

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

INTERNET BRANDS, INC.

CIK: **1080131** | IRS No.: **954711621** | State of Incorporation: **DE** | Fiscal Year End: **1231**
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SIC: **7389** Business services, nec

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **August 29, 2008**

INTERNET BRANDS, INC.

(Exact name of registrant as specified in this charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33797
(Commission
File Number)

95-4711621
(IRS Employer
Identification No.)

909 North Sepulveda Blvd., 11th Floor, El Segundo, CA 90245
(Address of Principal Executive Offices and Zip Code)

Registrant's Telephone Number, including area code: **(310) 280-4000**

Not applicable

(Former Name or Former Address, if Changes Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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

On August 29, 2008, Internet Brands, Inc. (“Internet Brands”) announced that it has accepted the resignation of Alexander E. Hansen, Chief Financial Officer of the company, effective as of August 29, 2008.

On August 29, 2008, the Board of Directors of Internet Brands appointed Scott Friedman to serve as Chief Financial Officer, effective as of August 29, 2008.

Scott Friedman, 34, will be joining Internet Brands, after serving as Chief Financial Officer of WPT Enterprises, Inc., an entertainment and consumer products company, from 2006 through August 2008, and as Vice President of Finance & Controller from 2004 through 2006. From 2003 to 2004, Mr. Friedman served as Controller of Sony Pictures Digital, a media company. Previously, from 1998 to 2003, Mr. Friedman served in various finance and accounting positions at The Walt Disney Company. Mr. Friedman received a Bachelor of Accountancy from George Washington University.

A copy of the press release announcing these developments is furnished as Exhibit 99.1 to this Form 8-K and incorporated by reference herein. The attached Press Release shall be considered “furnished” pursuant to this Current Report on Form 8-K and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section nor shall it be deemed incorporated by reference into any of Internet Brands’ reports or filings with the Securities and Exchange Commission, whether made before or after the date hereof, except as expressly set forth by specific reference in such filing.

Item 1.01. Entry into a Material Definitive Agreement

In connection with Mr. Friedman’s appointment as Chief Financial Officer, Internet Brands and Mr. Friedman have entered into a letter agreement dated August 29, 2008 (the “Letter Agreement”). Under the terms of the Letter Agreement, Mr. Friedman will receive an annual base salary of \$230,000 and an annual cash performance bonus if Internet Brands meets performance goals established by its Board of Directors. Mr. Friedman will receive 35,000 restricted shares of Class A common stock, which vest 33.3% on each anniversary of the grant date for three years thereafter. Mr. Friedman will also receive an option grant to purchase 70,000 shares of Class A common stock at an exercise price of \$6.99, which will vest 20% upon the date of the grant, and 20% on each anniversary of the grant date for four years thereafter.

The foregoing description of the Letter Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Letter Agreement, a copy of which is filed as Exhibit 10.1 here and incorporated by reference herein.

Item 9.01–Financial Statements and Exhibits.

(d) Exhibits

10.1 Letter Agreement dated August 29, 2008 between Internet Brands and Scott Friedman.

99.1 Press Release issued by Internet Brands dated August 29, 2008.

SIGNATURES

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

Date: August 29, 2008

INTERNET BRANDS, INC.

By: /s/ Robert N. Brisco

Robert N. Brisco

EXHIBIT INDEX

- 10.1 Letter Agreement dated August 29, 2008 between Internet Brands and Scott Friedman.
- 99.1 Press Release issued by Internet Brands dated August 29, 2008.

August 29, 2008

Personal and Confidential

Scott Friedman

s_fritos@yahoo.com

Dear Scott:

On behalf of Internet Brands, Inc. (the "Company"), we are pleased to offer you the position of Chief Financial Officer with a commencement date of August 29, 2008. In this capacity, you will report directly to me and will be responsible for providing financial leadership and overall company leadership as a key member of our executive team.

You will receive an annual base salary of \$230,000, paid bi-weekly in accordance with the Company's normal payroll procedures. Your annual bonus target will be \$30,000, and you will be eligible to receive up to 150% of the bonus target based on Company performance objectives established annually by the board. Bonus payments are calculated and paid quarterly subject to review and approval by the compensation committee of the board.

You will receive 35,000 shares of restricted stock, subject to board approval. These shares will vest 33.3% per year on each anniversary of your grant date for three (3) years. You will also receive 70,000 stock options, subject to board approval. These options will vest 20% upon grant date with the remainder vesting 20% per year on each anniversary of your grant date for four (4) years. The equity agreements will provide for acceleration of 50% of any unvested equity if there is a change of control of the Company.

As a senior executive of the Company, you will also be entitled to receive six (6) months of base salary plus benefits as severance if you are terminated without cause, pursuant to the terms of an executive severance agreement. After one (1) year of continued employment, this severance shall increase to nine (9) months of base salary plus benefits, pursuant to the terms of an executive severance agreement.

As a Company employee, you are eligible to receive certain employee benefits. You will be eligible on the first of the month following your day of hire to be covered by the company's healthcare plans. The Company offers a choice of a high or low option HMO as well as a PPO medical plan, along with dental and vision plans. In addition, as a senior executive of the Company, you will be eligible to receive term life insurance up to

\$500,000 and accidental death and dismemberment insurance up to \$750,000 funded by the Company. You are also eligible to participate in the company's other employee benefit plans as they become available. Information, enrollment forms and processes for all benefits will be made available to you by our Human Resources Department. If you would like to enroll in our benefits program, your enrollment application must be received within your first 30 days of employment or you will forfeit coverage for the plan year.

Upon the completion of a 90-day Introductory Period, you are entitled to accrue PTO (Personal Time Off), which will accrue at the rate of 10 hours per month, up to a cap of 120 hours. You should note that the Company might modify salaries and benefits from time to time, as it deems necessary.

You should be aware that your employment with the Company is for no specified period and constitutes at will employment. As a result, you are free to resign at any time, for any reason or for no reason. Similarly, the Company is free to conclude its employment relationship with you at any time, with or without cause, and with or without notice.

This offer is conditional upon the results of your background investigation. It is also conditional upon your providing to the company within three (3) business days of your date of hire, documentary evidence of your identity and eligibility for employment in the United States. Unless such documentation is provided to us you will be terminated.

You agree that, during the term of your employment with the Company, you will not engage in any other employment, occupation, consulting or other business activity directly related to the business in which the Company is now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to the Company.

Internet Brands, Inc. recognizes that from time to time disputes will occur. Therefore, any dispute or controversy arising out of or relating to your employment or its termination, which could have been brought in a court of law, will be resolved by arbitration and not in court. This offer is conditional upon your returning to us a signed copy of the Arbitration Agreement, which we will provide you upon your arrival.

As a Company employee, you will be expected to abide by company rules and regulations. You will be specifically required to sign an acknowledgment that you have read and understand the company rules of conduct, which will be included in a handbook. You will be expected to sign and comply with an Employment, Confidential Information and Invention Assignment Agreement which require, among other provisions, the assignment of patent rights to any invention made during your employment at the Company and non-disclosure of proprietary information.

To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me. This letter, along with the agreement relating to proprietary rights between you and the Company, set forth the terms of your employment with the Company and supersede any prior representations or agreements,

whether written or oral. This letter may not be modified or amended except by a written agreement, signed by an officer of the Company and by you.

Scott, we are very excited about having you join the Company and look forward to working with you on the senior management team.

Sincerely,

/s/ Robert N. Brisco

Bob Brisco
Chief Executive Officer.

I have read and understand all the terms and conditions of this offer letter and voluntarily accept and agree to them.

ACCEPTED AND AGREED TO:

/s/ Scott Friedman

Scott Friedman

Internet Brands Appoints Scott Friedman CFO

EL SEGUNDO, Calif. (August 29, 2008) - Internet Brands, Inc. (NASDAQ:INET), today announced it has appointed Scott Friedman to the position of Chief Financial Officer, reporting to CEO Bob Brisco.

Friedman joins Internet Brands with extensive financial experience working with media companies including Sony Pictures Digital, The Walt Disney Company, and most recently, WPT Enterprises, Inc. (WPTE), a NASDAQ listed company. At WPTE, Friedman served as CFO, where he was responsible for the company's financial, human resources, information systems and administrative operations. At Sony Pictures Digital, Friedman served as Controller and at The Walt Disney Company he served in several accounting and financial roles. Friedman was a Certified Public Accountant in Virginia while at Arthur Andersen, and holds a Bachelor of Accountancy from George Washington University.

"We are delighted to add Scott to our team," said Bob Brisco, CEO of Internet Brands. "We're growing rapidly and we look forward to adding his skills, energy, and enthusiasm." Friedman assumes his new position today.

Friedman succeeds Alex Hansen, who joined Internet Brands as CFO in November 2006. Mr. Hansen will continue to be a partner with Tatum, LLC, an executive services and consulting firm.

"Alex played a key role in our IPO process and beyond and we thank him for his service," said Brisco.

About Internet Brands, Inc.

Los Angeles-based Internet Brands, Inc. (NASDAQ:INET) is a leading Internet media company that operates community and e-commerce web sites in automotive, careers, home, shopping, and travel and leisure categories. With a flexible and scalable platform, Internet Brands operates a rapidly growing network of more than 200 websites, 76 of which each receive more than 100,000 monthly unique visitors.

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