

**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): **October 26, 2010**

**Tree.com, Inc.**

(Exact name of registrant as specified in charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-34063**  
(Commission  
File Number)

**26-2414818**  
(IRS Employer  
Identification No.)

**11115 Rushmore Drive, Charlotte, NC**  
(Address of principal executive offices)

**28277**  
(Zip Code)

Registrant's telephone number, including area code: **(704) 541-5351**

**Not Applicable**

(Former name or former address, if changed 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:

- 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 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.**

On November 1, 2010, Tree.com, Inc. ("Tree.com" or the "Company") notified the Listings Qualifications Department of the Nasdaq Stock Market of Steven Ozonian's resignation from the Company's Board of Directors, effective November 1, 2010, and the resulting non-compliance with Nasdaq Marketplace Rule 5605, which requires that a majority of the Company's Board of Directors be comprised of independent members.

In accordance with Rule 5605, the Company has until the earlier of the Company's next annual shareholders' meeting or November 1, 2011 to regain compliance, provided that if the next annual shareholders' meeting is held before April 30, 2011, then the Company must regain compliance no later than April 30, 2011.

The Company is reviewing alternative methods to regain compliance and is currently conducting a search for a qualified candidate to fill the vacancy left on its Board of Directors. The Company anticipates that it will regain compliance with Rule 5605 within the time period noted. A failure to regain compliance could result in the Company being delisted from the Nasdaq Stock Market.

2

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**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

- (1) On October 31, 2010, Steven Ozonian resigned as a member of the Board of Directors of the Company, effective November 1, 2010. Mr. Ozonian's decision to resign was not as a result of any disagreement with the Company or its management. Mr. Ozonian has decided to accept a position as an executive officer of the Company.

Mr. Ozonian was appointed the Company's Chief Executive Officer of the Real Estate Division, effective November 1, 2010. Mr. Ozonian, age 55, served as a member of the Company's Board of Directors from August 2008 until October 2010. Mr. Ozonian has served as the Executive Chairman of Global Mobility Solutions since 2005. Mr. Ozonian had previously held other high level positions in the homeownership industry,

including Chairman and CEO of Prudential's real estate and related businesses, CEO of Realtor.com, and National Homeownership Executive for Bank of America.

On October 31, 2010, in connection with Mr. Ozonian's appointment as the Company's Chief Executive Officer of the Real Estate Division, the Company entered into an employment agreement with Mr. Ozonian (the "Employment Agreement"), effective November 1, 2010. Under the Employment Agreement, Mr. Ozonian will receive an annual base salary of \$300,000. As determined in the discretion of the Compensation Committee, Mr. Ozonian will be eligible to receive an annual bonus with a target amount of sixty percent (60%) of his base salary, beginning in 2011. Further, during 2011 only, Mr. Ozonian will receive a special bonus of \$37,500 each quarter. Mr. Ozonian was awarded 25,000 restricted stock units pursuant to the Second Amended and Restated Tree.com, Inc. 2008 Stock and Annual Incentive Plan that will annually vest in three equal annual installments beginning on the first anniversary of the grant, and Mr. Ozonian will be eligible to receive additional equity incentives, including but not limited to restricted stock unit awards and stock options in the future, as determined in the discretion of the Compensation Committee. It is anticipated that the Company will establish a separate equity plan that will give Mr. Ozonian a five percent (5%) interest in the increase in the value of the Company's real estate division. It is expected that Mr. Ozonian's interest under that plan will vest after his completion of five years of employment.

The Employment Agreement will terminate on December 31, 2013, unless Mr. Ozonian's employment terminates before that date. If the Employment Agreement is terminated by the Company for "cause" (as such term is defined in the Employment Agreement), Mr. Ozonian will (a) receive no further base salary after the date of termination; (b) forfeit any earned but unpaid annual bonus from the previous year; and (c) not be eligible to receive any annual bonus for the current year.

In the event that Mr. Ozonian's employment is terminated by the Company without "cause" or Mr. Ozonian terminates employment for "good reason" (as those terms are defined in the Employment Agreement), Mr. Ozonian will be entitled to: (a) continued payment of his base salary for a period of one year following his termination (subject to a specified dollar limit); and (b) an "Accrued Obligations" payment equal to the sum of (i) any earned but unpaid annual bonus from the previous year; (ii) deferred compensation not yet paid; and (iii) reasonable and necessary business expenses not yet reimbursed. If Mr. Ozonian's employment terminates for either of the reasons described above following the occurrence of a change in control, Mr. Ozonian will be entitled to continued payment of his base salary for two years following his termination (subject to a specified dollar limit) and a payment of any Accrued Obligations.

A copy of the Employment Agreement is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

- (2) On October 26, 2010, the Compensation Committee approved an amended and restated employment agreement between the Company and Douglas R. Lebda, the Chief Executive Officer (the "Restated Agreement"). The Company and Mr. Lebda are currently parties to an employment agreement, dated January 7, 2008 which has been subsequently amended (the "Current Agreement"). The Restated Agreement incorporates all existing amendments made to the Current Agreement, makes conforming changes to reflect the Company's spin-off from IAC/InterActiveCorp ("IAC"), updates information regarding Mr. Lebda's outstanding equity awards, and makes certain additional changes described below.

The Current Agreement provides Mr. Lebda with severance pay in the event his employment is terminated

3

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without "cause" or he resigns for "good reason" (as those terms are defined in the Current Agreement, each, a "Qualifying Termination"). Upon a Qualifying Termination Mr. Lebda is entitled to the following payments: (a) continued base salary through the earlier of the end of his employment term (January 7, 2013) or three years from his termination date (the "Salary Continuation Payments"); (b) accrued but unpaid base salary, deferred compensation not yet paid, reasonable and necessary business expenses not yet reimbursed, and earned but unpaid employee benefits; (c) vesting of IAC restricted stock units awarded during the Company's spin-off; and (d) vesting of Company restricted stock awards granted in 2008 and 2009.

Under the Restated Agreement, Mr. Lebda will receive Salary Continuation Payments equal to the greater of the amount described above or one times his then-current base salary plus his target annual bonus for the year in which incurs a Qualifying Termination. The Salary Continuation Payments will be paid over the period beginning 60 days after Mr. Lebda's termination of employment and will end on the earlier of: (a) the third anniversary of his termination date; or (b) the end of his employment term (January 7, 2013).

The Restated Agreement also provides that Mr. Lebda will become one-hundred percent (100%) vested in his 2010 restricted stock award in the event of a Qualifying Termination. In addition, the Restated Agreement and Mr. Lebda's 2009 restricted stock award agreements were amended to permit Mr. Lebda to vote all restricted shares, even those that are unvested.

The Restated Agreement is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

4

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## Item 9.01. *Financial Statements and Exhibits.*

### (d) Exhibits.

Exhibit Number	Description
10.1	Employment Agreement between Tree.com, Inc. and Steven Ozonian, dated October 31, 2010
10.2	Amended and Restated Employment Agreement between Tree.com and Douglas R. Lebda, dated October 26, 2010

5

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**SIGNATURE**

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: November 1, 2010

**TREE.COM, INC.**

By: /s/ DEBRA ASHLEY  
Debra Ashley  
Vice President & Assistant General Counsel

6

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**EXHIBIT INDEX**

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7

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## EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is made and entered into this 31<sup>st</sup> day of October 2010, by and between Tree.com, Inc. ("**Company**") and Steven Ozonian ("**Executive**").

**WHEREAS**, Executive has substantial expertise in the field of real estate; and

**WHEREAS**, Company desires to secure Executive's service and expertise in connection with Company's business, beginning November 1, 2010 ("**Effective Date**");

**NOW, THEREFORE**, in consideration of the premises and the mutual agreements contained herein, Company and Executive hereby agree as follows:

**1. Employment.** Upon the Effective Date, Company shall employ and Executive agrees to be employed as Chief Executive Officer of the Real Estate Division. Executive shall do and perform all services and acts necessary or advisable to fulfill the duties and responsibilities as are commensurate and consistent with Executive's position and shall render such services on the terms set forth herein. Further, Executive shall perform such different or other duties as may be assigned to Executive by Company from time to time by Company's Chief Executive Officer, who shall be Executive's Reporting Officer. Executive will devote Executive's full working time and best efforts to the diligent and faithful performance of such duties as may be entrusted to Executive from time to time by Company, and shall observe and abide by the corporate policies and decisions of Company in all business matters. Executive's principal place of employment shall be Orange County, California; provided, however, that travel to the Company's offices or places of business activity may occasionally be required. Executive acknowledges that the Company may, in its sole discretion from time to time, non-materially change the Executive's responsibilities or his direct / indirect reports and such non-material change shall not constitute good reason pursuant to Section 5(b).

**2. Term.** Executive's employment shall be governed by the terms of this Agreement for the period beginning on the Effective Date and continuing through December 31, 2013, unless sooner terminated as provided herein ("**Term**"). Executive shall resign his position as a Director of Company effective as of the Effective Date.

**3. Compensation.** Company shall pay and Executive shall accept as full consideration for the services to be rendered hereunder, compensation consisting of the items listed below. Company shall have no obligation to pay any such compensation for any period after the termination of Executive's employment, except as otherwise expressly provided.

(a) **Base Salary.** Base salary, paid pursuant to Company's normal payroll practices, at an annual rate of three hundred thousand dollars (\$300,000) per year ("**Base Salary**"). All such Base Salary payments shall be subject to deduction and withholding authorized or required by applicable law. For all purposes under this Agreement, the term "Base Salary" shall refer to the Base Salary as in effect from time to time.

(b) **Annual Bonus.** As recommended by Company's Chief Executive Officer and approved by the Compensation Committee of the Board of Directors of Company, in its sole discretion, an annual target bonus in the amount of sixty percent (60%) of the Base Salary with respect to each fiscal year of Company (each, a "**Performance Year**") during the Term, beginning with the Performance Year beginning on January 1, 2011 ("**Annual Bonus**"). The terms and conditions of the Annual Bonus, including the applicable performance criteria for a Performance Year, and the amount of the Annual Bonus payable to the Executive for a Performance Year (if any) shall be recommended by Company's Chief Executive Officer and approved by the Compensation Committee of the Board of Directors of Company, in its sole discretion. The Annual Bonus will be paid in accordance with Company's standard policies and procedures for the payment of annual bonuses to its other similarly situated employees.

(c) **2011 Special Quarterly Bonus.** During 2011, Executive will receive quarterly payments in the amount of thirty seven thousand and five hundred dollars (\$37,500) within ten (10) days at the start of each quarter. If Executive voluntarily terminates his employment or if Executive is terminated for Cause (as defined below) prior to December 31, 2011, Executive shall repay to Company within ten (10) days following his termination date any such quarterly amounts received.

(d) **Equity Incentives.** During the Term, Executive shall be eligible to receive equity incentives, as determined in the discretion of the Company's Compensation Committee (or its delegate), including but not limited to restricted stock unit awards and/or stock options. The parties are currently discussing the terms of such equity incentives. Upon hire, Executive will be eligible to receive twenty-five thousand (25,000) restricted stock units with three (3) year annual vesting subject to the terms of the Second and Restated Tree.com, Inc. 2008 Stock and Incentive Plan ("**Stock Plan**"). It is anticipated that the parties will agree on a separate equity plan that will grant the Executive five percent (5%) equity, or mimic equity, in the increase in value of Company's real estate division with a five (5) year cliff vesting term. The parties agree that the value of the Executive's equity will be equal to five percent (5%) of the increase in the value of the Company's real estate division between the Effective Date and the 5<sup>th</sup> anniversary thereof. The equity element will be achieved through an instrument to be determined such as actual equity interest, phantom stock, SARs, a cash bonus, a method yet to be identified, or a combination thereof. Company will endeavor to obtain favorable tax treatment for both parties of such plan. No later than December 31, 2010, the parties will agree in writing upon the aforementioned equity plan for Executive which, subject to the discretion of the Company's Chief Executive Officer with the approval of the Company's Compensation Committee (or its delegate), shall be granted to Executive, in accordance with the applicable policies, practices, terms, and conditions (including but not limited to vesting requirements). It is agreed by both parties that such equity plan is a key driver of employee's motivation to join the company.

(e) **Vacation and other Paid Time Off.** During the Term, Executive shall be entitled to paid vacation and other paid time off each year, in accordance with applicable plans, policies, programs and practices applicable to similarly situated employees generally.

(f) **Other.** During the Term, Executive shall be entitled to such other benefits, payments, or items of compensation as are provided under the employee benefit plans of the

Company, or as are made available from time to time under compensation policies set by Company for management employees of Company having similar salary and level of responsibility.

(g) **Reimbursement.** Company shall reimburse Executive, in accordance with the general policies and practices of Company as in effect from time to time, for reasonable, necessary and documented normal out-of-pocket expenses incurred by Executive in the ordinary course of business, including without limitation, Company's standard mileage allowance for business use of any personal vehicle, business related travel, and professional organizations.

#### 4. Disability or Death.

(a) **Disability.** If at any time during the Term, Executive incurs a Disability (as defined below), Executive's employment under this Agreement shall be immediately terminated as of the date of Executive's Disability. Upon termination of Executive's employment due to Disability, Company shall pay Executive, in a single lump sum cash payment, on the next regularly scheduled payroll date following the date of such termination, an amount equal to (i) Executive's earned but unpaid Base Salary; plus (ii) any Accrued Obligations (as defined below). For purposes of this Agreement, Executive shall be considered to have incurred a "**Disability**" if Executive has incurred a permanent and total disability as determined under the Company's long-term disability plan applicable to Executive.

(b) **Death.** If Executive should die during the Term, Executive's employment and Company's obligations hereunder (other than pro rata payment of Base Salary) shall terminate as of Executive's death. In such event, the Company shall pay the Executive's estate any Accrued Obligations. As used in this Agreement, "**Accrued Obligations**" shall mean the sum of (i) any portion of Executive's earned but unpaid Annual Bonus relating to a previously completed Performance Year, (ii) any compensation previously earned but deferred by Executive (together with any interest or earnings thereon) that has not yet been paid and that is not otherwise to be paid at a later date pursuant to the executive deferred compensation plan of the Company, if any, and (iii) any reimbursements that Executive is entitled to receive under paragraph 3(f) of the Agreement.

#### 5. Termination by Company.

(a) **Cause.** Company may terminate the employment of Executive under this Agreement during its Term for Cause. "**Cause**" shall include Executive's fraud, dishonesty, theft, embezzlement, misconduct injurious to the Company or any of its affiliates, conviction of, or entry of a plea of guilty or *nolo contendere* to, a crime that constitutes a felony or other crime involving moral turpitude, competition with Company or any of its affiliates, unauthorized use of any trade secrets of Company or any of its affiliates or Confidential Information (as defined below), a violation of any policy, code or standard of ethics generally applicable to employees of the Company, material breach of fiduciary duties owed to Company, excessive and unexcused absenteeism unrelated to a disability, or, following written notice and a reasonable opportunity to cure, gross neglect of the duties assigned to Executive. In such event (i) no further Base Salary shall be paid to Executive after the date of termination, (ii) Executive shall forfeit any earned but unpaid Annual Bonus relating to a previously completed Performance Year, and (iii) Executive

3

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shall not be eligible to receive any Annual Bonus relating to the Performance Year in which Executive's employment terminates pursuant to this paragraph 5(a). Executive shall retain only such rights to participate in other benefits as are required by the terms of those plans, Company's policies, or applicable law.

(b) **Termination by Company other than for Death, Disability or Cause.** Upon termination of Executive's employment with Company prior to the expiration of the Term by Executive for Good Reason or by Company without Cause (other than for death or Disability) ("**Qualifying Termination**"), the Company shall pay Executive the amounts described below. Notwithstanding the foregoing, Company shall only pay Executive the amounts described in subparagraph (ii) below if Executive executes and does not revoke a general release of Company and its affiliates in a form substantially similar to that used for similarly situated executives of the Company and its affiliates ("**Release of Claims**") and Executive complies with the restrictive covenants set forth herein. "**Good Reason**" shall mean Executive's voluntary termination of employment with Company within 120 days following the initial occurrence of any of the following without Executive's written consent, subject to the conditions described below: (a) a material diminution in Executive's duties or operational authorities, or a material diminution in the duties or operational authorities of the Executive's Reporting Officer, from those in effect immediately following the Effective Date, excluding for this purpose any such change that is an isolated and inadvertent action not taken in bad faith and that is remedied by the Company in accordance with the notice and remedy procedure described below, that is authorized pursuant to this Agreement, or that is a change in Executive's Reporting Officer due to internal restructuring, realignment, or the resignation, promotion, demotion, or a reorganization of managers within the Company, (b) a reduction in Executive's Base Salary of greater than twenty-five percent (25%), or (c) a relocation of Executive's principal place of business more than 30 miles from Orange County, CA. No Good Reason shall exist unless Executive provides written notice to the Company within fifteen (15) days of the occurrence of any event described in (a)-(c) above, and Company does not remedy such event within sixty (60) days of receipt of Executive's written notice of the event.

(i) An amount equal to all Accrued Obligations within thirty (30) days following the date of such Qualifying Termination.

(ii) An amount equal to one (1) year of Executive's then-current Base Salary, payable in equal installments on the Company's regularly scheduled paydays over the one (1) year period following the date of such Qualifying Termination ("**Salary Continuation Payments**").

Notwithstanding the foregoing, the total amount payable under paragraph 5(b)(ii) shall not exceed the applicable dollar limit imposed under Treasury Regulation Section 1.409A-1(b)(9)(iii), or any successor or replacement section thereto.

(c) Notwithstanding the foregoing, if Executive obtains other permanent employment for services during the period in which he is receiving Salary Continuation Payments ("**Severance Period**"), the Company's obligation to make future payments to Executive under subparagraph 5b(ii) above shall be offset against any compensation

4

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earned by Executive as a result of employment with or services provided to a third party. Executive agrees to inform the Company promptly of his employment status and any amounts so earned during the Severance Period. Executive acknowledges and agrees that the payments described in paragraph

5(b)(ii) above constitute good and valuable consideration for such Release of Claims.

**6. Qualifying Termination within One Year Following Change in Control.** If Executive experiences a Qualifying Termination within the one-year period following a Change in Control (as defined in the Stock Plan), the Company shall pay Executive the amounts described below. Notwithstanding the foregoing, Company shall only pay Executive the amounts described in subparagraph (ii) below if Executive executes and does not revoke a Release of Claims and Executive complies with the restrictive covenants set forth herein.

(i) An amount equal to all Accrued Obligations within thirty (30) days following the date of such Qualifying Termination.

(ii) An amount equal to two times Executive's then-current Base Salary, payable in installments on the Company's regularly scheduled paydays over the two (2) year period following the date of such Qualifying Termination.

No amounts payable to Executive pursuant to this paragraph 6 shall be subject to the mitigation or offset provisions described in paragraph 5(c) above.

Notwithstanding the foregoing, the total amount payable under paragraph (ii) shall not exceed the applicable dollar limit imposed under Treasury Regulation Section 1.409A-1(b)(9)(iii), or any successor or replacement section thereto.

**7. Confidential Information and Return of Property.** "**Confidential Information**" means any written, oral, or other information obtained by Executive in confidence from Company, or any of its affiliates, including without limitation information about their respective operations, financial condition, business commitments or business strategy, as a result of Executive's employment with Company, unless such information is already publicly known through no fault of any person bound by a duty of confidentiality to Company or any of its affiliates. Executive will not at any time, during or after Executive's employment with Company, directly or indirectly disclose Confidential Information to any person or entity other than authorized officers, directors and employees of Company who have a need to know such Confidential Information. Executive will not at any time, during or after Executive's employment with Company, in any manner use Confidential Information on behalf of himself or any other person or entity other than Company, or accept any position in which Executive would have a duty to any person to use Confidential Information against the interests of Company or any of its affiliates. Upon termination of Executive's employment for any reason, Executive will promptly return to Company all property of Company, including documents and computer files, especially where such property contains or reflects Confidential Information. Nothing in this Agreement shall be interpreted or shall operate to diminish such duties or obligations of Executive to Company that arise or continue in effect after the termination of Executive's employment hereunder, including without limitation, any such duties or obligations to maintain

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confidentiality or refrain from adverse use of any of Company's trade secrets or other Confidential Information that Executive may have acquired in the course of Executive's employment.

**8. Disclosure and Ownership of Work Related Intellectual Property.** Executive shall disclose fully to Company any and all intellectual property (including, without limitation, inventions, processes, improvements to inventions and processes, and enhancements to inventions and processes, whether or not patentable, formulae, data and computer programs, related documentation and all other forms of copyrightable subject matter) that Executive conceives, develops or makes during the term of Executive's employment, whether or not within the original Term, and that in whole or in part result from or relate to Executive's work for Company (collectively, "**Work Related Intellectual Property**"). Any such disclosure shall be made promptly after each item of Work Related Intellectual Property is conceived, developed or made by Executive, whichever is sooner. Executive acknowledges that all Work Related Intellectual Property that is copyrightable subject matter and which qualifies as "work made for hire" shall be automatically owned by Company. Further, Executive hereby assigns to Company any and all rights that Executive has or may have in Work Related Intellectual Property that is copyrightable subject matter and that, for any reason, does not qualify as "work made for hire." If any Work Related Intellectual Property embodies or reflects any preexisting rights of Executive, Executive hereby grants to Company an irrevocable, perpetual, nonexclusive, worldwide, and royalty-free license to use, reproduce, display, perform, distribute copies of and prepare derivative works based upon such preexisting rights and to authorize others to do any or all of the foregoing.

**9. Restrictive Covenants.**

(a) **Non-Competition.** In consideration of this Agreement, and other good and valuable consideration provided hereunder, the receipt and sufficiency of which are hereby acknowledged by Executive, Executive hereby agrees and covenants that, during the Term and for a period of twelve (12) months thereafter (together, the "**Restricted Period**"), Executive shall not, without the prior written consent of the Company, directly or indirectly, engage in or become associated with a Competitive Activity.

For purposes of this Agreement, (i) a "**Competitive Activity**" means any business or other endeavor involving Similar Products if such business or endeavor is in a country (including the United States) in which the Company (or any of its businesses) provides or planned to provide during Executive's employment hereunder such Similar Products; (ii) "**Similar Products**" means any products or services that are the same (or substantially the same) as any of the (A) types of products or services that the online loan origination, online loan brokerage, or online real estate brokerage businesses of the Company, provides, has provided or planned to provide during Executive's employment hereunder or (B) significant types of products or services that any other business for which Executive has direct or indirect responsibility hereunder, in each case, provides, has provided or planned to provide during Executive's employment hereunder; and (iii) Executive shall be considered to have become "associated with a Competitive Activity" if Executive becomes directly or indirectly involved as an owner, principal, employee, officer, director, independent contractor, representative, stockholder, financial backer, agent, partner,

6

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member, advisor, lender, consultant or in any other individual or representative capacity with any individual, partnership, corporation or other organization that is engaged in a Competitive Activity. For the purposes of this Section 9(a), the Restricted Period shall be equal to the Term plus a period of six (6) months thereafter.

Notwithstanding the foregoing, Executive may make and retain investments during the Restricted Period, in less than one percent (5%) of the outstanding capital stock of any publicly-traded corporation engaged in a Competitive Activity if the stock of such corporation is either listed on a national stock exchange or on the NASDAQ Stock Market if Executive is not otherwise affiliated with such corporation.



Either party may change such party's address for notices by notice duly given pursuant hereto.

**16. Invalid Provisions.** It is not the intention of either party to violate any public policy, or any statutory or common law. If any sentence, paragraph, clause or combination of the same in this Agreement is in violation of the law of any State where applicable, such sentence, paragraph, clause or combination of the same shall be void in the jurisdictions where it is unlawful, and the remainder of the Agreement shall remain binding on the parties. However, the parties agree, and it is their desire that a court should substitute for each such illegal, invalid or unenforceable covenant a reasonable and judicially-enforceable limitation in its place, and that as so modified the covenant shall be as fully enforceable as if set forth herein by the parties themselves in the modified form.

**17. Entire Agreement; Amendments.** This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof. This Agreement may be amended in whole or in part only by an instrument in writing setting forth the particulars of such amendment and duly executed by both parties.

**18. Multiple Counterparts.** This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together shall constitute one and the same instrument.

**19. Governing Law; Jurisdiction.** The validity, construction, interpretation and enforceability of this Agreement and the capacity of the parties shall be determined and governed by the laws of the State of North Carolina, without regard to the conflict of law rules contained therein. Any litigation under this Agreement shall be brought by either party exclusively in Mecklenburg County, North Carolina. As such, the parties irrevocably consent to the jurisdiction of the courts in Mecklenburg County, North Carolina (whether federal or state) for all disputes related to this Agreement and irrevocably consent to service via nationally recognized overnight carrier, without limiting other service methods allowed by applicable law. In addition, the parties irrevocably waive any right to a trial by jury in any action related to this Agreement.

**20. Taxes.**

- (a) All payments made under this Agreement shall be subject to Company's withholding of all required foreign, federal, state and local income and employment/payroll taxes, and all payments shall be net of such tax withholding. The parties intend that the provisions of this Agreement shall be exempt from or otherwise comply with the Section 409A of the Internal Revenue Code of 1986, as amended and the regulations hereunder (collectively, "Section 409A") and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of this Agreement (or of any payment hereunder) would cause Executive to incur any additional tax or interest under Section 409A, the parties agree to modify this Agreement or the timing (but not increase the amount) of any payment to the extent necessary to comply with Section 409A of the Code and avoid application of any taxes, penalties, or interest thereunder. However, in the event that the payments under the Agreement are subject to any taxes (including, without limitation, those specified in Section 409A), the Executive shall be solely liable for the payment of any such taxes.
- (b) Notwithstanding anything in this Agreement to the contrary, to the extent any payment under this Agreement is subject to the requirements of Section 409A and Executive is a "specified employee" within the meaning of Section 409A, no payment may be made by reason of Executive's "separation for service" (as defined by Section 409A) before the date which is six (6) months after Executive's termination date. Upon the expiration of that six-month deferral period, all payments deferred pursuant this Section 21(b) will be distributed to Executive without interest. The determination of whether Executive is a "specified employee" for this purpose shall be made in accordance with Section 409A. For purposes of this Agreement, the terms "termination" and "termination of employment" (and variations thereof) shall mean Executive's "separation from service" within the meaning of Section 409A.

**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement as of the date first written above.

**COMPANY**

By: /s/ Doug Lebda  
Doug Lebda  
Chairman & Chief Executive Officer  
Tree.com, Inc.

**EXECUTIVE**

/s/ Steven Ozonian  
Steven Ozonian

**AMENDED AND RESTATED  
EMPLOYMENT AGREEMENT**

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (“Agreement”), dated as of October 26, 2010 (the “Agreement Date”), is entered into by and between Douglas R. Lebda (“Employee”) and Tree.com, Inc. (the “Company”). All capitalized terms used herein without definition shall have the meaning assigned to them in the Prior Agreement (as defined below).

WHEREAS, Employee is currently serving as Chairman and Chief Executive Officer of the Company;

WHEREAS, the Company was formed in connection with the spin-off by IAC/InterActiveCorp (“IAC”) of its LendingTree and Real Estate financial reporting segments into a separate publicly-traded company. For purposes of this Agreement, “IAC LendingTree” shall mean IAC’s LendingTree and Real Estate financial reporting segments;

WHEREAS, Employee and the Company are parties to an Employment Agreement, dated January 7, 2008 which has been subsequently amended to reflect the Spin-Off as well as to make certain other changes (the “Current Agreement”);

WHEREAS, Employee, IAC and IAC LendingTree were parties to an Employment Agreement (the “Prior Agreement”), dated as of December 14, 2005, which generally became effective as of the effective date (as that term is defined in the Prior Agreement), and which has been superseded by the Current Agreement;

WHEREAS, Employee and the Company now wish to amend and restate the Current Agreement to incorporate all amendments thereto, to make certain conforming changes to reflect the Spin-Off and to make certain additional changes; and

WHEREAS, in order to effect the foregoing, the Company and Employee wish to enter into an amended and restated employment agreement on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, Employee and the Company have agreed and do hereby agree as follows:

1A. **EMPLOYMENT.** The Company agrees to employ Employee as Chairman and Chief Executive Officer as of January 7, 2008 (the “Effective Date”) and Employee accepts and agrees to such employment. During Employee’s employment with the Company, Employee shall perform all services and acts necessary or advisable to fulfill the duties and responsibilities as are commensurate and consistent with Employee’s position and shall render such services on the terms set forth herein. During Employee’s employment with the Company, Employee shall report to the Board of Directors of the Company. Employee agrees to devote all of Employee’s working time, attention and efforts to the Company and to perform the duties of Employee’s position in accordance with the Company’s policies as in effect from time to time.

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Notwithstanding anything to the contrary above, Employee may serve as a corporate board member for Eastman Kodak Company and Recyclebank, Inc. (collectively, the “Current Boards”) and such other organizations (not to exceed four (4) in the aggregate) as are approved in advance by the Company, provided said service does not (a) interfere with Employee’s ability to perform his duties for the Company as contemplated hereunder, and (b) compete with, or present an actual or apparent conflict of interest for, the Company, which shall be determined by the Board of Directors of the Company, in its sole, good faith judgment. The Company acknowledges that as of the Effective Date, Employee is serving as a corporate board member on the Current Boards.

2A. **TERM OF AGREEMENT.** The term (“Term”) of this Agreement shall commence on the Effective Date and shall continue through the fifth anniversary of the Effective Date, unless sooner terminated in accordance with the provisions of Section 1 of the Standard Terms and Conditions attached hereto; provided that certain terms and conditions herein may specify a greater period of effectiveness. Employee and the Company will enter into good faith negotiations to extend the Term no later than six months prior to the end of the Term, provided, that Employee has provided written notice to the Company between eight and six months prior to the end of the Term which sets forth his interest in entering into such negotiations.

3A. **COMPENSATION.**

(a) **BASE SALARY.** During the Term, the Company shall pay Employee an annual base salary of \$550,000 (the “Base Salary”) payable in equal biweekly installments or in such other installments as may be in accordance with the Company’s standard payroll practices as in effect from time to time. The Base Salary shall be reviewed by the Company as the Company determines to be appropriate or, if requested by Employee in writing, no less frequently than annually in a manner consistent with similarly situated executives of the Company and may be increased but not decreased. For all purposes under this Agreement, the term “Base Salary” shall refer to the Base Salary as in effect from time to time.

(b) **DISCRETIONARY BONUS.** During the Term, Employee shall be eligible to receive discretionary annual bonuses in a manner consistent with similarly situated executives of the Company. The Board of Directors, in consultation with Employee, shall establish performance-based metrics for determining the amount of the bonus paid to Employee, which metrics shall be consistent with those established for similarly situated executives of the Company.

(c) **EQUITY COMPENSATION.**

(i) **Grant of Company Equity Incentives.** At the time of the Spin-Off (or, in the case of the Restricted Preferred Stock (as defined in subsection (i)(B) below), two days prior to the Spin-Off), Employee was granted the following equity awards, with the vesting of each of the awards dependent on the continued service of Employee to the Company through the vesting term:

(A) An award of stock options (the “Company Options”), giving Employee the right to acquire 589,850 shares of Company common stock,

with a per share exercise price of \$8.48. The Company Options will be governed by the Second Amended and Restated Tree.com, Inc. 2008 Stock and Annual Incentive Plan (the "Stock Plan") and related stock option agreement and shall vest in full on the fifth anniversary of the Effective Date. In the event of any conflict or ambiguity between this Agreement and the Stock Plan or stock option agreement, this Agreement shall control.

(B) In consideration for Employee's past and future services to the Company (and its predecessor businesses) and its subsidiaries, restricted shares of Series A Preferred Stock (the "Restricted Preferred Stock") of LendingTree Holdings Corp. ("LT Holdings"), such shares having an aggregate liquidation preference of \$5,000,000 or \$1,000 per share (the "Liquidation Preference"). Employee vested in two-thirds of the shares of Restricted Preferred Stock on the second anniversary of the Spin-Off and exchanged 2,902.33 of such shares (plus cash related to accrued and unpaid dividends) for 534,900 shares of the Company's common stock. The remaining one-third of the shares of Restricted Preferred Stock will (1) vest on the third anniversary of the Spin-Off and as otherwise set forth in the Restated Restricted Share Grant and Shareholders' Agreement, dated August 15, 2008 by and among IAC, LT Holdings and Employee, as amended (the "Restricted Stock Agreement"); (2) be mandatorily redeemable by the issuer on the fifth anniversary of the date of issuance; (3) accrue dividends at a rate of 12% of the Liquidation Preference per share per year and unpaid dividends compound at a rate per annum equal to the dividend rate; and (4) have such other terms as shall be set forth in the Certificate of Incorporation for LT Holdings. In the event of any conflict or ambiguity between this Agreement and the Restricted Stock Agreement, this Agreement shall control.

(ii) **2009 Equity Awards.** Employee was granted the following equity awards in 2009:

(A) Effective March 26, 2009, Employee was granted one hundred seventy-five thousand (175,000) shares of Company restricted common stock, vesting in four equal installments on the first, second, third, and fourth anniversary of February 17, 2009.

(B) In addition, on or about April 28, 2009 and Employee's employment on such date, Employee was granted one hundred seventy-five thousand (175,000) shares of Company restricted common stock, vesting in four equal installments on the first, second, third, and fourth anniversary of February 17, 2009.

(C) Such grants shall be governed by and subject to the terms of the Stock Plan.

(D) For purposes of the vesting provisions set forth in Section 1(d) of the Standard Terms and Conditions, the restricted stock granted under this Section 3A(c)(ii) shall be considered "Company Restricted Stock."

(iii) **2010 Equity Award.** Employee was granted one hundred fifty thousand (150,000) shares of Company restricted common stock pursuant to the Restricted Stock Award Agreement, granted on March 31, 2010, between the Company and Employee (the "2010 Restricted Stock Award"). For purposes of the vesting provisions set forth in Section 1(d) of the Standard Terms and Conditions, the restricted stock granted pursuant to the 2010 Restricted Stock Award shall be considered "Company Restricted Stock."

(iv) Notwithstanding the foregoing and anything to the contrary in this Agreement or any other agreement pursuant to which Employee has received, or shall receive in the future, awards of equity from the Company, to the extent not vested in such equity awards, Employee shall become immediately 100% vested in such equity awards upon the occurrence of a "Change in Control" (as such term is defined by Section 1(g) of the Standard Terms and Conditions) and in the case of restricted stock awards, such underlying shares shall become immediately nonforfeitable and transferable.

(d) **BENEFITS.** During the Term, Employee shall be eligible to participate in any welfare, health, life insurance, pension benefit and incentive plans, programs, policies and practices as may be adopted from time to time by the Company on the same basis as that provided to similarly situated employees of the Company generally. Without limiting the generality of the foregoing, Employee shall be eligible for the following benefits:

(i) **Reimbursement for Business Expenses.** During the Term, the Company shall reimburse Employee for all reasonable and necessary expenses incurred by Employee in performing Employee's duties for the Company, on the same basis as similarly situated employees of the Company generally and in accordance with the Company's policies as in effect from time to time.

(ii) **Vacation.** During the Term, Employee shall be eligible for paid vacation in accordance with the plans, policies, programs and practices of the Company applicable to similarly situated employees of the Company generally. Any accrued vacation under IAC's plans, policies, programs and practices shall be rolled over and continue to be available to Employee upon his becoming subject to the Company's plans, policies, programs and practices regarding vacation.

4A. **NOTICES.** All notices and other communications under this Agreement shall be in writing and shall be given by first-class mail, certified or registered with return receipt requested or hand delivery acknowledged in writing by the recipient personally, and shall be deemed to have been duly given three days after mailing or immediately upon duly acknowledged hand delivery, as applicable, to the respective persons named below:

If to the Company: Tree.com, Inc.  
11115 Rushmore Drive

Attention: Senior Vice President of Human Resources

If to the Employee:

At the most recent address on file at the Company.

Either party may change such party's address for notices by notice duly given pursuant hereto.

5A. GOVERNING LAW, JURISDICTION. This Agreement and the legal relations thus created between the parties hereto shall be governed by and construed under and in accordance with the laws of the State of Delaware without reference to the principles of conflicts of laws. Any and all disputes between the parties which may arise pursuant to this Agreement will be heard and determined solely before an appropriate federal court in the State of New York, or, if not maintainable therein, then in an appropriate New York state court. The parties acknowledge that such courts have jurisdiction to interpret and enforce the provisions of this Agreement, and the parties consent to, and waive any and all objections that they may have as to, personal jurisdiction and/or venue in such courts.

6A. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument. Employee expressly understands and acknowledges that the Standard Terms and Conditions attached hereto are incorporated herein by reference, deemed a part of this Agreement and are binding and enforceable provisions of this Agreement. References to "this Agreement" or the use of the term "hereof" shall refer to this Agreement and the Standard Terms and Conditions attached hereto, taken as a whole.

7A. EFFECT ON CURRENT AGREEMENT. This Agreement constitutes the entire agreement between the parties, and as of the Agreement Date, restates and supersedes the Current Agreement.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and delivered by its duly authorized officer and Employee has executed and delivered this Agreement as of the date set forth above.

TREE.COM, INC.

By: /s/ Evva Claudette Hampton

Name: Evva Claudette Hampton

Title: Senior Vice President, Human Resources

EMPLOYEE

5

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By: /s/ Douglas R. Lebda

Name: Douglas R. Lebda

Title: Chairman & Chief Executive Officer

6

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### STANDARD TERMS AND CONDITIONS

#### 1. TERMINATION OF EMPLOYEE'S EMPLOYMENT.

(a) DEATH. Upon termination of Employee's employment prior to the expiration of the Term by reason of Employee's death, the Company shall pay Employee's designated beneficiary or beneficiaries, within 30 days of Employee's death in a lump sum in cash, (i) Employee's Base Salary from the date of Employee's death through the end of the month in which Employee's death occurs and (ii) any Accrued Obligations (as defined in Section 1(f) below).

(b) DISABILITY. Upon termination of Employee's employment prior to expiration of the Term by reason of Employee's Disability, the Company shall pay Employee, within 30 days of such termination in a lump sum in cash, (i) Employee's Base Salary from the date of Employee's termination of employment due to Disability through the end of the month in which such termination occurs, offset by any amounts payable to Employee under any disability insurance plan or policy provided by the Company and (ii) any Accrued Obligations (as defined in Section 1(f) below). "Disability" shall mean a condition, resulting from bodily injury or disease, that renders, and for a six consecutive month period has rendered, Employee unable to perform substantially the duties pertaining to his employment with the Company. A return to work of less than 14 consecutive days will not be considered an interruption in Employee's six consecutive months of disability. Disability will be determined by the Company on the basis of medical evidence satisfactory to the Company.

(c) TERMINATION FOR CAUSE: RESIGNATION BY EMPLOYEE WITHOUT GOOD REASON. The Company may terminate Employee's employment under this Agreement with or without Cause at any time. Upon termination of Employee's employment prior to expiration of the Term by the Company for Cause or upon Employee's resignation without Good Reason, this Agreement shall terminate without further obligation by the Company, except for the payment of any Accrued Obligations (as defined in Section 1(f) below). As used herein, "Cause" shall mean: (i) the plea of guilty or nolo contendere to, or conviction for, a felony offense; provided however, that after indictment, the Company may suspend Employee from the rendition of services, but without limiting or modifying in any other way the Company's obligations to Employee under this Agreement; provided, further that Employee's employment shall be immediately reinstated if the indictment is dismissed or otherwise dropped and there is not otherwise grounds to terminate Employee's employment for Cause; (ii) a material breach by Employee of a fiduciary duty owed to the Company; (iii) a material breach by Employee of any of the covenants made by Employee in Section 2 hereof; or (iv) the willful or gross neglect by Employee of the material duties required by this Agreement. Before a cessation of Employee's employment shall be deemed to be a termination of Employee's employment for Cause, (A) the Company shall provide

written notice to Employee that identifies the conduct described in clauses (ii), (iii) or (iv) above, as applicable, and (B) in the event that the event or condition is curable, Employee shall have failed to remedy such event or condition within 30 days after Employee shall have received the written notice from the Company described above. As used herein, "Good Reason" shall mean the occurrence of any of the following without Employee's written consent, (i) a material adverse change in Employee's, title, duties, operational authorities or reporting responsibilities as they relate to Employee's position as

Chairman and Chief Executive Officer of the Company from those in effect immediately following the Effective Date, excluding for this purpose any such change that is an isolated and inadvertent action not taken in bad faith and that is remedied by the Company promptly after receipt of notice thereof given by the Employee, (ii) a material reduction in Employee's annual base salary, (iii) a relocation of Employee's principal place of business more than 25 miles from the Charlotte, North Carolina metropolitan area, or (iv) a material breach by the Company of this Agreement, excluding for this purpose any such action that is an isolated and inadvertent action not taken in bad faith and that is remedied by the Company promptly after receipt of notice thereof given by the Employee.

(d) TERMINATION BY THE COMPANY OTHER THAN FOR DEATH, DISABILITY OR CAUSE; RESIGNATION BY EMPLOYEE FOR GOOD REASON. Upon termination of Employee's employment with the Company prior to expiration of the Term (i) by the Company without Cause (other than for death or Disability) or (ii) upon Employee's resignation for Good Reason (either such termination, a "Qualifying Termination"), the Company shall pay Employee the amounts described in clauses (A) and (B) on the 60th day following Employee's termination (the "Qualifying Termination Payment Date") and take the actions described in clauses (C) and (D); provided that, payment of the amount described in clause (A) and the actions described in clauses (C) and (D) shall be conditioned on Employee's execution and non-revocation before the Qualifying Termination Payment Date of a general release of the Company and its affiliates substantially in the form attached hereto as Exhibit A, and Employee's compliance with Sections 2(a) through 2(e):

(A) an amount (the "Severance Amount") equal to the greater of:

(i) the amount of Base Salary (calculated using Employee's then-current Base Salary) that Employee would have received had his employment continued over the period commencing on the date of Employee's Qualifying Termination and ending on the earlier of (x) the last day of the Term or (y) the third anniversary of the date of the Qualifying Termination, or

(ii) one times Employee's then-current Base Salary plus Employee's target annual bonus for the bonus program in effect for Employee for the year in which Employee's employment terminates.

The Severance Amount shall be paid in substantially equal payments in accordance with the Company's normal payroll practices in effect at the time of Employee's termination of employment (except as otherwise required pursuant to Section 10) and shall be payable over the period commencing on the Qualifying Termination Payment Date and ending on the earlier of (x) the last day of the Term or (y) three (3) years from the date of the Qualifying Termination;

(B) a lump sum cash payment equal to any Accrued Obligations;

(C) the vesting of all IAC restricted stock units held by Employee on the Effective Date shall be accelerated in full; and

(D) to the extent previously granted, the Employee shall be fully vested in the Company Restricted Stock and the Company Options (as such terms are defined in Section 3A(c) of the Agreement) that he holds on the termination date and the Company Options shall remain exercisable for a period of twelve months from the date of such termination.

Notwithstanding the foregoing, in no event shall Employee's resignation be for Good Reason unless (x) an event or circumstance set forth in any of clauses (i) through (iv) of the definition thereof shall have occurred and Employee provides the Company with written notice thereof within forty-five (45) days after Employee has knowledge of the occurrence or existence of such event or circumstance, which notice specifically identifies the event or circumstance that Employee believes constitutes Good Reason, (y) the Company fails to correct the circumstance or event so identified within thirty (30) days after the receipt of such notice, and (z) Employee resigns within ninety (90) days after the date of delivery of the notice referred to in clause (x) above.

(e) MITIGATION; OFFSET. In the event of a termination of Employee's employment prior to the end of the Term, in no event shall Employee be obligated to seek other employment or take any other action by way of mitigation of severance benefits or other compensation or benefits. If Employee obtains other employment during the Term, the amount of any severance payments to be made to Employee under Section 1(d) hereof after the date such employment is secured shall be offset by the amount of compensation earned by Employee from such employment through the end of the Term. For purposes of this Section 1(e), Employee shall have an obligation to inform the Company promptly regarding Employee's employment status following termination and during the period encompassing the Term.

(f) ACCRUED OBLIGATIONS. As used in this Agreement, "Accrued Obligations" shall mean the sum of (i) any portion of Employee's accrued but unpaid Base Salary through the date of death or termination of employment for any reason, as the case may be; (ii) any compensation previously earned but deferred by Employee (together with any interest or earnings thereon) that has not yet been paid, (iii) any reasonable and necessary business expenses incurred by Employee prior to the date of termination of employment but not yet reimbursed and (iv) any benefits earned by Employee but unpaid or unused at the date of termination of employment provided that the payout of these benefits is consistent with the plans, policies, programs and practices of the Company at the date of termination of employment.

(g) QUALIFYING TERMINATION WITHIN ONE YEAR FOLLOWING CHANGE IN CONTROL. If Employee experiences a Qualifying Termination within the one-year period following a Change in Control (as defined below), the Company shall pay Employee the amounts described in clauses (A) and (B) on the 60th day following Employee's termination (the "Change in Control Payment Date") and take the actions described in clauses (C) and (D); provided that, payment of the amount described in clause (A) and the actions described in clauses (C) and (D) shall be conditioned on

(A) an amount equal to three (3) times Employee's then-current Base Salary payable over the period commencing on the Change in Control Payment Date and ending on the earlier of (i) the last day of the Term or (ii) three (3) years from the date of the Qualifying Termination, and paid in substantially equal payments in accordance with the Company's normal payroll practices in effect at the time of Employee's termination of employment (except as otherwise required pursuant to Section 10);

(B) a lump sum cash payment equal to any Accrued Obligations;

(C) the vesting of all IAC restricted stock units held by Employee on the Effective Date shall be accelerated in full; and

(D) to the extent previously granted, the Employee shall be fully vested in the Company Restricted Stock and the Company Options (as such terms are defined in Section 3A(c) of the Agreement) that he holds on the termination date and the Company Options shall remain exercisable for a period of twelve months from the date of such termination.

Notwithstanding the foregoing, in no event shall Employee's resignation be for Good Reason unless the requirements of Section 1(d)(x) through Section 1(d)(z) are met with respect to such resignation.

For purposes of this Section 1(g), the term "Change in Control" has the meaning set forth in the Stock Plan.

Further, no amounts payable to Employee pursuant to this Section 1(g) shall be subject to the mitigation or offset provisions described in Section 1(e) of these Standard Terms and Conditions.

2. CONFIDENTIAL INFORMATION; NON-COMPETE; NON-SOLICITATION; AND PROPRIETARY RIGHTS.

(a) CONFIDENTIALITY. Employee acknowledges that while employed by the Company, Employee will occupy a position of trust and confidence. Employee shall not, except as may be required to perform Employee's duties hereunder or as required by applicable law, disclose to others or use, whether directly or indirectly, any Confidential Information. "Confidential Information" shall mean information about the Company or any of its subsidiaries or affiliates, and their clients and customers that is not disclosed by the Company or any of its subsidiaries or affiliates for financial reporting purposes and that was learned by Employee in the course of employment with the Company or any of its subsidiaries or affiliates, including without limitation any proprietary knowledge, trade secrets, data, formulae, information and client and customer lists and all papers, resumes, and records (including computer records) of the documents containing such Confidential Information. Employee acknowledges that such Confidential Information is specialized, unique in nature and of great value to the Company and its subsidiaries or affiliates, and that such information gives the Company and its subsidiaries or affiliates a competitive advantage. Employee agrees to deliver or return to the Company, at the Company's request at any time or upon termination or expiration of Employee's employment or as soon thereafter as possible, all documents, computer tapes and disks, records, lists, data, drawings, prints, notes and written information (and all copies thereof) furnished by the

Company and its subsidiaries or affiliates or prepared by Employee in the course of Employee's employment by the Company and its subsidiaries or affiliates. As used in this Agreement, "affiliates" shall mean any company controlled by, controlling or under common control with the Company.

(b) NON-COMPETITION. During the Term and for a period of 24 months beyond Employee's date of termination of employment for any reason following the date hereof (the "Restricted Period"), Employee shall not, without the prior written consent of the Company, directly or indirectly, engage in or become associated with a Competitive Activity. For purposes of this Section 2(b): (i) a "Competitive Activity" means any business or other endeavor, in any state of the United States or a comparable jurisdiction in Canada or any other country, involving products or services that are the same or similar to the type of products or services that the Company is engaged in providing both (x) as of the date hereof or at any time during the Term and (y) at any time during the twelve (12) month period preceding Employee's termination of employment, and (ii) Employee shall be considered to have become "associated with a Competitive Activity" if Employee becomes directly or indirectly involved as an owner, principal, employee, officer, director, independent contractor, representative, stockholder, financial backer, agent, partner, member, advisor, lender, or in any other individual or representative capacity with any individual, partnership, corporation or other organization that is engaged in a Competitive Activity. Notwithstanding the foregoing, (i) Employee may make and retain investments during the Restricted Period, for investment purposes only, in less than one percent (1%) of the outstanding capital stock of any publicly-traded corporation engaged in a Competitive Activity if the stock of such corporation is either listed on a national stock exchange or on the NASDAQ National Market System if Employee is not otherwise affiliated with such corporation and (ii) Employee may become employed by a partnership, corporation or other organization that is engaged in a Competitive Activity so long as Employee has no direct or indirect responsibilities or involvement in the Competitive Activity. Notwithstanding the foregoing and exclusively with respect to Employee's termination of employment pursuant to Section 1(g), the Restricted Period shall be reduced from 24 months to 12 months following Employee's date of termination, solely to the extent applicable to Competitive Activity unrelated to online lending.

(c) NON-SOLICITATION OF EMPLOYEES. During the Restricted Period, Employee shall not, without the prior written consent of the Company, directly or indirectly, hire or recruit or solicit the employment or services of (whether as an employee, officer, director, agent, consultant or independent contractor), any employee, officer, director, agent, consultant or independent contractor of the Company or any of its subsidiaries or affiliates (except for such employment or hiring by the Company or any of its subsidiaries or affiliates); provided, however that this Section 2(c) shall not apply to any hiring which results solely from a general solicitation of employment that was not directed to employees of the Company or any of its subsidiaries or affiliates. Notwithstanding the foregoing and exclusively with respect to Employee's termination of employment pursuant to Section 1(g), the Restricted Period shall be reduced from 24 months to 12 months following Employee's date of termination, solely to the extent applicable to Competitive Activity unrelated to online lending.

(d) NON-SOLICITATION OF BUSINESS PARTNERS. During the Restricted Period, Employee shall not, without the prior written consent of the Company, directly

11

or indirectly, solicit, attempt to do business with, or do business with any business partners or business affiliates of the Company or any of its subsidiaries or those affiliates of the Company that are engaged in a Competitive Activity, or encourage (regardless of who initiates the contact) any such business partners or business affiliates to use the services of any competitor of the Company, its subsidiaries or affiliates. Notwithstanding the foregoing and exclusively with respect to Employee's termination of employment pursuant to Section 1(g), the Restricted Period shall be reduced from 24 months to 12 months following Employee's date of termination, solely to the extent applicable to Competitive Activity unrelated to online lending.

(e) PROPRIETARY RIGHTS; ASSIGNMENT. All Employee Developments shall be made for hire by Employee for the Company or any of its subsidiaries or affiliates. "Employee Developments" means any idea, discovery, invention, design, method, technique, improvement, enhancement, development, computer program, machine, algorithm or other work or authorship that (i) relates to the business or operations of the Company or any of its subsidiaries or affiliates, or (ii) results from or is suggested by any undertaking assigned to the Employee or work performed by the Employee for or on behalf of the Company or any of its subsidiaries or affiliates, whether created alone or with others, during or after working hours. All Confidential Information and all Employee Developments shall remain the sole property of the Company or any of its subsidiaries or affiliates. The Employee shall acquire no proprietary interest in any Confidential Information or Employee Developments developed or acquired during the Term. To the extent the Employee may, by operation of law or otherwise, acquire any right, title or interest in or to any Confidential Information or Employee Development, the Employee hereby assigns to the Company all such proprietary rights. The Employee shall, both during and after the Term, upon the Company's request, promptly execute and deliver to the Company all such assignments, certificates and instruments, and shall promptly perform such other acts, as the Company may from time to time in its discretion deem necessary or desirable to evidence, establish, maintain, perfect, enforce or defend the Company's rights in Confidential Information and Employee Developments.

(f) COMPLIANCE WITH POLICIES AND PROCEDURES. During the Term, Employee shall adhere to the policies and standards of professionalism set forth in the Company's policies and procedures as they may exist from time to time.

(g) REMEDIES FOR BREACH. Employee expressly agrees and understands that Employee will notify the Company in writing of any alleged breach of this Agreement by the Company, and the Company will have 30 days from receipt of Employee's notice to cure any such breach.

Employee expressly agrees and understands that the remedy at law for any breach by Employee of this Section 2 will be inadequate and that damages flowing from such breach are not usually susceptible to being measured in monetary terms. Accordingly, it is acknowledged that upon Employee's violation of any provision of this Section 2, in addition to any remedy that the Company may have at law, the Company shall be entitled to obtain from any court of competent jurisdiction immediate injunctive relief and obtain a temporary order restraining any threatened or further breach as well as an equitable accounting of all profits or benefits arising out of such violation. Nothing in this Section 2 shall be deemed to limit the Company's remedies

12

at law or in equity for any breach by Employee of any of the provisions of this Section 2, which may be pursued by or available to the Company.

(h) SURVIVAL OF PROVISIONS. The obligations contained in this Section 2 shall, to the extent provided in this Section 2, survive the termination or expiration of Employee's employment with the Company and, as applicable, shall be fully enforceable thereafter in accordance with the terms of this Agreement. If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 2 is excessive in duration or scope or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state. If any of the covenants of this Section 2 are determined to be wholly or partially unenforceable in any jurisdiction, such determination shall not be a bar to or in any way diminish the rights of the Company or its affiliates, as applicable, to enforce any such covenant in any other jurisdiction.

3. WAIVER OF PRIOR AGREEMENTS. This Agreement constitutes the entire agreement between the parties, and Employee acknowledges that he has waived, effective as of the Effective Date, any and all rights under prior agreements and understandings (whether written or oral) between Employee and IAC LendingTree or IAC with respect to the subject matter of this Agreement, other than the Shares Agreement, as modified by the Prior Agreement, and the provisions of the Prior Agreement referred to in Section 3A(c)(i). In addition, Employee acknowledges that notwithstanding the foregoing, Employee shall continue to be subject to those terms of the Prior Agreement which survive the termination of such agreement, and those restrictive covenants in the Prior Agreement that begin to run from Employee's date of termination, shall run from the Effective Date concurrently with any similar covenants contained herein. Employee acknowledges and agrees that neither the Company nor anyone acting on its behalf has made, and is not making, and in executing this Agreement, the Employee has not relied upon, any representations, promises or inducements except to the extent the same is expressly set forth in this Agreement.

4. ASSIGNMENT; SUCCESSORS. This Agreement is personal in its nature and none of the parties hereto shall, without the consent of the others, assign or transfer this Agreement or any rights or obligations hereunder; provided that, in the event of a merger, consolidation, transfer, reorganization, or sale of all, substantially all or a substantial portion of the assets of the Company with or to any other individual or entity, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor (including the Company upon assignment of this Agreement) shall discharge and perform all the promises, covenants, duties, and obligations of the Company hereunder, and all references herein to the "Company" shall refer to such successor.

5. WITHHOLDING. The Company shall make such deductions and withhold such amounts from each payment and benefit made or provided to Employee hereunder, as may be required from time to time by applicable law, governmental regulation or order.

6. HEADING REFERENCES. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. References to "this Agreement" or the use of the term "hereof" shall refer to these

13

Standard Terms and Conditions and the Employment Agreement attached hereto, taken as a whole.

7. WAIVER; MODIFICATION. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times. This Agreement shall not be modified in any respect except by a writing executed by each party hereto.

8. SEVERABILITY. In the event that a court of competent jurisdiction determines that any portion of this Agreement is in violation of any law or public policy, only the portions of this Agreement that violate such law or public policy shall be stricken. All portions of this Agreement that do not violate any statute or public policy shall continue in full force and effect. Further, any court order striking any portion of this Agreement shall modify the stricken terms as narrowly as possible to give as much effect as possible to the intentions of the parties under this Agreement.

9. INDEMNIFICATION. The Company shall indemnify and hold Employee harmless for acts and omissions in Employee's capacity as an officer, director or employee of the Company to the maximum extent permitted under applicable law; provided, however that neither the Company, nor any of its subsidiaries or affiliates shall indemnify Employee for any losses incurred by Employee as a result of acts that would constitute Cause under Section 1(c) of this Agreement. This Section 9 shall survive the termination or expiration of Employee's employment with the Company and, as applicable, shall be fully enforceable thereafter in accordance with the terms of this Agreement.

10. SECTION 409A OF THE CODE. The benefits provided under this Agreement shall comply with Section 409A of the Code and the regulations thereunder. To the extent so required in order to comply with Section 409A of the Code, (i) amounts and benefits to be paid or provided under this Agreement shall be paid or provided to Employee, in a single lump sum on the first business day after the date that is six months following the date of termination of Employee's employment or shall begin six months and one day following the date of termination, and (ii) the Company and Employee agree to amend or modify this Agreement and any agreements relating hereto (including any award agreement with respect to equity compensation described in Section 3A(c)) as may be necessary to comply with Section 409A of the Code. For purposes of this Agreement, the terms "termination" and "termination of employment" (and variations thereof) shall mean Employee's "separation from service" within the meaning of Section 1.409A-1(h) of the Treasury Regulations promulgated under Section 409A of the Code, applying the default terms thereof.

14

ACKNOWLEDGED AND AGREED:

Date: October 26, 2010

TREE.COM, INC.

By: /s/ Evva Claudette Hampton

Name: Evva Claudette Hampton

Title: Senior Vice President, Human Resources

EMPLOYEE

By: /s/ Douglas R. Lebda

Name: Douglas R. Lebda

Title: Chairman & Chief Executive Officer

15

## EXHIBIT A

### FORM OF RELEASE AGREEMENT

This Release Agreement ("Release") is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, hereinafter "Execution Date", by and between [Employee Full Name] (hereinafter "Employee"), and Tree.com, Inc. (hereinafter, the "Company"). The Employee and the Company are sometimes collectively referred to as the "Parties".

1. The Employee's employment with the Company is terminated effective [Month, Day, Year] (hereinafter "Termination Date"). The Parties have agreed to avoid and resolve any alleged existing or potential disagreements between them arising out of or connected with the Employee's employment with the Company including the termination thereof. The Company expressly disclaims any wrongdoing or any liability to the Employee.
2. The Company agrees to provide the Employee the severance benefits provided for in Section [1(d)][1(g)] of his/her Employment Agreement (the "Severance Benefits") with the Company, dated as of [ ], after he/she executes this Release [FOR 40+ and does not revoke it as permitted in Section 8 below, the expiration of such revocation period being the "Effective Date"]].
3. Employee represents that he/she has not filed, and will not file, any complaints, lawsuits, administrative complaints or charges relating to her employment with, or resignation from, the Company, excluding any action to enforce the Employment Agreement as it relates to the provision of the Severance Benefits or to Sections 3A(d) or 9[; provided, however, that nothing contained in this Section 3 shall prohibit you from bringing a claim to challenge the validity of the ADEA Release in Section 8 herein]. Employee agrees to release the Company, its subsidiaries, affiliates, and their

respective parents, direct or indirect subsidiaries, divisions, affiliates and related companies or entities, regardless of its or their form of business organization, any predecessors, successors, joint ventures, and parents of any such entity, and any and all of their respective past or present shareholders, partners, directors, officers, employees, consultants, independent contractors, trustees, administrators, insurers, agents, attorneys, representatives and fiduciaries, including without limitation all persons acting by, through, under or in concert with any of them (collectively, the "Released Parties"), from any and all claims, charges, complaints, causes of action or demands of whatever kind or nature that Employee now has or has ever had against the Released Parties, whether known or unknown, arising from or relating to Employee's employment with or discharge from the Company, including but not limited to: wrongful or tortious termination; constructive discharge; implied or express employment contracts and/or estoppel; discrimination and/or retaliation under any federal, state or local statute or regulation, specifically including any claims Employee may have under the Fair Labor Standards Act, the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964 as amended, and the Family and Medical Leave Act; the discrimination or other employment laws of the State of [ ](1); any claims brought under any federal or state statute or regulation for

(1) Insert state of employment.

non-payment of wages or other compensation, including grants of stock options or any other equity compensation; and libel, slander, or breach of contract other than the breach of this Release. This Release specifically excludes claims, charges, complaints, causes of action or demand that post-date the Termination Date [or the Effective Date, whichever is later].

4. Employee agrees to keep the fact that this Release exists and the terms of this Release in strict confidence except to his/her immediate family and his/her financial and legal advisors on a need-to-know basis.
5. Employee warrants that no promise or inducement has been offered for this Release other than as set forth herein and that this Release is executed without reliance upon any other promises or representations, oral or written. Any modification of this Release must be made in writing and be signed by Employee and the Company.
6. Employee will direct all employment verification inquiries to [HR Rep]. In response to inquiries regarding Employee's employment with the Company, the Company by and through its speaking agent(s) agrees to provide only the following information: Employee's date of hire, the date her employment ended and rates of pay.
7. If any provision of this Release or compliance by Employee or the Company with any provision of the Release constitutes a violation of any law, or is or becomes unenforceable or void, then such provision, to the extent only that it is in violation of law, unenforceable or void, will be deemed modified to the extent necessary so that it is no longer in violation of law, unenforceable or void, and such provision will be enforced to the fullest extent permitted by law. If such modification is not possible, such provision, to the extent that it is in violation of law, unenforceable or void, will be deemed severable from the remaining provisions of this Release, which provisions will remain binding on both Employee and the Company. This Release is governed by, and construed and interpreted in accordance with the laws of the State of [ ], without regard to principles of conflicts of law. Employee consents to venue and personal jurisdiction in the State of [ ] for disputes arising under this Release. This Release represents the entire understanding with the Parties with respect to subject matter herein, no oral representations have been made or relied upon by the Parties.
8. [FOR EMPLOYEES OVER 40 ONLY — In further recognition of the above, Employee hereby releases and discharges the Released Parties from any and all claims, actions and causes of action that he/she may have against the Released Parties, as of the date of the execution of this Release, arising under the Age Discrimination in Employment Act of 1967, as amended ("ADEA"), and the applicable rules and regulations promulgated thereunder. The Employee acknowledges and understands that ADEA is a federal statute that prohibits discrimination on the basis of age in employment, benefits and benefit plans. Employee specifically agrees and acknowledges that: (A) the release in this Section 8 was granted in exchange for the receipt of consideration that exceeds the amount to which he/she would otherwise be entitled to receive upon termination of his/her employment; (B) his/her waiver of rights under this Release is knowing and voluntary as required under the Older Workers Benefit Protection Act; (B) that he/she has

read and understands the terms of this Release; (C) he/she has hereby been advised in writing by the Company to consult with an attorney prior to executing this Release; (D) the Company has given him/her a period of up to twenty-one (21) days within which to consider this Release, which period shall be waived by the Employee's voluntary execution prior to the expiration of the twenty-one day period; and (E) following his/her execution of this Release he/she has seven (7) days in which to revoke his/her release as set forth in this Section 8 only and that, if he/she chooses not to so revoke, the Release in this Section 8 shall then become effective and enforceable and the payment listed above shall then be made to his/her in accordance with the terms of this Release. To cancel this Release, Employee understands that he/she must give a written revocation to the General Counsel of the Company at [ ](2), either by hand delivery or certified mail within the seven-day period. If he/she rescinds the Release, it will not become effective or enforceable and he/she will not be entitled to any benefits from the Company.]

9. **EMPLOYEE ACKNOWLEDGES AND AGREES THAT HE/SHE HAS CAREFULLY READ AND VOLUNTARILY SIGNED THIS RELEASE, THAT HE/SHE HAS HAD AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF HIS/HER CHOICE, AND THAT HE/SHE SIGNS THIS RELEASE WITH THE INTENT OF RELEASING THE COMPANY, ITS AFFILIATES, SUBSIDIARIES AND THEIR RESPECTIVE SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS FROM ANY AND ALL CLAIMS.**

ACCEPTED AND AGREED TO:

[Company Name]

[Employee Full Name]

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
(2) Insert address.