management, multiple listing services ("MLS"), insurance underwriting, collateral assessment, loan quality reviews and fraud assessment. We are also a provider of geospatial proprietary software and databases combining geographic mapping and our data assets. Our primary clients are commercial banks, mortgage lenders and brokers, investment banks, fixed-income investors, real estate agents, MLS companies, property and casualty insurance companies, title insurance companies and government agencies and sponsored enterprises.

Our D&A segment includes intercompany revenues of $1.2 million and $1.1 million for the three months ended September 30, 2015 and 2014, respectively, and $3.8 million and $3.2 million for the nine months ended September 30, 2015 and 2014, respectively. The segment also includes intercompany expenses of $1.3 million and $1.4 million for the three months ended September 30, 2015 and 2014, respectively, and $3.9 million and $4.4 million for the nine months ended September 30, 2015 and 2014, respectively.

Technology and Processing Solutions. Our TPS segment provides property tax monitoring, flood zone certification and monitoring, credit services, mortgage loan administration and production services, lending solutions, mortgage-related business process outsourcing, technology solutions and compliance-related services. The segment's primary clients are large, national mortgage lenders and servicers, but we also serve regional mortgage lenders and brokers, credit unions, commercial banks, government agencies and casualty insurance companies.

Our TPS segment includes intercompany revenues of $1.2 million and $1.3 million for the three months ended September 30, 2015 and 2014, respectively, and $3.6 million and $4.4 million for the nine months ended

September 30, 2015 and 2014, respectively. The segment also includes intercompany expenses of $1.1 million for each of the three months ended September 30, 2015 and 2014, and $3.5 million and $3.2 million for the nine months ended September 30, 2015 and 2014, respectively.

Corporate consists primarily of corporate personnel and other expenses associated with our corporate functions and facilities, investment gains and losses, equity in earnings of affiliates, net of tax, and interest expense.

It is impracticable to disclose revenues from external clients for each product and service offered.

Selected financial information by reportable segment is as follows:

(in thousands)

| For the Three Months Ended September 30, 2015 | Operating Revenues | Depreciation and Amortization | Operating Income/(Loss) | Equity in Earnings/(Loss) of Affiliates, Net of Tax | Net Income/(Loss) From Continuing Operations | Capital Expenditures |
|---|---|---|---|---|---|---|
| D&A | $170,509 | $24,552 | $27,196 | $ (96) | $ 27,075 | $12,121 |
| TPS | 218,349 | 8,025 | 56,459 | 5,859 | 62,238 | 1,537 |
| Corporate | — | 3,863 | (17,735) | (2,266) | (60,671) | 3,854 |
| Eliminations | (2,419) | — | — | — | — | — |
| Consolidated (excluding discontinued operations) | $386,439 | $36,440 | $65,920 | $ 3,497 | $ 28,642 | $17,512 |
| For the Three Months Ended September 30, 2014 | | | | | | |
| D&A | $173,554 | $26,250 | $32,387 | $ 230 | $ 33,251 | $14,367 |
| TPS | 196,282 | 6,571 | 44,608 | 6,312 | 50,846 | 1,855 |
| Corporate | 94 | 2,944 | 760 | (2,510) | (33,974) | 3,278 |
| Eliminations | (2,476) | — | — | — | — | — |
| Consolidated (excluding discontinued operations) | $367,454 | $35,765 | $77,755 | $ 4,032 | $ 50,123 | $19,500 |
| For the Nine Months Ended September 30, 2015 | | | | | | |
| D&A | $510,644 | $75,978 | $78,479 | $ (1,000) | $ 77,320 | $41,492 |
| TPS | 633,962 | 21,342 | 157,746 | 20,589 | 178,096 | 4,236 |
| Corporate | 37 | 12,311 | (60,332) | (7,658) | (164,010) | 11,987 |
| Eliminations | (7,419) | — | — | — | — | — |
| Consolidated (excluding discontinued operations) | $1,137,224 | $109,631 | $175,893 | $ 11,931 | $ 91,406 | $57,715 |
| For the Nine Months Ended September 30, 2014 | | | | | | |
| D&A | $483,182 | $72,155 | $76,343 | $ 15 | $ 76,990 | $42,014 |
| TPS | 583,921 | 19,665 | 102,588 | 16,700 | 125,019 | 6,687 |
| Corporate | 20 | 8,816 | (45,331) | (6,426) | (127,829) | 13,628 |
| Eliminations | (7,595) | — | — | — | — | — |
| Consolidated (excluding discontinued operations) | $1,059,528 | $100,636 | $133,600 | $ 10,289 | $ 74,180 | $62,329 |

| (in thousands) | As of | As of |
|---|---|---|
| Assets | September 30, 2015 | December 31, 2014 |
| D&A | $1,986,847 | $1,886,478 |
| TPS | 1,293,911 | 1,297,903 |
| Corporate | 5,211,079 | 5,102,328 |
| Eliminations | (4,890,294) | (4,774,614) |
| Consolidated (excluding assets of discontinued operations) | $3,601,543 | $3,512,095 |

Note 16 - Guarantor Subsidiaries

As discussed in Note 6 - 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 indenture governing the Notes provides that the guarantees may be automatically and unconditionally released upon the following circumstances: 1) the guarantor is sold or sells all of its assets in compliance with the terms of the indenture; 2) the guarantor is released from its guarantee obligations under the Credit Agreement; 3) the guarantor is properly designated as an “unrestricted subsidiary;” or 4) the requirements for legal or covenant defeasance or satisfaction and discharge have been satisfied.

The maximum potential amounts that could be required to be paid under the guarantees are essentially equal to the outstanding principal and interest under the Notes. The following condensed consolidating financial information reflects the separate accounts of CoreLogic, Inc. (the "Parent"), 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, 2015 | | | | |
|---|---|---|---|---|---|
| | Parent | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Consolidating/Eliminating Adjustments | Total |
| Assets: | | | | | |
| Cash and cash equivalents | $75,319 | $6,194 | $78,744 | $ — | $160,257 |
| Accounts receivable | — | 217,698 | 22,240 | — | 239,938 |
| Other current assets | 50,670 | 113,512 | 4,588 | (3,333) | 165,437 |
| Property and equipment, net | 16,027 | 303,376 | 21,590 | — | 340,993 |
| Goodwill, net | — | 1,676,954 | 144,868 | — | 1,821,822 |
| Other intangible assets, net | 248 | 275,531 | 26,411 | — | 302,190 |
| Capitalized data and database cost, net | — | 257,923 | 66,945 | — | 324,868 |
| Investments in affiliates, net | — | 99,178 | 1,378 | — | 100,556 |
| Deferred income tax assets, long-term | 49,365 | — | — | (49,365) | — |
| Restricted cash | 9,776 | — | 1,088 | — | 10,864 |
| Investment in subsidiaries | 2,462,393 | — | — | (2,462,393) | — |
| Intercompany receivable | 124,791 | 283,538 | — | (408,329) | — |
| Other assets | 103,809 | 30,300 | 1,536 | — | 135,645 |
| Total assets | $2,892,398 | $3,264,204 | $369,388 | $ (2,923,420) | $3,602,570 |
| | | | | | |
| Liabilities and equity: | | | | | |
| Current liabilities | $136,152 | $410,289 | $39,221 | $ (3,333) | $582,329 |
| Long-term debt, net of current | 1,349,520 | 1,378 | — | — | 1,350,898 |
| Deferred revenue, net of current | — | 436,399 | 174 | — | 436,573 |
| Deferred income taxes, long term | — | 95,381 | 14,487 | (49,365) | 60,503 |
| Intercompany payable | 283,539 | 22,325 | 102,465 | (408,329) | — |
| Other liabilities | 133,676 | 28,139 | 1,450 | — | 163,265 |
| Redeemable noncontrolling interest | — | — | 19,491 | — | 19,491 |
| Total CoreLogic stockholders' equity | 989,511 | 2,270,293 | 192,100 | (2,462,393) | 989,511 |
| Total liabilities and equity | $2,892,398 | $3,264,204 | $369,388 | $ (2,923,420) | $3,602,570 |

Condensed Balance Sheet
As of December 31, 2014

| | Parent | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Consolidating/Eliminating Adjustments | Total |
|---|---|---|---|---|---|
| Assets: | | | | | |
| Cash and cash equivalents | $61,602 | $8,733 | $34,342 | $ — | $104,677 |
| Accounts receivable | — | 189,138 | 25,206 | — | 214,344 |
| Other current assets | 55,867 | 120,531 | 5,206 | — | 181,604 |
| Property and equipment, net | 17,261 | 325,638 | 25,715 | — | 368,614 |
| Goodwill, net | — | 1,612,388 | 168,370 | — | 1,780,758 |
| Other intangible assets, net | 290 | 242,170 | 35,810 | — | 278,270 |
| Capitalized data and database cost, net | — | 254,236 | 79,029 | — | 333,265 |
| Investments in affiliates, net | — | 103,598 | — | — | 103,598 |
| Deferred income tax assets, long-term | 49,365 | — | — | (49,365) | — |
| Restricted cash | 11,035 | — | 1,325 | — | 12,360 |
| Investment in subsidiaries | 2,350,467 | — | — | (2,350,467) | — |
| Intercompany receivable | 89,780 | 158,939 | — | (248,719) | — |
| Other assets | 105,262 | 31,925 | 1,685 | — | 138,872 |
| Total assets | $2,740,929 | $3,047,296 | $376,688 | $ (2,648,551) | $3,516,362 |
| Liabilities and equity: | | | | | |
| Current liabilities | $123,196 | $389,170 | $38,224 | $ — | $550,590 |
| Long-term debt, net of current | 1,313,270 | 5,941 | — | — | 1,319,211 |
| Deferred revenue, net of current | — | 389,302 | 6 | — | 389,308 |
| Deferred income taxes, long term | — | 91,197 | 22,147 | (49,365) | 63,979 |
| Intercompany payable | 158,939 | 22,325 | 67,455 | (248,719) | — |
| Other liabilities | 131,357 | 27,930 | 1,797 | — | 161,084 |
| Redeemable noncontrolling interest | — | — | 18,023 | — | 18,023 |
| Total CoreLogic stockholders' equity | 1,014,167 | 2,121,431 | 229,036 | (2,350,467) | 1,014,167 |
| Total liabilities and equity | $2,740,929 | $3,047,296 | $376,688 | $ (2,648,551) | $3,516,362 |

Condensed Statement of Operations
For the Three Months Ended September 30, 2015

| | Parent | Guarantor Subsidiaries | Non-Guarantor Subsidiaries | Consolidating/Eliminating Adjustments | Total |
|---|---|---|---|---|---|
| Operating revenues | $— | $355,304 | $31,135 | $ — | $386,439 |
| Intercompany revenues | — | — | 158 | (158) | — |
| Cost of services (exclusive of depreciation and amortization below) | — | 180,987 | 11,855 | (4) | 192,838 |
| Selling, general and administrative expenses | 18,738 | 66,753 | 5,904 | (154) | 91,241 |
| Depreciation and amortization | 1,326 | 29,652 | 5,462 | — | 36,440 |
| Operating (loss)/income | (20,064) | 77,912 | 8,072 | — | 65,920 |
| Total interest expense, net | (15,748) | (313) | (501) | — | (16,562) |
| Loss on investments and other, net | (2,448) | — | — | — | (2,448) |
| (Benefit)/provision for income taxes | (14,206) | 32,910 | 3,061 | — | 21,765 |
| Equity in earnings/(loss) of affiliates, net of tax | — | 3,712 | (215) | — | 3,497 |
| Equity in earnings of subsidiary, net of tax | 52,222 | — | — | (52,222) | — |
| Net income from continuing operations, net of tax | 28,168 | 48,401 | 4,295 | (52,222) | 28,642 |
| Loss from discontinued operations, net of tax | — | (117) | — | — | (117) |
| Net income | | | | | |