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As filed with the Securities and Exchange Commission on June 29, 2011

Registration No. 333-174016

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

Amendment No. 1 to
FORM S-3
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

MARCHEX, INC.

(Exact name of registrant as specified in its charter)

Delaware	**35-2194038**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

520 Pike Street, Suite 2000
Seattle, WA 98101
(206) 331-3300
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Russell C. Horowitz
Chairman and Chief Executive Officer
Marchex, Inc.
520 Pike Street, Suite 2000
Seattle, WA 98101
(206) 331-3300
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

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Boston, MA 02110-1447
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Approximate date of commencement of proposed sale to public: From time to time after this registration statement becomes effective.

If any of the securities being registered on this form are to be offered pursuant to dividend or interest reinvestment plans, please check the following box. ☐

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. ☒

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. ☐

If this form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ☐

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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☐	Accelerated filer ☒	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the commission, acting pursuant to said section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. These securities will not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JUNE 29, 2011

PROSPECTUS

MARCHEX, INC.

1,019,103 Shares

Class B Common Stock

This prospectus relates to 1,019,103 shares of our Class B common stock that may be sold from time to time by the selling stockholders named in this prospectus.

This offering is not being underwritten. The selling stockholders may offer the shares through public or private transactions at the market price for our Class B common stock at the time of the sale, a price related to the market price, a negotiated price or such other prices as the selling stockholders determine from time to time. See "Plan of Distribution" beginning on page 21.

All of the net proceeds from the sale of these shares of Class B common stock will go to the selling stockholders. We will not receive any proceeds from sales of these shares. We will bear the costs relating to the registration of these shares.

Our Class B common stock is quoted on the Nasdaq Global Select Market under the symbol "MCHX."

You should read this prospectus carefully before you invest.

Investing in our Class B common stock involves substantial risks. See "Risk Factors" beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is June , 2011.

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MARCHEX, INC.

SUMMARY

We are a call advertising and small business marketing company. We deliver call and click-based advertising products and services to tens of thousands of advertisers, ranging from small businesses to Fortune 500 companies. Our technology-based products and services facilitate the efficient and cost-effective marketing and selling of goods and services for small and national advertisers who want to market and sell their products through mobile, online and offline; and a proprietary, locally-focused website network where we help consumers find local information, as well as fulfill our advertiser marketing campaigns:

- ***Call Advertising Services.*** We deliver a variety of call advertising products and services to national advertisers, advertising agencies and small advertiser reseller partners. These services include pay-for-call through the Marchex Pay-For-Call Exchange and call analytics solutions, which include phone number and call tracking, call mining, keyword-level tracking, click-to-call, website proxying, and other call-based products which enable our customers to utilize mobile, online and offline advertising to drive calls as well as clicks into their businesses and to measure the effectiveness of their advertising campaigns. Advertisers pay us a fee for each call they receive from call-based ads we distribute through our sources of call distribution or for each phone number tracked based on a pre-negotiated rate.
- ***Small Business Marketing Products.*** Our small business marketing products enable reseller partners of small business advertisers, such as Yellow Pages providers and vertical marketing service providers, to sell call advertising and/or search marketing products through their existing sales channels, which are then fulfilled by us across our distribution network, including mobile sources, leading search engines and our own proprietary traffic sources. By creating a solution for companies who have relationships with small businesses, it is easier for these small businesses to participate in mobile, online, offline call advertising. The lead services we offer to small business advertisers through our small business marketing products include products typically available only to national advertisers, including pay-for-call, call tracking, presence management, ad creation, keyword selection, geo-targeting, advertising campaign management, reporting, and analytics. The small business marketing products have the capacity to support hundreds of thousands of advertiser accounts. Reseller partners and publishers generally pay us account fees and also agency fees for our products in the form of a percentage of the cost of every call or click delivered to their advertisers. Through our contract with Yellowpages.com LLC d/b/a AT&T Interactive which is a subsidiary of AT&T (collectively, “AT&T”), AT&T is our largest reseller partner and was responsible for 23% of our total revenues for 2010 of which the majority is derived from our small business marketing products.
- ***Pay-Per-Click Advertising.*** We deliver pay-per-click advertisements to online users in response to their keyword search queries or on pages they visit throughout our distribution network of search engines, shopping engines, certain third party vertical and local websites, mobile distribution and our own Publishing Network. In addition to distributing their ads, we offer account management services to help our advertisers optimize their pay-per-click campaigns, including editorial and keyword selection recommendations and report analysis. The pay-per-click advertisements are generally ordered based on the amount our advertisers choose to pay for a placement and the relevancy of their ads to the keyword search. Advertisers pay us when a user clicks on their advertisements in our distribution network and we pay publishers or distribution partners a percentage of the revenue generated by the click-throughs on their site(s). In addition, we generate revenue from cost-per-action events that take place on our distribution network. Cost-per-action revenue occurs when the user is redirected from one of our websites or a third-party website in our distribution network to an advertiser’s website and completes a specified action. We also offer a private-label platform for publishers, separate and distinct from our

small business marketing products which enable them to monetize their websites with contextual advertising from their own customers or from our advertising relationships. We sell pay-per-click contextual advertising placements on specialized vertical and branded publisher websites on a pay-per-click basis. Advertisers can target the placements by category, site- or page-specific basis. We believe our site- and page-specific approach provides publishers with an opportunity to generate revenue from their traffic while protecting their brand. Our approach gives advertisers greater transparency into the source of the traffic and relevancy for their ads and enables them to optimize the return on investment from their advertising campaign. The contextual advertisement placements are generally ordered based on the amount our advertisers choose to pay for a placement and the relevance of the advertisement, based on historic click-through rates. Advertisers pay us when a user clicks on their advertisements in our network and we pay publishers a percentage of the revenue generated by the click-throughs on their site.

- ***Publishing Network.*** We believe our Publishing Network is a significant source of local information online and a source of calls within the Marchex Pay-For-Call Exchange. It includes more than 200,000 of our owned and operated websites focused on helping users make informed decisions about where to get local products and services. It features listings from more than 10 million small businesses in the U.S. and millions of expert and user-generated reviews on small businesses. The more than 200,000 websites in our network include more than 75,000 U.S. ZIP code sites, including 98102.com and 90210.com, covering ZIP code areas nationwide, as well as tens of thousands of other locally-focused sites such as Yellow.com, OpenList.com and geo-targeted sites. Traffic to our Publisher Network is primarily monetized with pay-for-call and pay-per-click listings that are relevant to the websites, as well as other forms of advertising, including banner advertising and sponsorships.

In this prospectus, the terms “Marchex,” “company,” “we,” “us” and “our” refer to Marchex, Inc. and its wholly-owned direct and indirect subsidiaries. We were incorporated in the State of Delaware. Our principal executive offices are located at 520 Pike Street, Suite 2000, Seattle, Washington 98101 and our telephone number is (206) 331-3300.

This prospectus relates to 1,019,103 shares of our Class B common stock that may be sold from time to time by the selling stockholders named in this prospectus. The stockholders are identified in the section headed “Selling Stockholders.” We will not receive any of the proceeds for the resale of these shares.

RISK FACTORS

You should carefully consider the risks described below before making an investment decision regarding our securities. If any of the following risks actually occurs, our business, financial condition and results of operations could be harmed. In that case, the trading price of our Class B common stock could decline and you could lose all or part of your investment. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations.

Risks Relating to Our Company

We have largely incurred net losses since our inception, and we may incur net losses in the foreseeable future.

We had an accumulated deficit of $140.7 million as of December 31, 2010. Our net expenses may increase based on the initiatives we undertake which for instance, may include increasing our sales and marketing activities, hiring additional personnel, incurring additional costs as a result of being a public company, acquiring additional businesses and making additional equity grants to our employees.

We are dependent on certain distribution partners, for distribution of our services, and we derive a significant portion of our total revenue through these distribution partners. A loss of distribution partners or a decrease in revenue from certain distribution partners could adversely affect our business.

A relatively small number of distribution partners currently deliver a significant percentage of calls and traffic to our advertisers, although no one distribution partner accounts for in excess of 10% of our revenues.

Our existing agreements with many of our other larger distribution partners permit either company to terminate without penalty on short notice and are primarily structured on a variable-payment basis, under which we make payments based on a specified percentage of revenue or based on the number of paid phone calls or click-throughs. We intend to continue devoting resources in support of our larger distribution partners, but there are no guarantees that these relationships will remain in place over the short- or long-term. In addition, we cannot be assured that any of these distribution partners will continue to generate current levels of revenue for us or that we will be able to maintain the applicable variable payment terms at their current levels. A loss of any of these distribution partners or a decrease in revenue due to lower calls and traffic or less favorable variable payment terms from any one of these distribution relationships could have a material adverse effect on our business, financial condition and results of operations.

Companies distributing advertising through mobile or online Internet have experienced, and will likely continue to experience, consolidation. This consolidation has reduced the number of partners that control the mobile and online advertising outlets with the most user calls and traffic. According to the comScore Media Metrix Core Search Report for December 2010, Yahoo! accounted for 16% of the online searches in the United States and Google accounted for 67%. As a result, the larger distribution partners have greater control over determining the market terms of distribution, including placement of call and click-based advertisements and cost of placement. In addition, many participants in the performance-based advertising and search marketing industries control significant portions of mobile and online traffic that they deliver to advertisers. We do not believe, for example, that Yahoo! and Google are as reliant as we are on a third-party distribution network to deliver their services. This gives these companies a significant advantage over us in delivering their services, and with a lesser degree of risk.

We rely on certain advertiser reseller partners and agencies, including AT&T (through our contract with AT&T's subsidiary Yellowpages.com LLC d/b/a AT&T Interactive), Yellowbook USA Inc., The Cobalt Group, Super Media, Inc., and Yellow Pages Group Canada for the purchase of various advertising and marketing services, as well as to provide us with a large number of advertisers. A loss of certain advertiser reseller partners and agencies or a decrease in revenue from these reseller partners could adversely affect our business. Such advertisers are subject to varying terms and conditions which may result in claims or credit risks to us.

We benefit from the established relationships and national sales teams that certain of our reseller partners, who are leading reseller partners of advertisers and advertising agencies, have in place throughout the U.S. and international markets. These advertiser reseller partners and agencies refer or bring advertisers to us for the purchase of various advertising products and services. We derive a sizeable portion of our total revenue through these advertiser reseller partners and agencies. A loss of certain advertiser reseller partners and agencies or a decrease in revenue from these clients could adversely affect our business. AT&T is our largest advertiser reseller partner and was responsible for 23% of our total revenues for the year ended December 31, 2010. We recently entered into an amendment to our agreement with AT&T which extends its term through June 30, 2015.

These advertisers may in certain cases be subject to negotiated terms and conditions separate from those applied to online clients accepted and processed through our automated advertiser management platform. In some cases, the applicable contract terms may be the result of legacy or industry association documentation or simply customized advertising solutions for large reseller partners and agencies. In any case, as a consequence of such varying terms and conditions, we may be subject to claims or credit risks that we may otherwise mitigate more efficiently across our automated advertiser management platform.

These claims and risks may vary depending on the nature of the aggregated client base. Among other claims, we may be subject to disputes based on third party tracking information or analysis. We may also be subject to differing credit profiles and risks based on the agency relationship associated with these advertisers. For such advertisers, payment may be made on an invoice basis, unlike our retail platform which in many instances is paid in advance of the service. In some limited circumstances we may also have accepted individual advertiser payment liability in place of liability of the advertising agency or media advisor.

We received approximately 52% and 48% of our revenue from our five largest customers for the years ended December 31, 2009 and 2010, respectively, and the loss of one or more of these customers could adversely impact our results of operations and financial condition.

Our five largest customers accounted for approximately 52% of our total revenues for the year ended December 31, 2009 and 48% for the year ended December 31, 2010, respectively. AT&T is our largest customer and was responsible for 23% of our total revenues for year ended December 31, 2010 and 40% of accounts receivable at December 31, 2010. We recently entered into an amendment to our agreement with AT&T which extends its term through June 30, 2015. Certain of these customers are not subject to long term contracts with us and are generally able to reduce advertising spending at any time and for any reason. A significant reduction in advertising spending by our largest customers, or the loss of one or more of these customers, if not replaced by new customers or an increase in business from existing customers, would adversely affect revenues. This could have a material adverse effect on our results of operations and financial condition.

Our large customers have substantial negotiating leverage, which may require that we agree to terms and conditions that may have an adverse effect on our business.

Our large customers have substantial purchasing power and leverage in negotiating contractual arrangements with us. These customers may seek for us to develop additional features, may require penalties for failure to deliver such features, may seek discounted product or service pricing and may seek more favorable contractual terms. As we sell more products and services to this class of customer, we may be required to agree

to such terms and conditions. Such large customers also have substantial leverage in negotiating resolution of any disagreements or disputes than may arise. Any of the foregoing factors could result in a material adverse effect on our business, financial condition and results of operations.

If some of our customers experience financial distress, their weakened financial position could negatively affect our own financial position and results.

We have a diverse customer base and, at any given time, one or more customers may experience financial distress, file for bankruptcy protection or go out of business. If a customer with whom we do a substantial amount of business experiences financial difficulty, it could delay or jeopardize the collection of accounts receivable, result in significant reductions in services provided by us and may have a material adverse effect on our results of operations and liquidity.

We may incur liabilities for the activities of our advertisers, reseller partners, distribution partners and other users of our services, which could adversely affect our business.

Many of our advertisement generation and distribution processes are automated. In some cases, advertisers or reseller partners use our online tools and account management systems to create and submit advertiser listings and in other cases we create and submit advertising listing on behalf of our advertisers or reseller partners. These advertiser listings are submitted in a bulk data feed or through the distribution partners' user interface. Although we monitor our distribution partners on an ongoing basis primarily for traffic quality, these partners control the distribution of the advertiser listings provided in the data feed or user interface submissions.

We have a large number of distribution partners who display our advertiser listings on their networks. Our advertiser listings are delivered to our distribution partners in an automated fashion through an XML data feed or data dump or through the distribution partners' user interface. Our distribution partners are contractually required to use the listings created by our advertiser customers in accordance with applicable laws and regulations and in conformity with the publication restrictions in our agreements, which are intended to promote the quality and validity of the traffic provided to our advertisers. Nonetheless, we do not operationally control or manage these distribution partners and any breach of these agreements on the part of any distribution partner or its affiliates could result in liability for our business. These agreements include indemnification obligations on the part of our distribution partners, but there is no guarantee that we would be able to collect against offending distribution partners or their affiliates in the event of a claim under these indemnification provisions.

We do not conduct a manual editorial review of a substantial number of the advertiser listings directly submitted by advertisers or reseller partners online, nor do we manually review the display of the vast majority of the advertiser listings by our distribution partners submitted to us by XML data feeds or data dumps or the distribution partners' user interface. Likewise, in cases where we provide editorial or value-added services for our large reseller partners or agencies, such as ad creation and optimization for local advertisers or landing pages and micro-sites for pay-for-call customers, we rely on the content and information provided to us by these agents on behalf of their individual advertisers. We do not investigate the individual business activities of these advertisers other than the information provided to us or in some cases review of advertiser websites. We may not successfully avoid liability for unlawful activities carried out by our advertisers or reseller partners and other users of our services or unpermitted uses of our advertiser listings by distribution partners and their affiliates.

Our potential liability for unlawful activities of our advertisers and other users of our services or unpermitted uses of our advertiser listings and advertising services and platform by distribution partners and reseller partners and agencies could require us to implement measures to reduce our exposure to such liability, which may require us, among other things, to spend substantial resources, to discontinue certain service offerings or to terminate certain distribution partner relationships. For example, as a result of the actions of advertisers in our network, we may be subject to private or governmental actions relating to a wide variety of issues, such as privacy, gambling, promotions, and intellectual property ownership and infringement. Under agreements with

certain of our larger distribution partners, we may be required to indemnify these distribution partners against liabilities or losses resulting from the content of our advertiser listings or resulting from third-party intellectual property infringement claims. Although our advertisers agree to indemnify us with respect to claims arising from these listings, we may not be able to recover all or any of the liabilities or losses incurred by us as a result of the activities of our advertisers.

Our insurance policies may not provide coverage for liability arising out of activities of users of our services. In addition, our reliance on some content and information provided to us by our large advertiser reseller partners and agencies may expose us to liability not covered by our insurance policies. Furthermore, we may not be able to obtain or maintain adequate insurance coverage to reduce or limit the liabilities associated with our businesses. Any costs incurred as a result of such liability or asserted liability could have a material adverse effect on our business, operating results and financial condition.

If we do not maintain and grow a critical mass of advertisers and distribution partners, the value of our services could be adversely affected.

Our success depends, in large part, on the maintenance and growth of a critical mass of advertisers and distribution partners and a continued interest in our pay-for-call, performance-based advertising, telemarketing analytics and search marketing services. Advertisers will generally seek the most competitive return on investment from advertising and marketing services. Distribution partners will also seek the most favorable payment terms available in the market. Advertisers and distribution partners may change providers or the volume of business with a provider, unless the product and terms are competitive. In this environment, we must compete to acquire and maintain our network of advertisers and distribution partners.

If our business is unable to maintain and grow our base of advertisers, our current distribution partners may be discouraged from continuing to work with us, and this may create obstacles for us to enter into agreements with new distribution partners. Our business also in part depends on certain of our large reseller partners and agencies to grow their base of advertisers as these advertisers become increasingly important to our business and our ability to attract additional distribution partners and opportunities. Similarly, if our distribution network does not grow and does not continue to improve over time, current and prospective advertisers and reseller partners and agencies may reduce or terminate this portion of their business with us. Any decline in the number of advertisers and distribution partners could adversely affect the value of our services.

We are dependent upon the quality of mobile, online, offline and other traffic sources in our network to provide value to our advertisers and the advertisers of our reseller partners, and any failure in our quality control could have a material adverse effect on the value of our services to our advertisers and adversely affect our revenues.

We utilize certain monitoring processes with respect to the quality of the mobile, online, offline and other traffic sources that we deliver to our advertisers. Among the factors we seek to monitor are sources and causes of low quality phone calls such as unwanted telemarketer calls and clicks such as non-human processes, including robots, spiders or other software, the mechanical automation of clicking, and other types of invalid clicks, click fraud, or click spam, the purpose of which is something other than to view the underlying content. Additionally, we also seek to identify other indicators which may suggest that a user may not be targeted by or desirable to our advertisers. Even with such monitoring in place, there is a risk that a certain amount of low quality mobile, online, offline and other traffic or traffic that is deemed to be less valuable by our advertisers will be delivered to such advertisers, which may be detrimental to those relationships. We have regularly refunded fees that our advertisers had paid to us which were attributed to low quality mobile, online, offline and other traffic. If we are unable to stop or reduce low quality internet traffic and low quality phone calls, these refunds may increase. Low quality mobile, online, offline and other traffic may further prevent us from growing our base of advertisers and cause us to lose relationships with existing advertisers, or become the target of litigation, both of which would adversely affect our revenues.

We depend on being able to secure enough phone numbers to support our advertisers and other users of our services and any obstacles that we face which prevent us from meeting this demand could adversely affect our business.

We utilize phone numbers that we are able to secure for our pay-for-call, call tracking and call analytics services. Our services that utilize phone numbers are designed to enable advertisers and other users of our services to utilize mobile, online and offline advertising and to help measure the effectiveness of mobile, online and offline advertising campaigns. We secure a majority of our phone numbers through telecommunication carriers that we have contracted with and a smaller number through the 800 Service Management System, and such telecommunication carriers provide the underlying telephone service. We are subject to the rules and guidelines established by the Federal Communications Commission as well as our telecommunication carriers. The Federal Communications Commission and our telecommunication carriers may change the rules and guidelines for securing phone numbers or change the requirements for retaining the phone numbers we have already secured. As a result, we may not be able to secure or retain sufficient phone numbers needed for our services.

Our acquisition of certain automated voice and mobile advertising-based technologies is heavily reliant on vendors.

Certain voice and mobile advertising-based products that we acquired as part of our recent acquisition of Jingle Networks are heavily reliant on vendors. The free directory product that we now provide relies on technology provided by third-party vendors that include voice recognition software and business, government and residence data listings. We cannot guarantee that the technology and services provided by our third-party vendors will be of sufficient quality to meet the demands of our customers. Further, we cannot guarantee that the technologies and services will be available to us in the future on acceptable terms, if at all. Any perception by our customers that our voice and mobile advertising-based products are incomplete or not of sufficient quality could lead to a loss in confidence by our customers, which in turn could lead to a decline in revenues. If we are unable to continue maintaining, advancing and improving our voice and mobile advertising-based products, our operating results may be adversely affected.

We may be subject to intellectual property claims, which could adversely affect our financial condition and ability to use certain critical technologies, divert our resources and management attention from our business operations and create uncertainty about ownership of technology essential to our business.

Our success depends, in part, on our ability to protect our intellectual property and to operate without infringing on the intellectual property rights of others in the process. There can be no guarantee that any of our intellectual property will be adequately safeguarded, or that it will not be challenged by third parties. We may be subject to patent infringement claims or other intellectual property infringement claims, including claims of trademark infringement in connection with our acquisition of previously-owned Internet domain names and claims of copyright infringement with respect to certain of our proprietary websites that would be costly to defend and could limit our ability to use certain critical technologies.

The expansion of our call advertising business increases the potential intellectual property infringement claims we may be subject to. Jingle Networks, which we recently acquired, is subject to patent infringement claims which were unsuccessful at trial but which may be appealed and no assurances can be given as to their ultimate outcome.

Any patent or other intellectual property litigation could negatively impact our business by diverting resources and management attention from other aspects of the business and adding uncertainty as to the ownership of technology, services and property that we view as proprietary and essential to our business. In addition, a successful claim of patent infringement against us and our failure or inability to license the infringed or similar technology on reasonable terms, or at all, could prevent us from using critical technologies which could have a material adverse effect on our business.

We may need additional funding to meet our obligations and to pursue our business strategy. Additional funding may not be available to us and our financial condition could therefore be adversely affected.

We may require additional funding to meet our ongoing obligations and to pursue our business strategy, which may include the selective acquisition of businesses and technologies. In addition, we have incurred and we may incur certain obligations in the future. There can be no assurance that if we were to need additional funds to meet these obligations that additional financing arrangements would be available in amounts or on terms acceptable to us, if at all. Furthermore, if adequate additional funds are not available, we will be required to delay, reduce the scope of, or eliminate material parts of the implementation of our business strategy, including potential additional acquisitions or internally-developed businesses.

Our acquisitions could divert management's attention, cause ownership dilution to our stockholders, cause our earnings to decrease and be difficult to integrate.

Our business strategy includes identifying, structuring, completing and integrating acquisitions. Acquisitions in the technology and Internet sectors involve a high degree of risk. We may also be unable to find a sufficient number of attractive opportunities to meet our objectives which include revenue growth, profitability and competitive market share. Our acquired companies may have histories of net losses and may expect net losses for the foreseeable future. Acquisitions are accompanied by a number of risks that could harm our business, operating results and financial condition:

- We could experience a substantial strain on our resources, including time and money, and we may not be successful;
- Our management's attention could be diverted from our ongoing business concerns;
- While integrating new companies, we may lose key executives or other employees of these companies;
- We may issue shares of our Class B common stock as consideration for acquisitions which may result in ownership dilution to our stockholders;
- We could fail to successfully integrate our financial and management controls, technology, reporting systems and procedures, or adequately expand, train and manage our workforce;
- We could experience customer dissatisfaction or performance problems with an acquired company or technology;
- We could become subject to unknown or underestimated liabilities of an acquired entity or incur unexpected expenses or losses from such acquisitions;
- We could incur possible impairment charges related to goodwill or other intangible assets or other unanticipated events or circumstances, any of which could harm our business; and
- We may be exposed to investigations and/or audits by federal, state or other taxing authorities.

Consequently, we might not be successful in integrating any acquired businesses, products or technologies, and might not achieve anticipated revenue and cost benefits.

Our expanding international operations subject us to additional risks and uncertainties and we may not be successful with our strategy to continue to expand such operations.

One potential area of growth for us is in international markets. We have initiated operations, through our subsidiaries, in Ireland and the United Kingdom. Our international expansion and the integration of international operations present unique challenges and risks. Compliance with complex foreign and U.S. laws and regulations that apply to our international operations increases our cost of doing business in international jurisdictions and could interfere with our ability to offer our products and services to one or more countries or expose us or our

employees to fines and penalties. Our continued international expansion also subjects us to increased foreign currency exchange rate risks and will require additional management attention and resources. We cannot assure you that we will be successful in our international expansion. There are risks inherent in conducting business in international markets, including the need to localize our products and services to foreign customers' preferences and customs, difficulties in managing operations due to language barriers, distance, staffing and cultural differences, application of foreign laws and regulations to us, tariffs and other trade barriers, fluctuations in currency exchange rates, establishing management systems and infrastructures, reduced protection for intellectual property rights in some countries, changes in foreign political and economic conditions, and potentially adverse tax consequences. Our failure to address these risks adequately could materially and adversely affect our business, revenue, results of operations and financial condition.

The loss of our senior management, including our founders, could harm our current and future operations and prospects.

We are heavily dependent upon the continued services of Russell C. Horowitz, our chairman and chief executive officer, and the other members of our senior management team. Each member of our senior management team is an at-will employee and may voluntarily terminate his employment with us at any time with minimal notice. Russell C. Horowitz, Ethan A. Caldwell, Peter Christothoulou and John Keister, our founders, each own shares of fully vested Class A common stock. Following any termination of employment, each of these employees would only be subject to a twelve-month non-competition and non-solicitation obligation with respect to our customers and employees under our standard confidentiality agreement.

Further, as of December 31, 2010, Russell C. Horowitz, Ethan A. Caldwell, Peter Christothoulou and John Keister together controlled 92% of the combined voting power of our outstanding capital stock. Their collective voting control is not tied to their continued employment with Marchex. The loss of the services of any member of our senior management, including our founders, for any reason, or any conflict among our founders, could harm our current and future operations and prospects.

We may have difficulty retaining current personnel as well as attracting and retaining additional qualified, experienced, highly skilled personnel, which could adversely affect the implementation of our business plan.

Our performance is largely dependent upon the talents and efforts of highly skilled individuals. In order to fully implement our business plan, we will need to retain our current qualified personnel, as well as attract and retain additional qualified personnel. Thus, our success will in significant part depend upon our retention of current personnel as well as the efforts of personnel not yet identified and upon our ability to attract and retain highly skilled managerial, engineering, sales and marketing personnel. We are also dependent on managerial and technical personnel to the extent they may have knowledge or information about our businesses and technical systems that may not be known by our other personnel. There can be no assurance that we will be able to attract and retain necessary personnel. The failure to hire and retain such personnel could adversely affect the implementation of our business plan.

If we are unable to obtain and maintain adequate insurance, our financial condition could be adversely affected in the event of uninsured or inadequately insured loss or damage. Our ability to effectively recruit and retain qualified officers and directors may also be adversely affected if we experience difficulty in maintaining adequate directors' and officers' liability insurance.

We may not be able to obtain and maintain insurance policies on terms affordable to us that would adequately insure our business and property against damage, loss or claims by third parties. To the extent our business or property suffers any damages, losses or claims by third parties that are not covered or adequately covered by insurance, our financial condition may be materially adversely affected.

We currently have directors' and officers' liability insurance. If we are unable to maintain sufficient insurance as a public company to cover liability claims made against our officers and directors, we may not be able to retain or recruit qualified officers and directors to manage our company, which could have a material adverse effect on our operations.

It may be difficult for us to retain or attract qualified officers and directors, which could adversely affect our business and our ability to maintain the listing of our Class B common stock on the Nasdaq Global Select Market.

We may be unable to attract and retain qualified officers, directors and members of board committees required to provide for our effective management as a result of changes in the rules and regulations which govern publicly-held companies, including, but not limited to, certifications from executive officers and requirements for financial experts on boards of directors. The perceived increased personal risk associated with these recent changes may deter qualified individuals from accepting these roles. Further, applicable rules and regulations of the Securities and Exchange Commission and the Nasdaq Stock Market heighten the requirements for board or committee membership, particularly with respect to an individual's independence from the corporation and level of experience in finance and accounting matters. We may have difficulty attracting and retaining directors with the requisite qualifications. If we are unable to attract and retain qualified officers and directors, our business and our ability to maintain the listing of our shares of Class B common stock on the Nasdaq Global Select Market could be adversely affected.

If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud, which could harm our brand and operating results.

Effective internal controls are necessary for us to provide reliable and accurate financial reports and effectively prevent fraud. We have devoted significant resources and time to comply with the internal control over financial reporting requirements of the Sarbanes-Oxley Act of 2002. In addition, Section 404 under the Sarbanes-Oxley Act of 2002 requires that we assess and our auditors attest to the effectiveness of our controls over financial reporting. Our current and future compliance with the annual internal control report requirement will depend on the effectiveness of our financial reporting and data systems and controls across our operating subsidiaries. We expect these systems and controls to become increasingly complex to the extent that we integrate acquisitions and our business grows. To effectively manage this growth, we will need to continue to improve our operational, financial and management controls and our reporting systems and procedures. We cannot be certain that these measures will ensure that we design, implement and maintain adequate controls over our financial processes and reporting in the future. Any failure to implement required new or improved controls, or difficulties encountered in their implementation or operation, could harm our operating results or cause us to fail to meet our financial reporting obligations. Inadequate internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock and our access to capital.

Impairment of goodwill and other intangible assets would result in a decrease in earnings.

Current accounting rules require that goodwill and other intangible assets with indefinite useful lives no longer be amortized, but instead be tested for impairment at least annually. These rules also require that intangible assets with definite useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Events and circumstances considered in determining whether the carrying value of amortizable intangible assets and goodwill may not be recoverable include, but are not limited to: significant changes in performance relative to expected operating results; significant changes in the use of the assets; significant negative industry or economic trends; or a significant decline in our stock price and/or market capitalization for a sustained period of time. To the extent such

evaluation indicates that the useful lives of intangible assets are different than originally estimated, the amortization period is reduced or extended and, accordingly, the quarterly amortization expense is increased or decreased. To the extent such evaluation indicates that the useful lives of intangible assets are different than originally estimated, the amortization period is reduced or extended and, accordingly, amortization expense is increased or decreased.

We recorded a substantial non-cash impairment charge for goodwill and intangible assets during the fourth quarter of 2008 as a result of the impact of the recent adverse economic environment including the deterioration in the equity and credit markets. We may be required to record future charge to earnings in our financial statements during the period in which any additional impairment of our goodwill or amortizable intangible assets is determined. Any impairment charges or changes to the estimated amortization periods could have a material adverse effect on our financial results.

We may be required to establish a valuation allowance against our deferred income tax asset.

Factors in our ability to realize a tax benefit from our deferred income tax asset include tax attributes and operating results of acquired businesses, the nature, extent and periods that temporary differences are expected to reverse and our expectations about future operating results. If we determine that all or a portion of the deferred income tax asset will not result in a future tax benefit, a valuation allowance may be established with a corresponding charge to net income. Such charges may have a material adverse effect on our results of operations or financial condition. The likelihood of recording such a valuation allowance may be impacted by our acquisitions, and increases during periods of economic downturn.

We may not be able to realize the intended and anticipated benefits from our acquisitions of Internet domain names, which could affect the value of these acquisitions to our business and our ability to meet our financial obligations and targets.

We may not be able to realize the intended and anticipated benefits that we currently expect from our acquisitions of Internet domain names. These intended and anticipated benefits include increasing our cash flow from operations, broadening our distribution offerings and delivering services that strengthen our advertiser relationships.

If the acquired assets are not integrated into our business as we anticipate, we may not be able to achieve these benefits or realize the value paid for our acquisitions of Internet domain names, which could materially harm our business, financial condition and results of operations.

We do not control the means by which users access our websites, and material changes to current navigation practices or technologies or marketing practices or significant increases in our marketing costs could result in a material adverse effect on our business.

The success of our Publishing Network depends in large part upon consumer access to our websites. Consumers access our websites primarily through the following methods: directly accessing our websites by typing descriptive keywords or keyword strings into the uniform resource locator (URL) address box of an Internet browser; accessing our websites by clicking on bookmarked websites; and accessing our websites through search engines and directories.

Each of these methods requires the use of a third party product or service, such as an Internet browser or search engine application or directory. Internet browsers may provide alternatives to the URL address box to locate websites, and search engines may from time to time change and establish rules regarding the indexing and optimization of websites. We also market certain websites through search engine applications. Historically, we have limited our search engine marketing to less than five leading search engines.

Product developments and market practices for these means of access to our websites are not within our control. We may experience a decline in traffic to our websites if third party browser technologies or search

engine methodologies and rules are changed to our disadvantage. We have experienced abrupt search engine algorithm and policy changes in the past. We expect the search engine applications we utilize to market and drive users to our websites to continue to periodically change their algorithms, policies and technologies. These changes may result in an interruption in users ability to access our websites or impair our ability to maintain and grow the number of users who visit our websites. We may also be forced to significantly increase marketing expenditures in the event that market prices for online advertising and paid-listings escalate. Any of these changes could have a material adverse effect on our business.

We may experience unforeseen liabilities in connection with our acquisitions of Internet domain names or arising out of third party domain names included in our distribution network, which could negatively impact our financial results.

The Name Development, Pike Street and AreaConnect asset acquisitions involved the acquisition of a large number of previously-owned Internet domain names. Furthermore, we have separately acquired and may acquire in the future additional previously-owned Internet domain names. In some cases, these acquired names may have trademark significance that is not readily apparent to us or is not identified by us in the bulk purchasing process. As a result we may face demands by third party trademark owners asserting infringement or dilution of their rights and seeking transfer of acquired Internet domain names under the Uniform Domain Name Dispute Resolution Policy administered by ICANN or actions under the U.S. Anti-Cybersquatting Consumer Protection Act. Additionally, we display pay-for-call or pay-per-click listings on third party domain names and third party websites that are part of our distribution network, which also could subject us to a wide variety of civil claims including intellectual property ownership and infringement.

We intend to review each claim or demand which may arise from time to time on its merits on a case-by-case basis with the assistance of counsel and we intend to transfer any rights acquired by us to any party that has demonstrated a valid prior right or claim. We cannot, however, guarantee that we will be able to resolve these disputes without litigation. The potential violation of third party intellectual property rights and potential causes of action under consumer protection laws may subject us to unforeseen liabilities including injunctions and judgments for money damages.

Risks Relating to Our Business and Our Industry

If we are unable to compete in the highly competitive performance-based advertising and search marketing industries, we may experience reduced demand for our products and services.

We operate in a highly competitive and changing environment. We principally compete with other companies which offer services in the following areas:

- sales to advertisers of pay-for-call services;
- sales to advertisers of pay-per-click services;
- aggregation or optimization of online advertising for distribution through mobile and online search engines and applications, product shopping engines, directories, websites or other offline outlets;
- provision of local and vertical websites containing information and user feedback designed to attract users and help consumers make better, more informed local decisions, while providing targeted advertising inventory for advertisers;
- delivery of pay-for-call advertising to end users or customers of advertisers through mobile and online destination websites or other offline distribution outlets;
- delivery of online advertising to end users or customers of advertisers through mobile and online destination websites or other offline distribution outlets;
- local search sales training;
- services and outsourcing of technologies that allow advertisers to manage their advertising campaigns across multiple networks and track the success of these campaigns;

- third party domain monetization; and
- sales to advertisers of call tracking, call analytics, and presence management services.

Although we currently pursue a strategy that allows us to potentially partner with all relevant companies in the industry, there are certain companies in the industry that may not wish to partner with us. Despite the fact that we currently work with several of our potential competitors, there are no guarantees that these companies will continue to work with us in the future.

We currently or potentially compete with a variety of companies, including Google, IAC/InterActiveCorp, Microsoft, Yahoo!, WebVisible and ReachLocal. Many of these actual or perceived competitors also currently or may in the future have business relationships with us, particularly in distribution. However, such companies may terminate their relationships with us. Furthermore, our competitors may be able to secure agreements with us on more favorable terms, which could reduce the usage of our services, increase the amount payable to our distribution partners, reduce total revenue and thereby have a material adverse effect on our business, operating results and financial condition.

We expect competition to intensify in the future because current and new competitors can enter our market with little difficulty. The barriers to entering our market are relatively low. In fact, many current Internet and media companies presently have the technical capabilities and advertiser bases to enter the search marketing services industry. Further, if the consolidation trend continues among the larger media and search engine companies with greater brand recognition, the share of the market remaining for smaller search marketing services providers could decrease, even though the number of smaller providers could continue to increase. These factors could adversely affect our competitive position.

Some of our competitors, as well as potential entrants into our market, may be better positioned to succeed in this market. They may have:

- longer operating histories;
- more management experience;
- an employee base with more extensive experience;
- better geographic coverage;
- larger customer bases;
- greater brand recognition; and
- significantly greater financial, marketing and other resources.

Currently, and in the future, as the use of the Internet and other mobile and online services increases, there will likely be larger, more well-established and well-financed entities that acquire companies and/or invest in or form joint ventures in categories or countries of interest to us, all of which could adversely impact our business. Any of these trends could increase competition and reduce the demand for any of our services.

We face competition from traditional media companies, and we may not be included in the advertising budgets of large advertisers, which could harm our operating results.

In addition to Internet companies, we face competition from companies that offer traditional media advertising opportunities. Most large advertisers have set advertising budgets, a very small portion of which is allocated to Internet advertising. We expect that large advertisers will continue to focus most of their advertising efforts on traditional media. If we fail to convince these companies to spend a portion of their advertising budgets with us, or if our existing advertisers reduce the amount they spend on our programs, our operating results would be harmed.

If we are not able to respond to the rapid technological change characteristic of our industry, our products and services may cease to be competitive.

The market for our products and services is characterized by rapid change in business models and technological infrastructure, and we will need to constantly adapt to changing markets and technologies to provide new and competitive products and services. If we are unable to ensure that our users, advertisers, reseller partners, and distribution partners have a high-quality experience with our products and services, then they may become dissatisfied and move to competitors' products and services. Accordingly, our future success will depend, in part, upon our ability to develop and offer competitive products and services for both our target market and for applications in new markets. We may not, however, be able to successfully do so, and our competitors may develop innovations that render our products and services obsolete or uncompetitive.

Our technical systems are vulnerable to interruption and damage that may be costly and time-consuming to resolve and may harm our business and reputation.

A disaster could interrupt our services for an indeterminate length of time and severely damage our business, prospects, financial condition and results of operations. Our systems and operations are vulnerable to damage or interruption from:

- fire;
- floods;
- network failure;
- hardware failure;
- software failure;
- power loss;
- telecommunications failures;
- break-ins;
- terrorism, war or sabotage;
- computer viruses;
- denial of service attacks;
- penetration of our network by unauthorized computer users and "hackers" and other similar events;
- natural disaster; and
- other unanticipated problems.

We may not have developed or implemented adequate protections or safeguards to overcome any of these events. We also may not have anticipated or addressed many of the potential events that could threaten or undermine our technology network. Any of these occurrences could cause material interruptions or delays in our business, result in the loss of data or render us unable to provide services to our customers. In addition, if a person is able to circumvent our security measures, he or she could destroy or misappropriate valuable information, including sensitive customer information, or disrupt our operations. We have deployed firewall hardware intended to thwart hacker attacks. Although we maintain property insurance and business interruption insurance, our insurance may not be adequate to compensate us for all losses that may occur as a result of a catastrophic system failure or other loss, and our insurers may not be able or may decline to do so for a variety of reasons.

If we fail to address these issues in a timely manner, we may lose the confidence of our advertisers, reseller partners, and distribution partners, our revenue may decline and our business could suffer. In addition, as we

expand our service offerings and enter into new business areas, we may be required to significantly modify and expand our software and technology platform. If we fail to accomplish these tasks in a timely manner, our business and reputation will likely suffer.

We rely on third party technology, platforms, carriers, communications providers, and server and hardware providers, and a failure of service by these providers could adversely affect our business and reputation.

We rely upon third party colocation providers to host our main servers. If these providers are unable to handle current or higher volumes of use, experience any interruption in operations or cease operations for any reason or if we are unable to agree on satisfactory terms for continued hosting relationships, we would be forced to enter into a relationship with other service providers or assume hosting responsibilities ourselves. If we are forced to switch hosting facilities, we may not be successful in finding an alternative service provider on acceptable terms or in hosting the computer servers ourselves. We may also be limited in our remedies against these providers in the event of a failure of service. In the past, we have experienced short-term outages in the service maintained by one of our colocation providers.

We also rely on a select group of third party providers for components of our technology platform and support for our advertising and call-based services, such as hardware and software providers, telecommunications carriers and Voice over Internet Protocol (VoIP) providers, credit card processors and domain name registrars. As a result, key operational resources of our business are concentrated with a limited number of third party providers. A failure or limitation of service or available capacity by any of these third party providers could adversely affect our business and reputation. Furthermore, if any of these significant providers are unable to provide the levels of service and dedicated resources over time that we required in our business, we may not be able to replace certain of these providers in a manner that is efficient, cost-effective or satisfactory to our customers, and as a result our business could be materially and adversely affected.

If our security measures are breached or are perceived as not being secure, we may lose advertisers, reseller partners and distribution partners and we may incur significant legal and financial exposure.

We store and transmit data and information about our advertisers, reseller partners, distribution partners and their respective users. We deploy security measures to protect this data and information, as do third parties we utilize to assist in data and information storage. Our security measures and those of the third parties we partner with to assist in data and information storage may suffer breaches. Security breaches of our data storage systems or our third party colocation and technology providers we utilize to store data and information relating to our advertisers, reseller partners, distribution partners and their respective users, could expose us to significant potential liability. In addition, security breaches, actual or perceived, could result in the loss of advertisers, reseller partners and distribution partners that could potentially have an adverse effect on our business.

We may not be able to protect our intellectual property rights, which could result in our competitors marketing competing products and services utilizing our intellectual property and could adversely affect our competitive position.

Our success and ability to compete effectively are substantially dependent upon our internally developed and acquired technology and data resources, which we protect through a combination of copyright, trade secret, and patent and trademark law. To date, we acquired U.S. Patent Number 6,822,663 titled “Transform Rule Generator for Web-Based Markup Languages” through our Voice Services transaction. We also own U.S. Patent Number 7,668,950 titled “Automatically Updating Performance-Based Online Advertising System and Method,” non-provisional U.S. Patent Application Number 11/868,398 titled “System and Method for Classifying Search Queries,” non-provisional U.S. Patent Application Number 11/985,188 titled “Method and System for Tracking Telephone Calls,” non-provisional U.S. Patent Application Number 12/512,821 titled “Facility for Reconciliation of Business Records Using Genetic Algorithms,” non-provisional U.S. Patent Application Number 12/829,372 titled “System and Method to Direct Telephone Calls to Advertisers,” non-provisional U.S. Patent Application Number 12/829,373 titled “System and Method for Calling Advertised Telephone Numbers on a Computing

Device," non-provisional U.S. Patent Application Number 12/829,375 titled "System and Method to Analyze Calls to Advertised Telephone Numbers", and non-provisional U.S Patent Application Number 12/844,488 titled "Systems and Methods for Blocking Telephone Calls." In the future, additional patents may be filed with respect to internally developed or acquired technologies. Our industry is highly competitive and many individuals and companies have sought to patent processes in the industry. We may decide not to protect certain intellectual properties or business methods which may later turn out to be significant to us. In addition, the patent process takes several years and involves considerable expense. Further, patent applications and patent positions in our industry are highly uncertain and involve complex legal and factual questions due in part to the number of competing technologies. As a result, we may not be able to successfully prosecute these patents, in whole or in part, or any additional patent filings that we may make in the future. We also depend on our trademarks, trade names and domain names. We may not be able to adequately protect our technology and data resources. In addition, intellectual property laws vary from country to country, and it may be more difficult to protect our intellectual property in some foreign jurisdictions in which we may plan to enter. If we fail to obtain and maintain patent or other intellectual property protection for our technology, our competitors could market competing products and services utilizing our technology.

Despite our efforts to protect our proprietary rights, unauthorized parties domestically and internationally may attempt to copy or otherwise obtain and use our services, technology and other intellectual property. We cannot be certain that the steps we have taken will prevent any misappropriation or confusion among consumers and advertisers. If we are unable to protect our intellectual property rights from unauthorized use, our competitive position could be adversely affected.

We may be involved in lawsuits to protect or enforce our patents, which could be expensive and time consuming.

We may initiate patent litigation against third parties to protect or enforce our patent rights, and we may be similarly sued by others. We may also become subject to interference proceedings conducted in the patent and trademark offices of various countries to determine the priority of inventions. The defense and prosecution, if necessary, of intellectual property suits, interference proceedings and related legal and administrative proceedings is costly and may divert our technical and management personnel from their normal responsibilities. We may not prevail in any of these suits. An adverse determination of any litigation or defense proceedings could put our patents at risk of being invalidated or interpreted narrowly and could put our patent applications at risk of not being issued.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, during the course of this kind of litigation, there could be public announcements of the results of hearings, motions or other interim proceedings or developments in the litigation. If securities analysts or investors perceive these results to be negative, it could have an adverse effect on the trading price of our Class B common stock.

Our quarterly results of operations might fluctuate due to seasonality, which could adversely affect our growth rate and in turn the market price of our securities.

Our quarterly results have fluctuated in the past and may fluctuate in the future due to seasonal fluctuations in the level of mobile and Internet usage. As is typical in our industry, the second and third quarters of the calendar year generally experience relatively lower usage than the first and fourth quarters. It is generally understood that during the spring and summer months of the year, mobile and Internet usage is lower than during other times of the year, especially in comparison to the fourth quarter of the calendar year. The extent to which usage may decrease during these off-peak periods is difficult to predict. Prolonged or severe decreases in usage during these periods may adversely affect our growth rate and in turn the market price of our securities. Additionally, the recent deterioration in the economic conditions has resulted in many advertisers and reseller partners reducing advertising and marketing services budgets, which we expect will impact our quarterly results of operations in addition to the typical seasonality seen in our industry.

We are susceptible to general economic conditions, and a downturn in advertising and marketing spending by advertisers could adversely affect our operating results.

Our operating results will be subject to fluctuations based on general economic conditions, in particular those conditions that impact advertiser-consumer transactions. Deterioration in economic conditions could cause decreases in or delays in advertising spending and reduce and/or negatively impact our short term ability to grow our revenues. Further, any decreased collectability of accounts receivable or early termination of agreements due to deterioration in economic conditions could negatively impact our results of operations.

We depend on the growth of the Internet and mobile and Internet infrastructure for our future growth and any decrease in growth or anticipated growth in mobile and Internet usage could adversely affect our business prospects.

Our future revenue and profits, if any, depend upon the continued widespread use of the Internet as an effective commercial and business medium. Factors which could reduce the widespread use of the Internet include:

- possible disruptions or other damage to the mobile, Internet or telecommunications infrastructure;
- failure of the individual networking infrastructures of our advertisers, reseller partners, and distribution partners to alleviate potential overloading and delayed response times;
- a decision by advertisers and consumers to spend more of their marketing dollars on offline programs;
- increased governmental regulation and taxation; and
- actual or perceived lack of security or privacy protection.

In particular, concerns over the security of transactions conducted on the Internet and the privacy of users, including the risk of identity theft, may inhibit the growth of Internet usage, especially mobile and online commercial transactions. In order for the mobile and online commerce market to develop successfully, we and other market participants must be able to transmit confidential information, including credit card information, securely over public networks. Any decrease in anticipated Internet growth and usage could have a material adverse effect on our business prospects.

We are exposed to risks associated with credit card fraud and credit payment, and we may continue to suffer losses as a result of fraudulent data or payment failure by advertisers.

We have suffered losses and may continue to suffer losses as a result of payments made with fraudulent credit card data. Our failure to control fraudulent credit card transactions could reduce our net revenue and gross margin and negatively impact our standing with applicable credit card authorization agencies. In addition, under limited circumstances, we extend credit to advertisers who may default on their accounts payable to us or fraudulently “charge-back” amounts on their credit cards for services that have already been delivered by us.

Government regulation of the Internet may adversely affect our business and operating results.

Mobile and online search, e-commerce and related businesses face uncertainty related to future government regulation of the Internet through the application of new or existing federal, state and international laws. Due to the rapid growth and widespread use of the Internet, legislatures at the federal and state level have enacted and may continue to enact various laws and regulations relating to the Internet. Individual states may also enact consumer protection laws that are more restrictive than the ones that already exist.

Furthermore, the application of existing laws and regulations to Internet companies remains somewhat unclear. For example, as a result of the actions of advertisers in our network, we may be subject to existing laws and regulations relating to a wide variety of issues such as consumer privacy, gambling, sweepstakes,

advertising, promotions, defamation, pricing, taxation, financial market regulation, quality of products and services, computer trespass, spyware, adware, child protection and intellectual property ownership and infringement. In addition, it is not clear whether existing laws that require licenses or permits for certain of our advertisers' lines of business apply to us, including those related to insurance and securities brokerage, law offices and pharmacies. Existing federal and state laws that may impact the growth and profitability of our business include, among others:

- The Digital Millennium Copyright Act (DMCA) provides protection from copyright liability for online service providers that list or link to third party websites. We currently qualify for the safe harbor under the DMCA; however, if it were determined that we did not meet the safe harbor requirements, we could be exposed to copyright infringement litigation, which could be costly and time-consuming.
- The Children's Online Privacy Protection Act (COPPA) restricts the distribution of certain materials deemed harmful to children and imposes limitations on websites' ability to collect personal information from minors. COPPA allows the Federal Trade Commission (FTC) to impose fines and penalties upon website operators whose sites do not fully comply with the law's requirements. We do not currently offer any websites "directed to children," nor do we collect personal data from children.
- The Protection of Children from Sexual Predators Act requires online service providers to report evidence of violations of federal child pornography laws under certain circumstances.
- The Controlling the Assault of Non-Solicited Pornography and Marketing (CAN SPAM) Act of 2003 establishes requirements for those who send commercial e-mails, spells out penalties for entities that transmit noncompliant commercial e-mail and/or whose products are advertised in noncompliant commercial e-mail and gives consumers the right to opt-out of receiving commercial e-mails. The majority of the states also have adopted similar statutes governing the transmission of commercial e-mail. The FTC and the states, as applicable, are authorized to enforce the CAN-SPAM Act and the state-specific statutes, respectively. CAN-SPAM gives the Department of Justice the authority to enforce its criminal sanctions. Other federal and state agencies can enforce the law against organizations under their jurisdiction, and companies that provide Internet access may sue violators as well.
- The Electronic Communications Privacy Act prevents private entities from disclosing Internet subscriber records and the contents of electronic communications, subject to certain exceptions.
- The Computer Fraud and Abuse Act and other federal and state laws protect computer users from unauthorized computer access/hacking, and other actions by third parties which may be viewed as a violation of privacy. Michigan and Utah child protection laws, designed to protect children under the age of 18 from receiving adult content via e-mail and other electronic forms of communication (e.g., cell phones and IM). Both Michigan and Utah have developed lists of minors' e-mail addresses based on parents' and guardians' submissions. Once an address has been on a list for 30 days, Web publishers are prohibited from sending the address anything containing, or even linking to, advertising for a product or service that a minor is legally prohibited from purchasing or using, even if the owner of that address previously requested to receive the information. In addition, senders need to match their own mailing lists against the state registries on at least a monthly basis, for which they must pay both Michigan and Utah a per-address fee. Courts may apply each of these laws in unintended and unexpected ways. As a company that provides services over the Internet as well as call recording and call tracking services, we may be subject to an action brought under any of these or future laws.
- Among the types of legislation currently being considered at the federal and state levels are consumer laws regulating for the use of certain types of software applications or downloads and the use of "cookies." These proposed laws are intended to target specific types of software applications often referred to as "spyware," "invasiveware" or "adware," and may also cover certain applications currently used in the online advertising industry to serve and distribute advertisements. In addition, the FTC has sought inquiry regarding the implementation of a "do-not-track" requirement. Federal

legislation is also expected to be introduced that would regulate “online behavioral advertising” practices. If passed, these laws would impose new obligations for companies that use such software applications or technologies.

Many Internet services are automated, and companies such as ours may be unknowing conduits for illegal or prohibited materials. It is possible that some courts may impose a strict liability standard or require such companies to monitor their customers’ conduct. Although we would not be responsible or involved in any way in such illegal conduct, it is possible that we would somehow be held responsible for the actions of our advertisers or distribution partners.

We may also be subject to costs and liabilities with respect to privacy issues. Several companies have incurred penalties for failing to abide by the representations made in their public-facing privacy policies. In addition, several states have passed laws that require businesses to implement and maintain reasonable security procedures and practices to protect sensitive personal information and to provide notice to consumers in the event of a security breach. Further, it is anticipated that additional federal and state privacy-related legislation will be enacted. Such legislation could negatively affect our business.

In addition, foreign governments may pass laws which could negatively impact our business and/or may prosecute us for violating existing laws. Such laws might include EU member country conforming legislation under applicable EU Privacy, eCommerce, Telecommunications and Data Protection Directives. Any costs incurred in addressing foreign laws could negatively affect the viability of our business. Our exposure to this risk will increase to the extent we expand our operations internationally.

Federal and state regulation of telecommunications may adversely affect our business and operating results.

Subsidiaries of the Company provide information and analytics services to certain advertisers and reseller partners that may include information services. In connection therewith, the Company, through its subsidiaries, obtains certain telecommunications products and services from carriers in order to deliver these packages of information and analytic services.

Telecommunications laws and regulations (and interpretations thereof) are evolving in response to rapid changes in the telecommunications industry. If our carrier partners were to be subject to any changes in applicable law or regulation (or interpretations thereof), or additional taxes or surcharges, then we in turn may be subject to increased costs for their products and services or receive products and services that may be of less value to our customers, which in turn could adversely affect our business and operating results. Furthermore, to the extent we offer call recording and pay-for-call services, we may be directly subject to certain telecommunications-related regulations. Finally, in the event that any federal or state regulators were to expand the scope of applicable laws and regulations or their application to include certain end users and information service providers, then our business and operating results could also be adversely affected.

The following existing and possible future federal and state laws could impact the growth and profitability of our business:

- The Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the “Act”), and the regulations promulgated by the Federal Communications Commission under Title II of the Act, may impose federal licensing, reporting and other regulatory obligations on the Company. To the extent we contract with and use the networks of voice over IP service providers, new legislation or FCC regulation in this area could restrict our business, prevent us from offering service or increase our cost of doing business. There are an increasing number of regulations and rulings that specifically address access to commerce and communications services on the Internet, including

IP telephony. We are unable to predict the impact, if any, that future legislation, legal decisions or regulations concerning voice services offered via the Internet may have on our business, financial condition, and results of operations.

- The U.S. Congress, the FCC, state legislatures or state agencies may target, among other things, access or settlement charges, imposing taxes related to Internet communications, imposing tariffs or other regulations based on encryption concerns, or the characteristics and quality of products and services that we may offer. Any new laws or regulations concerning these or other areas of our business could restrict our growth or increase our cost of doing business.
- The FCC has initiated a proceeding regarding the regulation of broadband services. The increasing growth of the broadband IP telephony market and popularity of broadband IP telephony products and services heighten the risk that the FCC or other legislative bodies will seek to regulate broadband IP telephony and the Internet. In addition, large, established telecommunication companies may devote substantial lobbying efforts to influence the regulation of the broadband IP telephony market, which may be contrary to our interests.
- There is risk that a regulatory agency will require us to conform to rules that are unsuitable for IP communications technologies or rules that cannot be complied with due to the nature and efficiencies of IP routing, or are unnecessary or unreasonable in light of the manner in which we offer voice-related services such as call recording and pay-for-call services to our customers.
- Federal and state telemarketing laws including the Telephone Consumer Protection Act, the Telemarketing Sales Rule, the Telemarketing Consumer Fraud and Abuse Prevention Act and the rules and regulations promulgated thereunder.
- Laws affecting telephone call recording and data protection, such as consent and personal data statutes. Under the federal Wiretap Act, at least one party taking part in a call must be notified if the call is being recorded. Under this law, and most state laws, there is nothing illegal about one of the parties to a telephone call recording the conversation. However, several states (i.e., California, Connecticut, Florida, Illinois, Maryland, Massachusetts, Michigan, Montana, Nevada, New Hampshire, Pennsylvania and Washington) require that all parties consent when one party wants to record a telephone conversation. The telephone recording laws in other states, like federal law, require only one party to be aware of the recording. A Wiretap Act violation is a Class D felony; the maximum authorized penalties for a violation of section 2511(1) of the Wiretap Act are imprisonment of not more than five years and a fine under Title 18. Authorized fines are typically not more than $250,000 for individuals or $500,000 for an organization, unless there is a substantial loss. State laws impose similar penalties.
- The Communications Assistance for Law Enforcement Act may require that the Company undertake material modifications to its platforms and processes to permit wiretapping and other access for law enforcement personnel.
- Under various Orders of the Federal Communications Commission, the Company may be required to make material retroactive and prospective contributions to funds intended to support Universal Service, Telecommunications Relay Service, Local Number Portability, the North American Numbering Plan and the budget of the Federal Communications Commission.
- Laws in most states of the United States of America may require registration or licensing of one or more subsidiaries of the Company, and may impose additional taxes, fees or telecommunications surcharges on the provision of the Company’s services which the Company may not be able to pass through to customers.

Future regulation of search engines may adversely affect the commercial utility of our search marketing services.

The FTC, has reviewed the way in which search engines disclose paid placements or paid inclusion practices to Internet users. In 2002, the FTC issued guidance recommending that all search engine companies ensure that all paid search results are clearly distinguished from non-paid results, that the use of paid inclusion is clearly and conspicuously explained and disclosed and that other disclosures are made to avoid misleading users about the possible effects of paid placement or paid inclusion listings on search results. Such disclosures if ultimately mandated by the FTC or voluntarily made by us may reduce the desirability of our paid placement and paid inclusion services. We believe that some users will conclude that paid search results are not subject to the same relevancy requirements as non-paid search results, and will view paid search results less favorably. If such FTC disclosure reduces the desirability of our paid placement and paid inclusion services, and "click-throughs" of our paid search results decrease, our business could be adversely affected.

State and local governments may in the future be permitted to levy additional taxes on Internet access and electronic commerce transactions, which could result in a decrease in the level of usage of our services. In addition, we may be required to pay additional income, sales, or other taxes.

On November 19, 2004, the federal government passed legislation placing a three-year ban on state and local governments' imposition of new taxes on Internet access or electronic commerce transactions. On October 31, 2007, this ban was extended for another seven years. Unless the ban is further extended, state and local governments may begin to levy additional taxes on Internet access and electronic commerce transactions upon the legislation's expiration in November 2014. An increase in taxes may make electronic commerce transactions less attractive for advertisers and businesses, which could result in a decrease in the level of usage of our services. Additionally, from time to time, various state, federal and other jurisdictional tax authorities undertake reviews of the Company and the Company's filings. In evaluating the exposure associated with various tax filing positions, the Company on occasion accrues charges for probable exposures. We cannot predict the outcome of any of these reviews.

Risks Relating to Ownership of our Common Stock

Our Class B common stock prices have been and are likely to continue to be highly volatile.

The trading prices of our Class B common stock have been and are likely to continue to be highly volatile and subject to wide fluctuations. Since our initial public offering, the closing sale price of our Class B common stock on the Nasdaq Global Select Market (formerly, the Nasdaq National Market) ranged from $3.00 to $26.14 per share through December 31, 2010. Our stock prices may fluctuate in response to a number of events and factors, which may be the result of our business strategy or events beyond our control, including:

- developments concerning proprietary rights, including patents, by us or a competitor;
- announcements by us or our competitors of significant contracts, acquisitions, financings, commercial relationships, joint ventures or capital commitments;
- registration of additional shares of Class B common stock in connection with acquisitions;
- actual or anticipated fluctuations in our operating results;
- developments concerning our various strategic collaborations;
- lawsuits initiated against us or lawsuits initiated by us;
- announcements of acquisitions or technical innovations;
- potential loss or reduced contributions from distribution partners, reseller partners and agencies, or advertisers;

- changes in earnings estimates or recommendations by analysts;
- changes in the market valuations of similar companies;
- changes in our industry and the overall economic environment;
- volume of shares of Class B common stock available for public sale, including upon conversion of Class A common stock or upon exercise of stock options;
- Class B common stock repurchases under our previously announced share repurchase program;
- sales and purchases of stock by us or by our stockholders, including sales by certain of our executive officers and directors pursuant to written pre-determined selling and purchase plans under Rule 10b5-1 of the Securities Exchange Act of 1934; and
- short sales, hedging and other derivative transactions on shares of our Class B common stock.

In addition, the stock market in general, and the Nasdaq Global Select Market and the market for mobile and online commerce companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the listed companies. These broad market and industry factors may seriously harm the market price of our Class B common stock, regardless of our operating performance. In the past, following periods of volatility in the market, securities class action litigation has often been instituted against these companies.

Litigation against us, whether or not judgment is entered against us, could result in substantial costs and potentially economic loss, and a diversion of our management's attention and resources, any of which could seriously harm our financial condition. Additionally, there can be no assurance that an active trading market of our Class B common stock will be sustained.

Our founders control the outcome of stockholder voting, and there may be an adverse effect on the price of our Class B common stock due to the disparate voting rights of our Class A common stock and our Class B common stock.

As of December 31, 2010, Russell C. Horowitz, Ethan A. Caldwell, Peter Christothoulou and John Keister, our founders, beneficially owned 100% of the outstanding shares of our Class A common stock, which shares represented 91% of the combined voting power of all outstanding shares of our capital stock. These founders together control 92% of the combined voting power of all outstanding shares of our capital stock. The holders of our Class A common stock and Class B common stock have identical rights except that the holders of our Class B common stock are entitled to one vote per share, while holders of our Class A common stock are entitled to twenty-five votes per share on all matters to be voted on by stockholders. This concentration of control could be disadvantageous to our other stockholders with interests different from those of these founders. This difference in the voting rights of our Class A common stock and Class B common stock could adversely affect the price of our Class B common stock to the extent that investors or any potential future purchaser of our shares of Class B common stock give greater value to the superior voting rights of our Class A common stock.

Further, as long as these founders have a controlling interest, they will continue to be able to elect all or a majority of our board of directors and generally be able to determine the outcome of all corporate actions requiring stockholder approval. As a result, these founders will be in a position to continue to control all fundamental matters affecting our company, including any merger involving, sale of substantially all of the assets of, or change in control of, our company. The ability of these founders to control our company may result in our Class B common stock trading at a price lower than the price at which such stock would trade if these founders did not have a controlling interest in us. This control may deter or prevent a third party from acquiring us which could adversely affect the market price of our Class B common stock.

Anti-takeover provisions may limit the ability of another party to acquire us, which could cause our stock price to decline.

Our certificate of incorporation, as amended, our by-laws and Delaware law contain provisions that could discourage, delay or prevent a third party from acquiring us, even if doing so may be beneficial to our stockholders. In addition, these provisions could limit the price investors would be willing to pay in the future for shares of our Class B common stock. The following are examples of such provisions in our certificate of incorporation, as amended, or our by-laws:

- the authorized number of our directors can be changed only by a resolution of our board of directors;
- advance notice is required for proposals that can be acted upon at stockholder meetings;
- there are limitations on who may call stockholder meetings; and
- our board of directors is authorized, without prior stockholder approval, to create and issue "blank check" preferred stock.

We are also subject to Section 203 of the Delaware General Corporation Law, which provides, subject to enumerated exceptions, that if a person acquires 15% or more of our voting stock, the person is an "interested stockholder" and may not engage in "business combinations" with us for a period of three years from the time the person acquired 15% or more of our voting stock. The application of Section 203 of the Delaware General Corporation Law could have the effect of delaying or preventing a change of control of our company.

We may not be able to continue to pay dividends on our common stock in the future which could impair the value of such stock.

Under Delaware law, dividends to stockholders may be made only from the surplus of a company, or, in certain situations, from the net profits for the current fiscal year or the fiscal year before which the dividend is declared. We have initiated and paid a quarterly dividend on our common stock since November 2006. However, there is no assurance that we will be able to pay dividends in the future. Our ability to pay dividends in the future will depend on our financial results, liquidity and financial condition.

FORWARD LOOKING STATEMENTS

This prospectus, including the information incorporated by reference, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this prospectus, including statements regarding the benefits and risks associated with our acquisitions, our future operating results, financial position, and business strategy, expectations regarding our growth and the growth of the industry in which we operate, and plans and objectives of management for future operations, are forward-looking statements. The words "believe," "may," "estimate," "continue," "anticipate," "intend," "expect" and similar expressions, as they relate to us, are intended to identify forward-looking statements.

Any or all of our forward-looking statements in this prospectus may turn out to be inaccurate. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. They may be affected by inaccurate assumptions we might make or by known or unknown risks and uncertainties, including the risks, uncertainties and assumptions described in "Risk Factors." In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur as contemplated, and actual results could differ materially from those anticipated or implied by the forward-looking statements.

Market data and forecasts used in this prospectus have been obtained from independent industry sources, unless otherwise noted. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties accompanying any estimates of future market size.

You should not unduly rely on these forward-looking statements, which speak only as of the date of this prospectus. Unless required by law, we undertake no obligation to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks we describe in the reports we will file from time to time with the Securities and Exchange Commission (the "SEC") after the date of this prospectus. See "Where You Can Find More Information."

USE OF PROCEEDS

We will not receive any proceeds from the sale of the shares of Class B common stock by the selling stockholders.

SELLING STOCKHOLDERS

We are registering for resale a total of up to 1,019,103 shares of Class B common stock held by the selling stockholders who acquired shares of our Class B common stock in connection with our acquisition of Jingle Networks, Inc. on April 7, 2011. The table below sets forth, to the Company's knowledge, the following information regarding the selling stockholders as of June 27, 2011:

- The name of the selling stockholders;
- The number of shares of our Class B common stock owned by the selling stockholders on the date of this prospectus prior to the offering for resale of any of the shares being registered by the registration statement of which this prospectus is a part;
- The number of shares of our Class B common stock that may be offered for resale by the selling stockholders pursuant to this prospectus;

- The number of shares of our Class B common stock to be held by the selling stockholders after the resale of the offered shares; and
- The percent of ownership of our Class B common stock of each selling stockholder, if such percentage exceeds one percent of our total outstanding Class B common stock.

	Beneficial Ownership Prior to Offering		Beneficial Ownership After Offering	
Name of Beneficial Owner	Number of Shares	Shares to be Sold	Number of Shares [1]	Percent of Class B Shares
Flybridge Capital Partners II. L.P. [2]	494,993	494,993	—	0
LAP Jingle Holdings II, LLC [3]	19,221	19,221	—	0
AP Jingle Holdings, LLC [3]	161,129	161,129	—	0
First Round Jingle LP [4]	38,690	38,690	—	0
Comcast Interactive Capital, LP	38,399	38,399	—	0
Goldman Sachs Investment Partners Master Fund, L.P.	191,994	191,994	—	0
Hearst Communications, Inc.	40,738	40,738	—	0
RGIP, LLC [5]	2,038	2,038	—	0
John Roswech [6]	408,894	18,777	390,117	1.4%
Scott Kliger	7,626	7,626	—	0
George Garrick	128	128	—	0
Brian Roberts	50	50	—	0
Irving Bronstein	50	50	—	0
Nuance Communications, Inc.	3,364	3,364	—	0
Greg White	1,906	1,906	—	0
	1,409,220	1,019,103	390,117	1.4%

(1) Assumes that all the shares of Class B common stock that may be offered hereunder are sold and the selling stockholders neither acquire nor dispose of any other shares of our Class B common stock before the completion of this offering.

(2) Charles M. Hazard, Jr., Managing Member, Flybridge Capital Partners GP II, LLC, GP of Flybridge Capital Partners II, LP, has sole voting and dispositive power as to such shares.

(3) David Berkman and William Berkman have shared voting and dispositive power as to such shares.

(4) Joshua Kopelman has sole voting and dispositive power as to such shares.

(5) No natural person(s) have voting and/or dispositive power as to such shares.

(6) John Roswech was a stockholder and the President of Jingle Networks, Inc. and is a current employee of the Company. The number of shares to be sold hereunder excludes those shares issued in connection with his employment which are subject to vesting over the three year period from the closing date and forfeiture upon the occurrence of certain events (as such shares vest).

The information regarding the selling stockholders may change from time to time. If required, we will describe these changes in one or more prospectus supplements.

PLAN OF DISTRIBUTION

The selling stockholders may use this prospectus to sell the shares at any time while the prospectus is in effect, unless we have notified the selling stockholders that the prospectus is not available at that particular time. The selling stockholders will determine if, when and how it will sell the shares it owns. Any sales may occur in one or more of the following types of transactions (including block transactions):

- transactions on the Nasdaq Global Select Market or any other organized market or quotation system where the shares may be traded,
- privately negotiated transactions between a selling stockholder and a purchaser, or
- transactions effected with or through a broker-dealer acting as either agent or principal.

These transactions may involve the transfer of the shares upon exercise or settlement of put or call options, or the delivery of the shares to replace shares that were previously borrowed from another stockholder or a combination of such methods. If a broker-dealer is used in the sale of shares, that person may solicit potential purchasers. The shares may also be transferred as a gift or as a result of a pledge, or may be sold to a broker-dealer acting as principal. These persons may then sell the shares to another person, either directly or through another broker-dealer, subject to compliance with the requirements of the Securities Act.

The price at which sales of the shares occur may be based on market prices or may be negotiated between the parties, and the consideration may be cash or another form negotiated between the parties. Broker-dealers acting as agents or principals may be paid compensation in the form of discounts, concessions or commissions from the selling stockholders and/or from the purchasers of the shares, or both. Brokers or dealers may be deemed to be “underwriters” within the meaning of the Securities Act. Any profits on the resale of shares by a broker-dealer acting as principal might be deemed to be underwriting discounts or commissions under the Securities Act. Discounts, concessions, commissions and similar selling expenses, if any, that can be attributed to the sale of shares will be paid by the selling stockholders and/or the purchasers. We have agreed to pay certain of the costs, expenses and fees of preparing, filing and maintaining this prospectus and the registration statement of which this prospectus is a part, but we will not receive any proceeds from sale of these shares. The selling stockholders may agree to indemnify any agent, dealer or broker-dealer that participates in transactions involving sales of the shares if liabilities are imposed on it under the Securities Act.

The selling stockholders have advised us that he, she or it has not entered into any agreements, understandings or arrangements with any underwriters or broker-dealers regarding the sale of such shares, nor is there an underwriter or coordinating broker acting in connection with a proposed sale of shares by any selling stockholder. If we are notified by any selling stockholder that any material arrangement has been entered into with a broker-dealer for the sale of shares, if required, we will file a supplement to this prospectus. If the selling stockholders use this prospectus for any sale of the shares, they will be subject to the prospectus delivery requirements of the Securities Act. The anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of our Class B common stock and activities of the selling stockholders.

We are contractually required to use best efforts to maintain the effectiveness of the registration statement with respect to the shares of Class B common stock offered hereunder by the selling stockholders for a period of six months from the date the registration statement becomes effective (plus the aggregate number of days, if any, during which sales may be suspended while the suspension right is in effect).

LEGAL MATTERS

Certain legal matters with respect to the shares of Class B common stock offered hereby will be passed upon for us by DLA Piper LLP (US). A partner in the law firm of DLA Piper LLP (US) beneficially owns 35,500 shares of Class B common stock.

EXPERTS

The consolidated financial statements of Marchex, Inc. as of December 31, 2009 and 2010, and for each of the years in the three-year period ended December 31, 2010, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2010 have been incorporated by reference herein and in the registration statement in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

The financial statements of Jingle Networks, Inc. as of December 31, 2009 and 2010, and for each of the years ended December 31, 2009 and 2010 have been incorporated by reference herein and in the registration statement in reliance upon the report of KPMG LLP, independent auditors, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file periodic reports, proxy statements and other information with the SEC. You may inspect and copy these reports and other information at the SEC's public reference facilities in Washington, D.C. (located at 100 F Street, N.E., Washington, D.C. 20549). You can also obtain copies of these materials from the SEC's public reference section (located at 100 F Street, N.E., Washington, D.C. 20549) at prescribed rates. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. The SEC also maintains a web site at http://www.sec.gov. This site contains reports, proxy and information statements and other information about companies that file these reports electronically with the SEC. Our SEC filings are also available on our website at http://www.marchex.com.

INCORPORATION OF DOCUMENTS BY REFERENCE

We incorporate by reference into this prospectus the documents listed below and any filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and prior to the termination of the offering of common stock under this prospectus; provided, however, that we are not incorporating any information deemed to be furnished or not filed in accordance with SEC rules. The information incorporated by reference into this prospectus is considered a part of this prospectus, and information that we file later with the SEC, prior to the termination of the offering of common stock under this prospectus, will automatically update and supersede the previously filed information.

1. Our Annual Report on Form 10-K for the year ended December 31, 2010;
2. Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2011;
3. Current Reports on Form 8-K or 8-K/A filed with the SEC on March 7, 2011, April 11, 2011, May 10, 2011, and June 22, 2011;
4. The portions of our proxy statement on Schedule 14A filed with the SEC on April 12, 2011 that are incorporated by reference into our annual report on Form 10-K for the year ended December 31, 2010; and
5. The description of our Class B common stock contained in our registration statement on Form 8-A, filed on March 30, 2004.

We have also filed a registration statement on Form S-3 with the SEC, of which this prospectus forms a part. This prospectus does not contain all of the information set forth in the registration statement. You should read the registration statement for further information about us and about our Class B common stock.

We will provide a copy of these filings to each person, including any beneficial owner, to whom we deliver this prospectus, upon written or oral request. You may request a copy of these filings at no cost by writing or telephoning us at the following address:

Marchex, Inc.
520 Pike Street, Suite 2000
Seattle, Washington 98101
(206) 331-3300
Attention: Ethan A. Caldwell, General Counsel & Chief Administrative Officer

You should rely only on the information contained in this prospectus. We have authorized no one to provide you with different information. These securities are not offered in any state where the offer is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front of this prospectus.

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy and is therefore unenforceable.

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Marchex, Inc.

1,019,103 Shares

Class B Common Stock

PROSPECTUS

June , 2011

PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. *Other Expenses Of Issuance And Distribution*

The following table sets forth all expenses payable by us in connection with the offering of our Class B common stock being registered hereby. All amounts are estimated except the SEC registration fee.

Filing Fees—SEC Registration Fee	$ 819
Printing Expenses	$ 5,000
Legal Fees and Expenses	$15,000
Accounting Fees and Expenses	$15,000
Total	$35,819

Item 15. *Indemnification of Directors and Officers*

The certificate of incorporation and the by-laws of the registrant provide that the registrant shall indemnify its officers, directors and certain others to the maximum extent permitted by the General Corporation Law of the State of Delaware.

Section 145 of the General Corporation Law of the State of Delaware provides in relevant part as follows:

(a) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative) other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

(b) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

The General Corporation Law does not allow for the elimination or limitation of liability of a director: (1) for any breach of a director's duty of loyalty to the corporation or its stockholders; (2) acts or omissions not

in good faith or which involve intentional misconduct or a knowing violation of law; (3) arising under Section 174 thereof; or (4) for any transaction from which the director derived an improper personal benefit. The General Corporation Law provides further that the indemnification permitted thereunder shall not be deemed exclusive of any rights to which the directors and officers may be entitled under the corporation's bylaws, any agreement, a vote of stockholders or otherwise.

In addition, pursuant to our certificate of incorporation and by-laws, we shall indemnify our directors and officers against expenses (including judgments or amounts paid in settlement) incurred in any action, civil or criminal, to which any such person is a party by reason of any alleged act or failure to act in his capacity as such, except as to a matter as to which such director or officer shall have been finally adjudged not to have acted in good faith in the reasonable belief that his action was in the best interest of the corporation.

We maintain directors and officers liability insurance for the benefit of our directors and certain of our officers.

We have entered into indemnification agreements with each of our directors and our executive officers.

Item 16. ***Exhibits***

Please see the exhibit index following the signature page of this registration statement.

Item 17. ***Undertakings***

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in the volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, *however,* that paragraphs (i), (ii) and (iii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Securities and Exchange Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report, pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Exchange Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Seattle, State of Washington, on June 29, 2011.

Marchex, Inc.

By: /s/ Russell C. Horowitz
Russell C. Horowitz
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this amendment has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Russell C. Horowitz **Russell C. Horowitz**	Chairman and Chief Executive Officer (Principal Executive Officer)	June 29, 2011
/s/ Michael A. Arends **Michael A. Arends**	Chief Financial Officer (Principal Financial Officer)	June 29, 2011
/s/ Michael Miller **Michael Miller**	Senior VP Accounting and Corporate Controller (Principal Accounting Officer)	June 29, 2011
* **John Keister**	Executive Vice Chairman and Director	June 29, 2011
* **Dennis Cline**	Director	June 29, 2011
* **Anne Devereux**	Director	June 29, 2011
* **Nicolas Hanauer**	Vice Chairman and Director	June 29, 2011
* **M. Wayne Wisehart**	Director	June 29, 2011

*By: /s/ Russell C. Horowitz
Russell C. Horowitz
Attorney-in-Fact

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EXHIBIT INDEX

Exhibit Number	Description of Exhibit
4.1	Amended and Restated Certificate of Incorporation of the Registrant (1)
4.2	Amended and Restated Bylaws of the Registrant (2)
4.3	Form of Class B Common Stock Certificate (3)
†(+)4.4	Agreement and Plan of Merger dated as of April 7, 2011 by and among Marchex, Inc., Marchex Acquisition Corporation, Jingle Networks, Inc. and with respect to Articles II, V and VIII only, Chip Hazard as the Stockholder Representative.
5.1	Opinion of DLA Piper LLP (US) as to the legality of the securities registered hereby (4)
23.1	Consent of DLA Piper LLP (US) (included in Exhibit 5.1) (4)
†23.2	Consent of Independent Registered Public Accounting Firm
†23.3	Independent Auditors' Consent
24.1	Power of Attorney (contained on signature page of this document) (4)

(1) Incorporated by reference to the Registrant's Amendment No. 2 to the Registration Statement on Form SB-2 (No. 333-111096) filed with the SEC on March 19, 2004.
(2) Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the SEC on December 10, 2007 and incorporated herein by reference.
(3) Incorporated by reference to the Registrant's Amendment No. 3 to the Registration Statement on Form SB-2 (No. 333-111096) filed with the SEC on March 30, 2004.
(4) Previously filed.
† Filed herewith.
(+) Certain information in this agreement has been omitted and filed separately with the SEC. Confidential treatment has been requested with respect to the omitted portions.

Exhibit 4.4

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

MARCHEX, INC.

MARCHEX ACQUISITION CORPORATION

JINGLE NETWORKS, INC.

AND WITH RESPECT TO ARTICLES II, V AND VIII ONLY

CHIP HAZARD, AS STOCKHOLDER REPRESENTATIVE

DATED APRIL 7, 2011

[***] Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

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Exhibits and schedules to the Agreement and Plan of Merger have been omitted. The following is a list of omitted exhibits and schedules which Parent agrees to furnish supplementally to the Securities and Exchange Commission upon request.

Exhibits

A Certificate of Merger
B Form of Amended and Restated Certificate of Incorporation of the Surviving Corporation
C Form of Letter of Transmittal
D Allocation Certificate

Schedules

6.4 Consents
8.3 Duration

Disclosure Schedules

3.1 Corporate Organization
3.3 Consents and Approvals; No Violations
3.4 Company Capital Structure
3.6 Financial Statements; Business Information; Internal Controls
3.7 Absence of Undisclosed Liabilities
3.8 Absence of Certain Changes or Events
3.9 Legal Proceedings, etc.
3.10 Taxes
3.11 Title to Properties and Related Matters
3.12 Intellectual Property; Proprietary Rights; Employee Restrictions
3.13 Contracts
3.14 Employment Matters

[***] Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

3.15 Employee Benefit Plans
3.18 Major Partners
3.19 Insurance
3.20 Brokers; Payments
3.21 Interested Party Transactions
3.22 Bank Accounts; Powers of Attorney
3.28 Accounts Receivable

[***] Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (the "Agreement") dated as of April 7, 2011, by and among Marchex, Inc., a Delaware corporation (the "Parent"), Marchex Acquisition Corporation, a Delaware corporation (the "Acquisition Corp.") and a wholly-owned direct or indirect subsidiary of the Parent, Jingle Networks, Inc., a Delaware corporation (the "Company") and with respect to ARTICLE II, ARTICLE V and ARTICLE VIII hereof, Chip Hazard (in such capacity, the "Stockholder Representative").

RECITALS

A. Parent, Acquisition Corp. and the Company intend to effect a merger (the "Merger") of Acquisition Corp. with and into the Company in accordance with this Agreement and the General Corporation Law of the State of Delaware (the "DGCL"), with the Company to be the surviving corporation of the Merger.

B. The board of directors of the Company has, upon the terms and subject to the conditions set forth herein, unanimously (i) determined that the Merger is fair to, and in the best interests of, the Company and the holders of Company Capital Stock (the "Stockholders"), (ii) approved the execution of this Agreement, the Merger and the other transactions contemplated by this Agreement, and (iii) recommended that the Stockholders adopt and approve this Agreement and the consummation of the other transactions contemplated by this Agreement, and approve the Merger.

C. The boards of directors of the Parent and the Acquisition Corp., and Parent, in its capacity as the sole stockholder of the Acquisition Corp., have, upon the terms and subject to the conditions set forth herein, unanimously approved the execution of this Agreement, the Merger and the consummation of the other transactions contemplated by this Agreement.

NOW, THEREFORE, in consideration of the covenants, promises, representations, warranties and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I

THE MERGER

1.1. The Merger. At the Effective Time, and subject to and upon the terms and conditions of this Agreement and the provisions of the DGCL, Acquisition Corp. shall be merged with and into the Company, the separate corporate existence of Acquisition Corp. shall cease, and the Company shall continue as the surviving corporation and as a wholly-owned subsidiary of Parent. The surviving corporation after the Merger is sometimes referred to herein as the "Surviving Corporation."

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1.2. Effective Time. The closing of the transactions contemplated by this Agreement (the "Closing") will take place on the date hereof (the "Closing Date"), at the offices of DLA Piper LLP (US), 33 Arch Street, 26th floor, Boston, Massachusetts 02110, unless another place or date is agreed to by Parent and the Company. The effective time of such Closing for accounting purposes shall be 12:01 a.m. PST on such date. On the Closing Date, the parties hereto shall cause the Merger to be consummated by filing a properly completed and executed Certificate of Merger satisfying the requirements of the DGCL (the "Certificate of Merger") with the Secretary of State of the State of Delaware in accordance with the relevant provisions of the DGCL (the time of acceptance by the Secretary of State of the State of Delaware of such filing being referred to herein as the "Effective Time").

1.3. Effect of the Merger. At the Effective Time, the effect of the Merger shall be as provided in this Agreement and the applicable provisions of the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all rights and property of the Company and Acquisition Corp. shall vest in the Surviving Corporation, and all debts, obligations, duties and liabilities of the Company and Acquisition Corp. shall become debts, obligations, duties and liabilities of the Surviving Corporation.

1.4. Certificate of Incorporation; By-laws.

(a) At the Effective Time, the Certificate of Incorporation of the Surviving Corporation shall be amended and restated in its entirety in the form of Exhibit B until thereafter amended as provided by applicable Law and such Certificate of Incorporation.

(b) At the Effective Time, the By-laws of Acquisition Corp. shall be the By-laws of the Surviving Corporation until thereafter amended.

1.5. Directors and Officers. At the Effective Time and by virtue of the Merger, the director(s) of Acquisition Corp. immediately prior to the Effective Time shall become the initial director(s) of the Surviving Corporation, each to hold office in accordance with the Certificate of Incorporation and By-laws of the Surviving Corporation. At the Effective Time and by virtue of the Merger, the officers of the Company immediately prior to the Effective Time shall become the initial officers of the Surviving Corporation, each to hold office in accordance with the By-laws of the Surviving Corporation.

1.6. Tax Consequences. It is intended by the parties hereto that the Merger shall constitute a taxable stock purchase for U.S. federal income tax purposes, and the parties shall not take any action inconsistent with such intent. Except as otherwise provided in Section 5.2(f), Parent and Acquisition Corp. make no representation or warranties to the Company or any holder of Company Capital Stock or Company Options regarding the Tax treatment of the Merger or any transactions contemplated by this Agreement. The Company, holders of Company Capital Stock and holders of Company Options are relying solely on their own Tax advisors in connection with this Agreement, the Merger and the other transactions or agreements contemplated by this Agreement.

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ARTICLE II

PAYMENTS AND CLOSING

2.1. Merger Consideration; Effect on Company Capital Stock. The consideration payable by virtue of the Merger to the holders of shares of the Company's Capital Stock shall consist of the following:

(a) Upfront Consideration. At Closing (i) an amount of cash equal to $16,000,000 (less any prepayments by Parent to the Company) plus the amount of the estimated Net Working Capital as of the Closing Date (the "Preliminary Net Working Capital") above the Target Net Working Capital (the "Upfront Cash Consideration") less, without duplication, (a) the estimated amount of any Company Indebtedness outstanding as of the Closing (the "Preliminary Closing Indebtedness"), (b) the amount of the Preliminary Net Working Capital less than the Target Net Working Capital, and (c) the aggregate amount of Acquisition Expenses outstanding as of the Closing (the "Unpaid Acquisition Expenses"); and (ii) that number of shares of Class B common stock, $0.01 par value per share, of the Parent (the "Parent Common Stock") as shall be obtained by dividing $8,000,000 by the Closing Market Price calculated as of the day prior to Closing (the "Upfront Equity Consideration"). The Upfront Equity Consideration shall be subject to the registration rights provided in ARTICLE IX hereof. The sum of (i) the Upfront Cash Consideration (as adjusted pursuant to clause (i) above), plus (ii) the Upfront Equity Consideration shall constitute the "Upfront Consideration." The Upfront Cash Consideration to be paid by the Parent at Closing shall be reduced by an amount equal to the Stockholder Representative Escrow Amount.

(b) Future Consideration. Following the Closing, the Parent shall pay (i) $18,000,000 on the first anniversary of the Closing (the "One-Year Payment Date") and (ii) $18,000,000 on the eighteenth (18) month anniversary of the Closing (the "18-Month Payment Date") (both such payments, the "Future Consideration"). The sum of (i) the Upfront Consideration, plus (ii) the Future Consideration (plus any increased amounts if payable in shares of Parent Common Stock as provided in this Section 2.1(b)) shall constitute the "Merger Consideration." Subject to Section 1.6 above, the Future Consideration shall be payable in either cash or shares of Parent Common Stock (valued at the Closing Market Price calculated on the date that is two business days prior to the respective payment date) or some combination thereof, with such allocation to be determined by the Parent and with notice of such allocation given to the Stockholder Representative not less than two (2) business days prior to the date each such payment becomes due. The Future Consideration shall not exceed $36,000,000 in the aggregate, subject to this Section 2.1(b) and Section 2.6 below; provided, however, that in the event Parent elects to make one or both payments of Future Consideration in whole or in part by the issuance of shares of Parent Common Stock, the amount payable in shares of Parent Common Stock shall be increased by five percent (5%). For example, if Parent elects to pay $18,000,000 of the Future Consideration by the issuance of shares of Parent Common Stock, the amount payable shall be increased by $900,000 (i.e., $18,000,000 multiplied by 5%). Parent may only elect to pay the

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Future Consideration by the issuance of shares of Parent Common Stock if at the time of such issuance (i) there is in place an effective re-sale shelf registration statement covering any sale of such Parent Common Stock by the Stockholders and (ii) the Parent Common Stock is at the time listed on the Nasdaq Global Select Market or any comparable market or exchange and not subject to any pending delisting proceedings. Parent shall also use commercially reasonable best efforts to otherwise facilitate the resale of such shares to the extent permissible under SEC rules. Notwithstanding the foregoing, in the event of a Change of Control of Parent during the eighteen (18) month period following the Closing, the Parent's obligation to pay any unpaid Future Consideration shall accelerate and such Future Consideration shall be paid in full in cash upon the consummation of such Change of Control.

(c) Effect on Company Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of Parent, Acquisition Corp., the Company or the Stockholders:

(i) each share of Company Capital Stock held in the treasury of the Company at the Effective Time shall be cancelled and extinguished without any conversion thereof, and no payment or distribution shall be made with respect thereto;

(ii) each share of Company Preferred Stock issued and outstanding at the Effective Time (other than any shares of Company Preferred Stock to be cancelled pursuant to Section 2.1(c)(i) and any Dissenting Shares) shall be cancelled, extinguished and converted into the right to receive pursuant to Section 2.3 an amount in cash, without interest, and shares of Parent Common Stock (a) at Closing, equal to the Company Preferred Stock Closing Per Share Consideration, (b) at the One-Year Payment Date, equal to the Company Preferred Stock One-Year Per Share Consideration and (c) at the 18-Month Payment Date, equal to the Company Preferred Stock 18-Month Per Share Consideration;

(iii) each share of Company Common Stock issued and outstanding at the Effective Time (other than any shares of Company Common Stock to be cancelled pursuant to Section 2.1(c)(i) and any Dissenting Shares) shall be cancelled, extinguished and converted into the right to receive pursuant to Section 2.3 an amount in cash, without interest, and shares of Parent Common Stock (a) at Closing, equal to the Company Common Stock Closing Per Share Consideration, (b) at the One-Year Payment Date, equal to the Company Common Stock One-Year Per Share Consideration and (c) at the 18-month Payment Date, equal to the Company Common Stock 18-Month Per Share Consideration;

(iv) each Company Option outstanding immediately prior to the Effective Time, shall be fully accelerated and will vest as of the Effective Time and shall be cancelled and such holders of the Company Options shall be entitled to receive, and the Parent shall be obligated to pay at the next scheduled payroll date, an amount in cash without interest, equal to the Per Option Consideration. In connection with the cancellation of all such Company Options, the Company shall withhold such amounts as it is required to withhold as provided in Section 2.1(e) hereof;

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(v) each Company Warrant shall be cancelled at the Effective Time without the payment of any consideration therefor, and shall be of no further force and effect, without any assumption thereof; and

(vi) each outstanding share of Company Restricted Stock shall fully vest and all forfeiture provisions shall lapse immediately prior to the Effective Time.

(d) Allocation Certificate. Prior to the Closing Date, the Company delivered to Parent a certificate (the "Allocation Certificate") of the Company signed by the Chief Executive Officer and the Chief Financial Officer of the Company and attached hereto as Exhibit D, in each case estimating as of the Closing:

(i) the Preliminary Closing Indebtedness, together with a description and the amount of each element thereof;

(ii) the Preliminary Net Working Capital, together with a description and the amount of each element thereof;

(iii) the aggregate Unpaid Acquisition Expenses, together with a description and the amount of each element thereof; and

(iv) the Company's calculation of each of (A) the Company Common Stock Closing Per Share Consideration, (B) the Company Common Stock One-Year Per Share Consideration, (C) the Company Common Stock 18-Month Per Share Consideration, (D) the Company Preferred Stock Closing Per Share Consideration, (E) the Company Preferred Stock One-Year Per Share Consideration, (F) the Company Preferred Stock 18-Month Per Share Consideration, and (G) the Per Option Consideration.

Subject to any post-Closing adjustment to the Future Consideration pursuant to Section 2.6 hereof, the Allocation Certificate shall be deemed the definitive calculation of the Merger Consideration payable to the Stockholders in connection with the Merger and the disbursement thereof.

(e) Withholding Rights; Deductions from Merger Consideration. Each of the Surviving Corporation and Parent shall be entitled to deduct and withhold from any payment to any Person under this Agreement or any related agreements (i) such amounts as it is required to deduct and withhold with respect to the making of such payment or any other Tax withholding obligation with respect to the Merger, the cash out of stock options, the vesting of restricted stock and any retention and/or acquisition related bonuses under the Code or any provision of applicable Tax Law. To the extent that amounts are so withheld or deducted by the Surviving Corporation or by Parent, as the case may be, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to such Person in respect of which such deduction and withholding was made by the Surviving Corporation or by Parent, as the case may

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be. Parent or the Surviving Corporation, as the case may be, shall pay over to the appropriate Tax Authority amounts withheld under clause (i) above.

(f) No Further Ownership Rights in Company Capital Stock. The cash amounts and share amounts, if any, paid or payable upon the surrender for exchange of shares of Company Capital Stock in accordance with the terms hereof shall be deemed to have been issued in full satisfaction of all rights pertaining to such shares of Company Capital Stock, and there shall be no further registration of transfers on the records of the Surviving Corporation of shares of Company Capital Stock that were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates are presented to the Surviving Corporation for any reason, they shall be canceled and exchanged as provided in this ARTICLE II.

(g) Capital Stock of Acquisition Corp. Each share of common stock of Acquisition Corp. issued and outstanding immediately prior to the Effective Time shall be converted into and exchanged for one validly issued, fully paid and non-assessable share of common stock of the Surviving Corporation. Each stock certificate of Acquisition Corp. evidencing ownership of any such shares shall continue to evidence ownership of such shares of common stock of the Surviving Corporation.

(h) No Fractional Securities. No fractional shares of Parent Common Stock shall be issuable by Parent as Merger Consideration pursuant to Section 2.1 hereof. In lieu of any fractional shares each holder of Company Capital Stock who would have otherwise been entitled to receive a fraction of a share of Parent Common Stock shall be entitled to receive instead an amount in cash equal to such fraction multiplied by the Closing Market Price (calculated in accordance with the relevant provision contained in Section 2.1).

2.2. Dissenting Shares.

(a) Notwithstanding any provision of this Agreement to the contrary, any shares of Company Capital Stock held by a Stockholder who demands and perfects appraisal rights for such shares in accordance with the DGCL and who, as of the Effective Time, has not effectively withdrawn or lost such appraisal rights (collectively, "Dissenting Shares"), shall not be converted into or represent the right to receive any portion of the Merger Consideration pursuant to Section 2.1, but the holder thereof shall only be entitled to such rights as are granted by the DGCL.

(b) If any Stockholder who holds Dissenting Shares as of the Effective Time effectively withdraws or loses (through passage of time, failure to demand or perfect, or otherwise) the right to demand and perfect appraisal rights under the DGCL, then, as of the later of the Effective Time and the occurrence of such event, such holder's shares that were Dissenting Shares shall automatically be converted into and represent only the right to receive a portion of the Merger Consideration pursuant to and subject to Section 2.1 without interest thereon upon surrender of the certificate representing such shares.

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(c) The Company shall give Parent (i) prompt written notice of any demands for appraisal of any shares of Company Capital Stock, withdrawals of such demands, and any other instruments or notices served pursuant to the DGCL on the Company and (ii) the opportunity to participate in all negotiations and proceedings with respect to demands for appraisal under the DGCL. The Company shall not, except with the prior written consent of Parent, voluntarily make or agree to make any payment with respect to any demands for appraisal of Company Capital Stock, or settle or offer to settle any such demands.

2.3. Surrender of Certificates.

(a) Exchange Procedures. To receive the Merger Consideration, each Stockholder of record of a certificate or certificates (the "Certificates") that immediately prior to the Effective Time will represent outstanding shares of Company Capital Stock must execute and deliver to Parent a letter of transmittal (the "Letter of Transmittal") which shall be in the form of Exhibit C. Following the Effective Time and upon delivery to the Parent of a duly completed and executed Letter of Transmittal, together with surrender of a Certificate (or Certificates) for cancellation, each Stockholder shall receive in exchange therefor the Merger Consideration to which such Stockholder is entitled pursuant to Section 2.1 and the Certificate(s) so surrendered shall be canceled. Following the Effective Time, until so surrendered, each outstanding Certificate that, prior to the Effective Time, represented shares of Company Capital Stock will be deemed from and after the Effective Time, for all corporate purposes, to evidence only the right to receive the portion of Merger Consideration as provided in this ARTICLE II.

(b) No Liability. Notwithstanding anything to the contrary in this Section 2.3, none of the Parent, the Surviving Corporation or any party hereto shall be liable for any amount properly paid to a public official in compliance with any applicable abandoned property, escheat or similar Law.

(c) Lost, Stolen or Destroyed Certificates. In the event any Certificates shall have been lost, stolen or destroyed, the Parent shall issue in exchange for such lost, stolen or destroyed Certificates, upon the making of an affidavit of that fact by the Stockholder thereof, the Merger Consideration required pursuant to Section 2.1; provided, however, that Parent may, in its discretion and as a condition precedent to the payment thereof, require the owner of such lost, stolen or destroyed Certificates to deliver a bond in such sum as it may direct as indemnity or to otherwise agree to provide an indemnity reasonably acceptable to Parent against any claim that may be made against Parent or the Surviving Corporation with respect to the Certificates alleged to have been lost, stolen or destroyed.

2.4. Taking of Necessary Action; Further Action. If, at any time after the Effective Time, any further action is necessary or desirable to carry out the purposes of this Agreement and to vest the Surviving Corporation with full right, title and possession to all assets, property, rights, privileges, powers and franchises of the Company and Acquisition Corp., the officers and directors of Parent, the Company and Acquisition Corp. are fully authorized in the name of their respective corporations or otherwise to take, and will take, all such lawful and necessary action.

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2.5. Closing Payments.

(a) Preliminary Closing Indebtedness; Unpaid Acquisition Expenses. At the Closing, the Parent shall pay (or cause to be paid), by wire transfer of immediately available funds, the Preliminary Closing Indebtedness and the Unpaid Acquisition Expenses, in each case, pursuant to wire instructions provided to the Parent by the Stockholder Representative at least one business day prior to the Closing Date.

(b) Stockholder Representative Escrow Amount. At the Closing, amounts equal to each Stockholder's Pro Rata Percentage of the Stockholder Representative Escrow Amount shall be withheld from the Upfront Cash Consideration otherwise payable to such Stockholder and shall be deposited by the Parent with the Escrow Agent. Following the Closing, the Stockholder Representative Escrow Amount shall be distributed to the Stockholder Representative and/or the Stockholders in accordance with the terms of this Agreement and the Escrow Agreement. The Stockholder Representative Escrow Amount, as adjusted from time to time, together with any interest earned thereon, shall be referred to as the "Stockholder Representative Escrow Fund."

2.6. Working Capital and Indebtedness Adjustment.

(a) Final Net Working Capital and Indebtedness.

(i) Within sixty (60) days following the Closing, the Parent shall prepare and deliver to the Stockholder Representative a statement (the "Final Net Working Capital and Indebtedness Schedule") setting forth, along with a reasonably detailed explanation of the calculations thereof, the Net Working Capital as of the Closing Date (the "Closing Net Working Capital") and Indebtedness as of the Closing (the "Closing Indebtedness"). In connection with each of the calculations performed by the Parent, the Parent shall deliver to and furnish the Stockholder Representative any supporting or underlying documentation pertinent thereto as may be reasonably requested by the Stockholder Representative.

(ii) If the Stockholder Representative disagrees with such determination, the Stockholder Representative shall notify the Parent on or before the date fifteen (15) days after the date on which the Parent delivers to the Stockholder Representative such statement of the Final Net Working Capital and Indebtedness Schedule. The Parent and the Stockholder Representative shall attempt to resolve any such disagreements in good faith. If any such disagreement is resolved, the determination and calculations set forth in the Final Net Working Capital and Indebtedness Schedule shall be final, as amended to reflect the resolution of the dispute, and shall be binding on the parties. If the Parent and the Stockholder Representative are unable to resolve all such disagreements on or before the date fifteen (15) days following notification by the Stockholder Representative of any such disagreements, the Parent shall retain a nationally recognized independent public accounting firm (such accounting firm being referred to as the "Final Accounting Firm"), to resolve all such disagreements, who shall adjudicate only those items still in dispute with respect to the Final Net Working Capital and Indebtedness Schedule.

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(iii) The Final Accounting Firm shall offer the Parent and the Stockholder Representative the opportunity to provide written submissions regarding their positions on the disputed matters, which written submissions shall be provided to the Final Accounting Firm, if at all, no later than ten (10) days after the date of referral of the disputed matters to the Final Accounting Firm. The determination of the Final Accounting Firm shall be based solely on the written submissions by the Parent and the Stockholder Representative and their respective representatives and shall not be by independent review. The Final Accounting Firm shall deliver a written report resolving only the disputed matters and setting forth the basis for such resolution within twenty (20) days after the Parent and the Stockholder Representative submit in writing (or have had the opportunity to submit in writing but have not submitted) their positions as to the disputed items. In preparing its report, the Final Accounting Firm shall not assign a value to any disputed amount other than one submitted by the Parent, on the one hand, or the Stockholder Representative, on the other hand and shall assign whichever such value it determines to be closest to the actual amount. The determination of the Final Accounting Firm with respect to the correctness of each matter in dispute shall be in accordance with this Agreement and shall be final and binding on the parties. The fees, costs and expenses of the Final Accounting Firm shall be borne entirely by the party as to whom there is a negative adjustment overall with respect to matters submitted to the Final Accounting Firm as compared to its position on such disputed amounts. The Final Accounting Firm shall conduct its determination activities in a manner wherein all materials submitted to it are held in confidence and shall not be disclosed to third parties. The parties hereto agree that judgment may be entered upon the determination of the Final Accounting Firm in any court having jurisdiction over the party against which such determination is to be enforced.

(b) If the sum of (i) the Closing Indebtedness and (ii) the amount by which the Closing Net Working Capital is greater or less than the Target Net Working Capital, in each case as finally determined pursuant to Section 2.6(a), is greater or less than the sum of (x) the Preliminary Closing Indebtedness and (y) the amount by which the Preliminary Net Working Capital is greater or less than the Target Net Working Capital, then the Future Consideration payable at the One-Year Payment Date will be increased or reduced dollar for dollar to the extent of any such amount.

2.7. Right of Offset. The Parent shall have the right to offset the Future Consideration payable pursuant to Section 2.1 by any amounts owing to the Parent from (i) the Company and (ii) the Stockholders pursuant to Article VIII hereof.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Parent and the Acquisition Corp. as set forth below, subject to the exceptions set forth in the disclosure schedules hereto (the "Company

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Disclosure Schedules"), the section numbers and letters of which correspond to the section and subsection numbers and letters of this Agreement.

3.1. Corporate Organization. The Company is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware. The Company has all requisite corporate power and authority to own, operate and lease the properties and assets it now owns, operates and leases and to carry on the Company's business as presently conducted. The Company is duly qualified to transact business as a foreign corporation and is in good standing in the jurisdictions set forth in Schedule 3.1 hereto, which are the only jurisdictions where such qualification is required by reason of the nature of the properties and assets currently owned, operated or leased by it or the business currently conducted by it, except for such jurisdictions where the failure to be so qualified and in good standing as would not have a Company Material Adverse Effect. The Company has delivered or made available to the Parent complete and correct copies of the certification of incorporation of the Company (certified by the Secretary of State for the State of Delaware as of a recent date) and the by-laws of the Company as in effect on the date hereof (and any amendments thereto).

3.2. Authorization. The Company has full corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly approved by the Board of Directors of the Company and adopted by the Stockholders and no other proceeding on the part of the Company is necessary to approve and authorize the execution and delivery of this Agreement or (subject to the filing of the Certificate of Merger pursuant to the DGCL) the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Company and constitutes the valid and binding agreement of the Company enforceable in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other Laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in Law or in equity.

3.3. Consents and Approvals; No Violations. Except as set forth on Schedule 3.3 and subject to the filing of the Certificate of Merger with the Secretary of State of the State of Delaware, the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, will not: (i) violate or conflict with any provision of the certificate of incorporation or by-laws, or other constitutive documents of the Company; (ii) breach, violate or constitute an event of default (or an event which with the lapse of time or the giving of notice or both would constitute an event of default) under, give rise to any right of termination, cancellation, modification or acceleration under, or require any consent or the giving of any notice under, any note, bond, indenture, mortgage, security agreement, lease, license, franchise, permit, agreement or other instrument or obligation to which the Company is a party, or by which the Company or any of its respective properties or assets may be bound or result in the creation of any lien, claim or encumbrance or other right of any third party of any

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kind whatsoever upon the properties or assets of the Company pursuant to the terms of any such instrument or obligation; (iii) violate or conflict with any Law, statute, ordinance, code, rule, regulation, judgment, order, writ, injunction, decree or other instrument of any federal, state, local or foreign court or governmental or regulatory body, agency, association, organization or authority applicable to the Company or by which its respective properties or assets may be bound, except for such violations and conflicts which would not have a Company Material Adverse Effect; or (iv) require, on the part of the Company, any filing or registration with, or permit, license, exemption, consent, authorization or approval of, or the giving of any notice to, any governmental or regulatory body, agency or authority, other than any filing, registration, permit, license, exemption, consent, authorization, approval or notice which if not obtained would not have a Company Material Adverse Effect.

3.4. Company Capital Structure.

(a) The authorized capital stock of the Company consists of 55,000,000 shares of Common Stock, $0.001 par value per share ("Company Common Stock"), of which 30,000,008 shares are issued and outstanding and 17,500,000 shares of Preferred Stock, $0.001 par value per share ("Company Preferred Stock" and together with Company Common Stock, "Company Capital Stock"), all of which are designated as "Series 1 Convertible Preferred Stock," of which 16,877,834 shares are issued and outstanding. The Company does not have any other shares of preferred stock or any other shares of capital stock authorized, issued or outstanding. The Company Capital Stock is held of record and to the Company's knowledge, beneficially by the Persons in the amounts and represented by the certificates set forth on Schedule 3.4(a). All outstanding shares of Company Capital Stock have been duly authorized and validly issued and are fully paid, non-assessable and not subject to preemptive rights or similar rights created by statute, the Company's certificate of incorporation, by-laws or any agreement or document to which the Company is a party or by which it is bound, and have been offered, sold, issued and delivered by the Company in all material respects in compliance with all applicable Laws, including federal and state corporate and securities Laws. There are no declared or accrued but unpaid dividends with respect to any shares of Company Capital Stock, except as set forth in the Company's Certificate of Incorporation. Except as set forth above, as of the date of this Agreement no shares of Company Capital Stock, other equity securities, partnership interests or similar ownership interests or other voting securities of the Company or any securities exchangeable or convertible into or exercisable for such capital stock, other equity securities, partnership interests or similar ownership interests or other voting securities of the Company, were issued, reserved for issuance or outstanding. There are no bonds, debentures, notes or other indebtedness of the Company having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which Stockholders of the Company may vote. Except as set forth on Schedule 3.4(a), the Company has not since December 15, 2009, repurchased, redeemed or otherwise acquired or caused the repurchase, redemption or acquisition of any shares of Company Capital Stock or other securities of the Company, and there are no amounts owed or which may be owed to any person by the Company as a result of any repurchase, redemption or acquisition of any shares of Company Capital Stock or other

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securities of the Company. There is no claim or basis for such a claim to any portion of the Merger Consideration except as provided in the Allocation Certificate by any current or former stockholder, option holder or warrant holder of the Company, or any other Person.

(i) Except for the Company's 2005 Incentive Plan (the "Company Incentive Plan") and the Company's Executive Change of Control Incentive Plan, effective as of November 19, 2008 and the Company's Second Executive Change of Control Incentive Plan effective as of August 13, 2009, as amended on October 2010 (together, the "Company Change of Control Plans" and, together with the Company Incentive Plan, the "Company Plans") the Company does not sponsor or maintain any option plan or any other similar plan or arrangement providing for equity compensation to any Person. The Company Plans have been duly authorized, approved and adopted by the Company's Board of Directors and the Stockholders and are in full force and effect. The Company has reserved for issuance to Employees of and directors, consultants and advisors to the Company 6,900,000 shares of Company Common Stock under the Company Incentive Plan, of which options to purchase 239,000 shares of Company Common Stock have been granted and are outstanding (each, a "Company Option") and of which 985,000 shares of restricted Company Common Stock ("Company Restricted Stock") and 3,375,000 shares of unrestricted Company Common Stock ("Company Unrestricted Stock") have been granted and are outstanding pursuant to the Company Incentive Plan, provided that no certificates have been issued by the Company for the Company Restricted Stock and the Company Unrestricted Stock. All outstanding Company Options, Company Restricted Stock and Company Unrestricted Stock have been offered, issued and delivered by the Company in all material respects in compliance with all applicable Laws, including federal and state corporate and securities Laws, and in compliance with the terms and conditions of the Company Incentive Plan. Schedule 3.4(a)(i) sets forth for each outstanding Company Option, the name of the holder of such option, an indication of whether such holder is an Employee of the Company, the date of grant or issuance of such option, the number of shares of Company Common Stock subject to such option, the exercise price of such option, and whether such Company Option is or is not an incentive stock option as defined in Section 422 of the Code.

(ii) The Company has no outstanding warrants for the purchase of Company Capital Stock.

(iii) Except for the Company Options, Company Restricted Stock and Company Unrestricted Stock, there are no Company Stock Rights or agreements of any character, written or oral, obligating the Company to issue, deliver, sell, repurchase or redeem, or cause to be issued, delivered, sold, repurchased or redeemed, any Company Capital Stock or equity or other ownership interest of the Company or obligating the Company to grant, extend, accelerate the vesting of, change the price of, otherwise amend or enter into any such Company Stock Right. There are no outstanding or authorized stock appreciation, phantom stock, profit participation, or other similar rights with respect to the Company.

(b) Except for the Seventh Amended and Restated Investors Rights Agreement dated as of December 17, 2009 between the Company and the Investors (as defined therein), the

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Seventh Amended and Restated Voting Agreement dated as of December 17, 2009 between the Company and the Stockholders (as defined therein) and the Seventh Amended and Restated Right of First Offer and Co-Sale Agreement dated as of December 17, 2009 between the Company and the Investors (as defined therein) (collectively, the "Investor Agreements") there are no (i) voting trusts, proxies, or other agreements with respect to the voting stock of the Company to which the Company is a party, by which the Company is bound, or of which the Company has knowledge, or (ii) agreements or understandings to which the Company is a party, by which the Company is bound, or of which the Company has knowledge relating to the registration, sale or transfer (including agreements relating to rights of first refusal, "co-sale" rights or "drag-along" rights) of any shares of Company Capital Stock. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and thereby does not implicate any rights or obligations under the Investor Agreements that have not been complied with or waived. The holders of shares of Company Capital Stock and Company Stock Rights have been or will be properly given, or shall have properly waived, any required notice prior to the transactions contemplated therein.

3.5. Subsidiaries. The Company does not have any subsidiaries and does not own or hold, of record and/or beneficially, directly or indirectly, any shares of any class of the capital stock of any corporation or any legal and/or beneficial interests in any partnerships, limited liability companies, business trusts or joint ventures or in any unincorporated trade or business enterprises.

3.6. Financial Statements; Business Information; Internal Controls.

(a) Attached hereto as Schedule 3.6(a) are (i) the audited balance sheets of the Company as of December 31, 2008 and December 31, 2009 and the statements of operations and cash flow for the fiscal years then ended (the "Audited Financial Statements"), (ii) the unaudited balance sheet of the Company as of December 31, 2010 and the statements of operations and cash flow of the Company for the fiscal year then ended (the "Unaudited Financial Statements"), and (iii) the unaudited balance sheet of the Company as of February 28, 2011 (the "Balance Sheet") and the statements of operations and cash flow of the Company for the two (2) month period then ended (the "Interim Financial Statements," and together with the Unaudited Financial Statements and the Audited Financial Statements, the "Financial Statements"). The Financial Statements (i) have been prepared from the books and records of the Company, (ii) have been prepared in accordance with GAAP consistently applied during the periods covered thereby (except as may be indicated therein or in the notes or schedules thereto), and (iii) present fairly in all material respects the financial condition and results of operations of the Company as at the dates, and for the periods, stated therein, except that the Interim Financial Statements do not include footnote disclosures and are subject to normal year-end adjustments which will not be individually or in the aggregate material in amount or effect. For the purposes of this Agreement, "GAAP" shall mean generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting

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Standards Board and rules promulgated by the SEC and its related interpretations or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

(b) Schedule 3.6(b) attached hereto sets forth certain statistics regarding the Company's business including, but not limited to, information related to the Company's products, services and websites such as (i) approximate number of calls, (ii) approximate number of call minutes, (iii) approximate average length of calls, (iv) number of installed applications and (v) approximate number of unique calls, in each case, for the months of December, 2010 and January and February, 2011 (collectively, the "Data") which are true and correct in all material respects as of the dates stated in the schedule.

(c) To the Company's knowledge, the Company has not directly or indirectly installed, imbedded or derived any traffic from any Spyware or Malware Software sources.

(d) The Company has in place systems and processes that are: (i) designed to (x) provide reasonable assurances regarding the reliability of the Financial Statements, and (y) in a timely manner accumulate and communicate to the Company's principal executive officer and principal financial officer the type of information that would be required to be disclosed in the Financial Statements; (ii) to the Company's knowledge, customary and adequate for a company at the same stage of development as the Company. To the Company's knowledge, there have been no instances of fraud, whether or not material, which occurred during any period covered by the Financial Statements.

(e) To the Company's knowledge, no Employee has provided information to any Governmental Entity regarding the commission of any crime or violation of any Law applicable to the Company or any part of its respective operations.

(f) During the period covered by the Financial Statements, to the Company's knowledge, the Company's external auditor was independent of the Company's and its management. Schedule 3.6(f) lists each written report by the Company's external auditors to the Company's board of directors, or any committee thereof, or the Company's management concerning any of the following and pertaining to any period covered by the Financial Statements: critical accounting policies; its internal controls; significant accounting estimates or judgments; alternative accounting treatments; and any required communications with the Company's board of directors, or any committee thereof, or with management of the Company. The Company's revenue recognition policy is consistent with GAAP.

3.7. Absence of Undisclosed Liabilities. Except as set forth on Schedule 3.7 hereto or otherwise disclosed in the Company Disclosure Schedules, the Company's business is neither liable for nor subject to any Liability except for (i) those Liabilities reflected or reserved against on the Financial Statements and not previously paid or discharged, (ii) contractual and other Liabilities incurred in the ordinary course of business which are not required by GAAP to be reflected on a balance sheet, which would not individually or collectively result in a Company

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Material Adverse Effect, and (iii) those Liabilities which have arisen since the date of the Balance Sheet in the ordinary course of business, which would not individually or collectively result in a Company Material Adverse Effect.

3.8. Absence of Certain Changes or Events. Except as set forth on Schedule 3.8 hereto, since December 31, 2010, the Company has carried on the Company's business in all material respects in the ordinary course and consistent with past practice. Except as set forth on Schedule 3.8 or as set forth or reserved against in the Balance Sheet, since December 31, 2010, the Company has not: (i) incurred any material obligation or Liability (whether absolute, accrued, contingent or otherwise) except in the ordinary course of the Company's business and consistent with past practice; (ii) experienced any Company Material Adverse Effect; (iii) made any change in accounting principle or practice or in its method of applying any such principle or practice; (iv) suffered any material damage, destruction or loss, whether or not covered by insurance, affecting its properties, assets or the Company's business; (v) mortgaged, pledged or subjected to any lien, charge or other encumbrance, or granted to third parties any rights in, any of its properties or assets, tangible or intangible; (vi) sold or transferred any of its material assets, except in the ordinary course of business and consistent with past practice, or canceled or compromised any debts or waived any claims or rights of a material nature; (vii) issued any additional Company securities, other equity securities, partnership interests or similar equity interests, or any rights, options or warrants to purchase, or securities convertible into or exchangeable for, Company securities; (viii) repurchased or redeemed any Company securities; (ix) terminated, amended or waived with respect to any material contract, any material right, except in the ordinary course of business and consistent with past practice; (x) granted any general or specific increase in the compensation payable or to become payable to any of its Employees or any bonus or service award or other like benefit, or instituted, increased, augmented or improved any Company Employee Plan; or (xi) entered into any agreement to do any of the foregoing.

3.9. Legal Proceedings, etc. Except as set forth on Schedule 3.9, there are no suits, actions, claims, proceedings (including, without limitation, arbitral or administrative proceedings) or investigations pending or, to the knowledge of the Company, threatened against the Company, any of its respective properties, assets or the Company's business or, to the knowledge of the Company, pending or threatened against any of the officers, directors, partners, managers, employees, agents or consultants of the Company in connection with the Company's business. There are no such suits, actions, claims, proceedings or investigations pending against the Company or, to the knowledge of the Company, threatened against the Company challenging the validity or propriety of the transactions contemplated by this Agreement. There is no judgment, order, injunction, decree or award (whether issued by a court, an arbitrator or an administrative agency) to which the Company is a party, or involving the properties, assets or the Company's business, which is unsatisfied or which requires continuing compliance therewith by the Company. Schedule 3.9 hereto sets forth all settlements, judgments, orders, injunctions, decrees and awards entered into or imposed which the Company is a party to or by which the Company is bound, and the Company is and has been at all times in material compliance with the

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terms of such settlements, judgments, orders, injunctions, decrees and awards. Schedule 3.9 hereto sets forth all suits, actions, claims, proceedings or investigations regarding any equity security of the Company which the Company has been involved in or received notice of since January 1, 2006.

3.10. Taxes.

(a) Tax Returns.

(i) The Company has timely filed all Tax Returns required to be filed by the Company on or prior to the date hereof. All such Tax Returns have been accurately and completely prepared in all material respects in compliance with all applicable Laws. The Company is not currently the beneficiary of any extension of time within which to file any Tax Return. The Company has previously provided or made available to Parent true and correct copies of all income Tax Returns and all other material Tax Returns filed by the Company for taxable years beginning on or after January 1, 2006. Notwithstanding anything contained herein or in the Disclosure Schedules, the Company is making no representation or warranty as to the amount of net operating losses or other Tax attributes of the Company, except to the extent it affects the Company's current liability for Taxes due with respect to any income Tax Return filed by the Company on or prior to the date hereof.

(ii) Schedule 3.10(a)(ii) attached hereto sets forth each jurisdiction in which the Company files, or is required to file or has been required to file a Tax Return or is or has been liable for Taxes on a "nexus" basis. No claim has ever been made in writing by any Tax Authority in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to Tax in that jurisdiction. The Company is not, and has never been, subject to Tax in any country other than the United States by virtue of having a permanent establishment or fixed place of business in that country.

(iii) The Company has not entered into any "listed transactions" as defined in Treasury Regulation 1.6011-4(b)(2).

(b) Tax Payments and Accruals. The Company has, in a timely manner, paid all Taxes which are due and payable by the Company, whether or not shown as due on any Tax Return, except to the extent the Company has established adequate reserves in accordance with GAAP (excluding accruals and reserves for deferred Taxes established to reflect timing differences between book and Tax income) on the Balance Sheet for such Taxes. The Company will establish, in the ordinary course of business and consistent with its past practices, any reserves necessary for the payment of all Taxes of the Company for the period from date of the Balance Sheet through the Closing Date.

(c) Audits; Deficiencies; Waivers; Liens. The Company has not received written notice of any claims, audits, actions, suits, investigations or proceedings currently pending against the Company by any Tax Authority for the assessment or collection of Taxes. No power

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of attorney has been granted by the Company that is currently in force with respect to any matter relating to Taxes. Any Taxes that have been claimed or imposed as a result of any examinations of any Tax Return of the Company by any Tax Authority have been paid or are being contested in good faith and have been disclosed in writing to the Parent. The Company has not waived any statute of limitations with respect to Taxes or agreed to any extension of time with respect to any Tax assessment or deficiency, or the collection of any Tax, which remains outstanding. There are no liens for Taxes on any of the assets of the Company except for Permitted Liens.

(d) Liability for Other Person's Taxes. The Company has never been a member of an affiliated group of companies filing consolidated United States federal income Tax Returns or a member of any other group of companies filing consolidated, combined or unitary state, local or foreign income Tax Return. The Company does not have any Liability for Taxes of any Person (other than the Company) as a result of being a member of any affiliated, consolidated, combined unitary or similar group under Treasury Regulation 1.1502-6 (or any similar provision of state, local or foreign Law) or as a transferee or successor. The Company has no material Tax liability under any Tax sharing agreement.

(e) Withholding. The Company has withheld all Taxes from its respective employees, agents and other Persons required to be withheld, and has complied with all information reporting, including maintenance of required records with respect thereto, in connection with amounts paid or owing to any employee, creditor, independent contractor, or other third party.

(f) Rulings; Correspondence; Agreements. The Company has not received any written ruling of a Tax Authority relating to Taxes or entered in any written and legally binding agreement with a Tax Authority relating to Taxes, including any closing agreements under Section 7121 of the Code. The Company has delivered or made available to the Parent for inspection true and complete copies of all private letter rulings, revenue agent reports, information document requests, audit reports, notices of proposed deficiencies, deficiency notices, protests, petitions, closing agreements, settlement agreements, pending ruling requests and any similar documents submitted by, received by or agreed to by or on behalf of the Company relating to Taxes for all taxable periods for which the applicable statute of limitations has not yet expired.

(g) Excess Parachute Payments; Deferred Compensation. The Company has not made any payments, is not obligated to make any payment, and is not a party to any agreement, contract, arrangement or plan that under any circumstances could obligate it to make any payment that will not be deductible under Section 280G of the Code, or that would be subject to an excise Tax under Section 4999 of the Code (excluding any payments made by the Parent or the Company following the Closing). Each plan, program, arrangement or agreement that constitutes in part a nonqualified deferred compensation plan within the meaning of Section 409A of the Code is identified as such on Schedule 3.10(g). Since December 31, 2004, each plan, program, arrangement or agreement identified or required to be identified on Schedule 3.10(g) has been operated and maintained in a good faith, reasonable interpretation of Section

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409A of the Code and its purpose with respect to amounts deferred (within the meaning of Section 409A of the Code) and since January 1, 2008 has been operated and maintained in compliance with Section 409A of the Code.

(h) Foreign Tax Matters. The Company has not participated in or cooperated with an "international boycott" within the meaning of Section 999 of the Code. The Company has proper receipts, within the meaning of Treasury Regulation Section 1.905-2 for any foreign Tax that has been or in the future may be claimed as a foreign tax credit for United States federal income tax purposes. The Company is not a party to any "gain recognition agreement" under Section 367 of the Code.

(i) Timing Items Affecting Post-Closing Periods. The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (A) change in method of accounting for a taxable period ending on or prior to the Closing Date made on or before the Closing Date; (B) "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of state, local or foreign income Tax law) executed on or prior to the Closing Date; (C) intercompany transaction or excess loss account described in Treasury Regulations under Section 1502 of the Code; (D) installment sale or open transaction disposition made on or prior to the Closing Date; (E) prepaid amount received on or prior to the Closing Date; or (F) election pursuant to Section 108(i) of the Code made on or before the Closing Date.

3.11. Title to Properties and Related Matters.

(a) The Company has good and marketable title to all personal property, tangible or intangible, which the Company purports to own, including the properties reflected on the Balance Sheet or acquired after the date thereof (other than properties and assets sold or otherwise disposed of in the ordinary course of business and consistent with past practice since December 31, 2010), free and clear of any claims, liens, pledges, security interests or encumbrances of any kind whatsoever, other than (i) purchase money security interests and common law vendor's liens, in each case for goods purchased on open account in the ordinary course of business and having a fair market value of less than $20,000 in each individual case, (ii) liens for Taxes not yet due and payable or being contested in good faith, and (iii) Permitted Liens. Collectively, such property, the Company Intellectual Property disclosed on Schedule 3.12 and property leased by the Company and set forth on Schedule 3.11(d) constitute all property, tangible or intangible, necessary to conduct the business of the Company as presently conducted.

(b) The Company does not own any real property or any interest in real property.

(c) Schedule 3.11(c) hereto sets forth a list, which is correct and complete in all material respects, of all equipment, machinery, instruments, vehicles, furniture, fixtures and other items of personal property currently owned or leased by the Company with a book value in

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each case of $10,000 or more. Except as set forth on Schedule 3.11(c) hereto, all such personal property is in suitable operating condition (ordinary and reasonable wear and tear excepted) for its current purpose and use and is physically located in or about one of the places of business of the Company and is owned by the Company or is leased by the Company under one of the leases set forth in Schedule 3.11(d) hereto. None of such personal property is subject to any agreement or commitment for its use by any person other than the Company. The maintenance and operation of such personal property has been in conformance with all applicable material Laws and regulations. To the Company's knowledge, there are no assets leased by the Company or used in the operation of the Company that are owned, directly or indirectly, by any Related Person. For the purposes hereof, "Related Person" shall mean any of the following (i) the Stockholders; (ii) the spouses and children of any of the Stockholders (collectively, "Near Relatives"); (iii) any trust for the benefit of any of the Stockholders or any of their respective Near Relatives; or (iv) any corporation, partnership, joint venture or other entity or enterprise owned or controlled by the Stockholders or by any of their respective Near Relatives.

(d) Schedule 3.11(d) sets forth a complete and correct list of all real property and personal property leases to which the Company is a party. The Company has delivered or made available to the Parent complete and correct copies of each lease (and any amendments or supplements thereto) listed in Schedule 3.11(d) hereto. Except as set forth on Schedule 3.11(d) hereto, (i) each such lease is valid and binding, and in full force and effect against the Company and to the Company's knowledge, against the other party thereto; except to the extent that applicable bankruptcy, reorganization, insolvency, moratorium or other Laws affecting the enforcement of creditors' rights may affect such validity or enforceability, (ii) the Company nor any other party, to the Company's knowledge, is in material default under any such lease, and no event has occurred which constitutes, or with the lapse of time or the giving of notice or both would constitute, a material default by the Company or to the knowledge of the Company, a material default by any other party under such lease; (iii) to the knowledge of the Company, there are no disputes or disagreements between the Company and any other party with respect to any such lease; and (iv) except as set forth on Schedule 3.11(d), there is no requirement under any such lease that the Company either obtain the lessor's consent to, or notify the lessor of, the consummation of the transactions contemplated by this Agreement.

3.12. Intellectual Property; Proprietary Rights; Employee Restrictions.

(a) Set forth on Schedule 3.12(a) hereto is a list of all Company Intellectual Property or other Intellectual Property required to operate the Company's business as currently conducted (other than Generally Available Software). True and correct copies of all licenses, assignments and releases relating to such Intellectual Property have been provided or made available to the Parent prior to the date hereof, all of which are valid and binding agreements of the Company, and to the Company's Knowledge to the other parties thereto, enforceable in accordance with their terms. The Company owns and has good and exclusive right, title and interest to, or (i) has exclusive license to, each item of Company Intellectual Property and (ii) has non-exclusive license to other Intellectual Property required to operate the Company's business as currently

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conducted, free and clear of any lien or encumbrance; and all such Intellectual Property rights are in full force and effect. The Company is the exclusive owner of all trademarks and trade names used in connection with the operation of the Company's business as currently conducted, including the sale of any products or the provision of any services by Company. The Company owns exclusively, and has good title to, all copyrighted works that are Company products or which the Company otherwise expressly purports to own. No university, government agency (whether federal or state) or other organization has sponsored research and development conducted by the Company or has any claim of right to or ownership of or other encumbrance upon the Intellectual Property rights of the Company.

(b) Except as set forth on Schedule 3.12(b) or as provided in the agreements set forth on Schedule 3.12(a) hereto, no Company Intellectual Property or product or service of the Company is subject to any proceeding or outstanding decree, order, judgment, contract, license, agreement, or stipulation restricting in any manner the use, transfer, or licensing thereof by the Company or which may affect the validity, use or enforceability of such Company Intellectual Property.

(c) All patents, patent applications, trademarks, service marks, copyrights, mask work rights and domain names of the Company have been duly registered and/or filed with or issued by each appropriate Governmental Entity in the jurisdictions indicated on Schedule 3.12(c) hereto, all necessary affidavits of continuing use have been filed, and all necessary maintenance fees have been paid to continue all such rights in effect.

(d) To the extent that any Intellectual Property (including without limitation software, hardware, copyrightable works and the like) has been developed, created, modified or improved by a third party for the Company, the Company has a written agreement with such third party that assigns to the Company exclusive ownership of, or grants the Company an exclusive license to, such Intellectual Property, each of which is a valid and binding agreement of the Company, and to the Company's Knowledge to the other parties thereto, enforceable in accordance with its terms, or such Intellectual Property is owned by the Company by operation of law. The Company has the right to use all trade secrets, data, customer lists, log files, hardware designs, programming processes, software and other information required for its products or the Company's business (including, without limitation, the operation of their respective Web sites) as presently conducted and has received no notice that any of such information that is provided to the Company by third parties will not continue to be provided to the Company on the same terms and conditions as currently exist.

(e) The Company has not transferred ownership of, or granted any exclusive license with respect to, any Intellectual Property that is or was Company Intellectual Property to any third party. True and correct copies of such agreements have been provided or made available to Parent prior to the date hereof.

(f) Except as set forth on Schedule 3.12(f), the operation of the Company's business as such business currently is conducted, including the design, development, manufacture,

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marketing and sale of the products or services of the Company has not and does not, and with respect to products currently under development to the Company's knowledge will not, infringe or misappropriate the Intellectual Property of any third party or, to its knowledge, constitute unfair competition or trade practices under the Laws of any jurisdiction.

(g) Except as set forth on Schedule 3.12(g), the Company has not received any notice or other claim from any third party that the operation of the Company's business or any act, product or service of the Company infringes, may infringe or misappropriates the Intellectual Property of any third party or constitutes unfair competition or trade practices under the Laws of any jurisdiction.

(h) To the knowledge of the Company, no Person has infringed or is infringing or misappropriating any Company Intellectual Property or other Intellectual Property rights in any of its products, technology or services, or has or is violating the confidentiality of any of its proprietary information.

(i) The Company has taken reasonable steps to protect the Company's rights in the Company's proprietary and/or confidential information and trade secrets or any trade secrets or confidential information of third parties provided to the Company, and, without limiting the foregoing, the Company has enforced a policy requiring each employee and contractor to execute a proprietary information/confidentiality agreement substantially in the form provided to the Parent, and all current and former employees and contractors of the Company has executed such an agreement. To the knowledge of the Company, all trade secrets and other confidential information of the Company are not part of the public domain nor, have they been misappropriated by any person having an obligation to maintain such trade secrets or other confidential information in confidence for the Company. To the knowledge of the Company, no employee or consultant of the Company has used any trade secrets or other confidential information of any other person in the course of their work for the Company nor is the Company making unlawful use of any confidential information or trade secrets of any past or present employees of the Company.

All Intellectual Property rights purported to be owned by the Company which were developed, worked on or otherwise held by any employee, officer or consultant are owned free and clear by the Company by operation of Law or have been validly assigned to the Company and such assignments have been provided or made available to the Parent and are valid binding agreements of the Company, and to the Company's Knowledge the other parties thereto, enforceable in accordance with their terms. All of the rights of the Company in any of the Company Intellectual Property which is used or is useful in the Company's business, have been validly assigned, transferred and/or conveyed to the Acquisition Corp. as part of the transactions contemplated hereunder and the Company has not retained any rights with respect thereto. The activities of the employees and consultants of the Company on behalf of the Company not violate in any material respects any agreements or arrangements known to the Company which any such employees or consultants have with former employers or any other entity to whom such employees or consultants may have rendered consulting services.

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(j) Schedule 3.12(j) lists all Open Source Materials that the Company has used in any way and describes the manner in which such Open Source Materials have been used by the Company in connection with the Company's business, including, without limitation, whether and how the Open Source Materials have been modified and/or distributed by the Company. Except as set forth in Schedule 3.12(j)(j), the Company has not (i) incorporated any Open Source Materials into, or combined Open Source Materials with, any products of the Company's business, (ii) distributed Open Source Materials in connection with any products of the Company's business, or (iii) used Open Source Materials that (with respect to either clause (i), (ii) or (iii) above) (A) create, or purport to create, obligations for the Company with respect to software developed or distributed by the Company, or (B) grant, or purport to grant, to any third party any rights or immunities under intellectual property rights. Without limiting the generality of the foregoing, the Company has not used any Open Source Materials that require, as a condition of use, modification and/or distribution of such Open Source Materials, that other software incorporated into, derived from or distributed with such Open Source Materials be (1) disclosed or distributed in source code form, (2) licensed for the purpose of making derivative works, or (3) redistributed at no charge.

(k) In connection with the operation of the Company's websites and directory assistance service, the Company has complied in all material respects with (i) all applicable legal requirements relating to privacy, commercial e-mail, data protection and security and the collection, storage, disclosure and/or use of personal information and user information (including information from or about children) gathered or accessed in the course of the operation of the Company's websites, and (ii) all rules, policies and procedures established by the Company with respect to privacy, publicity, commercial e-mail, data protection and security and the collection, storage, disclosure and/or use of personal information and user information (including information from or about children) gathered or accessed in the course of the operation of such the Company's websites, and with respect to the foregoing, the Company has not received any notice from any person of any claims alleging any violation thereof. In connection with the operation of the Company's websites, the Company has taken all reasonably necessary steps (including implementing and monitoring compliance with measures with respect to technical and physical security) to ensure that the personal and user information gathered or accessed in the course of the operation of the Company's websites is protected against material loss and unauthorized access, use, modification or disclosure, and, to the knowledge of the Company, there has been no unauthorized access to or other misuse of any such information.

3.13. Contracts.

(a) Except as set forth on Schedules 3.13(a)-(d) hereto, the Company is not a party to, or subject to:

(i) any contract, or arrangement, or series of related contracts or arrangements, which involves (a) annual expenditures by the Company of more than *** or (b) annual receipts by the Company of more than ***;

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(ii) any note, indenture, credit facility, mortgage, security agreement or other contract or arrangement relating to or evidencing indebtedness for money borrowed or a security interest or mortgage in the assets of the Company;

(iii) any guaranty issued by the Company;

(iv) any contract or arrangement relating to the acquisition, issuance or transfer of any securities, including, without limitation, convertible securities;

(v) any contract or arrangement relating to the acquisition, transfer, distribution, use, development, sharing or license of any technology or Company Intellectual Property, other than licenses granted in the ordinary course of business with a term of less than one (1) year;

(vi) any contract or arrangement granting to any Person the right to use any property or property right of the Company other than licenses granted in the ordinary course of business with a term of less than one (1) year;

(vii) any contract or arrangement restricting the right of the Company to (A) engage in any business activity or compete with any business, or (B) develop or distribute any technology;

(viii) any contract or arrangement relating to the employment of, or the performance of services of, any employee, consultant or independent contractor and pursuant to which the Company is required to pay more than *** per month; or

(ix) any outstanding offer, commitment or obligation to enter into any contract or arrangement of the nature described in subsections (i) through (ix) of this subsection 3.13(a).

(b) The Company has previously provided or made available to the Parent complete and correct copies (or, in the case of oral contracts, a complete and correct description) of any contract (and any amendments or supplements thereto) listed on Schedule 3.13(a) hereto. Except as set forth on Schedule 3.13(b) hereto, (i) each contract listed in Schedule 3.13(a) hereto is in full force and effect against the Company and to the Company's knowledge, against the other party thereto; (ii) neither the Company, nor to the knowledge of the Company, any other party is in default under any contract listed in Schedule 3.13(a) hereto, and no event has occurred which constitutes, or with the lapse of time or the giving of notice or both would constitute, a default by the Company or to the knowledge of the Company, a default by any other party under such contract; (iii) to the knowledge of the Company, there are no material disputes or disagreements between the Company and any other party with respect to any contract listed in Schedule 3.13(a) hereto; and (iv) each other party to each such material contract has consented or been given notice (or prior to the Closing shall have consented or been given notice), where such consent or the giving of such notice is necessary in order for such contract to remain in full force and effect

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following the consummation of the transactions contemplated by this Agreement without modification in the rights or obligations of the Company thereunder.

(c) Except as set forth on Schedule 3.13(c) hereto, the Company has not issued any warranty or any agreement or commitment to indemnify any person other than in the ordinary course of the Company's business.

(d) Each of the contracts set forth on Schedules 3.13(a)-(d) hereto, is and always has been in compliance with all applicable Laws, including any and all Laws applicable to the Internet or the Company's business, or any other Law, statute, ordinance, code, rule, regulation, judgment, order, injunction, writ or decree of any federal, state, local or foreign court or governmental or regulatory body, agency or authority having, asserting or claiming jurisdiction over it or over any part of the Company's business, operations, properties or assets, except for any violation that would not have a Company Material Adverse Effect.

3.14. Employment Matters.

(a) Schedule 3.14(a) sets forth, (i) with respect to each current Employee (including any Employee who is on a leave of absence of any nature, paid or unpaid, authorized or unauthorized, including disability, family or other leave, sick leave, or on layoff status subject to recall) (A) the name of such Employee and the date as of which such Employee was originally hired by the Company, and whether the Employee is on an active or inactive status; (B) such Employee's title; (C) such Employee's annualized compensation as of the date of this Agreement, including base salary, vacation and/or paid time off accrual amounts, bonus and/or commission potential for the current year, and severance pay entitlement; (D) whether such Employee is not fully available to perform work because of a qualified disability or other leave and, if applicable, the basis of such disability or leave and the anticipated date of return to full service; (E) the Company facility at which such Employee is deemed to be located; and (F) each current benefit plan in which such Employee participates or is eligible to participate; and (ii) with respect to each current and former Employee, whether such current or former Employee has executed the Company's standard form nondisclosure, confidentiality and assignment of inventions agreement.

(b) Schedule 3.14(b) contains a list of individuals who are currently performing services for the Company and are classified as "consultants" or "independent contractors," the respective compensation of each such "consultant" or "independent contractor" and whether the Company is party to a consulting or independent contractor agreement with the individual. Any such agreements have been delivered or made available to the Parent and are set forth on Schedule 3.14(b). Any Persons now or heretofore engaged by the Company as independent contractors, rather than Employees, have been properly classified as such, are not entitled to any compensation or benefits to which regular, full-time Employees are or were at the relevant time entitled, and were and have been engaged in accordance with all applicable Laws, and received the proper tax treatment for all material compensation received by them.

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(c) Each employment agreement is set forth on Schedule 3.14(c) and a copy of each employment agreement and any amendment thereto has been provided or made available to the Parent. Except as set forth in Schedule 3.14(c), the employment of each of the Employees is terminable by the Company at will (except for non-U.S. employees of the Company located in a jurisdiction that does not recognize the "at will" employment concept) and the Company does not have any obligation to provide any particular form or period of notice prior to terminating the employment of any of their respective employees, except as set forth on Schedule 3.14(c). The Company has not, and to the knowledge of Company, no other Person has, (i) entered into any agreement that obligates or purports to obligate the Parent to make an offer of employment to any present or former Employee or consultant of the Company or (ii) promised or otherwise provided any assurances (contingent or other) to any present or former Employee or consultant of the Company of any terms or conditions of employment with the Parent following the Closing. The Company has delivered or made available to the Parent accurate and complete copies in all material respects of all employee manuals and handbooks, employment policy statements and employment agreements.

(d) Except as set forth on Schedule 3.14(d), (i) none of the current employees of the Company has given the Company written notice terminating his or her employment with the Company, or terminating his or her employment upon a sale of, or business combination relating to, the Company or in connection with the transactions contemplated by this Agreement; (ii) the Company does not have a present intention to terminate the employment of any current Employee; and (iii) the Company is not and has not in the past five (5) years been engaged in any dispute or litigation with an Employee regarding intellectual property matters.

(e) The Company is not presently, nor has been in the past, a party to or bound by any labor union contract, collective bargaining agreement or similar contract. The Company has no knowledge of any activities or proceedings of any labor union to organize any Employees.

(f) The Company is not engaged and never has been engaged in any unfair labor practice, that, if adversely determined, would result in any material Liability to the Company. There has never been any slowdown, work stoppage, labor dispute or union organizing activity, or any similar activity or dispute, affecting the Company or any Employees. There is not now pending and, to the Company's knowledge, no Person has threatened in writing to commence, any such slowdown, work stoppage, labor dispute, union organizing activity or any similar activity or dispute.

(g) The Employees have been, and currently are, properly classified under the Fair Labor Standards Act of 1938, as amended, and under any similar Law of any state applicable to such employees. The Company is not delinquent to, or has failed to pay, any of its Employees, consultants or contractors for any material wages (including overtime, meal breaks or waiting time penalties), salaries, commissions, accrued and unused vacation to which they would be entitled under applicable Law, if any, bonuses, benefits or other compensation for any services performed by them or amounts required to be reimbursed to such individuals. The Company is not liable for any material payment to any trust or other fund or to any Governmental Entity,

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with respect to unemployment compensation benefits, social security or other benefits or obligations for Employees (other than routine payments to be made in the normal course of business and consistent with past practice).

(h) Except as set forth in Schedule 3.14(h), the Company has not established a severance pay practice or policy. Except as set forth in Schedule 3.14(h), and except as provided in this Agreement, including without limitation Section 2.1 of this Agreement relating to the acceleration of Company Options and Company Restricted Stock, (i) the Company is not liable for any severance pay, bonus compensation, acceleration of payment or vesting of any equity interest, or other payments (other than accrued salary, vacation, or other paid time off in accordance with the Company's policies) to any Employee arising from the termination of employment under any benefit or severance policy, practice, agreement, plan, program of the Company, applicable Law or otherwise; and (ii) as a result of or in connection with the transactions contemplated hereunder or as a result of the termination by the Company of any persons employed by the Company on or prior to the Closing Date, the Company will not have (A) any Liability that exists or arises under any Company benefit or severance policy, practice, agreement, plan, program, Law applicable thereto, including severance pay, bonus compensation or similar payment, or (B) to accelerate the time of payment or vesting, or increase the amount of or otherwise enhance any benefit due any Employee. Accordingly, as of the Closing Date, the Company shall have satisfied in full all of its obligations to such Employees, consultants and/or contractors for any severance pay, accelerated vesting, or any other payments whatsoever relating to any obligations arising on or prior to the Effective Time.

(i) Except as provided in Schedule 3.14 (i), there are no claims pending or, to the Company's knowledge, threatened in writing, before any Governmental Entity by any Employees for compensation, pending severance benefits, vacation time, vacation pay or pension benefits, or any other claim threatened in writing or pending before any Governmental Entity (or any state "referral agency") from any Employee or any other Person arising out of the Company's status as employer, whether in the form of claims for employment discrimination, harassment, retaliation, unfair labor practices, grievances, wrongful discharge, breach of contract, unfair business practice, tort, unfair competition or otherwise. In addition, there are no pending or, to the Company's knowledge, threatened in writing claims or actions against the Company under any workers compensation policy or long-term disability policy.

(j) The Company and to the Company's knowledge each Employee, is in compliance with all applicable visa and work permit requirements.

(k) Schedule 3.14(k) sets forth (except as separately disclosed elsewhere in this Agreement) each plan or agreement of the Company pursuant to which any amounts may become payable (whether currently or in the future including upon any future end of employment) to Employees of the Company as a result of or in connection with transactions contemplated by this Agreement.

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3.15. Employee Benefit Plans.

(a) Schedule 3.15(a) sets forth each Company Employee Plan. The Company does not have any stated plan or commitment to establish any new Company Employee Plan, to modify any Company Employee Plan (except to the extent required by Law or to conform any such Company Employee Plan to the requirements of any applicable Law, in each case as previously disclosed to the Parent in writing, or as required by this Agreement) or to enter into any Company Employee Plan.

(b) Documents. The Company has delivered or made available to the Parent (i) correct and complete copies of each Company Employee Plan, including all amendments thereto; (ii) the most recent annual actuarial valuations, if any, prepared for each Company Employee Plan; (iii) the three most recent annual reports (Series 5500 and all schedules thereto), if any, required under ERISA or the Code, or any similar Laws of other jurisdictions applicable to the Company, in connection with each Company Employee Plan or related trust; (iv) if any Company Employee Plan is funded, the most recent annual and periodic accounting of Company Employee Plan assets; (v) the most recent summary plan description together with the most recent summary of material modifications, if any, with respect to each Company Employee Plan; (vi) all IRS determination, opinion, notification and advisory letters and rulings from the IRS or any similar Governmental Entity having jurisdiction over the Company relating to Company Employee Plans and copies any correspondence regarding actual or potential audits or investigations) to or from the IRS, DOL or any other Governmental Entity with respect to any Company Employee Plan; (vii) all material written agreements and contracts relating to each Company Employee Plan, including fidelity or ERISA bonds, administrative service agreements, group annuity contracts and group insurance contracts; (viii) all communications material to any Employee or Employees relating to any Company Employee Plan and any proposed Company Employee Plans, in each case relating to any amendments, terminations, establishments, increases or decreases in benefits, acceleration of payments or vesting schedules or other events which would result in any material Liability to the Company and which are not reflected in the current summary plan description and plan document; (ix) all material forms and notices relating to the provision of post-employment continuation of health coverage; (x) all policies pertaining to fiduciary Liability insurance covering the fiduciaries of each Company Employee Plan; and (xi) all discrimination and qualification tests, if any, for each Company Employee Plan for the most recent plan year.

(c) Employee Plan Compliance. The Company has performed all material obligations required to be performed by it under each Company Employee Plan and each Company Employee Plan has been established and maintained in accordance with its terms and in material compliance with all applicable Law, including ERISA and the Code. Each Company Employee Plan intended to qualify under Section 401(a) of the Code and each trust intended to qualify under Section 501(a) of the Code is so qualified and has either received a favorable EGTRRA determination letter or opinion letter from the IRS with respect to such Company Employee Plan as to its qualified status under the Code or is a “prototype plan” or “volume

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submitter" plan with an EGTRRA approved prototype or volume submitter determination letter, or has a period of time remaining under applicable Treasury regulations or IRS pronouncements in which to apply for and obtain such a letter. No material non-exempt "prohibited transaction," within the meaning of Section 4975 of the Code or Section 406 of ERISA, has occurred with respect to any Company Employee Plan during the past six (6) years. There are no actions, suits or claims pending, or, to the knowledge of the Company, threatened in writing (other than routine claims for benefits) against any Company Employee Plan or fiduciary thereto or against the assets of any Company Employee Plan. Each Company Employee Plan can be amended, terminated or otherwise discontinued after the Closing in accordance with its terms, without Liability to the Company, the Parent, the Acquisition Corp. or any of its ERISA Affiliates other than ordinary administration expenses typically incurred in a termination event. There are no audits, inquiries or proceedings pending or, to the knowledge of the Company, threatened by the IRS or DOL or any other similar Governmental Entity having jurisdiction over the Company with respect to any Company Employee Plan. All annual reports and other filings required by the DOL or the IRS or any other similar Governmental Entity having jurisdiction over the Company have been timely made. Neither the Company nor any ERISA Affiliate is subject to any penalty or Tax with respect to any Company Employee Plan under Section 501(i) of ERISA or Section 4975 through 4980D of the Code or any similar Laws of other jurisdictions applicable to the Company and except as specifically set forth on Schedule 3.15(c), no Company Employee Plan is sponsored or maintained by any person that is or was considered to be a co-employer with the Company.

(d) Plan Status. Neither the Company nor any ERISA Affiliate now, or has ever, maintained, established, sponsored, participated in, or contributed to, any plan which is subject to Title IV of ERISA or Section 412 of the Code. Neither the Company nor any ERISA Affiliate has incurred, nor, to the Company's knowledge, do they reasonably expect to incur, any Liability with respect to any transaction described in Section 4069 of ERISA. Except as set forth on Schedule 3.15(d), no Company Employee Plan is a multiple employer plan as defined in Section 210 of ERISA.

(e) Multiemployer Plans. At no time has the Company or any ERISA Affiliate contributed to or been requested to contribute to any "multiemployer plan", as defined in Section 3(37) of ERISA.

(f) No Post-Employment Obligations. Except as set forth on Schedule 3.15(f), no Company Employee Plan provides, or has any Liability to provide, life insurance, medical or other employee welfare benefits to any Employee upon his or her retirement or termination of employment for any reason, except as may be required by Law, and the Company has never represented, promised or contracted (whether in oral or written form) to any Employee (either individually or to Employees as a group) that such Employee(s) would be provided with life insurance, medical or other employee welfare benefits upon their retirement or termination of employment, except to the extent required by Law.

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(g) Funding of Plans. With respect to each Company Employee Plan for which a separate fund of assets is or is required to be maintained, full and timely payment has been made of all amounts required of the Company under the terms of each such Company Employee Plan or applicable Law, as applied through the Closing Date.

(h) Effect of Transaction. Except as otherwise provided in this Agreement, the execution and delivery by the Company of this Agreement and any related agreement to which the Company is a party, and the consummation of the transactions contemplated hereby and thereby, will not conflict with or result in any violation of or default under (with or without notice or lapse of time, or both), or give rise to a right of termination, cancellation, modification or acceleration of any obligation or loss of any benefit under any Company Employee Plan, trust or loan that would reasonably be expected to result in any payment (whether of severance pay or otherwise), acceleration, forgiveness of indebtedness, vesting, distribution, increase in benefits or obligation to fund benefits with respect to any Employee.

3.16. Compliance with Applicable Law. The Company is not in violation in any respect of any applicable safety, health or environmental Law, any Law applicable to the internet, telecommunications or the Company's business, or any other Law, statute, ordinance, code, rule, regulation, judgment, order, injunction, writ or decree of any federal, state, local or foreign court or governmental or regulatory body, agency or authority having, asserting or claiming jurisdiction over it or over any part of the Company's business, operations, properties or assets, except for any violation that would not reasonably be expected to have a Company Material Adverse Effect. The Company has not received any written notice alleging any such violation, and to the knowledge of the Company, there is no inquiry, investigation or proceeding relating thereto.

3.17. Ability to Conduct Business. There is no agreement or arrangement, nor any judgment, order, writ, injunction or decree of any court or governmental or regulatory body, agency or authority applicable to the Company or to which the Company is a party or by which it or any of its properties or assets is bound, that will prevent the use by the Acquisition Corp., after the Closing Date, of the properties and assets owned by, the business conducted by or the services rendered by the Company on the date hereof, in each case on substantially the same basis as the same are used, owned, conducted or rendered on the date hereof. Except as would not reasonably be expected to have a Company Material Adverse Effect, the Company has in force, and is in compliance, in all material respects, with all governmental permits, licenses, exemptions, consents, authorizations, approvals, regulatory filings and fees used in or required for the conduct of the Company's business as presently conducted, all of which shall continue in full force and effect, without requirement of any filing or the giving of any notice and without modification thereof, following the consummation of the transactions contemplated hereby. The Company has not received any notice of, and to the knowledge of the Company, there are no inquiries, proceedings or investigations relating to or which could result in the revocation or modification of any such permit, license, exemption, consent, authorization or approval.

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3.18. Major Partners. Schedule 3.18 hereto sets forth a complete and correct list of the ten (10) largest partners of the Company in terms of revenue recognized by the Company in respect of such partners during the two (2) months ended February 28, 2011 and the twelve (12) months ended December 31, 2010, showing the amount of revenue recognized for each such partner, as the case may be, during such period. To the knowledge of the Company, except as set forth on Schedule 3.18 hereto, the Company has not received any notice or other communication (written or oral) from any of the partners listed in Schedule 3.18 hereto terminating, amending or reducing in any material respect, or setting forth an intention to terminate, amend or reduce in the future, or otherwise reflecting a material adverse change in, the business relationship between such partner and the Company.

3.19. Insurance. Schedule 3.19 hereto sets forth a true and complete list of all insurance policies carried by the Company with respect to the Company's business, together with, in respect of each such policy, the name of the insurer, the number of the policy, the annual policy premium payable therefor, the limits of coverage, the deductible amount (if any), the expiration date thereof and each pending claim thereunder. The Company has maintained insurance covering it and its properties in such amounts against such hazards and Liabilities and for such purposes as is customary in the industry for similarly situated companies engaged in the same or similar businesses and owning or operating similar properties. Except as set forth on Schedule 3.19 hereto, all such policies are in full force and effect and such policies, or other policies covering the same risks, have been in full force and effect, without gaps, continuously for the past two (2) years. All premiums due thereon have been paid in full. Complete and correct copies of all current insurance policies of the Company have been made available to the Parent for inspection. The Company is not in default under any of such policies, and the Company has not failed to give any material notice or to present any material claim under any such policy in a due and timely fashion. The Company does not have knowledge of any facts which would likely result in an insurer reducing coverage or increasing premiums on existing policies. There is no claim pending under any of such policies as to which coverage has been questioned, denied or disputed by the underwriters of such policy.

3.20. Brokers; Payments. Except as set forth on Schedule 3.20, no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company. The Company has suspended or terminated, and has the legal right to terminate or suspend, all negotiations and discussions of Acquisition Transactions with parties other than the Parent and the Acquisition Corp. No valid claim exists against the Company or, based on any action by the Company, against the Parent or the Acquisition Corp. for payment of any "topping," "break-up" or "bust-up" fee or any similar compensation or payment arrangement as a result of the transactions contemplated hereby.

3.21. Interested Party Transactions.

[***] Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(a) Except as set forth on Schedule 3.21(a) hereto, to the Company's knowledge, no Stockholder has or has had a beneficial interest in any agreement (other than by reason of such Stockholder's employment with or ownership of the Company) to which the Company is a party or by which they or their properties or assets are bound; provided, however, that ownership of no more than 1% of the outstanding voting stock of a publicly traded corporation shall not be deemed an "economic interest in any entity" for purposes of this Section 3.21.

(b) Except as set forth on Schedule 3.21(b), there are no receivables of the Company owed by any Stockholder other than advances in the ordinary and usual course of business for reimbursable business expenses (as determined in accordance with the Company's established employee reimbursement policies and consistent with past practice). The Stockholders have not agreed to, or assumed, any obligation or duty to guaranty or otherwise assume or incur any obligation or Liability of the Company.

3.22. Bank Accounts; Powers of Attorney. Schedule 3.22 hereto sets forth a complete and correct list showing:

(a) all bank accounts of the Company and with respect to each such account, the account number, the names of all signatories thereof, and the authorized powers of each such signatory; and

(b) the names of all Persons holding powers of attorney from the Company and a summary statement of the terms thereof.

3.23. Minute Books, etc. The minute books, stock records and other corporate records of the Company are complete and correct in all material respects, and copies thereof have been delivered or made available by the Company to the Parent. The minute books of the Company contain accurate and complete records of all meetings or written consents to action of the Board of Directors (and any committees thereof) and Stockholders of the Company and accurately reflect all corporate actions of the Company and passed upon by the Board of Directors and Stockholders of the Company.

3.24. State Takeover Statutes. The Board of Directors of the Company has (i) determined that the Merger is fair and in the best interest of the Company and its Stockholders, (ii) approved and adopted this Agreement, the Merger and the consummation of the other transactions contemplated by this Agreement, and (iii) recommended that the Stockholders adopt and approve this Agreement and the Merger. No state takeover statute or similar Law is applicable to this Agreement, the Merger and the other transactions contemplated by this Agreement.

3.25. Third Party Audits and Investigations. To the Company's knowledge, there are no ongoing audits or investigations of the Company with respect to the Company's business by any Governmental Entity or other third party, including, without limitation, any party to a contract with the Company.

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3.26. Absence of Questionable Payments. Neither the Company nor, to the Company's Knowledge, any of its directors, officers, agents, employees or any other Persons acting on their behalf has, in connection with the operation of the Company's business, (i) used any corporation or other funds for unlawful contributions, payments, gifts or entertainment, or made any unlawful expenditures relating to political activity to foreign or domestic government officials, candidates or members of political parties or organizations or established or maintained any unlawful or unrecorded funds in violation of Section 104 of the Foreign Corrupt Practices Act of 1977, as amended, or any other similar applicable foreign, federal or state Law; (ii) made any payment or provided services which were not legal to make or provide which the Company or any Affiliate thereof or any such officer, employee or other person should reasonably have known were not legal for the payee or the recipient of such services to receive; or (iii) paid, accepted or received any contributions, payments, expenditures or gifts which were not in compliance, in all material respects, with Law.

3.27. Required Vote.

(a) The Agreement and the transactions contemplated thereunder do not require any approval of the Stockholders other than the approval of (i) the holders of two-thirds of the issued and outstanding shares of Company Preferred Stock and (ii) the holders of a majority of the issued and outstanding shares of Company Preferred Stock (calculated on an as converted to Company Common Stock basis) and the issued and outstanding shares of Company Common Stock voting together as a single class.

(b) The Board of Directors of the Company determined that this Agreement and the transactions contemplated thereunder and thereby are advisable and in the best interests of the Stockholders.

(c) As a result of the transactions contemplated by this Agreement, no amounts shall be due and payable to any holder of Company Capital Stock outstanding as of the Closing Date, in its capacity as such, except as specifically provided in the Allocation Certificate.

3.28. Accounts Receivable. The Company reasonably believes that all receivables of the Company included in the Financial Statements are valid and collectible obligations (net of any reserve for collectability with respect hereto reflected in the Financial Statements which such reserve is adequate and appropriate and made in accordance with GAAP), were not and are not subject to any written, or to the Company's knowledge, any oral, material offset or counterclaim and have arisen from a bona fide transactions by the Company in the ordinary course of business consistent with past practice. The Company's receivables are reflected on the Balance Sheet included in the Financial Statements in accordance with GAAP applied on a basis consistent with past practice. Since December 31, 2010, there have not been any material write-offs as uncollectible of any of the Company's receivables, except for the write-offs in the ordinary course of business and consistent with past practice. Schedule 3.28 sets forth a true and correct list of each account receivable of the Company (and the age of such receivable), as of February 28, 2011.

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3.29. Disclosure. The Company has not failed to disclose to the Parent any fact known to it that is reasonably more likely than not to have a Company Material Adverse Effect or impede or impair the ability of the Company to perform its obligations under this Agreement in any material respect. No representation or warranty by the Company contained in this Agreement and no statement contained, when considered together as a whole, in any of the Company Disclosure Schedules, and the certificates delivered at Closing by or on behalf of the Company contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they are made, not misleading.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE PARENT AND THE ACQUISITION CORP.

The Parent and the Acquisition Corp. represents and warrants to the Company as set forth below, subject to the exceptions set forth in the disclosure schedules hereto (the "Parent Disclosure Schedules"), the section numbers and letters of which correspond to the section and subsection numbers and letters of this Agreement.

4.1. Corporate Organization. The Parent and the Acquisition Corp. are corporations duly organized, validly existing and in good standing under the Laws of the State of Delaware. The Parent and the Acquisition Corp. have all requisite corporate power and authority to own, operate and lease the properties and assets the Parent and/or the Acquisition Corp. now owns, operates and leases and to carry on the Parent's and/or the Acquisition Corp.'s business as presently conducted. The Parent and the Acquisition Corp. are duly qualified to transact business as a foreign corporation and are each in good standing in the jurisdictions where such qualification is required by reason of the nature of the properties and assets currently owned, operated or leased by the Parent and/or the Acquisition Corp. or the business currently conducted by them, except for such jurisdictions where the failure to be so qualified would not have a Parent Material Adverse Effect. The Parent and/or the Acquisition Corp. have previously made available to the Company complete and correct copies of its certificate of incorporation and all amendments thereto as of the date hereof (certified by the Secretary of State of Delaware as of a recent date) and its by-laws (certified by the Secretary of the Parent and the Acquisition Corp. as of a recent date). Neither the certificate of incorporation nor the by-laws of the Parent and/or the Acquisition Corp. have been amended since the respective dates of certification thereof, nor has any action been taken for the purpose of effecting any amendment of such instruments.

4.2. Authorization. Each of Parent and Acquisition Corp. has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly approved by the Boards of Directors of the Parent and Acquisition Corp. and by the Parent as the sole stockholder of Acquisition Corp. and no other corporate proceedings on the part of the Parent or Acquisition Corp. are necessary to

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approve and authorize the execution and delivery of this Agreement or (subject to the filing of the Certificate of Merger pursuant to the DGCL) the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Parent and Acquisition Corp. and constitutes the valid and binding agreement of the Parent and Acquisition Corp., enforceable in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other Laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or in Law).

4.3. Consents and Approvals; No Violations. Subject to the filing of the Certificate of Merger with the Secretary of State of the State of Delaware, the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not: (i) violate or conflict with any provisions of the certificate of incorporation or by-laws of the Parent and/or the Acquisition Corp.; (ii) breach, violate or constitute an event of default (or an event which with the lapse of time or the giving of notice or both would constitute an event of default) under, give rise to any right of termination, cancellation, modification or acceleration under, or require any consent or the giving of any notice under, any note, bond, indenture, mortgage, security agreement, lease, license, franchise, permit, agreement or other instrument or obligation to which the Parent and/or the Acquisition Corp. are parties, or by which any of them or any of their respective properties or assets may be bound, or result in the creation of any lien, claim or encumbrance of any kind whatsoever upon the properties or assets of the Parent and/or the Acquisition Corp. pursuant to the terms of any such instrument or obligation, other than any breach, violation, default, termination, cancellation, modification or acceleration which would not have a Parent Material Adverse Effect; (iii) violate or conflict with any Law, statute, ordinance, code, rule, regulation, judgment, order, writ, injunction or decree or other instrument of any federal, state, local or foreign court or governmental or regulatory body, agency, association, organization or authority applicable to the Parent and/or the Acquisition Corp. or by which any of their respective properties or assets may be bound, except for such violations or conflicts which would not have a Parent Material Adverse Effect; or (iv) require, on the part of the Parent and/or the Acquisition Corp., any filing or registration with, or permit, license, exemption, consent, authorization or approval of, or the giving of any notice to, any governmental or regulatory body, agency or authority other than any filing, registration, permit, license, exemption, consent, authorization, approval or notice which if not obtained or made would not have a Parent Material Adverse Effect.

4.4. SEC Reports and Financial Statements. The Parent has heretofore delivered or made available to the Company complete and correct copies of all reports and other filings filed by the Parent with the SEC pursuant to the Securities Act and the Exchange Act, and the rules and regulations thereunder since January 1, 2008 (such reports and other filings collectively referred to herein as the "SEC Filings"). The SEC Filings constitute all of the documents required to be filed by the Parent under the Securities Act and Exchange Act since such date. All documents that are required to be filed as exhibits to the SEC Filings have been so filed, and all contracts so filed as exhibits are in full force and effect, except those which are expired in

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accordance with their terms, and neither the Parent nor any of its subsidiaries is in default thereunder. As of their respective dates, the SEC Filings did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The audited financial statements of the Parent included in the SEC Filings comply in all material respects with the published rules and regulations of the SEC with respect thereto, and such audited financial statements (i) were prepared from the books and records of the Parent, (ii) were prepared in accordance with GAAP applied on a consistent basis (except as may be indicated therein or in the notes or schedules thereto), and (iii) present fairly the financial position of the Parent as at the dates thereof and the results of operations and cash flows for the periods then ended, subject to normal year-end adjustments and any other adjustments described therein or in the notes or schedules thereto. The unaudited financial statements included in the SEC Filings comply in all material respects with the published rules and regulations of the SEC with respect thereto and such unaudited financial statements (A) were prepared from the books and records of the Parent, (B) were prepared in accordance with GAAP on a consistent basis (except as may be indicated therein or in the notes or schedules thereto), and (C) present fairly the financial position of the Parent as at the dates thereof and the results of operations and cash flows for the periods then ended, subject to normal year-end adjustments and any other adjustments described therein or in the notes or schedules thereto. The foregoing representations and warranties in this Section 4.4 shall also be deemed to be made with respect to all filings made with the SEC on or before the Closing Date.

4.5. Brokers; Payments. No broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Parent and/or the Acquisition Corp.

4.6. Legal Proceedings, etc. As of the date hereof, there is no action, suit, proceeding, claim or arbitration or, to Parent's knowledge, investigation pending, that would have a Parent Material Adverse Effect, nor, to the knowledge of the Parent, is there a threatened action, suit, proceeding, claim, arbitration or investigation against Parent or any of its subsidiaries that would have a Parent Material Adverse Effect or that in any manner challenges or seeks to prevent, enjoin, alter or delay any of the transactions contemplated by this Agreement.

4.7. Validity of Shares. The shares of Parent Common Stock to be issued in connection with the Merger will, when issued in accordance with this Agreement, be duly authorized, validly issued, fully paid and nonassessable, will not be subject to any preemptive or other statutory right of stockholders, will be issued in compliance with applicable U.S. Federal and state securities laws (assuming the accuracy of the respective Stockholder's representations and warranties contained in such Stockholder's Letter of Transmittal) and will be free of any liens or encumbrances, except for the Parent's repurchase rights with respect to any shares of restricted equity issued following the closing upon termination of such employee's employment relationship or consulting relationship.

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4.8. Disclosure. The Parent has not failed to disclose to the Company any fact known to it that is reasonably more likely than not to have a Parent Material Adverse Effect or impede or impair the ability of the Parent to perform its obligations under this Agreement in any material respect. No representation or warranty by the Parent or the Acquisition Corp. contained in this Agreement and no statement contained, when considered together as a whole, in any of the Parent Disclosure Schedules, and the certificates delivered at Closing by or on behalf of the Parent and/or the Acquisition Corp. contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they are made, not misleading.

ARTICLE V

ADDITIONAL AGREEMENTS

5.1. Fees and Expenses. The Parent, the Acquisition Corp., and the Company shall bear and pay all of their own fees, costs and expenses relating to the transactions contemplated by this Agreement, including, without limitation, the fees, costs and expenses of their respective counsel, accountants, brokers and financial advisors and any retention and/or acquisition related bonuses (including any resulting employment related taxes to the Company), including without limitation those listed on the Allocation Certificate, except that if the transaction contemplated herein is consummated, the Upfront Cash Consideration shall be reduced by the amount of all such fees, costs and expenses and bonuses incurred by the Company in connection with the Merger in excess of *** and to the extent any such fees, costs, expenses and bonuses are not accounted for at the Closing, the Parent shall have the right to offset them against the Future Consideration (together, the "Acquisition Expenses").

5.2. Tax Matters.

(a) All Transfer Taxes, whether incurred by, or levied on, the Company, the Stockholders, the Parent or the Acquisition Corp. or any of their respective Affiliates, successors or assigns, resulting from the Merger transaction contemplated herein, shall be borne by the Stockholders. The party legally responsible for filing Tax Returns related to such Transfer Taxes shall file all necessary Tax Returns and other documentation with respect to all such Transfer Taxes and, if required, by applicable Law, the other parties will join in the execution of any such Tax Returns. To the extent that any Transfer Taxes are required to be paid or collected by one party, the other party shall pay its share of such Transfer Taxes to the first party and the first party shall remit such Transfer Taxes to the applicable Tax Authority.

(b) The Stockholders, the Stockholder Representative, the Company, and the Parent shall cooperate fully, as and to the extent reasonably requested by the other party (at such party's expense), in connection with the filing of Tax Returns of the Company and any audit, litigation, dispute or other proceeding with respect to Taxes of the Company pertaining to any and all taxable periods beginning prior to the Closing Date (a "Tax Proceeding"). Such cooperation shall

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include the retention and (upon the other party's request) the provision of records and information with respect to the Company which are in the possession of any Stockholder, the Stockholder Representative, the Company, or the Parent and are reasonably relevant to any such Tax Return or Tax Proceeding. Without limiting the foregoing, the Stockholders, the Stockholder Representative, the Company, and the Parent will use commercially reasonable efforts to have the former and current officers, directors and employees of the Company cooperate with the Stockholders, the Stockholder Representative, the Company, or the Parent in furnishing information, in connection with the filing of any Tax Return or any Tax Proceeding. The Stockholder Representative shall use its commercially reasonable efforts to cause the Stockholders to transfer to the Parent on or as soon as practicable after the Closing Date (but in no event later than thirty (30) business days after the Closing Date) all books and records with respect to Tax matters directly pertaining to the Company that are in their possession or subject to their direct control; provided, however, that the Stockholders and the Stockholder Representative may retain a copy of any such books and records, if any, relating to the Stockholders' or Stockholder Representative's Taxes. The Stockholder Representative, the Company, and the Parent further agree, upon request, to use their commercially reasonable efforts to obtain any certificate or other document from any Tax Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed on the Company (including with respect to the transactions contemplated hereby).

(c) Parent shall prepare and duly and timely file, or cause to be filed, all Tax Returns of the Company that are required to be filed after the Closing Date for or including any Pre-Closing Tax Period. All such Tax Returns shall be prepared on a basis consistent with past practice, procedures and accounting methods, except as otherwise required by applicable law. Parent shall deliver any such Tax Returns to the Stockholder Representative for its review at least thirty (30) days prior to the filing thereof or, if required to be filed within thirty (30) days after the Closing Date, as soon as possible following the Closing Date and sufficiently in advance of filing that the Stockholder Representative shall have a reasonable opportunity to review and comment on such Tax Returns. Parent shall make any changes to such Tax Returns that are reasonably requested by the Stockholder Representative. Parent shall not, without the Stockholder Representative's written consent, file or cause to be filed any amended Tax Return with respect to a Pre-Closing Tax Period that could have the effect of increasing the Stockholders' Liability for indemnification under ARTICLE VIII hereof with respect to Taxes.

(d) Parent shall promptly remit or cause to be remitted to the Stockholder Representative for payment to the Stockholders any refund or credit of Taxes of the Company received with respect to any Pre-Closing Tax Period, except to the extent that such refund or credit is (i) included as an asset in Closing Net Working Capital or (ii) attributable to the carryback of a Tax attribute attributable to a period other than a Pre-Closing Tax Period.

(e) Each of Parent or the Surviving Corporation, on the one hand, and the Stockholder Representative, on the other hand, shall promptly notify the Stockholder Representative or Parent (as the case may be) in writing of any written notice of a Tax

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Proceeding with respect to Taxes of the Company relating to a Pre-Closing Tax Period which may give rise to a Liability of the Stockholders under ARTICLE VIII. In the case of such a Tax Proceeding that relates solely to any Pre-Closing Tax Period, the Stockholder Representative shall have the right at its own expense to control the conduct of such Tax Proceeding so long as it conducts the defense actively and diligently. Parent may also participate in any such Tax Proceeding at its own expense, and if the Stockholder Representative does not assume or is not conducting the defense of any such Tax Proceeding actively and diligently, Parent may defend the same in such manner as it may deem appropriate, including settling such Tax Proceeding, but not without the Stockholder Representative's written consent, which shall not be unreasonably withheld. With respect to a Tax Proceeding that relates to both a Pre-Closing Tax Period and a Post-Closing Tax Period, the Stockholder Representative will be entitled to participate at its own expense in the defense of any such Tax Proceeding to the extent it relates to a Pre-Closing Tax Period, and Parent shall not settle or otherwise compromise such Tax Proceeding as it relates to a Pre-Closing Tax Period without the Stockholder Representative's written consent, which shall not be unreasonably withheld. Parent and the Stockholder Representative agree to cooperate and to act in good faith, and Parent agrees to cause the Surviving Corporation to cooperate (including providing powers of attorney to the Stockholder Representative and its tax professionals) and to act in good faith, in conducting, and in the defense against or compromise of any Tax Proceeding.

(f) The Company, Parent and Acquisition Corp. agree that none of them shall take any action that would be inconsistent with treating the Merger as a taxable stock purchase for U.S. federal income tax purposes. The Surviving Company shall not, and the Parent shall cause the Surviving Company not to merge with the Parent or any direct or indirect subsidiary of the Parent following the Effective Time to the extent such merger could cause the Merger to be treated as a tax-free reorganization under Section 368(a) of the Code.

(g) Notwithstanding anything to the contrary herein, the Stockholders shall not be liable for any Taxes of the Parent, the Company or the Surviving Corporation attributable to actions not in the ordinary course of business and not contemplated by this Agreement taken by Parent or the Surviving Corporation after the Closing, including an election under Section 338(g) of the Code.

5.3. Appointment of Stockholder Representative.

(a) The Stockholder Representative is hereby appointed as representative of the Stockholders for purposes of this Agreement. The Parent and Acquisition Corp. may rely upon the acts of the Stockholder Representative for all purposes permitted hereunder.

(b) The Stockholder Representative shall have full power of substitution to act in the name, place and stead of the Stockholders in all matters in connection with this Agreement. The Stockholder Representative's power shall include the following powers, without limitation: the power to act for the Stockholders with regard to indemnification obligations hereunder; the power to compromise any claim on behalf of the Stockholders and to transact matters of

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litigation or arbitration in connection with this Agreement; the power to do or refrain from doing all such further acts and things on behalf of the Stockholders that the Stockholder Representative deems necessary or appropriate in his sole discretion, and to execute all such documents as the Stockholder Representative shall deem necessary or appropriate, in connection therewith; and the power to receive service of process in connection with any claims under this Agreement.

(c) The Stockholder Representative shall serve until his or her resignation, death or incapacity, at which time his or her successor shall be appointed by the holders of a majority of the issued and outstanding shares of Company Capital Stock immediately before the Closing voting together as a single class (a "Majority Vote"). Notwithstanding the foregoing, the Stockholders shall be permitted, at their election pursuant to a Majority Vote, to remove or replace the Stockholder Representative and appoint his or her replacement to serve in such role under the terms of this Agreement.

(d) The Stockholder Representative shall act for the Stockholders in the manner the Stockholder Representative believes to be in the best interest of the Stockholders and consistent with his obligations under this Agreement, but shall have no duties or obligations except as specifically set forth in this Agreement. In acting as representative of the Stockholders, the Stockholder Representative may rely upon, and shall be protected in acting or refraining from acting upon, an opinion or advice of counsel, certificate of auditors or other certificate, statement, instrument, opinion, report, notice, request, consent, order arbitrator's award, appraisal, bond or other paper or documents reasonably believed by him to be genuine and to have been signed or presented by the proper party or parties. The Stockholder Representative shall not be personally liable to the Stockholders for any action taken, suffered or omitted by him in good faith and reasonably believed by him to be authorized or within the discretion of the rights or powers conferred upon him by this Section 5.3. The Stockholder Representative may consult with counsel and any advice of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered or omitted by him in such capacity in good faith and in accordance with such opinion of counsel. The Stockholder Representative may perform his duties as Stockholder Representative either directly or by or through his agents or attorneys, and the Stockholder Representative shall not be responsible to the Stockholders for any misconduct or negligence on the part of any agent or attorney appointed with due care by him under this Agreement. No bond shall be required of the Stockholder Representative, and the Stockholders agree, severally but not jointly (in accordance with their Pro Rata Portion), to indemnify the Stockholder Representative for, and to hold the Stockholder Representative harmless against, any loss, liability or expense incurred without willful misconduct or bad faith on the part of the Stockholder Representative, arising out of or in connection with the Stockholder Representative's carrying out its duties under this Agreement, including costs and expenses of successfully defending the Stockholder Representative against any claim of liability with respect thereto, and the Stockholder Representative shall be entitled, in accordance with the terms and subject to the conditions of the Escrow Agreement, to withdraw funds from the Stockholder Representative Escrow Fund to satisfy any such loss, liability, or expense so incurred.

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ARTICLE VI

CONDITIONS TO THE OBLIGATIONS OF THE PARENT AND ACQUISITION CORP.

The obligations of the Parent and the Acquisition Corp. to consummate the transactions contemplated hereby shall be subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions (any of which may be waived in writing by the Parent and the Acquisition Corp. in their sole discretion):

6.1. Representations and Warranties True. The representations and warranties of the Company which are contained in this Agreement, or contained in any Schedule, certificate or instrument delivered or to be delivered pursuant to this Agreement, shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made on and as of the Closing Date.

6.2. Performance. The Company shall have performed and complied in all material respects with all of the obligations under this Agreement which are required to be performed or complied with by it on or prior to the Closing Date.

6.3. Absence of Litigation. No statute, rule or regulation shall have been enacted or promulgated, and no order, decree, writ or injunction shall have been issued and shall remain in effect, by any court or governmental or regulatory body, agency or authority which restrains, enjoins or otherwise prohibits the consummation of the transactions contemplated hereby, and no action, suit or proceeding before any court or governmental or regulatory body, agency or authority shall have been instituted by any person (or instituted or threatened by any governmental or regulatory body, agency or authority), and no investigation by any governmental or regulatory body, agency or authority shall have been commenced with respect to the transactions contemplated hereby or with respect to the Company which reasonably could have a material adverse effect on the transactions contemplated hereby or is reasonably likely to result in a Company Material Adverse Effect.

6.4. Consents. All approvals, consents, licenses, permits, orders, waivers and authorizations required to be obtained by the Company or the Stockholders in connection with the Merger and the transactions contemplated by this Agreement as set forth on Schedule 6.4 attached hereto shall have been obtained and shall be in full force and effect.

6.5. Additional Agreements. An Employment Agreement with John Roswech shall have been executed and delivered to the Parent and the Acquisition Corp.

6.6. FIRPTA. The Company shall have delivered to the Parent a notice that the Company Capital Stock is not a “U.S. Real Property Interest” in accordance with the Treasury Regulations under Sections 897 and 1445 of the Code.

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6.7. Certificate of Merger. The Company shall have executed and delivered to the Parent counterparts of the Certificate of Merger to be filed with the Secretary of State of the State of Delaware in connection with the Merger.

6.8. Material Adverse Effect. There shall not have occurred any event which is or reasonably could result in a Company Material Adverse Effect.

6.9. Stockholder Approval; Dissenter's Rights. Stockholders holding at least *** of the outstanding shares of Company Common Stock (calculated on an as converted basis) shall have approved this Agreement, and the transactions contemplated hereby and thereby. Stockholders holding not more than *** of the outstanding shares of Company Capital Stock (calculated on an as converted basis) shall have exercised, or have continuing rights to exercise, appraisal or dissenters' rights under the DGCL with respect to the transactions contemplated by this Agreement (each, a "Dissenting Share Payment").

6.10. Supporting Documents. The Company shall have delivered to the Parent a certificate (i) of the Secretary of State of the State of Delaware dated as of the Closing Date, certifying as to the corporate legal existence and good standing of the Company; and (ii) of the Secretary or Assistant Secretary of the Company dated the Closing Date, certifying on behalf of the Company (w) that attached thereto is a true and complete copy of the certificate of incorporation of the Company, as in effect on the date of such certification; (x) that attached thereto is a true and complete copy of the by-laws of the Company, as in effect on the date of such certification; (y) that attached thereto is a true and complete copy of all resolutions adopted by the Board of Directors and the Stockholders, authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby; and (z) to the incumbency and specimen signature of each officer of the Company, executing on behalf of the Company this Agreement and the other agreements related hereto, and (iii) resignations of all officers and directors of the Company as of the Effective Time.

6.11. Release of Liens. The Company shall have obtained to the satisfaction of the Parent and the Acquisition Corp., the releases from creditors needed to terminate any security interests in the assets of the Company, if any.

ARTICLE VII

CONDITIONS TO THE OBLIGATIONS OF THE COMPANY.

The obligation of the Company to consummate the transactions contemplated hereby shall be subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions (any of which may be waived in writing by the Company and the Stockholders in their sole discretion):

7.1. Representations and Warranties True. The representations and warranties of each of the Parent and the Acquisition Corp. contained in this Agreement, or contained in any

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Schedule, certificate or other instrument or document delivered or to be delivered pursuant to this Agreement, shall be true and correct in all material respects at and as of the Closing Date as though such representations and warranties were made on and as of the Closing Date.

7.2. Performance. The Parent and the Acquisition Corp. shall have performed and complied in all material respects with all of the obligations under this Agreement which are required to be performed or complied with by them on or prior to the Closing Date.

7.3. Absence of Litigation. No statute, rule or regulation shall have been enacted or promulgated, and no order, decree, writ or injunction shall have been issued and shall remain in effect, by any court or governmental or regulatory body, agency or authority which restrains, enjoins or otherwise prohibits the consummation of the transactions contemplated hereby, and no action, suit or proceeding before any court or governmental or regulatory body, agency or authority shall have been instituted by any person (or instituted or threatened by any governmental or regulatory body, agency or authority) and no investigation by any governmental or regulatory body, agency or authority shall have been commenced with respect to the transactions contemplated hereby or with respect to the Parent and/or the Acquisition Corp. which would have a material adverse effect on the transactions contemplated hereby or is reasonably likely to result in a Parent Material Adverse Effect.

7.4. Consents. All approvals, consents, licenses, permits, orders, waivers and authorizations required to be obtained by the Parent and/or the Acquisition Corp. in connection with the Merger and the transactions contemplated by this Agreement shall have been obtained and shall be in full force and effect.

7.5. Additional Agreements. The Parent shall have executed and delivered counterparts of the employment agreement referred to in Section 6.5 hereof.

7.6. Material Adverse Effect. There shall not have occurred any event which is or reasonably could result in a Parent Material Adverse Effect.

7.7. Merger Consideration. At the Closing, the Parent shall distribute the Upfront Cash Consideration in accordance with Section 2.3.

7.8. Certificate of Merger. The Parent shall have executed and delivered to the Company counterparts of the Certificate of Merger to be filed with the Secretary of State of the State of Delaware in connection with the Merger.

7.9. Supporting Documents. The Parent shall have delivered to the Company and the Stockholders (i) a certificate of the Secretary of State of the State of Delaware dated as of the Closing Date, certifying as to the corporate legal existence and good standing of the Parent and the Acquisition Corp., and (ii) a certificate of the Secretary of the Parent and the Acquisition Corp., dated the Closing Date, certifying on behalf of the Parent and the Acquisition Corp. (w) that attached thereto is a true and complete copy of the Certificate of Incorporation of the Parent,

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as in effect on the date of such certification; (x) that attached thereto is a true and complete copy of the By-Laws of the Parent and the Acquisition Corp. as in effect on the date of such certification; (y) that attached thereto is a true and complete copy of all resolutions adopted by the Board of Directors of the Parent and the Acquisition Corp. authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby; and (z) to the incumbency and specimen signature of each officer of the Parent executing on behalf of the Parent and the Acquisition Corp. this Agreement and the other agreements related hereto.

ARTICLE VIII

INDEMNIFICATION; SURVIVAL OF REPRESENTATIONS AND WARRANTIES

8.1. Indemnity Obligations. Subject to the provisions of this ARTICLE VIII hereof, each of the Stockholders by adoption of this Agreement and approval of the transactions contemplated hereby, severally, but not jointly, agree to indemnify and hold the Parent and the Acquisition Corp. (including their respective representatives and Affiliates) harmless from, and to reimburse the Parent for, any Losses directly or indirectly arising out of, based upon or resulting from (i) any inaccuracy in or breach of any representation or warranty of the Company set forth in ARTICLE III of this Agreement or any Schedule or certificate delivered by the Company pursuant hereto; (ii) any inaccuracy in or breach of any representation or warranty of such Stockholder set forth in the Letter of Transmittal or any other agreement delivered by such Stockholder pursuant hereto; (iii) any breach or nonfulfillment of, or any failure to perform, any of the covenants, agreements or undertakings of such Stockholder set forth in the Letter of Transmittal or any other agreement delivered by such Stockholder pursuant hereto; (iv) any Dissenting Share Payments; and (v) any claims by any current or former holder of any equity interest or equity security of the Company (including any predecessor), including any Company Capital Stock, Company Options, Company Warrants or other Company Stock Rights, relating to or arising out of this Agreement and the transactions contemplated hereby, including any Losses due to any inaccuracy or incompleteness of the Allocation Certificate (including any Third Party Claim to any portion of the Merger Consideration).

8.2. Notification of Claims.

(a) Subject to the provisions of Section 8.3 below, in the event of the occurrence of an event pursuant to which the Parent shall seek indemnity pursuant to Section 8.1, the Parent shall provide the Stockholders with prompt written notice (a "Claim Notice") of such event and shall otherwise promptly make available to the Stockholders, and if applicable such Stockholder, all relevant information which is material to the claim and which is in the possession of the Parent. The Parent's failure to give a timely Claims Notice or to promptly furnish the Stockholders, and if applicable such Stockholder, with any relevant data and documents in connection with any Third-Party Claim shall not constitute a defense (in part or in whole) to any

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claim for indemnification by such party, except and only to the extent that such failure shall result in any prejudice to the indemnified party.

(b) The Stockholders and, if such indemnity is sought against a Stockholder pursuant to Section 8.1(ii) or 8.1(iii) above, the Stockholder against whom indemnification is sought shall have the right to elect to join in, through counsel of its choosing reasonably acceptable to the Parent, the defense, settlement, adjustment or compromise of any claim of any third party (a "Third Party Claim") for which indemnification will be sought by the Parent; provided, however, that the Parent shall control such defense, settlement, adjustment or compromise in good faith consultation with the Stockholders or Stockholder. The expense of any such counsel chosen by the Stockholders or, if applicable, such Stockholder, shall be borne by the Stockholders or such Stockholder. The Parent shall have the right to settle any such Third Party Claim; provided, however, that the Parent may not effect the settlement, adjustment or compromise of any such Third Party Claim without the written consent of the Stockholders or, if applicable, the Stockholder, which consent shall not be unreasonably withheld, delayed or conditioned.

(c) Notwithstanding the other provisions of this Section 8.2, if a third party asserts (other than by means of a lawsuit) that the Parent or Surviving Corporation is liable to such third party for a monetary or other obligation for which the Parent expects to seek indemnification pursuant to this ARTICLE VIII, and the Parent reasonably determines that it has a valid business reason to fulfill such obligation, then (i) the Parent shall be entitled to satisfy such obligation, without prior notice to or consent from the Stockholders, (ii) the Parent may subsequently make a claim for indemnification in accordance with the provisions of this ARTICLE VIII, and (iii) the Parent shall be reimbursed, in accordance with the provisions of this ARTICLE VIII, for any such Losses for which it is entitled to indemnification pursuant to this ARTICLE VIII (subject to the right of the Stockholders to dispute the Parent's entitlement to indemnification, or the amount for which it is entitled to indemnification, under the terms of this ARTICLE VIII).

(d) This Section 8.2 shall not apply to any Tax Proceedings, which shall instead by governed by Section 5.2(e).

8.3. Duration. All representations and warranties set forth in this Agreement and any Schedules or certificates delivered pursuant hereto or thereto, and all covenants, agreements and undertakings of the parties contained in or made pursuant to this Agreement and any Schedules or certificates delivered pursuant hereto or thereto, and the rights of the parties to seek indemnification with respect thereto (all of the foregoing collectively, the "Indemnifiable Matters"), shall survive the Closing but, except in respect of any claims for indemnification as to which a Claim Notice shall have been duly given and also as provided in the immediately following sentence, all indemnity obligations for all Indemnifiable Matters shall expire on the *** anniversary of the Closing Date except as provided in Schedule 8.3 hereto (the "Release Date"). Notwithstanding the foregoing, Indemnifiable Matters arising from breaches of the representations, warranties and covenants set forth in Sections ***, shall each survive the Closing Date until the *** anniversary of the Closing Date (all such obligations collectively, the "Excluded Obligations"). Notwithstanding the foregoing, claims relating to or arising from fraud

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by a party against whom relief is sought shall be independent of, and shall not be limited by, the Agreement and shall survive the Closing Date indefinitely.

8.4. Liability; Offset. The Parent and the Acquisition Corp. agree that the right to indemnification pursuant to this ARTICLE VIII shall constitute the Parent's and the Surviving Corporation's sole and exclusive remedy and recourse against the Stockholders in connection with the transactions contemplated hereby, including without limitation, relating to any misrepresentation or inaccuracy in or breach of any of the representations or warranties or covenants hereby whether in tort, contract or otherwise. Except with respect to the Excluded Obligations the maximum aggregate liability of the Stockholders shall be limited to *** of the Merger Consideration (valuing such shares of Parent Common Stock included in the Merger Consideration as provided in Sections 2.1(a) and 2.1(b) above as the case may be) (the "Offset Amount") and of any Stockholder shall be limited to such Stockholder's Pro Rata Portion of the Losses up to such Stockholder's Pro Rata Portion of the Offset Amount and the maximum aggregate liability of the Stockholders (for the Excluded Obligations or otherwise hereunder) shall be limited to the Merger Consideration and of any Stockholder (for the Excluded Obligations or otherwise hereunder) shall be limited to such Stockholder's Pro Rata Portion of the Losses up to such Stockholder's Pro Rata Portion of the Merger Consideration (valuing such shares of Parent Common Stock included in the Merger Consideration as provided in Sections 2.1(a) and 2.1(b) above as the case may be). The Parent shall first offset against the Future Consideration any amounts due to it pursuant to this ARTICLE VIII.

8.5. No Contribution. The Company and the Stockholders hereby waive, acknowledge and agree that the Company and the Stockholders shall not have and shall not exercise or assert (or attempt to exercise or assert), any right of contribution or right of indemnity against the Parent or the Acquisition Corp. in connection with any indemnification payments which the Company or the Stockholders are required to make under this ARTICLE VIII. Nothing contained in this ARTICLE VIII shall limit a Stockholder's right of contribution or right of indemnity from another Stockholder.

8.6. Treatment of Indemnity Payments. All payments made pursuant to this ARTICLE VIII pertaining to any indemnification obligations shall be treated as adjustments to the purchase price of the Company Capital Stock for Tax purposes and such agreed treatment shall govern for purposes of this Agreement, unless otherwise required by Law.

8.7. Calculation of Losses. ***.

8.8. No Double Recovery. Neither the Parent or any of its Affiliates shall be entitled to indemnification under this ARTICLE VIII for any amount to the extent such Parent has been previously indemnified or otherwise compensated for such amount pursuant to this Agreement, including pursuant to Section 2.6 hereof.

8.9. No Additional Representations. The Company and the Stockholders have not made and are not making, and each other party hereby acknowledges, represents and warrants

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that it has not relied upon, any representation, warranty, covenant or agreement, express or implied, with respect to the matters contained in this Agreement other than the explicit representations, warranties, covenants and agreements set forth herein.

ARTICLE IX

REGISTRATION RIGHTS

9.1. Registrable Shares. For purposes of this Agreement, "Registrable Shares" shall mean the Upfront Registrable Shares and the Future Registrable Shares and any other securities issued as a dividend or other distribution with respect to, or in exchange for or in replacement of, such shares; "Upfront Registrable Shares" shall mean shares of Parent Common Stock issued as the Upfront Equity Consideration and "Future Registrable Shares" shall mean the Parent's Class B common stock, if any, issued as part of Future Consideration. "Future Registration Statement" shall mean an effective re-sale shelf registration statement covering the re-sale of Future Registrable Shares by the recipients thereof required as a condition to issuing Class B common stock as part of Future Consideration. The rights of each Stockholder under this ARTICLE may be assigned to any affiliate of such Stockholder that holds Registrable Shares.

9.2. Required Registration. Parent shall use reasonable best efforts to prepare and file with the SEC a registration statement on Form S-3 under the Securities Act with respect to the resale of the Registrable Shares (the "Upfront Registration Statement" and together with any Future Registration Statement, the "Registration Statements") within thirty (30) days of the Closing as to the Upfront Equity Consideration and shall use reasonable best efforts to effect all such registrations, qualifications and compliances (including, without limitation, obtaining appropriate qualifications under applicable state securities or "blue sky" Laws and compliance with any other applicable governmental requirements or regulations) as the Stockholders may reasonably request and that would permit or facilitate the sale of Registrable Shares (provided however that Parent shall not be required in connection therewith to qualify to do business or to file a general consent to service of process in any such state or jurisdiction).

9.3. Effectiveness; Suspension Right.

(a) Parent will use its best efforts to cause the Upfront Registration Statement to become and remain effective for six (6) months from the Closing under the Securities Act and will use its best efforts to cause each Future Registration Statement, if any, to remain effective under the Securities Act for six (6) months from the issuance of the shares registered for re-sale thereunder (including, in each case, without limitation the filing of any amendments or other documents necessary for such effectiveness) and from time to time will amend or supplement each Registration Statement and the prospectus contained therein as and to the extent necessary to comply with the Securities Act, the Exchange Act and any applicable state securities statute or regulation, subject to the following limitations and qualifications. Parent will notify Stockholders promptly upon the Upfront Registration Statement being declared effective or when a supplement to any prospectus forming a part of any Registration Statement has been filed.

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(b) Following such date as a Registration Statement is first declared effective, the Stockholders will be permitted to offer and sell the Registrable Shares registered therein during the registration effective period in the manner described in the Registration Statement (which description will be reasonably acceptable to the Stockholders) provided that the Registration Statement remains effective and has not been suspended.

(c) Notwithstanding any other provision of this ARTICLE IX, Parent shall have the right at any time to require that the Stockholders suspend further open market offers and sales of Registrable Shares pursuant to the Registration Statement whenever, and for so long as, in the reasonable judgment of Parent, upon written advice of counsel, there is in existence material undisclosed information or events with respect to Parent, the disclosure of which would be materially detrimental to the Company, because such disclosure would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential (the "Suspension Right"). In the event Parent exercises the Suspension Right, such suspension will begin on the date a notice of such suspension is provided to each Stockholder and shall continue for the period of time reasonably necessary for disclosure to occur at the earliest time that such disclosure would not have a material adverse effect on Parent, as determined in good faith by Parent after consultation with counsel, provided in no event may any such suspension be for more than ten consecutive business days nor may all such suspensions total more that twenty business days in any six month period. Parent will promptly give the Stockholders written notice of any such suspension and will use its best efforts to minimize the length of the suspension.

9.4. Expenses. The costs and expenses to be borne by Parent for purposes of this ARTICLE IX shall include, without limitation, printing expenses (including a reasonable number of prospectuses for circulation by the Stockholders), legal fees and disbursements of counsel for Parent, "blue sky" expenses, accounting fees and filing fees, but shall not include underwriting commissions or similar charges, legal fees and disbursements of counsel (if any) for the Stockholders.

9.5. Indemnification.

(a) To the extent permitted by Law, Parent will indemnify and hold harmless each Stockholder, any underwriter (as defined in the Securities Act) for a Stockholder, its officers, directors, stockholders or partners and each Person, if any, who controls or is alleged to control a Stockholder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state Law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "Violation"): (A) any untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Registration Statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (B) the omission or alleged

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omission to state or incorporate by reference therein a material fact required to be stated or incorporated by reference therein, or necessary to make the statements included or incorporated by reference therein not misleading, or (C) any violation or alleged violation by Parent of the Securities Act, the Exchange Act, any state securities Law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities Law; and Parent will pay to such Stockholder, underwriter or controlling Person, any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, Liability, or action; provided, however, that the indemnity agreement contained in this Section 9.5(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, Liability, or action if such settlement is effected without the consent of Parent (which consent may not be unreasonably withheld); nor shall Parent be liable to any Stockholder in any such case for any such loss, claim, damage, Liability, or action to the extent that it arises out of or is based upon (i) a Violation which occurs in reliance upon and in conformity with written information furnished by such Stockholder expressly for use in the Registration Statement, or (ii) a Violation that would not have occurred if the Stockholders had delivered to the purchaser the version of the Prospectus most recently provided by Parent to the Stockholder as of a date prior to such sale.

(b) To the extent permitted by Law, each Stockholder will indemnify and hold harmless Parent, each of its directors, each of its officers who has signed the Registration Statement, each Person, if any, who controls Parent within the meaning of the Securities Act, any underwriter, and any controlling Person of any such underwriter, and each other Stockholder against any losses, claims, damages, or liabilities (joint or several) to which any of the foregoing Persons may become subject, under the Securities Act, the Exchange Act or other federal or state Law, insofar as, and only to the extent that, such losses, claims, damages, or liabilities (or actions in respect thereto) arise out of or are based upon any Violation (which includes without limitation the failure of such Stockholder to deliver the most current prospectus provided by Parent prior to the date of such sale), in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Stockholder expressly for use in the Registration Statement or such Violation is caused by such Stockholder's failure to deliver to the purchaser of such Stockholder's Registrable Shares a prospectus (or amendment or supplement thereto) that had been provided to such Stockholder by Parent prior to the date of the sale; and such Stockholder will pay any legal or other expenses reasonably incurred by any Person intended to be indemnified pursuant to this Section 9.5(b) in connection with investigating or defending any such loss, claim, damage, Liability, or action; provided, however, that the indemnity agreement contained in this Section 9.5(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, Liability or action if such settlement is effected without the consent of such Stockholder, which consent shall not be unreasonably withheld. The aggregate indemnification and contribution Liability of such Stockholder under this Section 9.5(b) and 9.5(d) below shall not exceed the net proceeds received by such Stockholder in connection with sale of shares pursuant to the Registration Statement.

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(c) Each Person entitled to indemnification under this Section 9.5 (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought and shall permit the Indemnifying Party to assume the defense of any such claim and any litigation resulting therefrom, provided that counsel for the Indemnifying Party who conducts the defense of such claim or any litigation resulting therefrom shall be approved by the Indemnified Party (whose approval shall not unreasonably be withheld), and the Indemnified Party may participate in such defense at such party's expense, and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 9.5 unless the Indemnifying Party is materially prejudiced thereby. No Indemnifying Party, in the defense of any such claim or litigation, shall (except with the consent of each Indemnified Party) consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all Liability in respect to such claim or litigation. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with the defense of such claim and litigation resulting therefrom.

(d) To the extent that the indemnification provided for in this Section 9.5 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss, Liability, claim, damage or expense referred to herein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, Liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one had and of the Indemnified Party on the other in connection with the statements or omissions which resulted in such loss, Liability, claim, damage or expense, as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue of alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

9.6. Procedures for Sale of Shares Under Registration Statement.

(a) Delivery of Prospectus. For any offer or sale of any of the Registrable Shares by a Stockholder in a transaction that is not exempt under the Securities Act, such Stockholder shall deliver to the purchaser the version of the Prospectus most recently provided by Parent to the Stockholder as of a date prior to such sale.

(b) Copies of Prospectuses. Subject to the provisions of this Section 9.6, when a Stockholder is entitled to sell Registrable Shares pursuant to the Registration Statement, Parent shall, within two (2) trading days following the request, furnish to such Stockholder a reasonable

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number of copies of a supplement to or in amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Shares, such prospectus shall not as of the date of delivery to such Stockholder include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statement therein not misleading or incomplete in the light of the circumstances then existing.

9.7. Removal of Restrictive Legends. At any time after the date that is six (6) months following the issuance of any Registrable Shares, the Parent shall, upon the request of any Stockholder, issue new stock certificates representing such shares without restrictive legends if such Stockholder is not then an affiliate of the Parent within the meaning of Rule 144 promulgated under the Securities Act.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1. Amendment. This Agreement may be amended by the parties hereto at any time by execution of an instrument signed on behalf of the party against whom enforcement is sought.

10.2. Waiver of Compliance. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, covenant or agreement contained herein may be waived only by a written notice from the party or parties entitled to the benefits thereof. No failure by any party hereto to exercise, and no delay in exercising, any right hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or future exercise of that right by that party.

10.3. Notices. All notices and other communications hereunder shall be deemed given if given in writing and delivered personally, by registered or certified mail, return receipt requested, postage prepaid, or by overnight courier to the party to receive the same at its respective address set forth below (or at such other address as may from time to time be designated by such party to the others in accordance with this Section 10.3):

(a) if to the Company to:

Jingle Networks, Inc.
475 Park Avenue South
10th Floor
New York, NY 10016
Attention: John Roswech

with copies to:

Ropes & Gray LLP
Prudential Tower

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800 Boylston Street
Boston, MA 02199
Attention: Joel Freedman, Esq.

(b) if to the Stockholders, to the Stockholder Representative:

Chip Hazard
c/o Flybridge Capital Partners
500 Boylston Street
Boston, MA 02116

(c) if to the Parent or the Acquisition Corp., to:

Marchex, Inc.
520 Pike Street, Suite 2000
Seattle, WA 98101
Attention: Ethan A. Caldwell, General Counsel

with copies to:

DLA Piper LLP (US)
33 Arch Street, 26th floor
Boston, MA 02110
Attention: Francis J. Feeney, Jr., Esq.

All such notices and communications hereunder shall be deemed given when received, as evidenced by the signed acknowledgment of receipt of the person to whom such notice or communication shall have been personally delivered, the acknowledgment of receipt returned to the sender by the applicable postal authorities or the confirmation of delivery rendered by the applicable overnight courier service.

10.4. Binding Effect; Assignment. This Agreement, and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither this Agreement nor any rights, duties or obligations hereunder shall be assigned by any party hereto without the prior written consent of the other parties hereto, except by the Parent to any successor to its business or to any Affiliate as long as the Parent remains ultimately liable for all of the Parent's obligations hereunder.

10.5. No Third Party Beneficiaries. Neither this Agreement or any provision hereof nor any Schedule, certificate or other instrument delivered pursuant hereto, nor any agreement to be entered into pursuant hereto or any provision hereof, is intended to create any right, claim or remedy in favor of any person or entity, other than the parties hereto and their respective successors and permitted assigns and any other parties indemnified under ARTICLE VIII. Notwithstanding the foregoing, (i) the Stockholders shall be third party beneficiaries of this

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Agreement and (ii) the holders of Company Options shall be third party beneficiaries of Section 2.1(c)(iv).

10.6. Public Announcements. Promptly after the date of execution hereof and the Closing Date, the Parent shall issue a press release in such form as reasonably acceptable to the Company and none of the parties hereto shall, except as agreed by the Parent and the Company, or except as may be required by Law or applicable regulatory authority (including without limitation the rules applicable to Nasdaq Global Select Market companies), issue any other reports, releases, announcements or other statements to the public relating to the transactions contemplated hereby.

10.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.8. Headings. The article and section headings contained in this Agreement are solely for convenience of reference, are not part of the agreement of the parties and shall not be used in construing this Agreement or in any way affect the meaning or interpretation of this Agreement.

10.9. Entire Agreement. This Agreement, and the Schedules, certificates and other instruments and documents delivered pursuant hereto, together with the other agreements referred to herein and to be entered into pursuant hereto, embody the entire agreement of the parties hereto in respect of, and there are no other agreements or understandings, written or oral, among the parties relating to the subject matter hereof. This Agreement supersedes all other prior agreements and understandings, written or oral, between the parties with respect to such subject matter including the Letter of Intent between the parties dated as of March 10, 2010 and the Letter of Intent between the parties dated as of February 24, 2011.

10.10. Governing Law. The parties hereby agree that this Agreement, and the respective rights, duties and obligations of the parties hereunder, shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof and, as to all other matters, shall be governed by and construed with the laws of the State of Delaware, without giving effect to principles of conflicts of law thereunder. Each of the parties hereby (i) irrevocably consents and agrees that any legal or equitable action or proceeding arising under or in connection with this Agreement shall be brought exclusively in the federal or state courts located in the state of Delaware and any court to which an appeal may be taken in any such litigation, and (ii) by execution and delivery of this Agreement, irrevocably submits to and accepts, with respect to any such action or proceeding, for itself and in respect of its properties and assets, generally and unconditionally, the jurisdiction of the aforesaid courts, and irrevocably waives any and all rights such party may now or hereafter have to object to such jurisdiction.

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10.11. Severability. In the event that any clause or portion of this Agreement shall be held to be invalid, illegal, unenforceable, or in violation of any Law or public policy, such a finding shall not affect the balance of the terms contained herein, and the parties shall be charged with the responsibility of continuing to carry out the terms and conditions of this Agreement in a manner consistent therewith. Moreover, if one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to scope, activity or subject or otherwise unreasonable so as to be unenforceable at Law, such provision or provisions shall be construed by the appropriate judicial body by limiting and reducing it or them, so as to be enforceable to the maximum extent compatible with the applicable Law as it shall then appear.

10.12. Specific Performance. In addition to any and all other remedies that may be available at Law in the event of any breach of this Agreement, the parties hereto shall be entitled to specific performance of the agreements and obligations hereunder and to such other injunctive or other equitable relief as may be granted by a court of competent jurisdiction, without the necessity of posting a bond or proving actual damages.

10.13. Disclosure Schedules. Nothing in any Schedule or any supplement to or amendment of any such Schedule shall be deemed adequate to disclose an exception to a representation or warranty made herein unless such Schedule identifies the exception with reasonable particularity and describes the relevant facts in reasonable detail; provided, however, that information disclosed in any section of the Disclosure Schedules shall be deemed disclosed and incorporated by reference in each other section of the Disclosure Schedule to the extent it is reasonably apparent on its face that it applies for such other section.

10.14. Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state or local statute or Law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word “including” shall mean including without limitation. Wherever required by the context, as used in this Agreement, the singular number shall include the plural, the plural shall include the singular and all words herein in any gender shall be deemed to include the masculine, feminine and neutral genders. The parties hereto intend that each representation, warranty, and covenant contained herein shall have independent significance. If any party has breached any representation, warranty, or covenant contained herein in any respect, the fact that there exists another representation, warranty, or covenant relating to the same subject matter (regardless of the relative levels of specificity) which such party has not breached shall not detract from or mitigate the fact that such party is in breach of the first representation, warranty, or covenant.

10.15. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY AND ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT, OR

OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PARTY HERETO IN NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

ARTICLE XI

DEFINITIONS

11.1. Certain Definitions. As used in this Agreement, the following terms shall have the meanings indicated below:

"18-Month Payment Date" has the meaning set forth in Section 2.1 of the Agreement.

"Acquisition Corp." means the wholly-owned subsidiary of Parent as set forth in the preamble to the Agreement.

"Acquisition Expenses" has the meaning set forth in Section 5.1 of the Agreement.

"Affiliate" means, with respect to the Person to which it refers, a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, such Person.

"Agreement" has the meaning set forth in the preamble of the Agreement.

"Allocation Certificate" has the meaning set forth in Section 2.1 of the Agreement.

"Audited Financial Statements" has the meaning set forth in Section 3.6 of the Agreement.

"Balance Sheet" has the meaning set forth in Section 3.6 of the Agreement.

"Certificate" has the meaning set forth in Section 2.3 of the Agreement.

"Certificate of Merger" has the meaning set forth in Section 1.2 of the Agreement.

"Change of Control" means (x) an event when any "person", as such term is used in Sections 13(d) and 14(d) of the Exchange Act, except for an existing shareholder of Parent as of the date hereof, is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Parent representing more than fifty percent (50%) of the voting power of the Parent's then outstanding securities, other than as a result of the purchase of equity securities directly from the Parent in connection with a financing transaction; (y) the consummation of a merger or consolidation of the Parent with or into another entity or any other corporate reorganization, if more than fifty percent (50%) of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization is owned by persons who were not stockholders of

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the Parent immediately prior to such merger, consolidation or other reorganization; or (z) the Parent sells, transfers or otherwise disposes of (in one transaction or a series of related transactions) all or substantially all of its respective assets or adopts any plan or proposal for its liquidation or dissolution. A Change of Control shall not occur if the person, surviving entity, or transferee is a wholly-owned (direct or indirect) subsidiary of Parent; provided, however, that a Change of Control shall occur upon a Change of Control of such wholly-owned subsidiary.

"Claim Notice" has the meaning set forth in Section 8.2 of the Agreement.

"Closing" has the meaning set forth in Section 1.2 of the Agreement.

"Closing Date" has the meaning set forth in Section 1.2 of the Agreement.

"Closing Indebtedness" has the meaning set forth in Section 2.6 of the Agreement.

"Closing Market Price" means the average of the last quoted sale price for shares of Parent Common Stock on The Nasdaq Global Select Market for the *** trading days immediately prior to the date of calculation.

"Closing Net Working Capital" has the meaning set forth in Section 2.6 of the Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" has the meaning set forth in the preamble to this Agreement.

"Company Capital Stock" has the meaning set forth in Section 3.4 of the Agreement.

"Company Change in Control Plan" has the meaning set forth in Section 3.4 of the Agreement.

"Company Common Stock" has the meaning set forth in Section 3.4 of the Agreement.

"Company Common Stock 18-Month Per Share Consideration" has the meaning set forth in the Allocation Certificate.

"Company Common Stock Closing Per Share Consideration" has the meaning set forth in the Allocation Certificate.

"Company Common Stock One-Year Per Share Consideration" has the meaning set forth in the Allocation Certificate.

"Company Disclosure Schedules" has the meaning set forth in the preamble to ARTICLE III of the Agreement.

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"Company Employee Plan" means any plan, program, policy, practice, contract, agreement or other arrangement (written or oral) providing for deferred compensation, profit sharing, bonus, severance, termination pay, performance awards, stock or stock-related awards, fringe benefits, welfare, pension or other employee benefits or remuneration of any kind, whether formal or informal, funded or unfunded, including each "employee benefit plan" within the meaning of Section 3(3) of ERISA, which is or has been maintained, contributed to, or required to be contributed to, by the Company or ERISA Affiliates for the benefit of any Employee, or pursuant to which the Company has or may have any material Liability, contingent or otherwise.

"Company Incentive Plan" has the meaning set forth in Section 3.4 of the Agreement.

"Company Intellectual Property" means any Intellectual Property that is owned by, or exclusively licensed to, the Company.

"Company Material Adverse Effect" means any change, event or effect that is, or that is reasonably likely to be, materially adverse to the business, operations, assets, Liabilities, prospects, financial condition or results of operations of the Company, taken as a whole; ***.

"Company Option" has the meaning set forth in Section 3.4 of the Agreement.

"Company Plans" has the meaning set forth in Section 3.4 of the Agreement.

"Company Preferred Stock" has the meaning set forth in Section 3.4 of the Agreement.

"Company Preferred Stock 18-Month Per Share Consideration" has the meaning set forth in the Allocation Certificate.

"Company Preferred Stock Closing Per Share Consideration" has the meaning set forth in the Allocation Certificate.

"Company Preferred Stock One-Year Per Share Consideration" has the meaning set forth in the Allocation Certificate.

"Company Restricted Stock" has the meaning set forth in Section 3.4 of the Agreement.

"Company Unrestricted Stock" has the meaning set forth in Section 3.4 of the Agreement.

"Company Stock Rights" means (i) all outstanding Company Options, and (ii) all other outstanding subscriptions, options, calls, warrants or any other rights, whether or not currently exercisable, to acquire any shares of Company Capital Stock or that are or may become convertible into or exchangeable for any shares of Company Capital Stock or another Company Stock Right.

[***] Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

"Data" has the meaning set forth in Section 3.6 of the Agreement.

"DGCL" means the Delaware General Corporation Law.

"Dissenting Shares" has the meaning set forth in Section 2.2 of the Agreement.

"Dissenting Share Payment" has the meaning set forth in Section 6.9 of the Agreement.

"DOL" means the United States Department of Labor.

"Effective Time" has the meaning set forth in Section 1.2 of the Agreement.

"Employee" or ***"Employees"*** means any current or retired employee, officer, or director of the Company.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means any Person that, together with the Company, would be treated as a single employer under Section 414 of the Code or Section 4001 of ERISA and the regulations thereunder.

"Escrow Agent" means Wells Fargo Bank, National Association.

"Escrow Agreement" means that certain escrow agreement dated as of the date hereof by and among the Stockholder Representative, the Stockholders and the Escrow Agent.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

"Excluded Obligations" has the meaning set forth in Section 8.3 of the Agreement.

"Final Net Working Capital and Indebtedness Schedule" has the meaning set forth in Section 2.6 of the Agreement.

"Final Accounting Firm" has the meaning set forth in Section 2.6 of the Agreement.

"Financial Statements" has the meaning set forth in Section 3.6 of the Agreement.

"Future Consideration" has the meaning set forth in Section 2.1 of the Agreement.

"Future Registrable Shares" has the meaning set forth in Section 9.1 of the Agreement.

"Future Registration Statement" has the meaning set forth in Section 9.1 of the Agreement.

[***] Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

"GAAP" has the meaning set forth in Section 3.6 of the Agreement.

"Generally Available Software" means software, including Open Source Materials, obtained from a third party on generally available terms and which continues to be widely available on such terms.

"Governmental Entities" means any court, administrative agency or commission or other federal, state, county, local or foreign governmental authority, instrumentality, agency or commission.

"Indebtedness" means (i) indebtedness for borrowed money, or guarantees of any such indebtedness, for which the Company is obligated, including the principal amount, plus accrued but unpaid interest thereon, of debt securities of the Company and (ii) any Liabilities relating to any capital lease obligation of the Company, and shall include any prepayment penalties or other amounts payable in connection with any such indebtedness or Liabilities.

"Indemnifiable Matters" has the meaning set forth in Section 8.3 of the Agreement.

"Indemnified Party" has the meaning set forth in Section 9.5 of the Agreement.

"Indemnifying Party" has the meaning set forth in Section 9.5 of the Agreement.

"Intellectual Property" means any or all of the following and all rights in, arising out of, or associated therewith: (i) all United States, international and foreign patents and applications therefor and all reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof; (ii) all inventions (whether patentable or not), invention disclosures, improvements, trade secrets, proprietary information, know how, technology, technical data and customer lists, computer programs and other computer software, user interfaces, processes and formulae, source code, object code, algorithms, architecture, structure, display screens, layouts, development tools, instructions, templates and marketing materials, designs and all documentation relating to any of the foregoing; (iii) all copyrights, copyrights registrations and applications therefor, and all other rights corresponding thereto throughout the world; (iv) all industrial designs and any registrations and applications therefor throughout the world; (v) all trade names, logos, common Law trademarks and service marks, trademark and service mark registrations, intent-to-use applications and other registrations and applications therefor throughout the world; (vi) all databases and data collections and all rights therein throughout the world; (vii) all domain names; (viii) all moral and economic rights of authors and inventors, however denominated, throughout the world, and (ix) any similar or equivalent rights to any of the foregoing anywhere in the world.

"Interim Financial Statements" has the meaning set forth in Section 3.6 of the Agreement.

[***] Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

"Inventory" means all inventories of the Company, wherever located, including all finished goods, work in process, raw materials, spare parts and other materials or supplies to be used or consumed by the Company in the production of finished goods.

"Investor Agreements" has the meaning set forth in Section 3.4 of the Agreement.

"IRS" means the United States Internal Revenue Service.

"knowledge" means (including any derivation thereof such as "known" or "knowing") means ***.

"Law" or ***"Laws"*** means any federal, state, foreign, or local law, statute, ordinance, rule, regulation, writ, injunction, directive, order, judgment, administrative interpretation, treaty, decree, administrative or judicial decision and any other executive, legislative, regulatory or administrative proclamation.

"Letter of Transmittal" has the meaning set forth in Section 2.3 of the Agreement.

"Liability" or ***"Liabilities"*** means any direct or indirect liability, indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, cost, expense, obligation or responsibility, whether accrued, unaccrued, absolute, contingent, mature, unmature or otherwise and whether known or unknown, fixed or unfixed, choate or inchoate, liquidated or unliquidated, secured or unsecured.

"Losses" means any and all losses, damages, deficiencies, Liabilities, obligations, claims, demands, assessments, judgments, recoveries, fees, diminution in value, costs and expenses (including, without limitation, all out-of-pocket expenses, reasonable investigation expenses and reasonable fees and disbursements of accountants and counsel) of any nature whatsoever and whether or not arising from any Third Party Claim.

"Majority Vote" has the meaning set forth in Section 5.3 of the Agreement.

"Malware Software" means any program or file that is harmful to a computer user, including without limitation, computer viruses, worms, spyware and Trojan horses.

"Merger" has the meaning set forth in the recitals to the Agreement.

"Merger Consideration" has the meaning set forth in Section 2.1 of the Agreement.

"Near Relatives" has the meaning set forth in Section 3.11 of the Agreement.

"Net Working Capital" means the current assets minus the current liabilities of the Company as calculated in accordance with GAAP, consistently applied. Notwithstanding the foregoing, current Liabilities shall not include Unpaid Acquisition Expenses, Preliminary Closing Indebtedness or Liabilities relating to prepayments by Marchex to the Company.

[***] Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

"Offset Amount" has the meaning set forth in Section 8.4 of the Agreement.

"One-Year Payment Date" has the meaning set forth in Section 2.1 of the Agreement.

"Open Source Materials" means all software or other material that is distributed as "free software", "open source software" or under a similar licensing or distribution model, including without limitation the GNU General Public License (GPL), GNU Lesser General Public License (LGPL), Mozilla Public License (MPL), BSD Licenses, the Artistic License, the Netscape Public License, the Sun Community Source License (SCSL) the Sun Industry Standards License (SISL) and the Apache License.

"Parent" has the meaning set forth in the preamble to the Agreement.

"Parent Common Stock" has the meaning set forth in Section 2.1 of the Agreement.

"Parent Disclosure Schedules" has the meaning set forth in the preamble to ARTICLE IV of the Agreement.

"Parent Material Adverse Effect" means any change, event or effect that is, or that is reasonably likely to be, materially adverse to the business, operation, assets, Liabilities, financial condition or results of operations of the Parent and its subsidiaries, taken as a whole, but shall in no event be attributable to any change in Parent's stock price or any shortfall in Parent's financial performance from any securities analyst forecast or estimate (but, for the avoidance of doubt, not excluding any underlying cause thereof).

"Per Option Consideration" has the meaning set forth in the Allocation Certificate.

"Permitted Liens" means (a) Tax liens or charges or claims by a Governmental Entity (i) not yet due and payable, or (ii) being contested in good faith, if a reserve or other appropriate provision, if any, as shall be required by GAAP shall have been made therefor, (b) statutory liens of landlords, liens of carriers, warehousepersons, mechanics and materialmen and other liens imposed by Law incurred in the ordinary course of the Company's business for sums (i) not yet due and payable, or (ii) being contested in good faith, if a reserve or other appropriate provision, if any, as shall be required by GAAP shall have been made therefor, (c) liens incurred or deposits made in connection with workers' compensation, unemployment insurance and other similar types of social security programs or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return of money bonds and similar obligations, in each case in the ordinary course of the Company's business, consistent with past practice, (d) zoning, entitlement and other land use regulations by a Governmental Entity, (e) the interests of the lessors and sublessors of any leased properties, and (f) easements, rights of way and other imperfections of title or encumbrances that do not materially interfere with the present use of such property.

[***] Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

"Person" means any individual, corporation, partnership, limited Liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Entity or other entity.

"Post-Closing Tax Period" means any taxable period or portion thereof that begins on or after the Closing Date; if a taxable period begins on or prior to the Closing Date and ends after the Closing Date, then the portion of the taxable period that begins after the Closing Date shall constitute a Post-Closing Tax Period."

"Pre-Closing Tax Period" means any taxable period or portion thereof that ends on or prior to the Closing Date; if a taxable period begins on or prior to the Closing Date and ends after the Closing Date, then the portion of the taxable period that ends on and includes the Closing Date shall constitute a Pre-Closing Tax Period.

"Preliminary Closing Indebtedness" has the meaning set forth in Section 2.1 of the Agreement.

"Preliminary Net Working Capital" has the meaning set forth in Section 2.1 of the Agreement.

"Pro Rata Portion" of a Stockholder shall be equal to the percentage of the Merger Consideration paid or payable by the Parent hereunder (valuing such shares of Parent Common Stock included in the Merger Consideration as provided in Sections 2.1(a) and 2.1(b) above, as the case may be) to which such Stockholder is entitled pursuant to the Allocation Certificate.

"Registrable Shares" has the meaning set forth in Section 9.1 of the Agreement.

"Related Person" has the meaning set forth in Section 3.11 of the Agreement.

"Release Date" has the meaning set forth in Section 8.3 of the Agreement.

"Registration Statement" has the meaning set forth in Section 9.2 of the Agreement.

"Schedules" means any schedules attached to or provided for under the Agreement.

"SEC" has the meaning set forth in Section 3.6 of the Agreement.

"SEC Filings" has the meaning set forth in Section 4.4 of the Agreement.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Spyware" means software that is installed in a computer without the user's knowledge and transmits information about the user's computer activities over the Internet.

[***] Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

"Stockholders" means the holders of Company Capital Stock of the Company.

"Stockholder Representative" has the meaning set forth in the preamble of the Agreement.

"Stockholder Representative Escrow Amount" means ***.

"Stockholder Representative Escrow Fund" has the meaning set forth in Section 2.5 of the Agreement.

"Stockholder's Pro Rata Portion" has the meaning set forth in the Allocation Certificate.

"Surviving Corporation" has the meaning set forth in Section 1.1 of the Agreement.

"Suspension Right" has the meaning set forth in Section 9.3 of the Agreement.

"Target Net Working Capital" means zero.

"Tax" or ***"Taxes"*** means all federal, state, county, local, territorial and foreign taxes, levies, imposts, deficiencies or other like assessments (including, but not limited to, gross income, net income, franchise, alternative or add-on minimum, profits, capital stock, net worth, business and occupation, premium, windfall profits, gross receipts, excise, production, services, bulk sales, sales, use, transfer, stamp, value added, customs duties, import, export, license, payroll, employment, severance, withholding, backup withholding, social security, unemployment, disability, ad valorem, real property, personal property, real property gains, registration, and estimated taxes) imposed by any Tax Authority, including any interest, penalty (civil or criminal), or addition thereto, whether disputed or not.

"Tax Authority" means any Governmental Entity responsible for the imposition, determination or collection of any Tax or the review or audit of any Tax Return.

"Tax Proceeding" has the meaning set forth in Section 5.2 of the Agreement.

"Tax Returns" means any return (including any information return), report, statement, declaration, estimate, schedule, notice, notification, form, election, certificate or other documents (including estimated Tax returns and reports, withholding Tax and information returns and reports) filed with, or required to be filed with, any Tax Authority in connection with the determination, assessment, collection or payment of any Tax or in connection with the compliance with applicable law relating to any Taxes.

"Transfer Tax" means any documentary, recording, registration, stamp, conveyance, transfer, value added, sales, use, or other similar Taxes, duties, excise, governmental charges or fees (including penalties and interest) imposed as a result of, in connection with, or otherwise attributable to, the Merger.

[***] Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

"Third Party Claim" has the meaning set forth in Section 8.2 of the Agreement.

"Unpaid Acquisition Expenses" has the meaning set forth in Section 2.1 of the Agreement.

"Unaudited Financial Statements" has the meaning set forth in Section 3.6 of the Agreement.

"Upfront Cash Consideration" has the meaning set forth in Section 2.1 of the Agreement.

"Upfront Consideration" has the meaning set forth in Section 2.1 of the Agreement.

"Upfront Equity Consideration" has the meaning set forth in Section 2.1 of the Agreement.

"Upfront Registrable Shares" has the meaning set forth in Section 9.1 of the Agreement.

"Upfront Registration Statement" has the meaning set forth in Section 9.2 of the Agreement.

"Violation" has the meaning set forth in Section 9.5 of the Agreement.

[Remainder of Page Intentionally Left Blank]

[***] Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

COUNTERPART SIGNATURE PAGE
TO AGREEMENT AND PLAN OF MERGER

IN WITNESS WHEREOF, the parties named below have caused this Agreement to be duly executed and delivered as an instrument under seal as of the date first above written.

PARENT:

MARCHEX, INC.

By: /s/ Russell C. Horowitz
Name: Russell C. Horowitz
Title: Chief Executive Officer

ACQUISITION CORP.:

MARCHEX ACQUISITION CORPORATION

By: /s/ Russell C. Horowitz
Name: Russell C. Horowitz
Title: Chief Executive Officer

COMPANY:

JINGLE NETWORKS, INC.

By: /s/ Scott Kliger
Name: Scott Kliger
Title: Chief Executive Officer

STOCKHOLDER REPRESENTATIVE:

/s/ Charles M. Hazard, Jr.
Name: Charles M. Hazard, Jr.

[***] Certain information in this agreement has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Marchex, Inc.:

We consent to the use of our reports dated March 14, 2011, with respect to the consolidated balance sheets of Marchex, Inc. as of December 31, 2009 and 2010, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2010, and the effectiveness of internal control over financial reporting as of December 31, 2010, incorporated by reference herein and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP
Seattle, Washington
June 29, 2011

Exhibit 23.3

INDEPENDENT AUDITORS' CONSENT

The Board of Directors
Marchex, Inc.:

We consent to the use of our report dated June 21, 2011, with respect to the balance sheets of Jingle Networks, Inc. as of December 31, 2009 and 2010, and the related statements of operations, stockholder's equity and cash flows for the two years then ended, incorporated herein by reference and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP
Seattle, Washington
June 29, 2011

June 29, 2011

By EDGAR and Overnight Delivery

Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549
Attention: Mark P. Shuman, Legal Branch - Chief
Katherine Wray, Attorney - Advisor

Re: Marchex, Inc.
Pre-Effective Amendment No. 1 to Registration Statement on Form S-3
File No. 333-174016
Amended June 29, 2011

Ladies and Gentlemen:

Marchex, Inc. ("Marchex" or the "Company") is hereby electronically submitting for filing Pre-Effective Amendment No. 1 to the Registration Statement on Form S-3 (the "Amendment No. 1"). The filing has been marked to show changes from the filing on May 6, 2011.

The Amendment No. 1 reflects comments made in a letter, dated June 2, 2011 (the "Comment Letter") from the Staff (the "Staff") of the Securities and Exchange Commission (the "Commission"). The comments contained in the Comment Letter and the Company's responses are set forth below. All of the responses are keyed to the sequential numbering of the comments contained in the Comment Letter and to the headings (including original page references) used in such Comment Letter.

General

1. We note that on April 11, 2011, you filed a Form 8-K announcing your acquisition of Jingle Networks, Inc. The Form 8-K states that you will file the required financial information relating to the acquisition within 71 calendar days. As you are aware, the required financial information must be filed prior to requesting acceleration of the effective date of your registration statement. Refer to the instruction to Item 9.01 of Form 8-K. If you believe that any financial information may be omitted due to significance of the transaction or otherwise, please provide us with detailed calculations supporting your conclusion.

We appreciate the Staff's comment and Marchex respectfully advises the Staff that Marchex understands that the required financial information must be filed prior to requesting acceleration of the effective date of Marchex's Registration Statement. Please note that Marchex filed such required financial information with the Commission on a Form 8-K/A on June 22, 2011.

Facing Page of Registration Statement

2. Please revise the facing page to indicate by check mark the reporting status of the registrant, as called for by Form S-3.

We appreciate the Staff's comment and have made the requested revision to the facing page of Amendment No. 1.

Selling Stockholders, page 24

3. Please revise the selling stockholder table to identify the natural person(s) exercising voting and/or dispositive powers over the shares held by each of the following selling stockholders: Flybridge Capital Partners II, L.P.; LAP Jingle Holdings II, LLC; AP Jingle Holdings, LLC; First Round Jingle LP; and RGIP, LLC.

We appreciate the Staff's comment and have made the requested revisions to the selling stockholder table on page 21 of Amendment No. 1 based on information provided by the specified selling stockholders.

4. In addition, please state whether any of the selling stockholders are broker-dealers or affiliates of broker-dealers. Be advised that a selling stockholder registered as a broker-dealer who did not receive their securities as compensation for investment banking or similar services should be identified as an underwriter. With respect to any selling stockholder that is an affiliate of a broker-dealer, disclose whether at the time of the purchase of the securities to be resold, the seller purchased in the ordinary course of business and had any agreements or understandings, directly or indirectly, with any person to distribute the securities. If you are not able to so represent, please identify the selling stockholder as an underwriter.

We appreciate the Staff's comment and Marchex respectfully advises the Staff that based on information provided by each of the selling stockholders included in the filing, none of the selling stockholders are broker-dealers or affiliates of broker-dealers, except that Comcast Interactive Capital, L.P. and Goldman Sachs Investment Partners Master Fund, L.P. may each separately be deemed an affiliate of a broker-dealer and each purchased the shares in the ordinary course of business and did not have any agreements or understandings, directly or indirectly, with any person to distribute such shares.

Incorporation of Documents by Reference, page 27

5. Please revise your registration statement to specifically incorporate by reference all documents required to be incorporated by Item 12(a) of Form S-3, including the Forms 8-K filed on March 7, 2011, and April 11, 2011.

We appreciate the Staff's comment and have made the requested revisions to the incorporation of documents by reference section on page 23 of Amendment No. 1.

Exhibits

6. We again refer to the Form 8-K filed on April 11, 2011, announcing your merger agreement with Jingle Networks, Inc. The Form 8-K indicates that the merger agreement provides for registration rights on the part of the former Jingle stockholders. To the extent that the merger agreement or another agreement defines the rights of holders of the Class B common stock being registered for resale, it appears that it should be filed as an exhibit to the registration statement

pursuant to Item 601(b)(4) of Regulation S-K. Accordingly, please file such agreement, or tell us why you believe you are not required to do so.

We appreciate the Staff's comment and Marchex respectfully advises the Staff that since the merger agreement with Jingle Networks includes a registration rights provision, Marchex has filed the merger agreement as Exhibit 4.4 to Amendment No. 1 and has requested confidential treatment with respect to certain portions thereof**.**

* * * * *

In addition, Marchex acknowledges that:

- Marchex is responsible for the adequacy and accuracy of the disclosure in the filing;
- Staff comments or changes to disclosure in response to Staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- Marchex may not assert Staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

We appreciate the Staff's comments and request that the Staff contact the undersigned at (206) 331-3540 (telephone) or (206) 331-3696 (facsimile) or Francis J. Feeney, Jr., Esq. of DLA Piper LLP (US), Marchex's outside corporate counsel, at (617) 406-6063 (telephone) or (617) 406-6163 (facsimile) with any questions or comments regarding this letter. Thank you for your assistance.

Very truly yours,

MARCHEX, INC.

By: /s/ Michael A. Arends
Name: Michael A. Arends
Title: Chief Financial Officer

cc: Ethan A. Caldwell, General Counsel & CAO
Francis J. Feeney, Jr., Esq.
Michelle D. Paterniti, Esq.