

**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): **March 26, 2009**

Tree.com, Inc.

(Exact Name of Registrant as Specified in Its 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)

(704) 541-5351

(Registrant's Telephone number, including area code)

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))

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

On March 26, 2009, Tree.com, Inc. (the "Company") entered into employment agreement amendments with Douglas Lebda, Robert Harris and Matthew Packey, copies of which are filed herewith as Exhibits 10.1, 10.2 and 10.3, respectively. The amendments were entered into in connection with a restructuring of the Company's compensation programs approved by the Compensation Committee in February 2009 and described in the Company's proxy statement for the 2009 Annual Meeting of Stockholders as filed with the Securities and Exchange Commission on March 19, 2009.

During the fall of 2008 and continuing through February 2009, the Company's Chief Executive Officer and Compensation Committee reviewed the Company's overall compensation programs in light of its new status as a stand-alone public company as well as other factors affecting the economy in general and the mortgage and real estate industries and the Company in particular. In light of current circumstances, a desire to increase the Company's entrepreneurial culture and a goal of further aligning the interests of the Company's executive officers and employees with those of its stockholders, the Compensation Committee in February 2009 determined that the Company's compensation programs should have less of a fixed component and, instead, should be more variable and tied to individual and corporate performance. Following this review, the Compensation Committee approved a restructuring of the Company's compensation program designed to put greater weight on performance-based incentive arrangements and equity compensation and lesser weight on fixed items such as base salary.

Under the amendments entered into as part of this restructuring, effective April 3, 2009, the annual base salaries of Messrs. Lebda, Harris and Packey will be adjusted as follows:

Name	Title	Current 2009 Salary Rate	Adjusted 2009 Salary Rate	Reduction (%)
Douglas Lebda	Chairman and CEO	\$750,000	\$550,000	26.7%
Robert Harris	President, Lending Tree Exchange	\$325,000	\$275,000	15.4%
Matthew Packey	Senior Vice President and CFO	\$312,500	\$250,000	20.0%

In addition, the amendments provide for the following restricted stock and restricted stock unit awards:

Grants Made On March 26, 2009

<u>Name</u>	<u>Four-Year Restricted Stock</u>	<u>Two-Year RSUs</u>	<u>Four-Year RSUs</u>
Douglas Lebda	175,000 (1)	—	—
Robert Harris	—	5,000 (2)	7,500 (3)
Matthew Packey	—	5,000 (2)	6,250 (3)

Grants Contingent On Stockholder Approval (4)

<u>Name</u>	<u>Four-Year Restricted Stock</u>	<u>Two-Year RSUs</u>	<u>Four-Year RSUs</u>
Douglas Lebda	175,000 (1)	—	—
Robert Harris	—	5,000 (2)	7,500 (3)
Matthew Packey	—	5,000 (2)	6,250 (3)

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- (1) Such shares of restricted stock will vest in four equal annual installments beginning on February 17, 2010. Shares are not entitled to voting rights prior to vesting.
- (2) These restricted stock units will vest in full on February 17, 2011.
- (3) These restricted stock units will vest in four equal annual installments beginning on February 17, 2010.
- (4) These grants will be made only if stockholders approve the Company's Second Amended and Restated 2008 Stock and Annual Incentive Plan at the 2009 Annual Meeting of Stockholders scheduled to take place on April 28, 2009.

Copies of the amendments are filed with this report as Exhibit 10.1, 10.2 and 10.3 and are hereby incorporated by reference herein. The foregoing description of the amendments does not purport to be complete and is qualified in its entirety by reference to the full text of such amendments.

The restricted stock unit awards will be made in accordance with the terms set forth in the Form of Notice of Restricted Stock Unit Award filed herewith as Exhibit 10.4. The restricted stock awards will be made in accordance with the terms set forth in the Form of Restricted Stock Award Agreement filed herewith as Exhibit 10.5.

The Company may from time to time grant stock option awards to executive officers, employees and directors under the Tree.com, Inc. 2008 Stock and Annual Incentive Plan. Any grants of stock option awards will be made in accordance with the terms set forth in the Form of Notice of Stock Option Award filed herewith as Exhibit 10.6.

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Item 9.01. Financial Statements and Exhibits.

<u>Exhibit No.</u>	<u>Exhibit Description</u>
10.1	Amendment No. 2 to the Employment Agreement between Douglas Lebda and Tree.com, Inc.
10.2	Amendment No. 1 to the Employment Agreement between Robert Harris and Tree.com, Inc.
10.3	Amendment No. 1 to the Employment Agreement between Matthew Packey and Tree.com, Inc.
10.4	Form of Notice of Restricted Stock Unit Award
10.5	Form of Restricted Stock Award Agreement
10.6	Form of Notice of Stock Option Award

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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.

TREE.COM, INC.

Date: March 27, 2009

By: /s/ Jacqueline Jones
Name: Jacqueline Jones
Title: Assistant General Counsel and Corporate Secretary

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit Description</u>
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10.2	Amendment No. 1 to the Employment Agreement between Robert Harris and Tree.com, Inc.
10.3	Amendment No. 1 to the Employment Agreement between Matthew Packey and Tree.com, Inc.
10.4	Form of Notice of Restricted Stock Unit Award
10.5	Form of Restricted Stock Award Agreement
10.6	Form of Notice of Stock Option Award

**AMENDMENT NO. 2 TO THE EMPLOYMENT AGREEMENT
BETWEEN DOUGLAS R. LEBDA AND TREE.COM, INC.**

March 26, 2009

This Amendment No. 2 to that certain Employment Agreement, dated as of January 7, 2008 between Douglas R. Lebda ("**Employee**") and Tree.com, Inc. (as successor by assignment to IAC/InterActiveCorp) (the "**Company**"), as subsequently amended by Amendment No.1 dated August 15, 2008 ("**Amendment No. 1**") (collectively, the "**Agreement**"), is effective as of February 17, 2009 unless otherwise indicated. All capitalized terms used herein without definition shall have the meanings given to them in the Agreement.

WHEREAS, subject to the terms and conditions set forth herein, Employee and the Company wish to make certain amendments to the Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

- A. Base Pay Adjustment: Effective April 3, 2009, Section 3A(a) of the Agreement is hereby deleted and replaced in its entirety with the following:
- 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 payroll practice as in effect from time to time. The Base Salary shall be reviewed by the Company, 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. Relocation: Section 3A(d)(iii) of the Agreement is hereby deleted and replaced in its entirety with the following:
- Payment of and/or Reimbursement for Certain Relocation Expenses. The Company shall pay on Employee's behalf (or reimburse Employee for) actual, reasonable and documented expenses relating to his relocation to Charlotte, North Carolina, if such occurs, on the same basis as similarly situated employees and in accordance with Company policy (the "**Relocation Expenses**"). As required by Company policy and as a condition to the payment of and/or reimbursement for the Relocation Expenses, Employee agrees to repay the Company for 100%, 75%, 50% and 25% of such expenses upon a termination of Employee's employment for Cause (as defined in Section 1(c) of the Standard Terms and Conditions) or if

Employee voluntarily terminates his employment with the Company (except for Good Reason as defined in accordance with the provisions of Section 1(d) of the Standard Terms and Conditions or termination pursuant to Section 1(g) of the Standard Terms and Conditions) during months 0 through 4, 5 through 9, 10 through 14 and 15 through 18, respectively, of the Term.

- C. Equity Awards
1. Effective March 26, 2009 (the "**Grant Date**"), Employee shall be granted one hundred seventy-five thousand (175,000) shares of Tree.com restricted common stock, vesting in four equal installments on the first, second, third, and fourth anniversary of February 17, 2009, and with voting rights being conferred on the respective vesting dates.
 2. In addition, subject to receipt of shareholder approval on or about April 28, 2009 and Employee's employment on such date, Employee shall be granted one hundred seventy-five thousand (175,000) shares of Tree.com restricted common stock, vesting in four equal installments on the first, second, third, and fourth anniversary of February 17, 2009, and with voting rights being conferred on the respective vesting dates.
 3. Such grants shall be governed by and subject to the terms of the Tree.com, Inc. Annual Stock and Incentive Plan (the "**Plan**").
 4. For purposes of the vesting provisions set forth in Section 1(d) of the Standard Terms and Conditions, the restricted stock granted under this paragraph C shall be considered "LT Restricted Stock."
- D. Bonus: Section 3A(b) of the Agreement is hereby deleted and replaced in its entirety with the following:
- 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.
- E. Except as explicitly set forth herein, the remaining provisions of the Agreement will remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 2 as of the date first set forth above.

/s/ Douglas R. Lebda

Douglas R. Lebda

TREE.COM, INC.

/s/ Claudette Hampton

**AMENDMENT NO. 1 TO THE EMPLOYMENT AGREEMENT
BETWEEN ROBERT L. HARRIS AND TREE.COM, INC.**

March 26, 2009

This Amendment No. 1 (this "Amendment") to that certain Employment Agreement, dated as of June 30, 2008 (the "Agreement"), between Robert L. Harris ("Employee") and Tree.com, Inc. (as successor by assignment to LendingTree, LLC) (the "Company"), is effective as of March 26, 2009. All capitalized terms used herein without definition shall have the meanings given to them in the Agreement.

WHEREAS, subject to the terms and conditions set forth herein, Employee and the Company wish to make certain amendments to the Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

A. Effective April 3, 2009, Section 3 of the Agreement is hereby deleted and replaced in its entirety with the following:

3. COMPENSATION.

(a) BASE SALARY. During the period that Executive is employed with the Company hereunder, the Company shall pay Executive an annual base salary of \$275,000 (the "Base Salary"), payable in equal biweekly installments (or, if different, in accordance with the Company's payroll practice as in effect from time to time), or such higher salary as shall be agreed to in writing by Executive and the Company from time to time. For all purposes under this Agreement, the term "Base Salary" shall refer to the Base Salary as in effect from time to time.

B. Equity Awards

1. Effective March 26, 2009, Employee shall be granted (a) five thousand (5,000) Tree.com Restricted Stock Units ("RSUs"), vesting in one installment on February 17th, 2011; and (b) seven thousand five hundred (7,500) RSUs, vesting in four equal installments on the 17th of February of each of 2010, 2011, 2012, and 2013.
2. In addition, subject to receipt of shareholder approval on or about April 28, 2009 and Employee's employment on such date, Employee shall be granted (a) five thousand (5,000) Tree.com RSUs, vesting in one installment on February 17th, 2011; and (b) seven thousand five hundred (7,500) RSUs, vesting in four equal installments on the 17th of February of each of 2010, 2011, 2012, and 2013.
3. Such grants shall be governed by and subject to the terms of the Tree.com, Inc. Annual Stock and Incentive Plan (the "Plan").
4. In the event that Executive's employment hereunder is terminated by the Company or the Company commits a material breach of this Agreement prior to the expiration of the Term for any reason other than Executive's death or Disability or for Cause, any

unvested RSUs granted under this paragraph B that are scheduled to vest during the Severance Period shall vest immediately upon such termination or breach. This paragraph shall be construed to providing additional vesting rights to Executive beyond those conferred in the Plan and the related Award agreement, and nothing in this Agreement shall reduce any vesting rights otherwise conferred to Executive under the Plan or the Award agreement.

C. Except as explicitly set forth herein, the Agreement will remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first set forth above.

/s/ Robert L. Harris

Robert L. Harris

TREE.COM, INC.

/s/ Claudette Hampton

By: Claudette Hampton

Senior Vice President — Human Resources

**AMENDMENT NO. 1 TO THE EMPLOYMENT AGREEMENT
BETWEEN MATT PACKEY AND TREE.COM, INC.**

March 26, 2009

This Amendment No. 1 (this "Amendment") to that certain Employment Agreement, dated as of August 3, 2008 (the "Agreement"), between Matt Packey ("Executive") and Tree.com, Inc. (as successor by assignment to LendingTree, LLC) (the "Company"), is effective as of March 26, 2009. All capitalized terms used herein without definition shall have the meanings given to them in the Agreement.

WHEREAS, subject to the terms and conditions set forth herein, Executive and the Company wish to make certain amendments to the Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

- A. Effective April 3, 2009, Section 3 of the Agreement is hereby deleted and replaced in its entirety with the following:
3. **COMPENSATION.**
- (a) **BASE SALARY.** During the period that Executive is employed with the Company hereunder, the Company shall pay Executive an annual base salary of \$250,000 (the "Base Salary"), payable in equal biweekly installments (or, if different, in accordance with the Company's payroll practice as in effect from time to time), or such higher salary as shall be agreed to in writing by Executive and the Company from time to time. For all purposes under this Agreement, the term "Base Salary" shall refer to the Base Salary as in effect from time to time.
- B. Equity Awards
1. Effective March 26, 2009, Executive shall be granted (a) five thousand (5,000) Tree.com Restricted Stock Units ("RSUs"), vesting in one installment on February 17th, 2011; and (b) six thousand two hundred fifty (6,250) Tree.com RSUs, vesting in four equal installments on the 17th of February of each of 2010, 2011, 2012, and 2013.
 2. In addition, subject to receipt of shareholder approval on or about April 28, 2009 and Executive's employment on such date, Executive shall be granted (a) five thousand (5,000) Tree.com RSUs, vesting in one installment on February 17th, 2011; and (b) six thousand two hundred fifty (6,250) Tree.com RSUs, vesting in four equal installments on the 17th of February of each of 2010, 2011, 2012, and 2013.
 3. Such grants shall be governed by and subject to the terms of the Tree.com, Inc. Annual Stock and Incentive Plan (the "Plan"), as amended from time to time.
 4. In the event that Executive's employment hereunder is terminated by the Company or the Company commits a material breach of this Agreement prior to the expiration of

the Term for any reason other than Executive's death or Disability or for Cause, all unvested RSUs granted under this paragraph B shall immediately vest upon the date of such termination or breach. This paragraph shall be construed to providing additional vesting rights to Executive beyond those conferred in the Plan and the related Award agreement, and nothing in this Agreement shall reduce any vesting rights otherwise conferred to Executive under the Plan or Award agreement.

- C. Except as explicitly set forth herein, the Agreement will remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first set forth above.

/s/ Matthew A. Packey
Matthew A. Packey

TREE.COM, INC.

/s/ Doug Lebda
By: Doug Lebda
Chairman & Chief Executive Officer

Notice of Restricted Stock Unit Award Granted Under the Amended and Restated Tree.com, Inc. 2008 Stock and Annual Incentive Plan

Award Recipient: _____ **[Last Name, First Name]**
2009 Restricted Stock Unit Award: _____ restricted stock units (“RSUs”) under the Tree.com, Inc. 2008 Stock and Annual Incentive Plan (the “2008 Plan”).

Award Date []

Vesting Schedule: Your RSUs shall, subject to the provisions of the 2008 Plan, vest and no longer be subject to any restriction as set forth below:

Vesting Date	Percentage of Total Award Vesting

Impact of a Termination of Employment: Except as otherwise provided in the 2008 Plan, in the attached Terms and Conditions for Restricted Stock Unit Awards, or any prior employment agreement, all of your unvested RSUs will be forfeited and canceled in their entirety upon a Termination of Employment by Tree.com.

Terms and Conditions: Capitalized terms used (but not defined) in this Award Notice shall have the meanings set forth in the 2008 Plan.

Your RSUs are subject to the Standard Terms and Conditions for Restricted Stock Unit Awards attached hereto and to the 2008 Plan, both of which are posted on www.benefitaccess.com and incorporated herein by reference. Additional copies of these documents are also available upon request from your Human Resources Department.

Without a complete review of these documents, you will not have a full understanding of all the material terms of your RSUs.

Standard Terms and Conditions for Restricted Stock Unit Award

Overview

These Terms and Conditions apply to the grant awarded to you by Tree.com, Inc. (“Tree.com” or the “Company”) pursuant to Section 7 of the Tree.com Amended and Restated 2008 Stock and Annual Incentive Plan (the “Plan”) of restricted stock units (the “Award”). You were notified of your Award by way of an award notice (the “Award Notice”). **All capitalized terms used herein, to the extent not defined, shall have the meaning as set forth in the Plan.**

Continuous Service

In order for your Award to vest, you must be continuously employed by Tree.com or any of its Subsidiaries or Affiliates during the Restriction Period (as defined below). Nothing in your Award Notice, these Terms and Conditions, or the Plan shall confer upon you any right to continue in the employ or service of Tree.com or any of its Subsidiaries or Affiliates or interfere in any way with their rights to terminate your employment or service at any time.

Vesting

Subject to the Award Notice, these Terms and Conditions and the Plan, the RSUs in respect to your Award, shall vest and no longer be subject to any restriction (such period during which restrictions apply is the “Restriction Period”) as follows:

Vesting Date	Percentage of Total Award Vesting

Termination of Employment

[For employees: [Except as otherwise provided in the Award Notice or these Terms and Conditions] Upon the termination of your employment with Tree.com or any of its Subsidiaries or Affiliates during the Restriction Period for any reason, any unvested portion of your Award shall be forfeited and canceled in its entirety effective immediately upon such termination of employment. .

For the avoidance of doubt, transfers of employment among the Company and its Subsidiaries and Affiliates, without any break in service, is not a Termination of Employment.]

[For directors: The unvested portion of your Award shall be forfeited and canceled in its entirety effective immediately upon termination of service as a director.]

Settlement

Subject to your satisfaction of the tax obligations described immediately below under “Taxes and Withholding,” as soon as practicable after any RSUs in respect of your Award have vested and are no longer subject to the Restriction Period (but in no event later than two and a half months after the end of the fiscal year in which the RSUs vest), such RSUs shall be settled. For each RSU settled, Tree.com shall issue one share of Common Stock for each RSU vesting. Notwithstanding the foregoing, Tree.com shall be entitled to hold the shares or cash issuable to you upon settlement of all RSUs that have vested until Tree.com or the agent selected by Tree.com to administer the Plan (the “Agent”) has received from you (i) a duly executed Form W-9 or W-8 and (ii) payment for any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such RSUs.

Taxes and Withholding

No later than the date as of which an amount in respect of any RSUs first becomes includable in your gross income for federal, state, local or foreign income or employment or other tax purposes, Tree.com or its Subsidiaries and/or Affiliates shall, unless prohibited by law, have the right to deduct any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount due to you, including deducting such amount from the delivery of shares or cash issued upon settlement of the RSUs that gives rise to the withholding requirement. In the event shares are deducted to cover tax withholdings, the number of shares withheld shall generally have a Fair Market Value equal to the aggregate amount of Tree.com’s withholding obligation. If the event that any such deduction and/or withholding is prohibited by law, you shall, prior to or contemporaneously with the vesting of your RSUs, pay to Tree.com, or make arrangements satisfactory to Tree.com regarding the payment of, any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount.

Non-Transferability of the RSUs

Until such time as your RSUs are ultimately settled, they shall not be transferable by you by means of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise.

No Rights as a Stockholder

Except as otherwise specifically provided in the Plan, unless and until your RSUs are settled, you shall not be entitled to any rights of a stockholder with respect to the RSUs (including the right to vote the underlying shares). Notwithstanding the foregoing, if Tree.com declares and pays dividends on the Common Stock during the Restriction Period for particular RSUs in respect of your Award, you will be credited with additional amounts for each RSU underlying such Award equal to the dividend that would have been paid with respect to such RSU as if it had been an actual share of Common Stock, which amount shall remain subject to restrictions (and as determined by the Committee may be reinvested in RSUs or may be held in kind as restricted property) and shall vest concurrently with the vesting of the RSUs upon which such dividend equivalent amounts were paid.

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Other Restrictions

The RSUs shall be subject to the requirement that, if at any time the Committee shall determine that (i) the listing, registration or qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or federal law, or (ii) the consent or approval of any government regulatory body is necessary or desirable as a condition of, or in connection with, the delivery of shares, then in any such event, the award of RSUs shall not be effective unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

Conflicts and Interpretation

In the event of any conflict between these Terms and Conditions and the Plan, the Plan shall control; provided, that an action or provision that is permissive under the terms of the Plan, and required under these Terms and Conditions, shall not be deemed a conflict and these Terms and Conditions shall control. In the event of any ambiguity in these Terms and Conditions, or any matters as to which these Terms and Conditions are silent, the Plan shall govern. In the event of (i) any conflict between the Award Notice (or any other information posted on Tree.com’s intranet or given to you directly or indirectly through the Agent (including information posted on <https://www.benefitaccess.com/> and Tree.com’s books and records, or (ii) ambiguity in the Award Notice (or any other information posted on Tree.com’s intranet or given to you directly or indirectly through the Agent (including information posted on <https://www.benefitaccess.com/>, Tree.com’s books and records shall control.

Amendment

Tree.com may modify, amend or waive the terms of your RSUs, prospectively or retroactively, but no such modification, amendment or waiver shall materially impair your rights without your consent, except as required by applicable law, NASDAQ or stock exchange rules, tax rules or accounting rules.

Data Protection

The acceptance of your RSUs constitutes your authorization of the release from time to time to Tree.com or any of its Subsidiaries or Affiliates and to the Agent (together, the “Relevant Companies”) of any and all personal or professional data that is necessary or desirable for the administration of your RSUs and/or the Plan (the “Relevant Information”). Without limiting the above, this authorization permits your employing company to collect, process, register and transfer to the Relevant Companies all Relevant Information (including any professional and personal data that may be useful or necessary for the purposes of the administration of your RSUs and/or the Plan and/or to implement or structure any further grants of equity awards (if any)). The acceptance of your RSUs also constitutes your authorization of the transfer of the Relevant Information to any jurisdiction in which Tree.com, your employing company or the Agent considers appropriate. You shall have access to, and the right to change, the Relevant Information, which will only be used in accordance with applicable law.

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Your Award is not intended to constitute “nonqualified deferred compensation” within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the rules and regulations issued there under (“Section 409A”). In no event shall Tree.com be required to pay you any “gross-up” or other payment with respect to any taxes or penalties imposed under Section 409A with respect to any amounts or benefits paid to you in respect of your Award.

Notification of Changes

Any changes to these Terms and Conditions shall either be posted on Tree.com’s intranet or communicated (either directly by Tree.com or indirectly through any of its Subsidiaries, Affiliates or the Agent) to you electronically via e-mail (or otherwise in writing) promptly after such change becomes effective.

RESTRICTED STOCK AWARD AGREEMENT

This Restricted Stock Award Agreement (the "Agreement") is made as of _____ between Tree.com, Inc., a Delaware corporation ("Tree.com"), and _____

Tree.com sponsors the Tree.com Amended and Restated 2008 Stock and Annual Incentive Plan (the "Plan"). This Agreement represents an award of Shares of Restricted Stock under the Plan. All capitalized terms used herein, to the extent not defined, shall have the meaning as set forth in the Plan.

The Shares of Restricted Stock (the "Shares") covered by this Agreement are being awarded subject to the following terms and provisions:

1. Subject to the terms and conditions of the Plan, [the Employment Agreement between you and Tree.com dated _____ (as amended) (the "Employment Agreement")] and this Agreement, Tree.com awards to you _____ Shares of Restricted Stock.
2. In order for your Award to vest, you must be continuously employed by Tree.com or any of its Subsidiaries or Affiliates during the Restriction Period (as defined below). Nothing in this Agreement or the Plan shall confer upon you any right to continue in the employ or service of Tree.com or any of its Subsidiaries or Affiliates or interfere in any way with their rights to terminate your employment or service at any time.
3. The Shares shall become earned by, and vested in, you in accordance with this Section. Until they become vested, the Shares shall be subject to cancellation and forfeiture in accordance with Section 5 below. Until vested, you may not vote the Shares or sell, transfer, pledge, assign or otherwise alienate or hypothecate the Shares (such period during which restrictions apply is the "Restriction Period"). The Shares shall vest as follows:

Vesting Date	Percentage of Total Award Vesting

4. You agree that you shall comply with (or provide adequate assurance as to future compliance with) all applicable securities laws and income tax laws as determined by Tree.com with respect to your receipt of the Shares. In addition, you agree that, upon request, you will furnish a letter agreement providing that (a) you will not distribute or resell any of said shares in violation of the Securities Act of 1933, as amended, (b) you will indemnify and hold Tree.com harmless against all liability for any such violation and (c) you will accept all liability for any such violation.
5. You acknowledge and agree that upon your ceasing to be employed by Tree.com or any of its Subsidiaries or Affiliates during the Restriction Period any unvested Shares at such time will be canceled and forfeited and returned to Tree.com. For the avoidance of doubt, transfers of employment among the Company and its Subsidiaries and Affiliates, without any break in service, is not a Termination of Employment. In order to facilitate the transfer to Tree.com of any Shares pursuant to the terms hereof, you shall execute the enclosed stock power (Assignment Separate from Certificate). The stock power may be used by Tree.com to transfer any unvested Shares to Tree.com

in accordance with this Section. You further hereby irrevocably appoint (which appointment is coupled with an interest) Tree.com as your agent and attorney-in-fact to take any necessary or appropriate action to cause Shares to be returned to Tree.com in accordance with this Section, including without limitation executing and delivering stock powers and instruments of transfer, making endorsements and/or making, initiating or issuing instructions or entitlement orders, all in your name and on your behalf. Without limiting the foregoing, you expressly acknowledge and agree that any transfer agent for the Shares is fully authorized and protected in relying on, and shall incur no liability in acting on, any documents, instruments, endorsements, instructions, orders or communications from Tree.com in connection with the Shares or the transfer thereof, and that any such transfer agent is a third party beneficiary of this Agreement.

6. Upon your receipt of the Shares, you will make an effective election with the Internal Revenue Service under Section 83(b) of the Internal Revenue Code and the regulations promulgated thereunder and shall promptly provide Tree.com with a copy of such election.
7. In the event of any conflict between this Agreement and the Plan, the Plan shall control; provided, that an action or provision that is permissive under the terms of the Plan, and required under this Agreement, shall not be deemed a conflict and this Agreement shall control. In the event of any ambiguity in this Agreement, or any matters as to which this Agreement are silent, the Plan shall govern.
8. Tree.com may modify, amend or waive the terms of your Shares, prospectively or retroactively, but no such modification, amendment or waiver shall materially impair your rights without your consent, except as required by applicable law, NASDAQ or stock exchange rules, tax rules or accounting rules.
9. Your acceptance of the Shares constitutes your authorization of the release from time to time to Tree.com or any of its Subsidiaries or Affiliates and to the Agent (together, the "Relevant Companies") of any and all personal or professional data that is necessary or desirable for the administration of your Shares and/or the Plan (the "Relevant Information"). Without limiting the above, this authorization permits your employing company to collect, process, register and transfer to the Relevant Companies all Relevant Information (including any professional and personal data that may be useful or necessary for the purposes of the administration of the Shares and/or the Plan and/or to implement or structure any further grants of equity awards (if any)). The acceptance of the Shares also constitutes your authorization of the transfer of the Relevant Information to any jurisdiction in which Tree.com, your employing company or the Agent considers appropriate. You shall have access to, and the right to change, the Relevant Information, which will only be used in accordance with applicable law.
10. Your Award is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the rules and regulations issued there under ("Section 409A"). In no event shall Tree.com be required to pay you any "gross-up" or other payment with respect to any taxes or penalties imposed under Section 409A with respect to any amounts or benefits paid to you in respect of your Award.

11. In the event any provision of this Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Agreement, and the Agreement shall be construed and enforced as if the illegal or invalid provision had not been included. This Agreement, together with the Employment Agreement and the Plan, constitutes the final understanding between you and Tree.com regarding the Shares. Any prior agreements, commitments or negotiations concerning the Shares are superseded.

IN WITNESS WHEREOF, Tree.com has caused this Agreement to be executed by its duly authorized officer, and you have hereunto set your hand, all effective as of the Grant Date listed above.

TREE.COM, INC.

By: _____
Title: _____

[Name]

ASSIGNMENT SEPARATE FROM CERTIFICATE

(Stock Power)

FOR VALUE RECEIVED, the undersigned does hereby assign and transfer unto

Name:

Address:

Social Security or
Taxpayer Identification Number:

shares of the

Stock of
represented by Certificate No(s).

herewith, standing in the name of the undersigned, and does hereby appoint
substitution, to transfer said shares on the books of said corporation.

attorney, with full power of

Signature(s):

Date: _____

**Notice of Stock Option Award Granted Under the
TREE.COM, INC.
2008 STOCK AND ANNUAL INCENTIVE PLAN**

Award Recipient: _____ **[Last Name, First Name]** _____

2008 Stock Option Award: Stock options to acquire _____ shares of Tree.com common stock at an exercise price of \$_____per share (“Stock Options”) under the Tree.com, Inc. 2008 Stock and Annual Incentive Plan (the “2008 Plan”). Capitalized terms used (but not defined) in this Award Notice shall have the meanings set forth in the 2008 Plan.

Award Date [_____]

Vesting Schedule: Subject to your continued employment with Tree.com or its Subsidiaries, your Stock Options shall, subject to the provisions of the 2008 Plan, vest and no longer be subject to any restriction as follows: [_____]

Expiration Date: Once vested, your Stock Options will expire upon the earlier of (i) the expiration of the 90-day period following your Termination of Employment for any reason other than death, Disability or Retirement, (ii) the expiration of the one-year period following your Termination of Employment due to death, Disability or Retirement or (iii) 10 years from your Award Date (the “Expiration Date”), except as otherwise provided in the 2008 Plan or the attached Terms and Conditions.

If you do not exercise your vested Stock Options before the Expiration Date, your Stock Options will be forfeited and canceled in their entirety.

Impact of a Termination of Employment: Except as otherwise provided in the 2008 Plan, all of your unvested Stock Options will be forfeited and canceled in their entirety upon a Termination of Employment by Tree.com.

Terms and Conditions: Your Stock Options are subject to the Terms and Conditions attached hereto and to the 2008 Plan, which are posted on www.benefitaccess.com and incorporated herein by reference. Copies of these documents are also available upon request from your Human Resources Department.

Without a complete review of these documents, you will not have a full understanding of all the material terms of your Stock Options.

Terms and Conditions for Stock Option Awards

Overview

These Terms and Conditions apply to the option granted to you by Tree.com, Inc. (“Tree.com” or the “Company”) pursuant to Section 5 of the Tree.com, Inc. 2008 Stock and Annual Incentive Plan (the “Plan”) of the right and option (the “Stock Options”) to purchase the number of shares of common stock of the Company, par value \$0.01 per share (the “Common Stock”), set forth in your award notice (the “Award Notice”) at the exercise price per share set forth in the Award Notice. The Stock Option shall be a Nonqualified Stock Option. Unless earlier terminated pursuant to the terms of your Award Notice, these Terms and Conditions or the Plan, the Stock Options shall expire within ten years of your Award Date.

ALL CAPITALIZED TERMS USED HEREIN, TO THE EXTENT NOT DEFINED, SHALL HAVE THE MEANINGS SET FORTH IN THE PLAN.

Continuous Service

In order for your Stock Options to vest, you must be continuously employed by Tree.com or any of its Subsidiaries or Affiliates during the Restriction Period (as defined below). Nothing in your Award Notice, these Terms and Conditions or the Plan shall confer upon you any right to continue in the employ or service of Tree.com or any of its Subsidiaries or Affiliates or interfere in any way with their rights to terminate your employment or service at any time.

Vesting

Subject to the Award Notice, these Terms and Conditions and the Plan, your Stock Options shall vest and become exercisable (such period prior to vesting is the “Restriction Period”) as follows:

Vesting Date	Percentage of the Stock Option Award Vesting

Method of Exercise of the Stock Options and Payment of the Exercise Price

The portion of your Stock Options that are vested shall be exercisable by delivery to the Company or the agent selected by Tree.com to administer the Plan (the “Agent”) of a written (including by way of electronic means) notice stating the number of whole shares to be purchased pursuant to these Terms and Conditions and accompanied by payment of the full purchase price of the shares of Common Stock to be purchased. Your Stock Options may not be exercised at any one time as to fewer than 100 shares (or such number of shares as to which the Stock Options are then exercisable if less than 100). Fractional share interests shall be disregarded except they may be accumulated.

The exercise price of the Stock Options shall be paid: (i) in cash or by certified check or bank draft payable to the order of the Company; (ii) by exchange of shares of unrestricted Common Stock of the Company already owned by you and having an aggregate Fair Market Value equal to the aggregate purchase price (which amount shall be equal to the product of the exercise price multiplied by the number of shares of Common Stock in respect of which the Stock Options are being exercised); provided, that you represent and warrant to the Company that you hold the shares of Common Stock free and clear of liens and encumbrances; (iii) by delivering, along with a properly executed exercise notice to the Company, a copy of irrevocable instructions to a broker to deliver promptly to the Company the aggregate exercise price and the amount of any applicable federal, state, local or foreign withholding taxes required to be withheld by the Company; provided, however, that such exercise must be implemented solely under a program or arrangement established and approved by the Company with a brokerage firm selected by the Company; or (iv) by any other procedure approved by the Committee, or by a combination of the foregoing.

Termination of Employment

The treatment of your Stock Options upon the termination of your employment is set forth in your Award Notice, the remainder of this "Termination of Employment" section and the Plan. For the avoidance of doubt, transfers of employment among the Company and its Subsidiaries and Affiliates, without any break in service, is not a Termination of Employment. Except as set forth below, upon a Termination of Employment, all vested Stock Options may be exercised prior to the first to occur of (a) the 90th day after such Termination of Employment or (b) expiration of the option grant.

If your employment is terminated by Tree.com or any of its Subsidiaries or Affiliates for Cause, or if following any Termination of Employment between you and Tree.com or any of its Subsidiaries or Affiliates for any reason Tree.com determines that during the two (2) years prior to such Termination of Employment there was an event or circumstance that would have been grounds for termination for Cause, all of your Stock Options (whether or not vested) shall be forfeited and canceled in their entirety upon such termination. In the event you exercised your Stock Options upon your Termination of Employment for Cause or after an event that would be grounds for a Termination of Employment for Cause, the Company shall be entitled to recover from you at any time within two (2) years after such exercise, and you shall pay over to the Company, any gain realized as a result of the exercise. This remedy shall be without prejudice to, or waiver of, any other remedies Tree.com or its Subsidiaries or Affiliates may have in such event.

In the event of a Termination of Employment due to your death (or, in the event of your death following a Termination of Employment while the Stock Options remain exercisable) that portion of the Stock Options, if any, which is exercisable at the time of death may be exercised by your estate or by a person who acquired the right to exercise such Stock Options by bequest or inheritance or otherwise by reason of your death at any time prior to the first to occur of (a) one (1) year after the date of death or (b) expiration of the option grant. In the event of a Termination of Employment due to your Disability or Retirement, that portion of the Stock Option, if any, which is exercisable at the time of such Termination of Employment for Disability or Retirement may be exercised by you or your guardian or legal representative at any time prior to the first to occur of (a) one (1) year after such Termination of Employment or (b) expiration of the option grant.

Taxes and Withholding

No later than the date of exercise of the Stock Options granted hereunder (or such earlier date as of which an amount in respect of the Stock Options first becomes includible in your gross income for federal, state, local or foreign income or employment or other tax purposes), you shall pay to the Company or make arrangements satisfactory to the Committee regarding payment of any federal, state, local or foreign taxes of any kind required by law to be withheld upon the exercise of your Stock Options and the Company shall, to the extent permitted or required by law, have the right to deduct from any payment of any kind otherwise due to you (either directly or indirectly through its agent), federal, state, local and foreign taxes of any kind required by law to be withheld upon the exercise of your Stock Options. Notwithstanding the foregoing, the Company shall be entitled to hold the shares issuable to you upon exercise of your Stock Options until the Company or the Agent has received from you (i) a duly executed Form W-9 or W-8, as applicable and (ii) payment for any federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such Stock Options.

Adjustment in the Event of Change in Stock; Change in Control

Adjustment in the Event of Change in Stock. In the event of (i) a stock dividend, stock split, reverse stock split, share combination, or recapitalization or similar event affecting the capital structure of Tree.com (each, a "Share Change"), or (ii) a merger, consolidation, acquisition of property or shares, separation, spin-off, reorganization, significant non-recurring cash dividend, stock rights offering, liquidation, Disaffiliation, or similar event affecting Tree.com or any of its Subsidiaries (each, a "Corporate Transaction"), the Committee or the Board shall make such substitutions or adjustments as it, in its good faith and sole discretion, deems appropriate and equitable to the number and kind of shares of Common Stock subject to your Stock Options and/or the exercise price per share. The determination of the Committee regarding any such adjustment will be final and conclusive and need not be the same for all Stock Option award recipients.

Change in Control. In the event you cease to be employed by either Tree.com or any of its Subsidiaries or Affiliates within the two (2) year period following a Change in Control of Tree.com (and not any of its Subsidiaries or Affiliates) as a result of (i) a termination by Tree.com or any of its Subsidiaries or Affiliates without Cause, (ii) your death or Disability or (iii) a resignation by you for Good Reason (as defined in Section 10 of the Plan), then upon the occurrence of such Termination of Employment, 100% of your unvested Stock Options shall automatically vest. In addition, following a Termination of Employment under these circumstances, your Stock Options will expire upon the later of (i) the last date on which your Stock Options would be exercisable in the absence of a Change in Control and (ii) the earlier of (A) the first anniversary of the Change in Control and (B) expiration of the option grant. The Disaffiliation of the Subsidiary or Affiliate of Tree.com by which you are employed or for which you are performing services at the time of such sale or other disposition by Tree.com shall be considered a Termination of Employment (not a Change in Control) and shall be governed by the applicable provisions of the Plan and the provision set forth under the caption "Termination of Employment" above; provided that the Committee or the Board may deem it appropriate to make an equitable adjustment to your Stock Options.

Non-Transferability of Stock Options

Your Stock Options are non-transferable (including by way of sale, assignment, exchange, encumbrance, pledge, hedge or otherwise) by you other than by will or the laws of descent and distribution or pursuant to a qualified domestic relations order, and your Stock Options may be exercised, during your lifetime, only by you or by your guardian or legal representative or any transferee described above.

No Rights as a Stockholder

Neither you nor any transferee of your Stock Options shall have rights as a stockholder (including the right to vote the shares underlying your Stock Options and the right to receive dividends, except as provided above or in the Plan) with respect to any shares covered by such Stock Options until you or your transferee (i) has given written notice of exercise, (ii) if requested, has given the representation described in Section 14(a) of the Plan and (iii) has paid in full for the shares issuable upon exercise.

Payment of Transfer Taxes, Fees and Other Expenses

The Company agrees to pay any and all original issue taxes and stock transfer taxes that may be imposed on the issuance of shares acquired pursuant to exercise of your Stock Options, together with any and all other fees and expenses necessarily incurred by the Company in connection therewith. Notwithstanding the foregoing, you shall be solely responsible for any other taxes (including, without limitation, federal, state, local or foreign income, social security, estate or excise taxes) that may be payable as a result of your participation in the Plan or as a result of the exercise of your Stock Options and/or the sale, disposition or transfer of any shares of Common Stock acquired upon the exercise of your Stock Options.

Other Restrictions

The exercise of your Stock Options shall be subject to the requirement that, if at any time the Committee shall determine that (i) the listing, registration or qualification of the shares of Common Stock subject or related thereto upon any securities exchange or under any state or federal law, or (ii) the consent or approval of any government regulatory body is necessary or desirable as a condition of, or in connection with, such exercise or the delivery or purchase of shares pursuant thereto, then in any such event, the exercise shall not be effective unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

Conflicts and Interpretation

In the event of any conflict between these Terms and Conditions and the Plan, the Plan shall control; provided, that an action or provision that is permissive under the terms of the Plan, and required under these Terms and Conditions, shall not be deemed a conflict and these Terms and Conditions shall control. In the event of any ambiguity in these Terms and Conditions, or any matters as to which these Terms and Conditions are silent, the Plan shall govern including, without limitation, the provisions thereof pursuant to which the Committee has the power, among others, to (i) interpret the Plan, (ii) prescribe, amend and rescind rules and regulations relating to the Plan and (iii) make all other determinations deemed necessary or advisable for the administration of the Plan. In the event of any conflict between your Award Notice (or any other information posted on Tree's intranet or given to you directly or indirectly through the Agent (including information posted on www.benefitaccess.com)) and Tree's books and records, or (ii)

ambiguity in the Award Notice (or any other information given to you directly or indirectly through the Agent (including information posted on www.benefitaccess.com)), Tree's books and records shall control.

Amendment

Tree.com may modify, amend or waive the terms of your Stock Options, prospectively or retroactively, but no such modification, amendment or waiver shall materially impair your rights without your consent, except as required by applicable law, NASDAQ or stock exchange rules, tax rules or accounting rules. The waiver by either party of compliance with any provision of these Terms and Conditions shall not operate or be construed as a waiver of any other provision hereof.

Data Protection

The acceptance of your Stock Options constitutes your authorization of the release from time to time to Tree.com or any of its Subsidiaries or Affiliates and to the Agent (together, the "Relevant Companies") of any and all personal or professional data that is necessary or desirable for the administration of your Stock Options and/or the Plan (the "Relevant Information"). Without limiting the above, this authorization permits your employing company to collect, process, register and transfer to the Relevant Companies all Relevant Information (including any professional and personal data that may be useful or necessary for the purposes of the administration of your Stock Options and/or the Plan and/or to implement or structure any further grants of equity awards (if any)). The acceptance of your Stock Options also constitutes your authorization of the transfer of the Relevant Information to any jurisdiction in which Tree.com, your employing company or the Agent considers appropriate. You shall have access to, and the right to change, the Relevant Information, which will only be used in accordance with applicable law.

Notification of Changes

Any changes to these Terms and Conditions shall either be posted on Tree's intranet and www.benefitaccess.com or communicated (either directly by Tree.com or indirectly through any of its Subsidiaries, Affiliates or the Agent) to you electronically via e-mail (or otherwise in writing) promptly after such change becomes effective.