

CORELOGIC, INC.
Form 10-K
February 26, 2015

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

FORM 10-K

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

For the fiscal year ended December 31, 2014

OR

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

For the transition period from _____ to _____

Commission file number 001-13585

CoreLogic, Inc.

(Exact name of registrant as specified in its charter)

Delaware

95-1068610

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

40 Pacifica, Irvine, California, 92618-7471

(Address of principal executive offices) (Zip Code)

(949) 214-1000

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Common

New York Stock Exchange

(Title of each class)

(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2014, the last business day of the registrant's most recently-completed second fiscal quarter was \$2,745,030,000.

On February 20, 2015, there were 89,790,478 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement with respect to the 2015 annual meeting of the stockholders are incorporated by reference in Part III of this report. The definitive proxy statement or an amendment to this Form 10-K will be filed no later than 120 days after the close of the registrant's fiscal year.

CoreLogic Inc.	
Table of Contents	
<u>PART I</u>	<u>3</u>
<u>Item 1. Business</u>	<u>3</u>
<u>Item 1A Risk Factors</u>	<u>13</u>
<u>Item 1B Unresolved Staff Comments</u>	<u>20</u>
<u>Item 2. Properties</u>	<u>20</u>
<u>Item 3. Legal Proceedings</u>	<u>20</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>20</u>
<u>PART II</u>	<u>21</u>
<u>Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	<u>21</u>
<u>Item 6. Selected Financial Data</u>	<u>24</u>
<u>Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>26</u>
<u>Item 7A. Quantitative and Qualitative Disclosures about Market Risk</u>	<u>39</u>
<u>Item 8. Financial Statements and Supplementary Data</u>	<u>41</u>
<u>Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	<u>100</u>
<u>Item 9A. Controls and Procedures</u>	<u>100</u>
<u>Item 9B. Other Information</u>	<u>100</u>
<u>PART III</u>	<u>101</u>
<u>Item 10. Directors, Executive Officers and Corporate Governance</u>	<u>101</u>
<u>Item 11. Executive Compensation</u>	<u>101</u>
<u>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	<u>101</u>
<u>Item 13. Certain Relationships and Related Transactions, and Director Independence</u>	<u>101</u>
<u>Item 14. Principal Accountant Fees and Services</u>	<u>101</u>
<u>PART IV</u>	<u>102</u>
<u>Item 15. Exhibits and Financial Statement Schedules</u>	<u>102</u>
<u>Signatures</u>	<u>103</u>
<u>Exhibit Index</u>	<u>105</u>

Table of Contents

PART I

Item 1. Business

The Company

Our vision is to deliver unique property-level insights that power the global real estate economy, differentiated by superior data, analytics and data-enabled solutions. Our mission is to empower our clients to make smarter decisions through data-driven insights.

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

We offer our clients among the most comprehensive national databases of public, contributory and proprietary data covering real property and mortgage information, judgments and liens, building and replacement costs, parcel and geospatial data, criminal background records, eviction information, non-prime lending records, credit information, and tax information, among other data types. Our databases include over 880 million historical property transactions, over 93 million mortgage applications and property-specific data covering approximately 99% of U.S. residential properties exceeding 148 million records. We believe the quality of the data we offer is distinguished by our broad range of data sources and our expertise in aggregating, organizing, normalizing, processing and delivering data to our clients.

With our data as a foundation, we have built strong analytics capabilities and a variety of value-added business services to meet our clients' needs for mortgage and automotive credit reporting, property tax, property valuation, tenancy, hazard risk, property risk and replacement cost, flood plain location determination and other geospatial data and related services.

We were originally incorporated in California in 1894, and were reincorporated in Delaware on June 1, 2010. Before June 1, 2010, we operated as The First American Corporation ("First American" or "FAC") but, in connection with a transaction in which we spun off our financial services businesses (referred to as the "Separation"), we changed our name to CoreLogic, Inc. and began trading on the New York Stock Exchange under the symbol "CLGX." As used herein, the terms "CoreLogic," the "Company," "we," "our" and "us" refer to CoreLogic, Inc. and our consolidated subsidiaries, except where it is clear that the terms mean only CoreLogic, Inc. and not our subsidiaries. Our executive offices are located at 40 Pacifica, Irvine, California, 92618-7471, our telephone number is (949) 214-1000, and our website is www.corelogic.com.

Corporate Events

Acquisitions

In January 2014, we completed our acquisition of Terralink International Limited ("Terralink") for NZD\$14.5 million, or \$11.9 million, which is included as a component of our Data & Analytics ("D&A") reporting segment.

In March 2014, we completed the acquisition of all of the issued and outstanding equity interests of Marshall & Swift/Boeckh ("MSB") and DataQuick Information Systems ("DataQuick"). In addition, we acquired the credit, flood and automated valuation model assets of DataQuick Lending Solutions, and certain intellectual property assets of Decision Insight Information Group S.a.r.l., collectively referred to as "MSB/DataQuick." The total consideration paid in connection with the transaction referenced above was approximately \$652.5 million in cash, which was funded through borrowings. The operations of MSB's and DataQuick's data licensing and analytics units are reported within our D&A segment and DataQuick's flood zone determination and credit servicing operations are reported within our Technology and Processing Solutions ("TPS") segment.

In November 2014, we completed the acquisition of the assets of Bank of America's mortgage-related credit reporting operation for \$19.6 million, which is included as a component of the TPS segment.

Table of Contents

Divestiture of Non-Core Businesses

As of December 31, 2013, we concluded that we would actively pursue the sale of our Asset Management and Processing Solutions ("AMPS") reporting segment, which was comprised of collateral solutions, field services, technology solutions, solutions express and outsourcing services. As a result, beginning in the fourth quarter of 2013, these businesses were reflected in our consolidated financial statements as discontinued operations.

On September 30, 2014, we completed the sale of our collateral solutions and field services businesses, which were previously included in our AMPS reporting segment, for total consideration of \$29.1 million, subject to working capital adjustments, as well as additional contingent consideration of up to \$20.0 million. Further, during the third quarter of 2014, we determined to cease pursuing the sale of the remaining product lines that were previously included in our AMPS reporting segment and reflected as discontinued operations. These remaining product lines, which included our technology solutions, solutions express and outsourcing services businesses, have been reclassified to continuing operations and are included in our TPS segment reporting disclosures for all periods presented.

Our Data

Our data is the foundation of many of our products, analytics and services. Our data can generally be categorized as real property information, mortgage information and consumer information. We obtain our data from a variety of sources, including data gathered from public sources, data contributed by our clients and data obtained from data aggregators.

We gather a variety of data from public sources, including data and documents from federal, state and local governments. We enhance our public record information with the data we collect from other public and non-public sources to create comprehensive textual and geospatial views of each property within our coverage areas, including physical property characteristics, boundaries and tax values, current and historical ownership, voluntary and involuntary liens, tax assessments and delinquencies, replacement cost, property risk including environmental, flood and hazard information, criminal data, building permits, local trends, summary statistics and household demographics.

For data contributed by our clients, we generally enter into agreements with our clients that govern our use of the data they contribute. These contractual arrangements often permit our clients to use our solutions which incorporate their data. We structure our agreements with our clients to specify the particular uses of the data they contribute and to provide the levels of data privacy and protection required by the contributing party. Our contributed data includes loan performance information (from loan servicers, trustees, securitizers, issuers and others), mortgage, auto, property rental and under-banked loan applications from various loan originators, landlords and property owners.

In addition, we gather property listing and tenant/landlord rental information from Boards of Realtors®, real estate agents, brokers, landlords, and owners of multi-tenant properties. We collect appraisals and property valuations from appraisers and we license consumer credit history information from credit reporting agencies, lenders and auto dealers.

Business Segments and Solutions

We have organized our business into the following two segments: D&A and TPS. The following table sets forth the key solutions we offer in each of these two segments:

Business Segments	Solutions
D&A	Property Information, Analytics and Advisory

Insurance and Spatial Solutions
Multifamily Services

TPS

Property Tax Processing (residential and commercial)
Origination and Underwriting Services (credit,
verification and flood)
Compliance and Technology Solutions

Table of Contents

We believe that we hold the leading market position for many of our solutions, including:

- payment processing property tax services, based on the number of loans under service;
- flood zone determinations, based on the number of flood zone certification reports issued;
- credit and income verification services to the United States mortgage lending industry, based on the number of credit reports issued;
- property information based on the number of inquiries received;
- valuation solution to validate reconstruction estimates for personal and commercial property insurance; and
- multiple listing services ("MLS"), based on the number of active desktops using our technology.

Financial information regarding each of the Company's business segments is included in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 8. Financial Statements and Supplementary Data of Part II of this report. Financial information regarding the collateral solutions and field services businesses within our former AMPS reporting segment are reflected as discontinued operations for all historical periods presented herein.

Data & Analytics

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

The following provides a more detailed description of our key D&A products and services:

Property Information Analytics and Advisory. We are a leading provider of fraud detection, collateral and mortgage performance analytics and real estate and mortgage-backed securities information. We use our data to link property location and characteristics, real estate transactions and consumer and loan information to provide useful insights and analysis for our clients. Our clients span many industries, including mortgage lending, government, capital markets, property and casualty insurance, direct marketing, utilities and retail. Our products and services include:

Data licensing and query. We obtain, normalize and aggregate real estate property and loan data and make this data available to our clients with a standard format over the web or in bulk data form. Additionally, we offer tools that enable our clients to take proactive steps with respect to their mortgage-backed securities, loan and real property portfolios. Using our data and proprietary technology, we offer a number of value-added services that help our clients assess risk, determine property values and track market performance. We also provide advisory services that allow holders of mortgage-backed securities, loan and real property portfolios to gain insight on the value, quality and attributes of those assets.

Valuation and fraud analytics. We offer our clients a host of property valuation services in an effort to assist them in assessing their risk of loss with alternative forms of property valuations, depending upon their needs and regulatory requirements. These include automated valuation models ("AVMs"), collateral risk scores, appraisal review services and valuation reconciliation services. We also provide solutions designed to assist our clients in detecting and preventing mortgage fraud and managing risk through a combination of patented predictive analytics and proprietary and contributed data. We also provide verification of applicant income and identity against Internal Revenue Service

and Social Security Administration databases as well as provide certain employment verification services.

Realtor Solutions. We are the leading provider of real estate listing software systems, with more than 50% of all U.S. and Canadian real estate agents having access to our products and services. Our flagship software platform is customizable to meet our clients' needs while maintaining a single code base. We integrate client data with our robust property information, resulting in a comprehensive historical record on almost all residential properties in the U.S.

Table of Contents

Insurance and Spatial Solutions. We are a leading provider of property valuation and risk management solutions to the insurance, governmental and financial service markets. Our solutions are based on proprietary data, algorithms and platforms that aggregate customer property data to provide estimate replacement and repair cost, advanced analytics to quantify property hazard risks and replacement cost, natural hazard risk management and information solutions with premium locational accuracy and spatial datasets. We enable our customers to gain a comprehensive view of each property risk in their portfolio, which enables better risk selection, underwriting performance and pricing sophistication. We provide claims management solutions with advanced routing to automate the workflow in the claims estimation process. In addition to the industry's first parcel-based geocoder and a proprietary parcel database covering more than 130 million parcels across the U.S., we maintain critical, accurate and up-to-date information across multiple hazard databases including information on damaging winds and sinkholes, flood data and the location of fire stations. We also offer specialized data and analytical models including Wildfire Risk Score, Coastal Risk Score, Flood Risk Score, and Earthquake and Fire Protection Class. Our analytics and hazard data are delivered to clients through multiple methods, including the RiskMeter Online™ platform, a leading software-as-a-service platform targeted to insurance industry participants.

Multifamily Services. We are a leading provider of screening and risk management services for the multifamily housing industry. We conduct applicant screening and generate consumer reports containing information that may include landlord-tenant court records, lease and payment performance history, credit history and criminal records history primarily for residential property managers and owners throughout the U.S. We believe that we have the largest landlord-tenant court record database in the U.S. and we access criminal records databases to create client-configured, criminal background decision analytics. We provide statistically-validated applicant scoring models, developed exclusively for the multifamily housing industry, which assess the risk of payment default by a prospective renter.

Technology and Processing Solutions

We provide property tax monitoring, flood zone certification and monitoring, credit services, mortgage loan administration and production services, lending solutions, mortgage-related business process outsourcing, technology solutions and compliance-related services. The segment's primary clients are large, national mortgage lenders and servicers, but we also serve regional mortgage lenders and brokers, credit unions, commercial banks, government agencies and casualty insurance companies. In addition, we are party to several joint ventures that provide settlement services in connection with residential mortgage loans.

Property Tax Processing. We believe that we are currently the largest provider of property tax services in the U.S. We procure and aggregate property tax information from over 20,000 taxing authorities. We use this information to advise mortgage originators and servicers of the property tax payment status on their loans and to monitor that status for the life of the loans. If a mortgage lender requires tax payments to be impounded on behalf of its borrowers, we can also monitor and oversee the transfer of these funds to the taxing authorities and provide the lender with payment confirmation.

Origination and Underwriting Services. We are a leading provider of credit and income verification services and flood zone determinations. Our clients include mortgage lenders, originators or servicers, auto lenders and under-banked consumer and specialty borrowers. Our products and services include:

Credit and Income Verification Services. We believe that we are a leading provider of credit services in the U.S. mortgage and transportation markets, providing comprehensive solutions that help our clients meet their lending, leasing and other consumer credit automation needs. We are also a leading reseller of credit information and provide merged credit reports with information from each of the three nationwide credit bureaus.

Flood Data Services. We believe that we are currently the largest provider of flood zone determinations within the U.S. Federal legislation passed in 1994 requires that most mortgage lenders obtain a determination of the current flood zone status at the time each loan is originated and obtain applicable updates during the life of the loan. We primarily provide flood zone determinations to mortgage lenders. We typically furnish a mortgage originator or servicer with a report as to whether a property lies within a governmentally delineated flood hazard area and then monitor the property for flood hazard status changes for as long as the loan is active.

Table of Contents

Under-Banked Credit Services. We are a leading provider of credit reports for under-banked consumer and specialty borrowers. Our clients range in size from sole proprietorships to major credit card issuers.

Compliance and Technology Solutions. We are a leading provider of electronic-based lending solutions. Our products and services include:

Compliance and Management Services. We provide a suite of compliance solutions including post-closing services and document retrieval services. In addition we provide custom fulfillment, advisory and other services that allow our clients to benefit from our specialists and their knowledge of our data to provide project-based or client-customized reports.

Mortgage Technology Solutions. We provide cloud computing-based lending solutions to the financial services market through a comprehensive suite of enterprise lending automation services. Our solutions automate lending activities, consolidate functions and connect lenders with their partners and consumers in a collaborative, real-time environment in order to help lenders price, originate, fulfill and service consumer loans.

Corporate

In addition to our two reporting segments, we also have a corporate group, which includes costs and expenses not allocated to our segments.

The following table sets forth our operating revenue for the last three years from our segments:

(in thousands)	2014	% of Total Operating Revenue	2013	% of Total Operating Revenue	2012	% of Total Operating Revenue
D&A	\$647,264	46.1	% \$572,169	40.7	% \$544,753	40.9
TPS	767,567	54.6	843,887	60.1	800,890	60.1
Corporate	30	—	631	—	640	—
Eliminations	(9,821)	(0.7)	(12,286)	(0.9)	(12,804)	(1.0)
Operating revenue	\$1,405,040	100.0	% \$1,404,401	100.0	% \$1,333,479	100.0

Clients

We focus our marketing efforts on the largest U.S. mortgage originators and servicers. We also provide our services to financial institutions, investment banks, fixed-income investors, title insurance companies, commercial banks, government agencies and government-sponsored enterprises, property and casualty insurers, credit unions, real estate agents and other real estate professionals.

Our more significant client relationships tend to be long-term in nature and we typically provide a number of different services to each client. Because of the depth of these relationships, we derive a significant portion of our aggregate revenue from our largest clients with 29.8% of our 2014 operating revenues being generated by our ten largest clients.

Competition

We offer a diverse array of specialized products and services that compete directly and indirectly with similar products and services offered by national and local providers. We believe there is no single competitor who offers the same combination of products and services that we do. Therefore, we find that we compete with a broad range of

entities.

Our D&A segment competes with entities that provide access to data or data-based analytical products and services as part of their product offerings, including Black Knight Financial Services, a business of Fidelity National Financial, Inc., RealPage, Inc., Risk Management Solutions, Verisk Analytics, Inc. and Yardi Systems, Inc.

7

Table of Contents

We compete based on the breadth and quality of our data sets, the exclusive nature of some of our key data sets, the quality and effectiveness of our products and the integration of our platforms into client systems. We believe the data we offer is distinguished by quality, the broad range of our data sources, including non-public sources, the volume of records we maintain and our ability to provide data spanning a historical period of time that, we believe with respect to certain data sets, exceeds comparable data sets of most of our competitors.

Our TPS segment competes with third-party providers such as Black Knight Financial Services, which provides multiple product lines, Nationwide Title Clearing, a provider of document retrieval and post-closing services, specialty providers of tax and flood services such as Lereta LLC, as well as credit report providers such as Equifax, Inc. and Kroll Factual Data. With these services, we compete largely based on the quality of the products and services we provide, our ability to provide scalable services at competitive prices and our ability to provide integrated platforms. We also compete with departments within financial institutions that utilize internal resources to provide similar services on a captive basis. We generally compete with captive providers based on the quality of our products and services, the scalability of our services, cost efficiencies and our ability to provide some level of risk mitigation.

Sales and Marketing

Our sales strategy is primarily client-focused and resources are assigned based on client size. For our largest clients, we assign a dedicated sales executive whose sole responsibility is to manage the overall client relationship. For our remaining large and mid-sized clients, a sales executive is assigned to multiple clients, the number of which is dependent on the size of that sales executive's portfolio. Each of our sales executives develops and maintains key relationships within each client's business units and plays an important role in relationship management as well as prospecting for new business. Our sales executives understand the current marketplace environment and demonstrate extensive knowledge of our clients' internal operating structure and business needs. The depth and breadth of this relationship between us and our clients allows us to develop and implement solutions that are tailored to the specific needs of each client in a prompt and efficient manner.

Smaller clients, measured by revenue or geographic coverage, are primarily managed through our telesales operations, which is responsible for working with mortgage and real estate brokers, appraisers, real estate agents, correspondents and other lenders.

Several of our business units have sales teams and subject matter experts that specialize in specific products and services. These sales teams and subject matter experts work collaboratively with our sales executives and our telesales operations to assist with client sales by combining our data, products and data-enabled services to meet the specific needs of each client. They may be assigned to assist with sales in targeted markets, for certain categories of clients or for particular service groups.

Our marketing strategy is to build trusted relationships with our clients by delivering value through superior data, analytics and data-enabled solutions. We use the most efficient methods available to successfully identify, target, educate and engage potential and existing clients to build awareness, familiarity and interest in our business solutions, demand for our products and services, and accelerate the velocity and expand the number of sales opportunities. Our marketing activities include direct marketing, advertising, public relations, events marketing, social media and other targeted activities.

Acquisitions and Divestitures

Historically, we have accelerated our growth into new markets, products and services through acquisitions. We continually evaluate our business mix and opportunistically seek to optimize our business portfolio through acquisitions and divestitures. Further, we are party to several joint ventures under which we share control of the

management of the operations with the other partner. Some joint ventures provide products used in connection with loan originations, including title insurance, appraisal services and other settlement services. Our joint ventures are reflected as investments in affiliates on our consolidated balance sheets and our share of the income is reflected as equity in earnings of affiliates in our consolidated statement of operations.

Intellectual Property

We own significant intellectual property rights, including patents, copyrights, trademarks and trade secrets. We consider our intellectual property to be proprietary and we rely on a combination of statutory (e.g., copyright, trademark, trade secret and patent) and contractual safeguards in an intellectual property enforcement program to protect our intellectual property rights.

Table of Contents

We have 46 issued patents in the U.S. covering business methods, software and systems patents, principally relating to automated valuation, fraud detection, data gathering, flood detection, MLS technology and property monitoring. We also have approximately 89 patent applications pending in these and other areas in the U.S. In addition, we have a number of issued patents and pending patent applications internationally, including in Canada and Australia. We believe the protection of our proprietary technology is important to our success and we intend to continue to seek to protect those intellectual property assets for which we have expended substantial research and development capital and which are material to our business.

In addition, we own more than 422 trademarks in the U.S. and foreign countries, including the names of our products and services and our logos and tag lines, many of which are registered. We believe many of our trademarks, trade names, service marks and logos are material to our business as they assist our clients in identifying our products and services and the quality that stands behind them.

We own more than 1,185 registered copyrights in the U.S., covering computer programs, reports and manuals. We also have other literary works, including marketing materials, handbooks, presentations and website contents that are protected under common law copyright. We believe our written materials are essential to our business as they provide our clients with insight into various areas of the financial and real estate markets in which we operate.

Our research and development activities focus primarily on the design and development of our analytical tools, software applications, and data sets (for example, new sources, data derived by linking across existing sources or metadata). We expect to continue our practice of investing to develop new software applications and systems in response to the market and client needs we identify through client input collected in meetings, phone calls and web surveys. We also assess opportunities to cross-link existing data sets to enhance our products' effectiveness.

In order to maintain control of our intellectual property, we enter into license agreements with our clients, granting rights to use our products and services, including our software and databases. We also audit our clients from time to time to ensure compliance with our agreements. This helps to maintain the integrity of our proprietary intellectual property and to protect the embedded information and technology contained in our solutions. As a general practice, employees, contractors and other parties with access to our proprietary information sign agreements that prohibit the unauthorized use or disclosure of our proprietary rights, information and technology.

Information Technology

Technology Transformation Initiative ("TTI"). In July 2012, we embarked on a technology transformation initiative designed to provide us with new functionality, increased performance and reduced application management and development costs. The TTI encompasses two phases. The first phase is designed to transform our existing technology infrastructure to run in a private, dedicated cloud computing environment hosted in Dell's technology center located in Quincy, WA. We have successfully transitioned all of the data and systems that previously operated in our own Westlake, TX data center and we expect to complete the migration of the remaining data center, based in Santa Ana, CA, by mid 2015.

The second phase of the TTI, launched in 2014, involves the creation of a next generation technology platform designed to augment and eventually replace portions of our legacy systems. We laid the foundations with the selection of Pivotal Labs' ("Pivotal") Platform as a Service ("PaaS") operating system, which will operate in our new private, dedicated cloud computing environment hosted by Dell. Additionally in 2014, we successfully completed the development of two pilot products, which are already being on-boarded by clients, using PaaS. In December 2014, we announced the formation of CoreLogic Innovation Labs in collaboration with Pivotal to develop next generation technology platforms, applications, analytical models and solutions. CoreLogic Innovation Labs will be co-located

with Pivotal in Santa Monica, CA. As a result, we are well positioned to take full advantage of this next generation platform and development capability in 2015, leveraging social media, mobility, voice and other capabilities via a delivery portal driven by a common data warehouse.

Technology. Our new private, dedicated cloud computing environment hosted by Dell will enable us to deliver secure and compliant data, analytics and services to support client needs. A secure and certified network of systems, combined with enterprise-level service operations, positions us as the leading property insights provider to the financial services market. Additionally, our platform stores, processes and delivers our data and our proprietary technologies that are the foundation of our business and the development of our solutions. We operate a computing technology environment intended to allow us to operate flexible systems at all times and enables us to deliver increased capacity as needed or when client needs demand increased speed of delivery. Additionally, our unified network architecture allows us to operate multiple systems as a single resource capable of delivering our applications, data and analytics as a solution to our clients.

Table of Contents

Data Centers. We currently utilize two data centers - one in Santa Ana, CA and one in Quincy, WA. As of July 2013, we transitioned full operational management of these data centers to Dell as the first step in our TTI and are in the process of completing the transition of the Santa Ana, CA data center data and systems to Dell's Quincy, WA facility. The data centers we use are designed to provide high levels of connectivity and performance to support the day-to-day workflows of the leading mortgage origination and servicing companies as well as clients in financial services, real estate, transportation, government, insurance and other industries we serve.