CORELOGIC, INC.
Form 10-Q
October 25, 2013

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, 2013

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

(949) 214-1000
(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 21, 2013 there were 93,719,906 shares of common stock outstanding.

CoreLogic, Inc.
INFORMATION INCLUDED IN REPORT

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

(in thousands, except par value)	September 30, 2013	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	$135,557	$148,858
Marketable securities	21,885	22,168
Accounts receivable (less allowance for doubtful accounts of $15,141 and $21,643 as of September 30, 2013 and December 31, 2012, respectively)	270,000	255,148
Prepaid expenses and other current assets	53,022	50,036
Income tax receivable	—	14,084
Deferred income tax assets, current	99,577	98,836
Assets of discontinued operations	791	794
Total current assets	580,832	589,924
Property and equipment, net	193,975	186,617
Goodwill, net	1,534,966	1,504,232
Other intangible assets, net	183,979	171,584
Capitalized data and database costs, net	327,843	322,289
Investment in affiliates, net	96,764	94,227
Restricted cash	16,390	22,117
Other assets	149,949	138,837
Total assets	$3,084,698	$3,029,827
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	$183,203	$157,190
Accrued salaries and benefits	87,273	114,165
Income taxes payable	20,796	—
Deferred revenue, current	219,464	242,282
Current portion of long-term debt	6,095	102
Liabilities of discontinued operations	4,148	3,352
Total current liabilities	520,979	517,091
Long-term debt, net of current	783,280	792,324
Deferred revenue, net of current	376,255	309,418
Deferred income tax liabilities, long term	83,928	71,361
Other liabilities	158,300	168,687
Total liabilities	1,922,742	1,858,881
Redeemable noncontrolling interests	10,987	—
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; 93,717 and 97,698 shares issued and outstanding as of September 30, 2013 and December 31, 2012, respectively	1	1

Additional paid-in capital	758,734	866,720
Retained earnings	438,875	318,094
Accumulated other comprehensive loss	(46,641)	(15,514)
Total CoreLogic stockholders' equity	1,150,969	1,169,301
Noncontrolling interests	—	1,645
Total equity	1,150,969	1,170,946
Total liabilities and equity	$3,084,698	$3,029,827

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

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(in thousands, except per share amounts)	2013	2012	2013	2012
Operating revenues	$405,542	$409,760	$1,229,683	$1,157,222
Cost of services (excluding depreciation and amortization shown below)	213,789	213,008	651,150	616,397
Selling, general and administrative expenses	90,042	102,333	283,523	273,220
Depreciation and amortization	29,695	33,037	99,333	93,434
Total operating expenses	333,526	348,378	1,034,006	983,051
Operating income	72,016	61,382	195,677	174,171
Interest expense:				
Interest income	1,040	800	2,495	2,262
Interest expense	12,552	13,525	37,365	42,463
Total interest expense, net	(11,512)	(12,725)	(34,870)	(40,201)
Gain/(loss) on investments and other, net	7,627	(4,254)	10,825	(3,865)
Income from continuing operations before equity in earnings of affiliates and income taxes	68,131	44,403	171,632	130,105
Provision for income taxes	23,848	16,406	66,423	53,222
Income from continuing operations before equity in earnings of affiliates	44,283	27,997	105,209	76,883
Equity in earnings of affiliates, net of tax	5,716	8,166	23,848	29,381
Net income from continuing operations	49,999	36,163	129,057	106,264
Loss from discontinued operations, net of tax	(1,240)	(10,157)	(3,205)	(18,142)
(Loss)/gain from sale of discontinued operations, net of tax	(5,052)	12,264	(5,052)	9,277
Net income	43,707	38,270	120,800	97,399
Less: Net income/(loss) attributable to noncontrolling interests	45	(50)	19	(209)
Net income attributable to CoreLogic	$43,662	$38,320	$120,781	$97,608
Amounts attributable to CoreLogic stockholders:				
Net income from continuing operations	$49,954	$36,213	$129,038	$106,473
Loss from discontinued operations, net of tax	(1,240)	(10,157)	(3,205)	(18,142)
(Loss)/gain from sale of discontinued operations, net of tax	(5,052)	12,264	(5,052)	9,277
Net income attributable to CoreLogic	$43,662	$38,320	$120,781	$97,608
Basic income/(loss) per share:				
Net income from continuing operations	$0.53	$0.36	$1.35	$1.02
Loss from discontinued operations, net of tax	(0.01)	(0.10)	(0.03)	(0.17)
(Loss)/gain from sale of discontinued operations, net of tax	(0.05)	0.12	(0.05)	0.09
Net income attributable to CoreLogic	$0.47	$0.38	$1.27	$0.94
Diluted income/(loss) per share:				
Net income from continuing operations	$0.52	$0.35	$1.32	$1.01
Loss from discontinued operations, net of tax	(0.01)	(0.10)	(0.03)	(0.17)
(Loss)/gain from sale of discontinued operations, net of tax	(0.05)	0.12	(0.05)	0.09

Net income attributable to CoreLogic	$0.46	$0.37	$1.24	$0.93
Weighted-average common shares outstanding:				
Basic	94,773	101,650	95,802	104,713
Diluted	96,793	103,113	97,672	105,686

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)	2013	2012	2013	2012
Net income	$43,707	$38,270	$120,800	$97,399
Other comprehensive (loss)/income:				
Unrealized (loss)/gain on marketable securities, net of tax	(336)	(419)	(175)	680
Unrealized gain/(loss) on interest rate swap, net of tax	9	(492)	1,257	(1,257)
Foreign currency translation adjustments gain/(loss)	7,644	5,163	(32,289)	6,178
Supplemental benefit plans gain adjustment, net of tax	28	12	80	36
Total other comprehensive income/(loss)	7,345	4,264	(31,127)	5,637
Comprehensive income	51,052	42,534	89,673	103,036
Less: Comprehensive income/(loss) attributable to the noncontrolling interests	45	(50)	19	(209)
Comprehensive income attributable to CoreLogic	$51,007	$42,584	$89,654	$103,245

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

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

	For the Nine Months Ended September 30,	
(in thousands)	2013	2012
Cash flows from operating activities:		
Net income	$120,800	$97,399
Less: Loss from discontinued operations, net of tax	(3,205)	(18,142)
Less: (Loss)/gain from sale of discontinued operations, net of tax	(5,052)	9,277
Net income from continuing operations	129,057	106,264
Adjustments to reconcile net income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	99,333	93,434
Provision for bad debt and claim losses	9,582	16,447
Share-based compensation	20,810	16,211
Excess tax benefit related to stock options	(2,895)	(643)
Equity in earnings of affiliates, net of taxes	(23,848)	(29,381)
Loss on sale of property and equipment	—	933
Loss on early extinguishment of debt	—	326
Deferred income tax	3,875	5,538
(Gain)/loss on investments and other, net	(10,825)	3,865
Change in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(9,158)	(46,358)
Prepaid expenses and other current assets	(2,687)	(326)
Accounts payable and accrued expenses	(11,187)	31,725
Deferred revenue	43,610	(3,667)
Income taxes	13,853	24,683
Dividends received from investments in affiliates	30,062	46,265
Other assets and other liabilities	(24,466)	(6,527)
Net cash provided by operating activities - continuing operations	265,116	258,789
Net cash (used in)/provided by operating activities - discontinued operations	(2,408)	9,684
Total cash provided by operating activities	$262,708	$268,473
Cash flows from investing activities:		
Purchases of capitalized data and other intangible assets	(28,795)	(24,054)
Purchases of property and equipment	(51,956)	(38,753)
Cash paid for acquisitions, net of cash acquired	(70,904)	111
Purchases of investments	(2,351)	—
Cash received from sale of subsidiary, net, including discontinued operations	800	10,000
Proceeds from sale of property and equipment	—	1,852
Proceeds from sale of investments	—	8,000
Change in restricted cash	5,728	122
Net cash used in investing activities - continuing operations	(147,478)	(42,722)
Net cash provided by/(used in) investing activities - discontinued operations	2,152	(1,512)
Total cash used in investing activities	$(145,326)	$(44,234)
Cash flows from financing activities:		
Proceeds from long-term debt	1,075	—
Repayment of long-term debt	(4,516)	(114,365)
Proceeds from issuance of stock related to stock options and employee benefit plans	11,662	9,624

Minimum tax withholding paid on behalf of employees for restricted stock units	(6,893)	(3,015)
Shares repurchased and retired	(133,565)	(226,629)
Distribution to noncontrolling interests	—	(10)
Excess tax benefit related to stock options	2,895	643
Net cash used in financing activities - continuing operations	(129,342)	(333,752)
Net cash provided by financing activities - discontinued operations	—	3
Total cash used in financing activities	$(129,342)	$(333,749)
Effect of exchange rate on cash	(1,341)	—
Net decrease in cash and cash equivalents	(13,301)	(109,510)
Cash and cash equivalents at beginning of period	148,858	259,266
Less: Change in cash and cash equivalents - discontinued operations	(256)	8,175
Plus: Cash swept (to)/from discontinued operations	(256)	12,971
Cash and cash equivalents at end of period	$135,557	$154,552
Supplemental disclosures of cash flow information:		
Cash paid for interest	$26,557	$31,853
Cash paid for income taxes	$62,188	$39,029
Cash refunds from income taxes	$13,830	$15,639

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	Noncontrolling Interests (1)	Total
Balance as of December 31, 2012	97,698	$1	$866,720	$318,094	$ (15,514)	$ 1,645	$1,170,946
Net income	—	—	—	120,781	—	(26)	120,755
Shares issued in connection with share-based compensation	1,019	—	11,662	—	—	—	11,662
Tax withholdings related to net share settlements of restricted stock units	—	—	(6,893)	—	—	—	(6,893)
Share-based compensation	—	—	20,810	—	—	—	20,810
Shares repurchased and retired	(5,000)	—	(133,565)	—	—	—	(133,565)
Purchase of subsidiary shares from noncontrolling interests	—	—	—	—	—	—	—
Sale of subsidiary shares to noncontrolling interests	—	—	—	—	—	(1,619)	(1,619)
Other comprehensive loss	—	—	—	—	(31,127)	—	(31,127)
Balance as of September 30, 2013	93,717	$1	$758,734	$438,875	$ (46,641)	$ —	$1,150,969

(1) Excludes amounts related to redeemable noncontrolling interests included in the mezzanine section of our consolidated balance sheets.

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 property information, analytics and services provider in the United States and Australia. The markets we serve include real estate and mortgage finance, insurance, capital markets, transportation and government. Our clients rely on our data and predictive decision analytics to help identify and manage growth opportunities, improve performance and mitigate risk. We are also a party to several joint ventures that provide products used in connection with loan originations, including title insurance, appraisal services and other settlement services. These joint ventures are reflected as investments in affiliates on our consolidated balance sheets and our share of the income is reflected as equity in earnings of affiliates in our consolidated statements of income.

Our condensed consolidated financial information included in this report has been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) including the instructions to Form 10-Q and Article 10 of SEC Regulation S-X. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the condensed consolidated financial statements and accompanying notes. Actual amounts may differ from these estimated amounts. Certain information and disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. The 2012 year-end condensed consolidated balance sheet was derived from audited financial statements. The principles for interim financial information do not require the inclusion of all the information and footnotes required by GAAP for complete financial statements. Therefore, these financial statements should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2012, as amended.

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

Customer Concentration

Wells Fargo, N.A. accounted for operating revenues of 9.9% and 15.3% for the three months ended September 30, 2013 and 2012, respectively, and 10.7% and 11.6% for the nine months ended September 30, 2013 and 2012, respectively. No other customer accounted for 10% or more of our operating revenues.

Revisions

The consolidated income statements for the three and nine months ended September 30, 2012 included within Note 18 - Guarantor Subsidiaries have been revised to correct the presentation of intercompany revenues and expenses and noncontrolling interests. See further discussion in Note 18 - Guarantor Subsidiaries. We assessed the materiality of these revisions on our prior period financial statements in accordance with the SEC's Staff Accounting Bulletin ("SAB") No. 99 and SAB No. 108, and concluded they were not material to the results of operations, cash flows or financial condition for the current and prior annual or interim period.

Escrow Administration Arrangements

We administer escrow deposits as a service to our customers in connection with our tax services business. These deposits are maintained in segregated accounts for the benefit of our customers. Escrow deposits totaled $946.7

million as of September 30, 2013 and $228.9 million as of December 31, 2012. Because these deposits are held on behalf of our customers, they are not our funds and, therefore, are not included in the accompanying consolidated balance sheets.

Escrow deposits are generally held by the Company for a period of two to five business days and we typically either receive earnings credits or earn interest income from these funds through a highly-rated, liquid investment, such as bank deposit products. We bear the risk of any losses on any such investment. However, we have not historically incurred any investment losses and do not anticipate incurring any future investment losses. As a result, we do not maintain any reserves for losses in value of these investments.

Recent Accounting Pronouncements

In July 2013, the Financial Accounting Standards Board ("FASB") issued updated guidance on the financial statement presentation of an unrecognized tax benefit when a net operating loss ("NOL"), a similar tax loss, or a tax credit carryforward exists. An unrecognized tax benefit, or a portion of unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset ("DTA") for a NOL carryforward, a similar tax loss, or a tax credit carryforward. However, to the extent a NOL carryforward, similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction and the entity does not intend to use the DTA for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability. The updated guidance is effective for fiscal years and interim periods within those years beginning after December 15, 2013. Management does not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In July 2013, the FASB issued updated guidance permitting the use of the Overnight Index Swap Rate ("OIS"), to be used as a U.S. benchmark interest rate for hedge accounting in addition to the current interest rates allowed to be used. The updated guidance is effective for qualifying new or redesignated hedging relationships entered into on or after July 17, 2013. Management does not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In March 2013, the FASB issued updated guidance related to release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business (other than a sale of in substance real estate or conveyance of oil and gas mineral rights) within a foreign entity. This update clarifies that the release of cumulative translation adjustments into net income is required for both an entity ceasing to have a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business (other than a sale of in substance real estate or conveyance of oil and gas mineral rights) within a foreign entity and when there is a loss of a controlling financial interest in a foreign entity or a step acquisition involving an equity method investment that is a foreign entity. The updated guidance is effective for annual and interim periods beginning after December 15, 2013. Management does not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In December 2011 and January 2013, the FASB issued updated guidance related to the presentation of offsetting (netting) assets and liabilities in the financial statements. The guidance requires the disclosure of both gross information and net information on instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement similar to a master netting arrangement. This scope would include derivatives, sale and repurchase agreements and reverse sale and repurchase agreements, and securities borrowing and securities lending arrangements. The updated guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. Adoption of this guidance did not have a material impact on our consolidated financial statements.

Note 2 – Investment in Affiliates, net

Investments in affiliates are accounted for under the equity method of accounting as we are deemed to have significant influence over the affiliate but do not control or have a majority voting interest in the affiliate. Investments are carried at the cost of acquisition, including subsequent capital contributions and loans from us, plus our equity in undistributed earnings or losses since inception of the investment. We recorded equity in earnings of affiliates, net of tax of $5.7 million and $8.2 million for the three months ended September 30, 2013 and 2012, respectively, and $23.8 million and $29.4 million for the nine months ended September 30, 2013 and 2012, respectively. Income tax expense of $3.5 million and $5.2 million was recorded on these earnings for the three months ended September 30, 2013 and 2012, respectively, and $14.8 million and $18.7 million for the nine months ended September 30, 2013 and 2012, respectively.

One of our subsidiaries owns a 50.1% interest in RELS LLC ("RELS"), a joint venture that provides products and services used in connection with loan originations. This investment in affiliate contributed 75.8% and 78.0% of our total equity in earnings of affiliates, net of tax, for the three months ended September 30, 2013 and 2012, respectively, and 73.0% and 74.6% for the nine months ended September 30, 2013 and 2012, respectively. In February 2013, RELS sold its ownership in RESDirect, LLC ("RESDirect") to us for $4.0 million. See Note 13 - Acquisitions for additional information. Based on the terms and conditions of the RELS joint venture agreement, we have significant influence over but do not have control of, nor a majority voting interest in, the joint venture. Accordingly, this investment is accounted for under the equity method. Summarized financial information for this investment (assuming a 100% ownership interest) is as follows:

(in thousands)	For the Three Months Ended September 30, 2013	2012	For the Nine Months Ended September 30, 2013	2012
Statements of income				
Total revenues	$79,373	$112,887	$288,062	$332,601
Expenses and other	64,849	91,635	229,788	266,433
Income from continuing operations before income taxes	$14,524	$21,252	$58,274	$66,168
Income from continuing operations, net of tax	14,422	21,185	57,901	65,894
Income from discontinued operations, net of tax	—	—	—	7,050
Net income attributable to RELS LLC	$14,422	$21,185	$57,901	$72,944
CoreLogic equity in earnings of affiliate, pre-tax	$7,225	$10,614	$29,008	$36,545

In September 2013, we acquired an additional 10% interest in PropertyIQ Ltd. ("PIQ"), a New Zealand joint venture, resulting in a 60% controlling interest. As we previously held a noncontrolling interest in PIQ, we recorded a gain of approximately $6.6 million during the third quarter of 2013, which is included in gain/(loss) on investments and other, net in the accompanying condensed consolidated statement of income. Prior to our acquisition of the controlling interest, we accounted for the investment in PIQ using the equity method. See Note 13 - Acquisitions for additional information.

Note 3 – Marketable Securities

Our marketable securities consist primarily of investments in preferred stock of $21.9 million and $22.2 million as of September 30, 2013 and December 31, 2012, respectively. We classify our marketable securities as available-for-sale and carry them at fair value with unrealized gains or losses classified as a component of accumulated other comprehensive income. There were no gains or losses recognized on sales of marketable securities for the three and nine months ended September 30, 2013 and 2012.

Note 4 - Property and Equipment, Net

Property and equipment, net as of September 30, 2013 and December 31, 2012 consists of the following:

(in thousands)	2013	2012
Land	$4,000	$4,000
Buildings	10,780	10,780
Furniture and equipment	94,666	89,870
Capitalized software	511,763	470,469
Leasehold improvements	48,421	47,879
	669,630	622,998
Less accumulated depreciation	(475,655)	(436,381)
Property and equipment, net	$193,975	$186,617

Depreciation expense for property and equipment was approximately $13.0 million and $19.0 million for the three months ended September 30, 2013 and 2012, respectively, and $50.5 million and $52.5 million for the nine months ended September 30, 2013 and 2012, respectively. See Note 10 - Fair Value of Financial Instruments for further discussion on property and equipment, net measured at fair value on a nonrecurring basis.

Note 5 – Goodwill, net

A reconciliation of the changes in the carrying amount of goodwill and accumulated impairment losses, by reporting unit, for the nine months ended September 30, 2013, is as follows:

(in thousands)	Data and Analytics	Mortgage Origination Services	Asset Management and Processing Solutions	Consolidated
Balance as of December 31, 2012				
Goodwill	$708,577	$653,771	$149,409	$1,511,757
Accumulated impairment losses	(600)	(6,925)	—	(7,525)
Goodwill, net	707,977	646,846	149,409	1,504,232
Acquisitions	16,054	28,942	—	44,996
Translation adjustments	(14,459)	—	—	(14,459)
Other	197	—	—	197
Balance as of September 30, 2013				
Goodwill, net	$709,769	$675,788	$149,409	$1,534,966

For the nine months ended September 30, 2013, we recorded $0.6 million of goodwill in connection with our acquisition of Fiserv CSW, LLC (n/k/a CoreLogic Case-Shiller, LLC) ("Case-Shiller") and $15.5 million in connection with our acquisition of the controlling interest in PIQ within the data and analytics reporting unit. We recorded $28.9 million in connection with our acquisition of Bank of America's flood zone determination and tax processing services operations within the mortgage origination services reporting unit.

Note 6 – Other Intangible Assets, net

Other intangible assets consist of the following:

	September 30, 2013			December 31, 2012		
(in thousands)	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Customer lists	$320,432	$(159,669)	$160,763	$286,164	$(137,782)	$148,382
Non-compete agreements	9,156	(6,331)	2,825	9,264	(5,438)	3,826
Trade names and licenses	30,867	(10,476)	20,391	27,853	(8,477)	19,376
	$360,455	$(176,476)	$183,979	$323,281	$(151,697)	$171,584

Amortization expense for other intangible assets was $9.1 million and $7.1 million for the three months ended September 30, 2013 and 2012, respectively, and $26.3 million and $20.5 million for the nine months ended September 30, 2013 and 2012, respectively.

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

(in thousands)	
Remainder of 2013	$8,037
2014	30,385
2015	28,796

2016	22,667
2017	20,360
Thereafter	73,734
	$183,979

Note 7 – Long-Term Debt

Our long-term debt consists of the following:

(in thousands)	September 30, 2013	December 31, 2012
Acquisition-related note:		
Non-interest bearing acquisition note due in $5.0 million installments March 2014 and 2016	$9,143	$8,753
Notes:		
7.25% senior notes due June 2021	393,000	393,000
5.7% senior debentures due August 2014	825	825
7.55% senior debentures due April 2028	59,645	59,645
Bank debt:		
Revolving line of credit borrowings due May 2016, weighted average interest rate of 1.9% at September 30, 2013 and December 31, 2012	50,000	50,000
Term loan facility borrowings through May 2016, weighted average interest rate of 2.9% at September 30, 2013 and 4.0% at December 31, 2012	275,625	280,000
Other debt:		
Various interest rates with maturities through 2017	1,137	203
Total long-term debt	789,375	792,426
Less current portion of long-term debt	6,095	102
Long-term debt, net of current portion	$783,280	$792,324

Senior Notes

On May 20, 2011, we issued $400.0 million aggregate principal amount of 7.25% senior notes due 2021 (the "Notes"). Separate financial statements for each guarantor subsidiary are not included in this filing because each guarantor subsidiary is 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 18 - 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”; and 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, 2013, we were in compliance with all of our covenants under the indenture.

Existing Credit Agreement

On May 23, 2011, the Company, CoreLogic Australia Pty Limited and the guarantors named therein entered into a senior secured credit facility agreement (the "Credit Agreement") with Bank of America, N.A. as administrative agent and other financial institutions. The Credit Agreement provides for a $350.0 million five-year term loan facility (the "Term Facility") and a $550.0 million revolving credit facility (the "Revolving Facility"). The Revolving Facility includes a $100.0 million multicurrency revolving sub-facility and a $50.0 million letter of credit sub-facility. The Credit Agreement also provides for the ability to increase the Term Facility and Revolving Facility commitments provided that the total credit exposure under the Credit Agreement does not exceed $1.4 billion in the aggregate. For the nine months ended September 30, 2013, we prepaid $4.4 million of outstanding indebtedness under the Term Facility. This prepayment was applied to the most current portion of the term loan amortization schedule. As of September 30, 2013, we were in compliance with all of our covenants under the Credit Agreement.

As of September 30, 2013 and December 31, 2012, we have recorded $12.1 million and $4.1 million, respectively, of accrued interest expense.

Contingent Credit Agreement

On June 30, 2013, we entered into an agreement to acquire Marshall & Swift/Boeckh ("MSB"), a provider of residential and commercial property valuation solutions, DataQuick Information Systems, a property data and analytics information company, and the credit and flood services operations of DataQuick Lender Solutions from the Decision Insight Information Group (together known as "DataQuick"). The closing of the transaction is conditioned upon customary closing conditions, including the expiration or termination of the waiting period of the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

In September 2013, we entered into a contingent senior secured credit facility (the "Contingent Credit Agreement") with Bank of America, N.A. as administrative agent and other financial institutions. The Contingent Credit Agreement provides for a $850.0 million five-year term loan facility (the "Contingent Term Facility") and a $550.0 million revolving credit facility (the "Contingent Revolving Facility"). The Contingent Revolving Facility includes a $100.0 million multicurrency revolving sub-facility and a $50.0 million letter of credit sub-facility. Our ability to initially borrow under the Contingent Credit Agreement remains subject to the satisfaction of certain customary closing conditions, including the consummation of the MSB and DataQuick acquisition and the termination of our existing credit agreement, dated as of May 23, 2011. The Contingent Credit Agreement will terminate on December 31, 2013 if these conditions have not been satisfied on or prior to such date (or on March 31, 2014 if the termination date of the MSB and DataQuick acquisition is extended).

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, 2013, the discounted balance outstanding under the note was $9.1 million.

Interest Rate Swaps

In June 2011, we entered into amortizing interest rate swap transactions (“Swaps”) with a termination date of May 2016. The Swaps had an initial notional value of $200.0 million, with a fixed interest rate of 1.73% and amortize quarterly by $2.5 million through September 30, 2013, $5.0 million from October 1, 2013 through September 30, 2014 and $7.5 million from October 1, 2014 through May 16, 2016, with a notional amount of $107.5 million.

We entered into the Swaps in order to convert a portion of our interest rate exposure on the Term Facility floating rate borrowings from variable to fixed. We have designated the Swaps as cash flow hedges. The estimated fair value of these cash flow hedges resulted in a liability of $4.5 million and $6.5 million at September 30, 2013 and December 31, 2012, respectively, which is included in the accompanying condensed consolidated balance sheets as a component of other liabilities.

Unrealized gains of less than $0.1 million (net of less than $0.1 million in deferred taxes) and unrealized losses of $0.5 million (net of $0.3 million in deferred taxes) were recognized in other comprehensive income/(loss) related to the Swaps for the three months ended September 30, 2013 and 2012, respectively. In addition, unrealized gains of $1.3

million (net of $0.8 million in deferred taxes) and unrealized losses of $1.3 million (net of $0.8 million in deferred taxes) were recognized in other comprehensive income/(loss) related to the Swaps for the nine months ended September 30, 2013 and 2012, respectively.

Note 8 – Income Taxes

The effective income tax rate (provision for income taxes as a percentage of income from continuing operations before equity in earnings of affiliates and income taxes) was 35.0% and 36.9% for the three months ended September 30, 2013 and 2012, respectively, and 38.7% and 40.9% for the nine months ended September 30, 2013 and 2012, respectively. The change in the effective rate is primarily attributable to the impact of the effective state tax rate and research and development tax credits.

Income taxes included in equity in earnings of affiliates were $3.5 million and $5.2 million for the three months ended September 30, 2013 and 2012, respectively, and $14.8 million and $18.7 million for the nine months ended September 30, 2013 and 2012, respectively. For the purpose of segment reporting, these amounts are not reflected at the segment level but are recorded within corporate.

It is reasonably possible that the amount of the unrecognized benefit with respect to certain unrecognized tax positions could significantly increase or decrease within the next 12 months. These changes may be the result of items such as ongoing audits, competent authority proceedings related to transfer pricing, or the expiration of federal and state statutes of limitation for the assessment of taxes. The Company is currently under examination for tax years 2006 through 2011 by the U.S. and various state taxing authorities.

Note 9 – Earnings Per Share

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2013	2012	2013	2012
(in thousands, except per share amounts)				
Numerator for basic and diluted net income/(loss) per share:				
Net income from continuing operations	$49,954	$36,213	$129,038	$106,473
Loss from discontinued operations, net of tax	(1,240)	(10,157)	(3,205)	(18,142)
(Loss)/gain from sale of discontinued operations, net of tax	(5,052)	12,264	(5,052)	9,277
Net income attributable to CoreLogic	$43,662	$38,320	$120,781	$97,608
Denominator:				
Weighted-average shares for basic income/(loss) per share	94,773	101,650	95,802	104,713
Dilutive effect of stock options and restricted stock units	2,020	1,463	1,870	973
Weighted-average shares for diluted income/(loss) per share	96,793	103,113	97,672	105,686
Income/(loss) per share				
Basic:				
Net income from continuing operations	$0.53	$0.36	$1.35	$1.02
Loss from discontinued operations, net of tax	(0.01)	(0.10)	(0.03)	(0.17)
(Loss)/gain from sale of discontinued operations, net of tax	(0.05)	0.12	(0.05)	0.09
Net income attributable to CoreLogic	$0.47	$0.38	$1.27	$0.94
Diluted:				
Net income from continuing operations	$0.52	$0.35	$1.32	$1.01
Loss from discontinued operations, net of tax	(0.01)	(0.10)	(0.03)	(0.17)
(Loss)/gain from sale of discontinued operations, net of tax	(0.05)	0.12	(0.05)	0.09
Net income attributable to CoreLogic	$0.46	$0.37	$1.24	$0.93

For the three months ended September 30, 2013 and 2012, 0.6 million stock options and restricted stock units ("RSUs") and 1.0 million stock options, respectively, were excluded from the weighted average diluted common shares outstanding due to their antidilutive effect. For the nine months ended September 30, 2013 and 2012, 0.8 million and 3.7 million stock options, RSUs and performance-based restricted stock units ("PBRSUs"), respectively, were excluded from the weighted average diluted common shares outstanding due to their antidilutive effect.

Note 10 – 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 secured by the Company. We deem the carrying value to be a reasonable estimate of fair value due to the nature of these instruments.

Marketable securities

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

Long-term debt

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

The fair values of our financial instruments as of September 30, 2013 are presented in the following table:

	Fair Value Measurements Using		
(in thousands)	Level 1	Level 2	Fair Value
Financial Assets:			
Cash and cash equivalents	$135,557	$—	$135,557
Restricted cash	—	16,390	16,390
Equity securities	21,885	—	21,885
Total Financial Assets	$157,442	$16,390	$173,832
Financial Liabilities:			
Total debt	—	824,099	824,099
Total Financial Liabilities	$—	$824,099	$824,099
Derivatives:			
Liability for interest rate swap agreements	$—	$4,455	$4,455

The fair values of our financial instruments as of December 31, 2012 are presented in the following table:

	Fair Value Measurements Using		
(in thousands)	Level 1	Level 2	Fair Value
Financial Assets:			
Cash and cash equivalents	$148,858	$—	$148,858
Restricted cash	—	22,117	22,117
Equity securities	22,168	—	22,168
Total Financial Assets	$171,026	$22,117	$193,143
Financial Liabilities:			
Total debt	—	899,258	899,258
Total Financial Liabilities	$—	$899,258	$899,258
Derivatives:			
Liability for interest rate swap agreements	$—	$6,486	$6,486

The following non-financial instruments were measured at fair value, on a nonrecurring basis, as of September 30, 2013 and impairment losses for the three and nine months ended September 30, 2013:

	As of September 30, 2013 Fair Value Measurements Using			Impairment Losses	
	Level 1	Level 2	Level 3	For the three months ended September 30, 2013	For the nine months ended September 30, 2013
Property and equipment, net	$—	$—	$—	$—	$1,721

The following non-financial instruments were measured at fair value, on a nonrecurring basis, as of December 31, 2012 and impairment losses for the three and nine months ended September 30, 2012:

	As of December 31, 2012 Fair Value Measurements Using			Impairment Losses	
	Level 1	Level 2	Level 3	For the three months ended September 30, 2012	For the nine months ended September 30, 2012
Assets of discontinued operations	$794	$—	$—	$—	$15,700
Property and equipment, net	—	—	—	8,708	13,744
Investment in affiliates, net	—	—	—	—	1,246
	$794	$—	$—	$8,708	$30,690

We recorded non-cash impairment charges of $15.7 million for the nine months ended September 30, 2012 in our assets of discontinued operations primarily due to the disposition or wind down of our discontinued operations. See Note 15 - Discontinued Operations for further discussion. In addition, we recorded non-cash impairment charges of $8.7 million for the three months ended September 30, 2012 and $1.7 million and $13.7 million for the nine months ended September 30, 2013 and 2012, respectively, in our property and equipment, net primarily related to internally developed software. Finally, we recorded non-cash impairment charges of $1.2 million for the three and nine months ended September 30, 2012 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 from the under-performance of an investment in affiliate and continued changes in regulatory environment.

Note 11 – Stock-Based Compensation

We currently issue equity awards under the CoreLogic, Inc. 2011 Performance Incentive Plan (the “Plan”) which was approved by our stockholders at our Annual Meeting held on May 19, 2011. The Plan permits the grant of RSUs, PBRSUs, stock options, stock appreciation rights, stock bonuses and other forms of awards granted or denominated in our common stock, as well as cash bonus awards. The Plan was adopted, in part, to make an additional 18,000,000 shares of the Company's common stock available for award grants, so we have sufficient authority and flexibility to adequately provide for future incentives. Prior to the approval of the Plan, we issued share-based awards under the CoreLogic, Inc. 2006 Incentive Plan (the “2006 Plan”).

We primarily utilize RSUs, PBRSUs and stock options as our share-based compensation instruments for employees and directors. The fair value of any share-based compensation instrument grant is based on the market value of our shares on the date of grant and is recognized as compensation expense over its vesting period.

Restricted Stock Units

For the nine months ended September 30, 2013 and 2012, we awarded 703,828 and 732,820 RSUs, respectively, with an estimated grant date fair value of $18.3 million and $12.2 million, respectively. The RSU awards will vest ratably over three years.

RSU activity for the nine months ended September 30, 2013 is as follows:

	Number of	Weighted Average

(in thousands, except weighted average fair value prices)	Shares	Grant-Date Fair Value
Unvested RSUs outstanding at December 31, 2012	1,381	$17.50
RSUs granted	704	$26.02
RSUs vested	(559)	$17.36
RSUs forfeited	(87)	$19.09
Unvested RSUs outstanding at September 30, 2013	1,439	$21.63

As of September 30, 2013, there was $20.3 million of total unrecognized compensation cost related to unvested RSUs that is expected to be recognized over a weighted-average period of 2.1 years. The fair value of RSUs is based on the market value of the Company's common stock on the date of grant.

Performance-Based Restricted Stock Units

For the nine months ended September 30, 2013 and 2012, we awarded 408,344 and 345,348 PBRSUs, respectively, with an estimated grant date fair value of $10.6 million and $5.5 million, respectively. These awards could be subject to service-based, performance-based and market-based vesting. The performance period for the PBRSUs awarded during the nine months ended September 30, 2013 is from January 1, 2013 to December 31, 2015 and the performance metric is adjusted earnings per share and market-based conditions. Based on satisfaction of the performance criteria, the 2013 awards will vest on December 31, 2015. The fair values of the 2013 awards were estimated using Monte-Carlo simulation with the following weighted-average assumptions.

	For the Nine Months Ended September 30, 2013	
Expected dividend yield	—	%
Risk-free interest rate (1)	0.41	%
Expected volatility (2)	29.87	%
Average total shareholder return (2)	17.87	%

(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 and average total shareholder 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.

The performance period for the PBRSUs awarded during the nine months ended September 30, 2012 was from January 1, 2012 to December 31, 2012 and the performance metric was adjusted earnings per share. Based on achievement of the performance criteria, the 2012 awards were earned at 150% of target and will vest subject to continuation of employment until December 31, 2014. The fair value of the 2012 awards was based on the market value of the Company's common stock on the date of grant.

PBRSU activity for the nine months ended September 30, 2013, 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, 2012	1,151		$17.21
PBRSUs granted	408		$25.97
PBRSUs vested	(156	)	$18.18
PBRSUs forfeited	(138	)	$18.26
Unvested PBRSUs outstanding at September 30, 2013	1,265		$18.51

As of September 30, 2013, there was $14.1 million of total unrecognized compensation cost related to unvested PBRSUs that is expected to be recognized over a weighted-average period of 1.8 years. The fair value of PBRSUs is based on the market value of the Company's common stock on the date of grant.

Stock Options

In 2013 and 2012, we issued stock options as incentive compensation for certain key employees. The exercise price of each stock option is the closing market price of our common stock on the date of grant. The 2013 and 2012 options will vest in three equal annual installments on the first, second and third anniversaries of grant and expire ten years after the grant date. The fair values of these stock options were estimated using the Black-Scholes valuation model with the following weighted-average assumptions:

	For the Nine Months Ended September 30,	
	2013	2012
Expected dividend yield	— %	— %
Risk-free interest rate [1]	0.90 %	1.00 %
Expected volatility [2]	41.65 %	42.81 %
Expected life [3]	5.5	5.5

(1) The risk-free interest rate for the periods within the contractual term of the options is based on the U.S. Treasury yield curve in effect at the time of the grant.
(2) The expected volatility is a measure of the amount by which a stock price has fluctuated or is expected to fluctuate based primarily on our and our peers' historical data at the time of the grant.
(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 at the time of grant.

For the nine months ended September 30, 2013 and 2012, we awarded 435,367 and 581,265 options, respectively, with an estimated fair value of $11.3 million and $9.3 million, respectively. Option activity for the nine months ended September 30, 2013 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, 2012	3,765	$20.18		
Options granted	435	$25.97		
Options exercised	(473)	$20.73		
Options canceled	(233)	$19.07		
Options outstanding at September 30, 2013	3,494	$20.90	5.2	$21,524
Options vested and expected to vest at September 30, 2013	3,422	$20.88	5.1	$21,129
Options exercisable at September 30, 2013	2,382	$21.26	3.8	$13,808

As of September 30, 2013, there was $5.6 million of total unrecognized compensation cost related to unvested stock options that is expected to be recognized over a weighted-average period of 1.9 years.

The intrinsic value of options exercised was $3.2 million and $2.7 million for the nine months ended September 30, 2013 and 2012, respectively. This intrinsic value represents the difference between the fair market value of the Company’s common stock on the date of exercise and the exercise price of each option.

Employee Stock Purchase Plan

The employee stock purchase plan allows eligible employees to purchase our common stock at 85.0% of the closing price on the last day of each quarter. 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 discount during the last offering period.

The following table sets forth the stock-based compensation expense recognized for the three and nine months ended September 30, 2013 and 2012.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(in thousands)	2013	2012	2013	2012
RSUs	$2,606	$2,108	$9,908	$6,896
PBRSUs	280	4,033	7,468	6,557
Stock options	857	1,039	2,985	2,758
Employee stock purchase plan	134	—	449	—
	$3,877	$7,180	$20,810	$16,211

Note 12 – Litigation and Regulatory Contingencies

We have been named in various lawsuits. Also, we may from time to time be subject to audit or investigation by governmental agencies. Currently, governmental agencies are auditing or investigating certain of our operations.

With respect to matters where we have determined that a loss is both probable and reasonably estimable, we have recorded a liability representing our best estimate of the financial exposure based on known facts. While the ultimate disposition of each such audit, investigation or lawsuit is not yet determinable, we do not believe that the ultimate resolution of these matters, either individually or in the aggregate, will have a material adverse effect on our financial condition, results of operations or cash flows. In addition, we do not believe there is a reasonable possibility that a material loss exceeding amounts already accrued may have been incurred. We record expenses for legal fees as incurred.

FDIC

On May 9, 2011, the Federal Deposit Insurance Corporation (the “FDIC”), as Receiver of Washington Mutual Bank (“WaMu”), filed a complaint in the United States District Court for the Central District of California (the “Court”) against CoreLogic Valuation Services, LLC (“CVS”), as successor to eAppraiseIT, LLC (“eAppraiseIT”) and several of its current and former affiliates.

The FDIC complaint alleged that eAppraiseIT was grossly negligent and breached its contract with WaMu in the provision of appraisal services in 2006 and 2007 relating to 194 residential mortgage loans. On November 14, 2011, the Court granted the defendants' motion to dismiss the FDIC's gross negligence, alter ego, single business enterprise and joint venture claims, and a portion of the breach of contract claim. On November 30, 2011, the FDIC filed its first amended complaint, alleging only breach of contract claims and naming only CVS and its parent CoreLogic Real Estate Solutions, LLC f/k/a First American Real Estate Solutions, LLC as defendants. The amended complaint sought to recover losses of at least $129.0 million that the FDIC alleges WaMu suffered on loans allegedly related to these appraisal services. On February 6, 2012, the Court granted the defendants' motion to dismiss the FDIC's $16.0 million breach of contract claim related to 26 appraisal services allegedly provided before the effective date of the WaMu - eAppraiseIT Agreement. On February 16, 2012, the FDIC filed a second amended complaint reasserting that claim. On April 25, 2012, the court granted the defendants' motion to dismiss that $16.0 million claim with prejudice. On December 4, 2012, the FDIC filed its third amended complaint further reducing the total number of transactions at issue to 160 and reducing the amount of its purported losses to at least $108.0 million. On June 20, 2013, the court dismissed 14 additional transactions with prejudice pursuant to a stipulation between the parties. As a result, the number of transactions at issue has been reduced to 146 and the amount of the FDIC's purported losses has been reduced to at least $98.9 million.

The defendants intend to defend against the remaining claims vigorously; however, they may not be successful. At this time, we cannot predict the ultimate outcome of this claim or the potential range of damages, if any.

RESPA Class Action

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

Plaintiffs subsequently voluntarily dismissed WaMu on March 9, 2009. On August 30, 2009, the court dismissed all claims against eAppraiseIT except the RESPA claim.

On July 2, 2010, the court denied plaintiff's first motion for class certification. On November 19, 2010, the plaintiffs filed a renewed motion for class certification. On April 25, 2012, the court granted plaintiffs' renewed motion and certified a nationwide class of all persons who, on or after June 1, 2006, received home loans from WaMu in connection with appraisals that were obtained through eAppraiseIT. On July 12, 2012, the Ninth Circuit Court of Appeals declined to review the class certification order.

CVS, as the successor to eAppraiseIT, intends to defend against this claim vigorously; however, it may not be successful. At this time we cannot predict the ultimate outcome of this claim or the potential range of damages, if any.

FCRA Class Action

On June 30, 2011, a purported class action was filed in the United States District Court for the Northern District of Illinois against our subsidiary Teletrack, Inc. ("Teletrack"). The complaint alleges that Teletrack has been furnishing consumer reports to third parties who did not have a permissible purpose to obtain them in violation of the Fair Credit Reporting Act, 15 U.S.C. §1681 et seq., and seeks to recover actual, punitive and statutory damages, as well as attorney's fees, litigation expenses and costs of suit. On September 20, 2011, Teletrack filed a motion to dismiss the complaint on grounds that the plaintiffs lacked standing. That motion was denied on March 7, 2012. Teletrack denied the allegations and has been defending against this claim vigorously. On March 27, 2013, the parties reached a settlement in principle that would dismiss all claims. On May 8, 2013, a formal settlement agreement was concluded and on May 17, 2013 all claims were dismissed, with the dismissal of the individual plaintiffs' claims being with prejudice.

Separation

Following 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 (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 in accordance with GAAP. At September 30, 2013, no reserves were considered necessary.

In addition, the Separation and Distribution Agreement provides for cross-indemnities principally designed to place financial responsibility for the obligations and liabilities of FAC's financial services business with FAFC and financial responsibility for the obligations and liabilities of FAC's information solutions business with us. Specifically, each party will, and will cause its subsidiaries and affiliates to, indemnify, defend and hold harmless the other party, its respective affiliates and subsidiaries and each of its respective officers, directors, employees and agents for any losses arising out of or otherwise in connection with the liabilities each such party assumed or retained pursuant to the Separation and Distribution Agreement; and any breach by such party of the Separation and Distribution Agreement.

Note 13 – Acquisitions

In September 2013, we acquired an additional 10% interest in PIQ for NZD$3.3 million or $2.6 million, resulting in a 60% controlling interest. We previously held a noncontrolling interest in the entity and as a result of the purchase of the controlling interest, we recognized a gain of approximately $6.6 million, to reflect our existing ownership interest at fair value, which is included in gain/(loss) on investments and other, net in the accompanying condensed consolidated statements of income. PIQ is included as a component of the data and analytics segment. The purchase price was preliminarily allocated to the assets acquired and liabilities assumed using a variety of valuation techniques including discounted cash flow analysis which included significant unobservables. The allocation of purchase price to property and equipment, intangible assets and goodwill is subject to change based in our final determination of fair value. We recorded preliminary property and equipment of $5.1 million with an estimated average life of 10 years, preliminary intangible assets of $10.0 million with an average life of 15 years and preliminary goodwill of $15.5 million. The business combination did not have a material impact on our consolidated financial statements.

In July 2013, we completed our acquisition of Bank of America's flood zone determination and tax processing services operations for $62.5 million which is included as a component of the mortgage origination services 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 unobservables. We recorded $31.1 million of customer lists with an estimated average life of 10 years, indefinite life capitalized data and database costs of $2.5 million and goodwill of $28.9 million. The business combination did not have a material impact on our consolidated financial statements.

In March 2013, we completed our acquisition of Case-Shiller for $6.0 million before working capital adjustments. Case-Shiller is included as a component of the data and analytics 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 unobservables. We recorded $1.8 million of customer lists with an estimated average life of 10 years, $3.0 million of tradenames with an estimated average life of 10 years and goodwill of $0.6 million. The business combination did not have a material impact on our consolidated financial statements.

In February 2013, we completed our acquisition of RESDirect for $4.0 million from RELS. See Note 2 - Investments in Affiliates, net. RESDirect is included as a component of the mortgage origination services 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 unobservables. We recorded $1.5 million of customer lists with an estimated average life of 3 years. The business combination did not have a material impact on our consolidated financial statements.

Note 14 – 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 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 PIQ for NZD$3.3 million, or $2.6 million, resulting in a 60% controlling interest. In connection with the acquisition, the seller has the right to sell their 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. For the three and nine months ended September 30, 2013, we recognized less than $0.1 million of net income in connection with the redeemable noncontrolling interest.

Note 15 – Discontinued Operations

For the three and nine months ended September 30, 2013, we recorded a $5.1 million loss in the sale of discontinued operations, net related primarily with an estimated settlement of tax contingencies.

In September 2012, we completed the wind down of our 100% owned consumer services business. As of August 31, 2012, we completed the disposition of American Driving Records within our transportation services business. In the first quarter of 2012, we recorded a pre-tax write-down of the remaining goodwill of $13.9 million in our 100% owned appraisal management company based on valuation indicators from the disposal process. For the nine months ended September 30, 2012, we recorded a gain of $9.3 million on sale of discontinued operations, net.

Summarized below are certain assets and liabilities classified as discontinued operations as of September 30, 2013 and December 31, 2012:

(in thousands)	Data and Analytics		Mortgage Origination Services	Asset Management and Processing	
As of September 30, 2013	Marketing	Consumer	Appraisal	Transportation	Total
Total assets	$204	$251	$336	$—	$791
Total liabilities	$1,170	$88	$2,927	$(37)	$4,148
As of December 31, 2012					
Total assets	$204	$251	$337	$2	$794
Total liabilities	$776	$691	$1,920	$(35)	$3,352

Summarized below are the components of our income/(loss) from discontinued operations for the three and nine months ended September 30, 2013 and 2012:

(in thousands)	Data and Analytics		Mortgage Origination Services	Asset Management and Processing	
For the three months ended September 30, 2013	Marketing	Consumer	Appraisal	Transportation	Total
Operating revenue	$—	$—	$—	$—	$—
Loss from discontinued operations before income taxes	(812)	—	(1,195)	—	(2,007)
Income tax benefit	(311)	—	(456)	—	(767)
Loss from discontinued operations, net of tax	$(501)	$—	$(739)	$—	$(1,240)
For the three months ended September 30, 2012					
Operating revenue	$—	$8,410	$6,938	$11,643	$26,991
Income/(loss) from discontinued operations before income taxes	(66)	(348)	(7,121)	24	(7,511)
Income tax expense/(benefit)	3,972	(122)	(1,199)	(5)	2,646
Income/(loss) from discontinued operations, net of tax	$(4,038)	$(226)	$(5,922)	$29	$(10,157)

	Data and Analytics		Mortgage Origination Services	Asset Management and Processing	
For the nine months ended September 30, 2013	Marketing	Consumer	Appraisal	Transportation	Total
Operating revenue	$—	$—	$—	$—	$—
(Loss)/income from discontinued operations before income taxes	(1,429)	196	(3,957)	—	(5,190)
Income tax (benefit)/expense	(547)	75	(1,513)	—	(1,985)
(Loss)/income from discontinued operations, net of tax	$(882)	$121	$(2,444)	$—	$(3,205)
For the nine months ended September 30, 2012					
Operating revenue	$—	$55,773	$25,137	$46,435	$127,345
Income/(loss) from discontinued operations before income taxes	111	5,177	(23,675)	(1,707)	(20,094)
Income tax expense/(benefit)	4,041	2,030	(6,243)	(1,780)	(1,952)
Income/(loss) from discontinued operations, net of tax	$(3,930)	$3,147	$(17,432)	$73	$(18,142)

Note 16 – Transactions with FAFC

On June 1, 2010, we completed the Separation through a distribution (the “Distribution”) of all of the outstanding shares of FAFC, to the holders of our common shares, par value $1.00 per share, as of May 26, 2010. After the Distribution, we retained the information solutions businesses.

In connection with the Separation transactions, we issued approximately $250.0 million in value, or 12,933,265 shares of our common stock, to FAFC. Based on the closing price of our stock on June 1, 2010, the value of the equity issued to FAFC was $242.6 million. As a result, we made a cash payment to FAFC of $7.4 million to arrive at the full value of $250.0 million. FAFC agreed to dispose of the shares five years after the Separation or to bear any adverse tax consequences arising out of holding the shares for longer than that period. Since the Separation, we repurchased 10,433,265 shares of our common stock that was owned by FAFC or one of its subsidiaries for an aggregate purchase price of $227.7 million.

In addition, we entered into various transition services agreements with FAFC effective June 1, 2010. The agreements include transitional services in the areas of information technology, tax, accounting and finance, employee benefits and internal audit. Except for the information technology services agreements, the transition services agreements were short-term in nature. For the three and nine months ended September 30, 2012, the net amount of $1.6 million and $4.9 million, respectively, was recognized as a reduction of other operating expenses in connection with the transition services agreements (reflecting services provided by us to FAFC and from FAFC to us).

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

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

The expenses related to these transactions, which primarily related to purchase of data and other settlement services, totaled $0.3 million and $0.9 million for the three and nine months ended September 30, 2012, respectively.

Note 17 – Segment Information

We have organized our reportable segments into the following three segments: data and analytics, mortgage origination services and asset management and processing solutions.

Data and Analytics. Our data and analytics segment owns or licenses data assets including loan information, criminal and eviction records, employment verification, property characteristic information and information on mortgage-backed securities. We both license our data directly to our customers and provide our customers with analytical products for risk management, collateral assessment, loan quality reviews and fraud assessment. We are also a provider of geospatial proprietary software and databases combining geographic mapping and data. Our primary customers are commercial banks, mortgage lenders and brokers, investment banks, fixed-income investors, real estate agents, property and casualty insurance companies, title insurance companies and government-sponsored enterprises.

Our data and analytics segment includes intercompany revenues of \$2.7 million and \$2.2 million for the three months ended September 30, 2013 and 2012, respectively, and \$11.2 million and \$8.5 million for the nine months ended September 30, 2013 and 2012, respectively. The segment also includes intercompany expenses of \$3.9 million and \$0.6 million for the three months ended September 30, 2013 and 2012, respectively, and \$6.0 million and \$2.0 million for the nine months ended September 30, 2013 and 2012, respectively.

Mortgage Origination Services. Our mortgage origination services segment provides property tax monitoring, flood zone certification and monitoring, credit services, mortgage loan administration and production services, lending solutions and mortgage-related business process outsourcing. The segment's primary customers are large, national mortgage lenders and servicers, but we also serve regional mortgage lenders and brokers, credit unions, commercial banks, and government agencies.

Our mortgage origination services segment includes intercompany revenues of \$1.7 million and \$0.7 million for the three months ended September 30, 2013 and 2012, respectively, and \$4.6 million and \$2.1 million for the nine months ended September 30, 2013 and 2012, respectively. The segment also includes intercompany expenses of \$2.6 million and \$2.0 million for the three months ended September 30, 2013 and 2012, respectively, and \$9.5 million and \$7.8 million for the nine months ended September 30, 2013 and 2012, respectively.

Asset Management and Processing Solutions. Our asset management and processing solutions segment provides mortgage default management services, loss mitigation services, property valuation, processing solutions and management services. The segment's primary customers are large, national mortgage lenders and servicers, but we also serve regional mortgage lenders and brokers, credit unions, commercial banks, government agencies and property and casualty insurance companies.

Our asset management and processing solutions segment includes intercompany revenues of \$2.0 million and \$0.7 million for the three months ended September 30, 2013 and 2012, respectively, and \$4.2 million and \$2.1 million for the nine months ended September 30, 2013 and 2012, respectively. The segment also includes intercompany expenses that were not considered significant for the three and nine months ended September 30, 2013 and 2012.

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

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

Selected financial information by reportable segment is as follows:

(in thousands)

For the three months ended September 30, 2013	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
Data and analytics	$159,271	$19,034	$28,833	$ 456	$ 36,094	$14,338
Mortgage origination services	184,313	7,294	45,334	8,786	55,234	5,734
Asset management and processing solutions	68,343	575	13,877	—	13,877	34
Corporate	148	2,792	(16,028)	(3,526)	(55,206)	7,048
Eliminations	(6,533)	—	—	—	—	—
Consolidated (excluding discontinued operations)	$405,542	$29,695	$72,016	$ 5,716	$ 49,999	$27,154
For the three months ended September 30, 2012						
Data and analytics	$154,715	$17,729	$29,325	$ 489	$ 31,287	$14,114
Mortgage origination services	169,357	6,377	49,970	12,851	62,736	3,679
Asset management and processing solutions	89,364	799	16,722	—	16,792	1,219
Corporate	146	8,132	(34,635)	(5,174)	(74,652)	3,459
Eliminations	(3,822)	—	—	—	—	—
Consolidated (excluding discontinued operations)	$409,760	$33,037	$61,382	$ 8,166	$ 36,163	$22,471
For the nine months ended September 30, 2013						
Data and analytics	$489,311	$57,762	$84,384	$ 1,639	$ 93,118	$41,298
Mortgage origination services	545,196	21,208	145,023	36,648	182,519	13,552
Asset management and processing solutions	215,199	1,918	37,329	—	38,839	289
Corporate	493	18,445	(71,059)	(14,439)	(185,419)	25,612
Eliminations	(20,516)	—	—	—	—	—
Consolidated (excluding discontinued operations)	$1,229,683	$99,333	$195,677	$ 23,848	$ 129,057	$80,751
For the nine months ended September 30, 2012						
Data and analytics	$453,666	$54,150	$85,597	$ 1,704	$ 88,062	$42,027
	459,170	20,419	119,093	46,239	164,872	12,533

Mortgage origination services						
Asset management and processing solutions	257,995	3,406	46,931	—	47,145	3,103
Corporate	488	15,594	(77,585)	(18,562)	(193,950)	5,144
Eliminations	(14,097)	(135)	135	—	135	—
Consolidated (excluding discontinued operations)	$1,157,222	$93,434	$174,171	$ 29,381	$ 106,264	$62,807

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(in thousands)	As of	As of
Assets	September 30, 2013	December 31, 2012
Data and analytics	$1,348,608	$1,375,775
Mortgage origination services	1,155,484	1,000,382
Asset management and processing solutions	192,161	211,515
Corporate	4,464,807	4,344,263
Eliminations	(4,077,153)	(3,902,902)
Consolidated (excluding discontinued operations)	$3,083,907	$3,029,033

Note 18 - Guarantor Subsidiaries

As discussed in Note 7 - Long-Term Debt, the Notes are guaranteed on a senior unsecured basis by each of our existing and future direct and indirect subsidiaries that guarantee our Credit Agreement. These guarantees are required in support of the Notes, are coterminous with the terms of the Notes and would require performance upon certain events of default referred to in the respective guarantees. The 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”; and 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, 2013

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/Eliminating Adjustments	Total
Assets:					
Cash and cash equivalents	$106,441	$—	$ 29,116	$ —	$135,557
Other current assets	45,699	375,732	29,276	(5,432)	445,275
Property and equipment, net	18,637	142,103	33,235	—	193,975
Goodwill	—	1,365,535	169,431	—	1,534,966
Other identifiable intangible assets, net	362	139,331	44,286	—	183,979
Capitalized data and database cost, net	—	248,084	79,759	—	327,843
Investments in affiliates	—	96,764	—	—	96,764
Deferred income tax assets, long-term	59,523	—	—	(59,523)	—
Restricted cash	14,622	305	1,463	—	16,390
Investment in subsidiaries	1,997,539	—	—	(1,997,539)	—
Intercompany receivable	60,134	239,118	9,170	(308,422)	—
Other assets	105,944	42,027	1,978	—	149,949
Total assets	$2,408,901	$2,648,999	$ 397,714	$ (2,370,916)	$3,084,698
Liabilities and equity:					
Current liabilities	$106,438	$385,271	$ 34,702	$ (5,432)	$520,979
Long-term debt, net	778,270	5,010	—	—	783,280
Deferred revenue, net of current	—	376,255	—	—	376,255
Deferred income taxes, long term	—	123,618	19,833	(59,523)	83,928
Intercompany payable	248,288	—	60,134	(308,422)	—
Other liabilities	124,936	29,862	3,502	—	158,300
Redeemable noncontrolling interest	—	—	10,987	—	10,987
Total CoreLogic stockholders' equity	1,150,969	1,728,983	268,556	(1,997,539)	1,150,969
Total liabilities and equity	$2,408,901	$2,648,999	$ 397,714	$ (2,370,916)	$3,084,698

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Condensed Balance Sheet
As of December 31, 2012

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/Eliminating Adjustments	Total
Assets:					
Cash and cash equivalents	$111,305	$1,812	$35,741	$ —	$148,858
Other current assets	59,977	364,178	17,352	(441)	441,066
Property and equipment, net	14,921	139,831	31,865	—	186,617
Goodwill	—	1,323,700	180,532	—	1,504,232
Other identifiable intangible assets, net	—	123,011	48,573	—	171,584
Capitalized data and database cost, net	—	238,598	83,691	—	322,289
Investments in affiliates	—	88,647	5,580	—	94,227
Deferred income tax assets, long-term	59,523	—	—	(59,523)	—
Restricted cash	18,299	305	3,513	—	22,117
Investment in subsidiaries	1,853,561	—	—	(1,853,561)	—
Intercompany receivable	65,885	125,587	—	(191,472)	—
Other assets	107,976	28,420	2,441	—	138,837
Total assets	$2,291,447	$2,434,089	$409,288	$ (2,104,997)	$3,029,827
Liabilities and equity:					
Current liabilities	$82,668	$406,890	$27,974	$ (441)	$517,091
Long-term debt, net	783,470	8,854	—	—	792,324
Deferred revenue, net of current	—	309,418	—	—	309,418
Deferred income taxes, long term	—	111,051	19,833	(59,523)	71,361
Intercompany payable	125,587	—	65,885	(191,472)	—
Other liabilities	130,421	33,011	5,255	—	168,687
Total CoreLogic stockholders' equity	1,169,301	1,564,865	288,696	(1,853,561)	1,169,301
Noncontrolling interests	—	—	1,645	—	1,645
Total liabilities and equity	$2,291,447	$2,434,089	$409,288	$ (2,104,997)	$3,029,827

	Condensed Statement of Operations For the three months ended September 30, 2013				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/Eliminating Adjustments	Total
Operating revenues	$—	$380,220	$ 25,322	$ —	$405,542
Intercompany revenues	—	—	148	(148)	—
Cost of services (exclusive of depreciation and amortization below)	—	205,776	8,161	(148)	213,789
Selling, general and administrative expenses	11,997	68,661	9,384	—	90,042
Depreciation and amortization	962	23,011	5,722	—	29,695
Operating (loss)/income	(12,959)	82,772	2,203	—	72,016
Total interest (expense)/income, net	(11,547)	(126)	161	—	(11,512)
(Loss)/gain on investments and other, net	(260)	1,250	6,637	—	7,627
(Benefit)/provision for income taxes	(10,640)	31,076	3,412	—	23,848
Equity in earnings of affiliates, net of tax	—	5,479	237	—	5,716
Equity in earnings of subsidiary, net of tax	57,788	—	—	(57,788)	—
Net income/(loss) from continuing operations, net of tax	43,662	58,299	5,826	(57,788)	49,999
Loss from discontinued operations, net of tax	—	(1,240)	—	—	(1,240)
(Loss)/gain from sale of discontinued operations, net of tax	—	(6,558)	1,506	—	(5,052)
Net income	43,662	50,501	7,332	(57,788)	43,707
Less: Net income attributable to noncontrolling interest	—	—	45	—	45
Net income/(loss) attributable to CoreLogic	$43,662	$50,501	$ 7,287	$ (57,788)	$43,662
Net income	$43,662	$50,501	$ 7,332	$ (57,788)	$43,707
Total other comprehensive income	7,345	—	7,644	(7,644)	7,345
Less: Comprehensive loss attributable to noncontrolling interests	$—	$—	$ 45	$ —	$45
Comprehensive income attributable to CoreLogic	$51,007	$50,501	$ 14,931	$ (65,432)	$51,007

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

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/Eliminating Adjustments	Total
Operating revenues	$—	$386,180	$ 23,580	$ —	$409,760
Intercompany revenues	—	—	146	(146)	—
Cost of services (exclusive of depreciation and amortization below)	—	203,280	9,874	(146)	213,008
Selling, general and administrative expenses	17,459	77,053	7,821	—	102,333
Depreciation and amortization	610	26,755	5,672	—	33,037
Operating (loss)/income	(18,069)	79,092	359	—	61,382
Total interest expense, net	(12,035)	(28)	(662)	—	(12,725)
Gain/(loss) on investment and other, net	1,111	(5,598)	233	—	(4,254)
(Benefit)/provision for income taxes	(10,228)	24,898	1,736	—	16,406
Equity in earnings of affiliates, net of tax	—	7,919	247	—	8,166
Equity in earnings of subsidiary, net of tax	57,085	—	—	(57,085)	—
Net income/(loss) from continuing operations, net of tax	38,320	56,487	(1,559)	(57,085)	36,163
Loss from discontinued operations, net of tax	—	(10,157)	—	—	(10,157)
Gain from sale of discontinued operations, net of tax	—	11,678	586	—	12,264
Net income/(loss)	38,320	58,008	(973)	(57,085)	38,270
Less: Net loss attributable to noncontrolling interest	—	—	(50)	—	(50)
Net income/(loss) attributable to CoreLogic	$38,320	$58,008	$ (923)	$ (57,085)	$38,320
Net income/(loss)	$38,320	$58,008	$ (973)	$ (57,085)	$38,270
Total other comprehensive income	4,264	—	5,163	(5,163)	4,264
Less: Comprehensive loss attributable to noncontrolling interests	—	—	(50)	—	(50)
Comprehensive income attributable to CoreLogic	$42,584	$58,008	$ 4,240	$ (62,248)	$42,584

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	Condensed Statement of Operations For the nine months ended September 30, 2013 Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/Eliminating Adjustments	Total
Operating revenues	$—	$1,157,347	$72,336	$ —	$1,229,683
Intercompany revenues	—	—	493	(493)	—
Cost of services (exclusive of depreciation and amortization below)	—	624,866	26,777	(493)	651,150
Selling, general and administrative expenses	49,450	207,979	26,094	—	283,523
Depreciation and amortization	2,655	79,215	17,463	—	99,333
Operating (loss)/income	(52,105)	245,287	2,495	—	195,677
Total interest (expense)/income, net	(34,993)	(336)	459	—	(34,870)
Gain on investments and other, net	1,474	2,714	6,637	—	10,825
(Benefit)/provision for income taxes	(30,392)	93,185	3,630	—	66,423
Equity in earnings of affiliates, net of tax	—	23,053	795	—	23,848
Equity in earnings of subsidiary, net of tax	176,013	—	—	(176,013)	—
Net income from continuing operations, net of tax	120,781	177,533	6,756	(176,013)	129,057
Loss from discontinued operations, net of tax	—	(3,205)	—	—	(3,205)
(Loss)/gain from sale of discontinued operations, net of tax	—	(6,558)	1,506	—	(5,052)
Net income	120,781	167,770	8,262	(176,013)	120,800
Less: Net loss attributable to noncontrolling interest	—	—	19	—	19
Net income attributable to CoreLogic	$120,781	$167,770	$8,243	$ (176,013)	$120,781
Net income	$120,781	$167,770	$8,262	$ (176,013)	$120,800
Total other comprehensive loss	(31,127)	—	(32,289)	32,289	(31,127)
Less: Comprehensive income attributable to noncontrolling interests	—	—	19	—	19
Comprehensive income/(loss) attributable to CoreLogic	$89,654	$167,770	$(24,046)	$ (143,724)	$89,654

	Condensed Statement of Operations				
	For the nine months ended September 30, 2012				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating/Eliminating Adjustments	Total
Operating revenues	$—	$1,089,324	$ 67,898	$ —	$1,157,222
Intercompany revenues	—	—	488		