

Answers CORP
Form 10-K/A
March 03, 2010

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

Amendment No. 2 to

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2008

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 001-32255

ANSWERS CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

98-0202855
(I.R.S. Employer
Identification No.)

237 West 35th Street, Suite 1101, New York,
N.Y.
(Address of principal executive offices)

10001
(Zip Code)

Registrant's telephone number, including area code: (646) 502-4777

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

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Title of each class
Common Stock

Name of each exchange on which registered
The NASDAQ Capital Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether 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

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the 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 definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

| | | | |
|---|--|--|--|
| Large accelerated filer <input type="checkbox"/> | Accelerated filer <input type="checkbox"/> | Non-accelerated filer <input type="checkbox"/> (do not check if smaller reporting company) | Smaller reporting company <input checked="" type="checkbox"/> |
|---|--|--|--|

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 the registrant's common stock held by non-affiliates of the registrant, computed by reference to price at which the common equity was sold, or the average bid and asked price of such common stock as of June 30, 2008, was \$23,857,648. For purposes of this computation, the registrant has excluded the market value of all shares of its common stock reported as being beneficially owned by executive officers and directors and holders of more than 10% of the common stock on a fully diluted basis of the registrant; such exclusion shall not, however, be deemed to constitute an admission that any such person is an "affiliate" of the registrant. As of March 6, 2009, there were 7,876,270 issued and outstanding shares of common stock of the registrant.

Explanatory Note

On February 22, 2010, we filed an Amendment No. 1 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2008. The Amendment No. 1 did not include the certifications specified in Exchange Act Rules 13a-14(a) or 15d-14(a). Accordingly, we are filing this Amendment No. 2 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, to provide new certifications for the Amendment No. 1. We have made no further changes to our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, as amended by Amendment No. 1. This Amendment No. 2 does not reflect events occurring after the filing of the Amendment No. 1, nor does it modify or update the disclosures and information contained in the Amendment No. 1 in any way other than described in this paragraph.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Document List:

1. Financial Statements.

The financial statements of the Company filed herewith are set forth in Part II, Item 8 of this report.

2. Financial Statement Schedule.

None.

3. Exhibits.

The exhibits to this report are as follows :

| Exhibit No. | Description |
|-------------|---|
| 3.1 | Amended and Restated Certificate of Incorporation, as amended (Previously filed as Exhibit 3.1 to the Registrant's Annual Report on Form 10-K (File No. 001-32255) filed March 9, 2009, and incorporated herein by reference) |
| 3.1A | Certificate of Designations, Number, Voting Powers, Preferences and Rights of Series A Convertible Preferred Stock of the Registrant (Previously filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-32255) filed June 17, 2008, and incorporated herein by reference) |
| 3.2 | Amended and Restated By-laws of Registrant (Previously filed as Exhibit 3.2 to the Registration Statement on Form SB-2 (File No. 333-115424) filed May 12, 2004, and incorporated herein by reference) |
| 4.1 | Specimen Common Stock Certificate of the Registrant (Previously filed as Exhibit 4.1 to the Registration Statement on Form SB-2 (File No. 333-115424) filed July 16, 2004, and incorporated herein by reference) |
| 10.1« | 1999 Stock Option Plan of Registrant and form of Option Agreement thereunder (Previously filed as Exhibits 4.5B and 4.5A, respectively, to the Registration Statement on Form S-8 (File No. 333-123185) filed March 8, 2005, and incorporated herein by reference) |
| 10.2« | 2000 Stock Plan of Registrant and form of Option Agreement thereunder (Previously filed as Exhibits 4.4B and 4.4A, respectively, to the Registration Statement on Form S-8 (File No. 333-123185) filed March 8, 2005, and incorporated herein by reference) |
| 10.3« | 2003 Stock Plan (Previously filed as Exhibit 10.1 to the Registration Statement on Form SB-2 (File No. 333-115424) filed May 12, 2004, and incorporated herein by reference) |
| 10.3A« | Forms of Stock Option Agreement under the 2003 Stock Plan covering (i) employees of Registrant, and (ii) officers of Registrant (Previously filed as Exhibits 4.3A and 4.3B, respectively, to the Registration Statement on Form S-8 (File No. 333-123185) filed March 8, 2005, and incorporated herein by reference) |

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- 10.4« 2004 Stock Plan (Previously filed as Exhibit 10.2 to the Registration Statement on Form SB-2 (File No. 333-115424) filed May 12, 2004, and incorporated herein by reference)
- 10.4A« Forms of Stock Option Agreement under the 2004 Stock Plan covering (i) employees of Registrant, and (ii) officers of Registrant (Previously filed as Exhibits 4.2A and 4.2B, respectively, to the Registration Statement on Form S-8 (File No. 333-123185) filed March 8, 2005, and incorporated herein by reference)
- 10.5« 2005 Incentive Compensation Plan (Previously filed as Annex B to the Registrant's Definitive Proxy Statement filed May 31, 2005, and incorporated herein by reference)
- 10.5A« Amendment to 2005 Incentive Compensation Plan approved by the Registrant's stockholders on June 21, 2006 (Previously filed within the Registrant's Definitive Proxy Statement filed May 1, 2006, and incorporated herein by reference)
- 10.5B« Amendment to 2005 Incentive Compensation Plan approved by the Registrant's stockholders on September 9, 2008 (Previously filed within the Registrant's Definitive Proxy Statement filed July 28, 2008, and incorporated herein by reference)
- 10.5C« Form of Stock Option Agreement under the 2005 Incentive Compensation Plan covering Israel-based employees (Previously filed as Exhibit 10.5A to the Registrant's Annual Report on Form 10-KSB (File No. 001-32255) filed March 20, 2006, and incorporated herein by reference)
- 10.5D« Form of Stock Option Agreement under the 2005 Incentive Compensation Plan covering U.S.-based employees (Previously filed as Exhibit 10.5B to the Registrant's Annual Report on Form 10-KSB (File No. 001-32255) filed March 20, 2006, and incorporated herein by reference)
- 10.6« Robert S. Rosenschein Employment Agreement (Previously filed as Exhibit 10.6 to the Registration Statement on Form SB-2 (File No. 333-115424) filed May 12, 2004, and incorporated herein by reference)
- 10.7« Steven Steinberg Employment Agreement (Previously filed as Exhibit 10.7 to the Registration Statement on Form SB-2 (File No. 333-115424) filed May 12, 2004, and incorporated here by reference)
- 10.8« Jeff Schneiderman Employment Agreement (Previously filed as Exhibit 10.8 to the Registration Statement on Form SB-2 (File No. 333-115424) filed May 12, 2004, and incorporated herein by reference)
- 10.9« Bruce D. Smith Employment Agreement (Previously filed as Exhibit 10.10 to the annual report on Form 10-KSB (File No. 001-32255) filed March 20, 2006, and incorporated herein by reference)
- 10.10 Form of Warrants issued in connection with the Bridge Financing (Previously filed as Exhibit 10.5 to the Registration Statement on Form SB-2 (File No. 333-115424) filed May 12, 2004, and incorporated herein by reference)
- 10.11 Form of Warrants issued in connection with exercise of Bridge Warrants (Previously filed as Exhibit 99.2 to the Current Report on Form 8-K/A (File No. 001-32255) filed February 7, 2005, and incorporated herein by reference)
- 10.12+ Google Services Agreement ("GSA"), GSA Order Form and GSA Order Form Terms and Conditions, all dated January 28, 2005 (Previously filed as Exhibit 10.19 to the Registrant's Annual Report on Amendment No. 3 to Form 10-KSB (File No. 001-32255) filed June 7, 2006, and incorporated herein by reference)
- 10.13+ Amendment No. 1 to Google Order Form and GSA, dated December 20, 2005 (Previously filed as Exhibit 10.20 to the Registrant's Annual Report on Amendment No. 2 to Form 10-KSB (File No. 001-32255) filed May 19, 2006, and incorporated herein by reference)

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- 10.14+ Amendment No. 2 to Google Order Form, dated January 31, 2006 (Previously filed as Exhibit 10.21 to the Registrant's Annual Report on Amendment No. 2 to Form 10-KSB (File No. 001-32255) filed May 19, 2006, and incorporated herein by reference)
- 10.15+ API Agreement with Shopping.com, Inc. dated May 2, 2005 (Previously filed as Exhibit 10.22 to the Registrant's Annual Report on Form 10-KSB (File No. 001-32255) filed March 20, 2006, and incorporated herein by reference)
- 10.16 Lease Agreement with 35th Street Associates to lease office space in the building known as 237 West 35th Street in New York, NY, dated April 29, 2005 (Previously filed as Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-32255) filed May 4, 2005, and incorporated herein by reference)
- 10.17 Supplemental agreement to operating lease agreement between GuruNet Israel Ltd., Answers Corporation's wholly-owned subsidiary ("Subsidiary") and Jerusalem Technology Park Ltd. dated July 26, 2005 in connection with Subsidiary's relocation to new office space (a summary of the principal terms of this lease was previously filed as Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-32255) filed July 28, 2005, and incorporated herein by reference)
- 10.18« Amendment to Robert S. Rosenschein's Amended and Restated Employment Agreement, dated as of November 27, 2006 (Previously filed as Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-32255) filed November 29, 2006, and incorporated herein by reference)
- 10.19+ Amendment No. 5 to Google Order Form, dated September 21, 2007 (Previously filed as Exhibit 10.5 to the Quarterly Report on Form 10-Q (File No. 001-32255) filed November 9, 2007, and incorporated herein by reference)
- 10.20« Amendment to Robert S. Rosenschein's Amended and Restated Employment Agreement, dated as of November 6, 2007 (Previously filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q (File No. 001-32255) filed November 9, 2007, and incorporated herein by reference)
- 10.21« Amendment to Steve Steinberg's Employment Agreement, dated as of November 6, 2007 (Previously filed as Exhibit 10.2 to the Quarterly Report on Form 10-Q (File No. 001-32255) filed November 9, 2007, and incorporated herein by reference)
- 10.22« Amendment to Jeff Schneiderman's Employment Agreement, dated as of November 6, 2007 (Previously filed as Exhibit 10.3 to the Quarterly Report on Form 10-Q (File No. 001-32255) filed November 9, 2007, and incorporated herein by reference)
- 10.23« Amendment to Bruce Smith's Employment Agreement, dated as of November 6, 2007 (Previously filed as Exhibit 10.4 to the Quarterly Report on Form 10-Q (File No. 001-32255) filed November 9, 2007, and incorporated herein by reference)
- 10.24 Purchase Agreement dated July 13, 2007 among Answers Corporation, Lexico Publishing Group, LLC, Brian Kariger, as trustee of the Brian Patrick Kariger Charitable Remainder Unitrust Trust dated April 9, 2007, Brian Kariger, as trustee of the Brian Patrick Kariger Revocable Trust dated February 9, 2007, Daniel Fierro and Brian Kariger, as the sellers' representative (Previously filed as Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-32255) filed July 17, 2007, and incorporated herein by reference)
- 10.25 Bonus Plan/Documents Escrow Agreement, dated July 13, 2007 among Answers Corporation, Lexico Publishing Group, LLC, Brian Kariger, as trustee of the Brian Patrick Kariger Charitable Remainder Unitrust Trust dated April 9, 2007, Brian Kariger, as trustee of the Brian Patrick Kariger Revocable Trust dated February 9, 2007, Daniel Fierro, Brian Kariger, as seller representative and American Stock Transfer & Trust Co. (Previously filed as Exhibit 10.2 to the Current Report on

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- Form 8-K (File No. 001-32255) filed July 17, 2007, and incorporated herein by reference)
- 10.26 Indemnity Escrow Agreement, dated July 13, 2007 among Answers Corporation, Brian Kariger, as trustee of the Brian Patrick Kariger Charitable Remainder Unitrust Trust dated April 9, 2007, Brian Kariger, as trustee of the Brian Patrick Kariger Revocable Trust dated February 9, 2007, Daniel Fierro, Brian Kariger, as seller representative and American Stock Transfer & Trust Co. (Previously filed as Exhibit 10.3 to the Current Report on Form 8-K (File No. 001-32255) filed July 17, 2007, and incorporated herein by reference)
- 10.27 First Amendment to the Purchase Agreement, dated as of July 31, 2007, between Answers Corporation and Brian Kariger, as Sellers Representative (Previously filed as Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-32255) filed August 6, 2007, and incorporated herein by reference)
- 10.28 Second Amendment to the Purchase Agreement, dated as of November 12, 2007, between Answers Corporation and Brian Kariger, as Sellers Representative (Previously filed as Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-32255) filed November 16, 2007, and incorporated herein by reference)
- 10.29« Amendment to Robert S. Rosenschein's Amended and Restated Employment Agreement, dated as of July 30, 2008 (Previously filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q (File No. 001-32255) filed August 4, 2008, and incorporated herein by reference)
- 10.30 Securities Purchase Agreement dated June 16, 2008 between Answers Corporation and Redpoint Omega, L.P. and Redpoint Omega Associates, LLC (Previously filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-32255) filed June 17, 2008, and incorporated herein by reference)
- 10.31 Form of Common Stock Purchase Warrant granted to Redpoint Omega, L.P. and Redpoint Omega Associates, LLC on June 16, 2008 (Previously filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-32255) filed June 17, 2008, and incorporated herein by reference)
- 10.32 Warrant Agreement dated as of June 16, 2008 between Answers Corporation and Redpoint Omega, L.P. and Redpoint Omega Associates, LLC (Previously filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 001-32255) filed June 17, 2008, and incorporated herein by reference)
- 10.33 Registration Rights Agreement dated as of June 16, 2008 between Answers Corporation and Redpoint Omega, L.P. and Redpoint Omega Associates, LLC (Previously filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 001-32255) filed June 17, 2008, and incorporated herein by reference)
- 14.1 Code of Ethics and Business Conduct (Previously filed as Exhibit 14.1 to the Registration Statement on Form SB-2 (File No. 333-115424) filed May 12, 2004, and incorporated herein by reference)
- 21.1* * List of Subsidiaries
- 23.1* * Consent of KPMG Somekh Chaikin, Independent Registered Public Accounting Firm
- 31.1* Certification of Principal Executive Officer required under Rule 13a-14(a) or Rule 15d-14(a) of the Securities and Exchange Act of 1934, as amended
- 31.2* Certification of Principal Financial Officer required under Rule 13a-14(a) or Rule 15d-14(a) of the Securities and Exchange Act of 1934, as amended
- 32.1**^ Certification of Principal Executive Officer required under Rule 13a-14(a) or Rule 15d-14(a) of the Securities and Exchange Act of 1934, as amended, and 18 U.S.C. Section 1350

32.2**^

Certification of Principal Financial Officer required under Rule 13a-14(a) or Rule 15d-14(a) of the Securities and Exchange Act of 1934, as amended, and 18 U.S.C. Section 1350

* Filed herewith.

** Previously filed.

+ Portions of this exhibit were omitted and filed separately with the U.S. Securities and Exchange Commission pursuant to a request for confidential treatment.

^ The certifications attached as Exhibit 32 accompany this Annual Report on Form 10-K pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed "filed" by Answers Corporation for purposes of Section 18 of the Exchange Act.

« Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Answers Corporation

By: /s/ Robert S. Rosenschein
 Robert S. Rosenschein
 Chief Executive Officer

Date: March 3, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

| Signature | Capacity | Date |
|--|--|---------------|
| /s/ Robert S. Rosenschein Robert S. Rosenschein | Chairman of the Board and Chief Executive Officer (Principal Executive Officer) | March 3, 2010 |
| * Steven Steinberg | Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) | March 3, 2010 |
| * Mark A. Tebbe | Director | March 3, 2010 |
| * Yehuda Sternlicht | Director | March 3, 2010 |
| * Mark B. Segall | Director | March 3, 2010 |
| * Lawrence S. Kramer | Director | March 3, 2010 |
| * W. Allen Beasley | Director | March 3, 2010 |

R. Thomas Dyal

*By: /s/ Robert S. Rosenschein

Robert S. Rosenschein
Attorney-in-Fact