

Tree.com, Inc.  
Form 4  
August 22, 2008

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**LEBDA DOUGLAS R**

(Last) (First) (Middle)  
**11115 RUSHMORE DRIVE**  
  
(Street)

**CHARLOTTE, NC 28277**

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**Tree.com, Inc. [TREE]**

3. Date of Earliest Transaction  
(Month/Day/Year)  
**08/20/2008**

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**Chairman & CEO**

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock, par value \$0.01	08/20/2008		J <sup>(1)</sup>		21,473	A	\$ 0	21,473 <sup>(2)</sup>	D	
Common Stock, par value \$0.01	08/20/2008		J <sup>(1)</sup>		574	A	\$ 0	574	I	Through family trust
Common Stock, par value \$0.01	08/20/2008		J <sup>(1)</sup>		790	A	\$ 0	790 <sup>(3)</sup>	I	Prepaid forward contract with spouse

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Pr Deri Secu (Inst	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Options to Purchase Common Stock <sup>(4)</sup>	\$ 3.92					08/20/2008	12/28/2008	Common Stock, par value \$0.01	499
Options to Purchase Common Stock <sup>(4)</sup>	\$ 4.59					08/20/2008	09/02/2009	Common Stock, par value \$0.01	1,460
Options to Purchase Common Stock <sup>(4)</sup>	\$ 6.99					08/20/2008	01/07/2010	Common Stock, par value \$0.01	1,373
Options to Purchase Common Stock <sup>(4)</sup>	\$ 2.12					08/20/2008	12/06/2010	Common Stock, par value \$0.01	1,384
Options to Purchase Common Stock <sup>(4)</sup>	\$ 2.6					08/20/2008	04/02/2011	Common Stock, par value \$0.01	1,730

Options to Purchase Common Stock <sup>(4)</sup>	\$ 5.95	08/20/2008	03/08/2012	Common Stock, par value \$0.01	1,515
Options to Purchase Common Stock <sup>(4)</sup>	\$ 9.96	08/20/2008	12/20/2012	Common Stock, par value \$0.01	1,082

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LEBDA DOUGLAS R 11115 RUSHMORE DRIVE CHARLOTTE, NC 28277	X		Chairman & CEO	

## Signatures

Tanya M. Stanich as Attorney-in-Fact for Douglas R. Lebda 08/22/2008

\*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Reflects the acquisition of common stock, par value \$0.01, of Tree.com ("Tree.com") in connection with the spin-off by IAC/InterActiveCorp ("IAC") of Tree.com, which was completed following the close of the market on August 20, 2008. The distribution of Tree.com common stock was effected by way of a dividend, pursuant to which holders of IAC common stock on August 11, 2008 received one-thirtieth of one share of Tree.com common stock for every one share of IAC common stock held.
- (2) Includes (i) 18,664 shares of Tree.com common stock held directly by the reporting person, (ii) 59 shares of Tree.com common stock held directly by the reporting person in an individual retirement account and (iii) 2,750 shares of Tree.com common stock subject to a variable prepaid forward contract, dated September 5, 2003, between the reporting person and a financial institution, which contract matures on September 5, 2008.
- (3) Reflects shares of Tree.com common stock subject to a variable prepaid forward contract, dated September 5, 2003, between the reporting person's spouse and a financial institution, which contract matures on September 5, 2008. The reporting person disclaims beneficial ownership of these shares of Tree.com common stock.
- (4) In connection with the Spin-Off, stock options granted prior to December 31, 2007 were converted into options to purchase common stock of each of IAC, HSN, ILG, Ticketmaster and Tree.com, with adjustments (to maintain pre- and post-spin-off values) to the number of shares of common stock underlying each option and the per share exercise prices to reflect the Spin-Off and Reverse Stock Split. These previously granted stock options have the same vesting and other applicable terms and conditions as they did immediately prior to the Spin-off and Reverse Stock Split. Reflects the receipt of Tree.com stock options in connection with the adjustment described immediately above.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.