

interCLICK, Inc.  
Form S-1  
August 21, 2009

As filed with the Securities and Exchange Commission on August 21, 2009

Registration No. \_\_\_\_\_

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

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interCLICK, Inc.  
(Exact name of registrant as specified in its charter)

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Delaware  
(State or other jurisdiction of  
incorporation or organization)

7310  
(Primary Standard Industrial  
Classification Code Number)

01-0692341  
(I.R.S. Employer  
Identification No.)

257 Park Avenue South  
Suite 602  
New York, NY 10010

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Michael Mathews  
Chief Executive Officer  
257 Park Avenue South  
Suite 602  
New York, NY 10010  
(646) 722-6260

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Michael D. Harris, Esq.  
Brian S. Bernstein, Esq.  
Harris Cramer LLP

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1555 Palm Beach Lakes Boulevard  
Suite 310  
West Palm Beach, Florida 33401  
(561) 478-7077

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

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, 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 post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering.

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

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common stock, \$0.001 par value per share	3,000,000	\$ 1.75	\$ 5,250,000	\$ 292.25

(1) Consists of shares of common stock and shares of common stock issuable upon the exercise of warrants. Under Rule 416 of the Securities Act of 1933, the shares being registered include such indeterminate number of shares of common stock as may be issuable with respect to the shares being registered in this registration statement as a result of any stock splits, stock dividends.

(2) The proposed maximum offering price per share and the proposed maximum aggregate offering price have been estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rules 457(c) under the Securities Act of 1933 on the basis of the average of the bid and asked price of our common stock on the OTC Bulletin Board on August 17, 2009, a date within five (5) trading days prior to the date of the filing of this registration statement.

The registrant hereby amends this registration statement on such date or date(s) 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, 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 may not be sold until the registration statement filed with the Securities and Exchange Commission of which this prospectus is a part becomes 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 August 21, 2009

INTERCLICK, INC.

PROSPECTUS

3,000,000 Shares of Common Stock

This prospectus relates to the sale of up to 3,000,000 shares of our common stock which may be offered by the selling shareholders identified in this prospectus.

The shares offered by this prospectus are:

- 2,400,000 shares of common stock purchased in our private placement; and
- 600,000 shares of common stock issuable upon exercise of warrants at \$1.40 per share issued to purchasers in our private placement.

We will not receive any proceeds from the sales of shares of our common stock by the selling shareholders named on page \_\_\_\_\_. We will, however, receive proceeds in connection with the exercise of the 600,000 warrants referred to above.

Our common stock trades on the Over-the-Counter-Bulletin Board under the symbol ICLK.OB. As of the last trading day before the date of this prospectus, the closing price of our common stock was \$\_\_\_\_ per share.

The common stock offered in this prospectus involves a high degree of risk. See "Risk Factors" beginning on page \_\_\_\_ of this prospectus to read about factors you should consider before buying shares of our common stock.

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The selling shareholders are offering these shares of common stock. The selling shareholders may sell all or a portion of these shares from time to time in market transactions through any market on which our common stock is then traded, in negotiated transactions or otherwise, and at prices and on terms that will be determined by the then prevailing market price or at negotiated prices directly or through a broker or brokers, who may act as agent or as principal or by a combination of such methods of sale. The selling shareholders will receive all proceeds from the sale of the common stock. For additional information on the methods of sale, you should refer to the section entitled "Plan of Distribution."

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

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The date of this prospectus is \_\_\_\_\_, 2009

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You should rely only on information contained in this prospectus. We have not authorized anyone to provide you with information that is different from that contained in this prospectus. The selling shareholders are not offering to sell or seeking offers to buy shares of common stock in jurisdictions where offers and sales are not permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

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## PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus carefully including the section entitled “Risk Factors” before making an investment decision. interCLICK, Inc., is referred to throughout this prospectus as “interCLICK,” “we,” “our” or “us.”

### Our Company

interCLICK provides Internet advertising solutions for Internet publishers and advertisers. interCLICK operates the interCLICK Network, an online advertising platform that combines advanced behavioral targeting with complete data and inventory transparency, allowing advertisers to identify and track their desired audience on an unprecedented level. We offer advanced proprietary demographic, behavioral, contextual, geographic and retargeting technologies across a network of name brand publishers to ensure the right message is delivered to a precise audience in a brand friendly environment.

By combining complete data and inventory transparency and advanced behavioral targeting, interCLICK is taking the inefficiencies out of the buyer/seller dynamic by allowing advertisers to achieve a direct response metric, whether it is a click, lead or a sale. We believe that this fundamental difference allows online marketers to achieve a better return on investment while still being able to target the premium websites.

### Our Corporate Information

We conduct our operations through a wholly-owned subsidiary, Desktop Acquisition Sub, Inc. or Desktop which was incorporated in Delaware on August 24, 2007.

We were formed in Delaware on March 4, 2002 under the name Outsiders Entertainment, Inc. On August 28, 2007, we completed a reverse merger and acquired Customer Acquisition Network, Inc., which is now inactive. In connection with the merger, we changed our name to Customer Acquisition Network Holdings, Inc. or CAN. On August 31, 2007, we acquired Desktop. On June 25, 2008, we changed our name to interCLICK, Inc.

Our principal offices are located at 257 Park Avenue South, Suite 602, New York, NY 10010. Our telephone number is (646) 722-6260. Please address any correspondence to the attention of Michael Mathews, our Chief Executive Officer.

## THE OFFERING

Common stock outstanding prior to the offering:	41,335,387 shares
Common stock offered by the selling shareholders:	2,400,000 shares
Common stock offered by the selling shareholders upon exercise of warrants:	600,000 shares
Common stock outstanding immediately following the offering:	41,935,387 shares
Use of proceeds:	We will not receive any proceeds from the sale of the shares of common stock but will receive proceeds from the exercise of the warrants if the warrants are

exercised, which proceeds will be used for working capital purposes.

Risk Factors:

See “Risk Factors” beginning on page \_\_ of this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.



## SUMMARY FINANCIAL DATA

The following summary of our financial data should be read in conjunction with, and is qualified in its entirety by reference to “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our audited and unaudited financial statements, appearing elsewhere in this prospectus.

## Statements of Operations Data

	interCLICK, Inc.			
	Six Months Ended June 30, (Unaudited)		Year Ended December 31,	Period from June 14 (Inception) to December 31,
	2009	2008	2008	2007
Revenue	\$ 19,071,977	\$ 8,235,596	\$ 22,452,333	\$ 6,654,768
Gross profit	\$ 9,007,374	\$ 2,115,517	\$ 7,107,996	\$ 1,339,350
Net loss	\$ (1,001,076)	\$ (7,683,047)	\$ (12,025,539)	\$ (3,232,967)
Net loss per share – basic and diluted	\$ (0.03)	\$ (0.21)	\$ (0.32)	\$ (0.12)
Weighted average common shares (basic and diluted)	38,088,860	36,441,497	37,137,877	28,025,035

## Balance Sheet Data

	interCLICK, Inc.	
	June 30, 2009 (Unaudited)	December 31, 2008
Cash	\$ 2,784,986	\$ 183,871
Working capital (deficit)	\$ 1,711,329	\$ (1,438,181)
Total assets	\$ 24,316,602	\$ 19,027,645
Total current liabilities	\$ 12,729,691	\$ 9,474,232
Accumulated deficit	\$ (14,815,130)	\$ (15,258,506)
Total shareholders’ equity	\$ 11,501,488	\$ 9,471,222

## RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following risk factors before deciding whether to invest in interCLICK. Additional risks and uncertainties not presently known to us,

or that we currently deem immaterial, may also impair our business operations or our financial condition. If any of the events discussed in the risk factors below occur, our business, consolidated financial condition, results of operations or prospects could be materially and adversely affected. In such case, the value and marketability of the common stock could decline, and you might lose all or part of your investment.

## Risks Relating to the Company

Because we have a limited operating history to evaluate our company, the likelihood of our success must be considered in light of the problems, expenses, difficulties, complications and delay frequently encountered by a new company.

Since we have a limited operating history it will make it difficult for investors and securities analysts to evaluate our business and prospects. You must consider our prospects in light of the risks, expenses and difficulties we face as an early stage company with a limited operating history. Investors should evaluate an investment in our company in light of the uncertainties encountered by start-up companies in an intensely competitive industry. There can be no assurance that our efforts will be successful or that we will be able to attain profitability.

Because we expect to need additional capital to fund our growing operations, we may not be able to obtain sufficient capital and may be forced to limit the scope of our operations.

We expect that as our business continues to grow we will need additional working capital. In addition to the proceeds we received from our June 2009 private placement, we are currently relying on our accounts receivable factoring line of credit with a commercial lender which expires in May 2010. This lender recently expanded our line to \$5,500,000, and we are seeking to increase the line of credit to support our expected growth. This lender is privately-held and we have no access to any information about its financial condition. Because of the severe impact that the recession has had on the financial service sector, we may be adversely affected in our ability to draw on our line of credit, replace this line of credit or increase the amount we can borrow. The slowdown in the global economy, the freezing of the credit markets and severe decline in the stock market may adversely affect our ability to raise capital. If adequate additional debt and/or equity financing is not available on reasonable terms or at all, we may not be able to continue to expand our business, and we will have to modify our business plans accordingly. These factors would have a material and adverse effect on our future operating results and our financial condition.

Even if we secure additional working capital, we may not be able to negotiate terms and conditions for receiving the additional capital that are acceptable to us. Any future equity capital investments will dilute existing shareholders. In addition, new equity or convertible debt securities issued by us to obtain financing could have rights, preferences and privileges senior to our common stock. We cannot give you any assurance that any additional financing will be available to us, or if available, will be on terms favorable to us.

Because of the severity of the global economic recession, our customers may delay in paying us or not pay us at all. This would have a material and adverse effect on our future operating results and financial condition.

One of the effects of the severe global economic recession is that businesses are tending to maintain their cash resources and delay in paying their creditors whenever possible. As a trade creditor, we lack leverage unlike secured lenders and providers of essential services. Should the economy further deteriorate, we may find that either advertisers, their representative agencies or both may delay in paying us. Additionally, we may find that advertisers will reduce Internet advertising which would reduce our future revenues. These events will result in a number of adverse effects upon us including increasing our borrowing costs, reducing our gross profit margins, reducing our ability to borrow under our line of credit, and reducing our ability to grow our business. These events would have a material and adverse effect upon us.

If we make acquisitions, it could divert management's attention, cause ownership dilution to our shareholders and be difficult to integrate.

We have grown in part because we completed the acquisition of Desktop in August 2007, and we expect to continue to evaluate and consider future acquisitions. Acquisitions generally involve significant risks, including difficulties in the assimilation of operations, services, technologies, and corporate culture of the acquired companies, diversion of management's attention from other business concerns, overvaluation of the acquired companies, and the acceptance of the acquired companies' products and services by our customers. Acquisitions may not be successful, which can have a number of adverse effects upon us including adverse financial effects and may seriously disrupt our management's time. The integration of our acquired operations, products and personnel may place a significant burden on management and our internal resources. The diversion of management attention and any difficulties encountered in the integration process could harm our business.

If we fail to manage our existing publishing inventory effectively our profit margins could decline and should we fail to acquire additional publishing inventory our growth could be impeded.

Our success depends in part on our ability to manage our existing publishing inventory effectively. Our publishers are not bound by long-term contracts that ensure us a consistent supply of advertising space, which we refer to as inventory. In addition, publishers can change the amount of inventory they make available to us at any time. If a publisher decides not to make publishing inventory from its websites available to us, we may not be able to replace this inventory with that from other publishers with comparable traffic patterns and user demographics quickly enough to fulfill our advertisers' requests, thus resulting in potentially lost revenues.

We expect that our advertiser customers' requirements will become more sophisticated as the Internet continues to mature as an advertising medium. If we fail to manage our existing publishing inventory effectively to meet our advertiser customers' changing requirements, our revenues could decline. Our growth depends on our ability to expand our publishing inventory. To attract new customers, we must maintain a consistent supply of attractive publishing inventory. We intend to expand our inventory by selectively adding to our network new publishers that offer attractive demographics, innovative and quality content and growing web user traffic. Our ability both to retain current as well as to attract new publishers to our network will depend on various factors, some of which are beyond our control. These factors include, but are not limited to: our ability to introduce new and innovative services, our efficiency in managing our existing publishing inventory and our pricing policies. We cannot assure you that the size of our publishing inventory will increase or remain constant in the future.

If the technology that we currently use to target the delivery of online advertisements and to prevent fraud on our network is restricted or becomes subject to regulation, our expenses could increase and we could lose customers or advertising inventory.

Recently, the Federal Trade Commission or FTC issued guidelines recommending that companies like interCLICK that engage in behavioral targeting engage in self-regulation in order to protect the privacy of consumers who use the Internet. If notwithstanding this report, the FTC were in the future to issue regulations, it may adversely affect what we perceive to be a competitive advantage. This could increase our costs and reduce our future revenues.

If we cannot manage our growth effectively, we may not become profitable.

Businesses which grow rapidly often have difficulty managing their growth. If our business continues to grow as rapidly as we have since August 2007 and as we anticipate, we will need to expand our management by recruiting and employing experienced executives and key employees capable of providing the necessary support.

We cannot assure you that our management will be able to manage our growth effectively or successfully. Our failure to meet these challenges could cause us to continue to lose money, which will reduce our stock price.

It may be difficult to predict our financial performance because our quarterly operating results may fluctuate.

Our revenues and operating results may vary significantly from quarter to quarter due to a variety of factors, many of which are beyond our control. You should not rely on period-to-period comparisons of our results of operations as an indication of our future performance. Our results of operations may fall below the expectations of market analysts and our own forecasts. If this happens, the market price of our common stock may fall significantly. The factors that may affect our quarterly operating results include the following:

- fluctuations in demand for our advertising solutions or changes in customer contracts;

- fluctuations in the amount of available advertising space on our network;
- the timing and amount of sales and marketing expenses incurred to attract new advertisers;
- the impact of our substantial increase in headcount in the second quarter to meet expected increases in revenue and for the balance of 2009;
- fluctuations in sales of different types of advertising (i.e., the amount of advertising sold at higher rates rather than lower rates);
- fluctuations in the cost of online advertising;
- seasonal patterns in Internet advertisers' spending;

- worsening economic conditions which cause advertisers to reduce Internet spending and consumers to reduce their purchases;
- changes in the regulatory environment, including regulation of advertising or the Internet, that may negatively impact our marketing practices;
- the timing and amount of expenses associated with litigation, regulatory investigations or restructuring activities, including settlement costs and regulatory penalties assessed related to government enforcement actions;
- the adoption of new accounting pronouncements, or new interpretations of existing accounting pronouncements, that impact the manner in which we account for, measure or disclose our results of operations, financial position or other financial measures; and
- costs related to acquisitions of technologies or businesses.

Expenditures by advertisers also tend to be cyclical, reflecting overall economic conditions as well as budgeting and buying patterns. Any decline in the economic prospects of advertisers or the economy generally may alter advertisers' current or prospective spending priorities, or may increase the time it takes us to close sales with advertisers, and could materially and adversely affect our business, results of operations and financial condition.

If we fail to retain our key personnel, we may not be able to achieve our anticipated level of growth and our business could suffer.

Our future depends, in part, on our ability to attract and retain key personnel and the continued contributions of our executive officers, each of whom may be difficult to replace. In particular, Michael Mathews, Chief Executive Officer, Michael Katz, President, Andrew Katz, Chief Technology Officer, Roger Clark, Chief Financial Officer, Jason Lynn, Vice President of Product Development, and Dave Myers, Vice President of Operations are important to the management of our business and operations and the development of our strategic direction. The loss of the services of Messrs. Mathews, Michael Katz, Andrew Katz, Clark, Lynn and Myers and the process to replace any key personnel would involve significant time and expense and may significantly delay or prevent the achievement of our business objectives.

Our two largest shareholders can exert significant control over our business and affairs and may have actual or potential interests that may depart from those of our other shareholders.

Our two largest shareholders and Co-Chairmen of the Board own a substantial number of shares of our common stock. The interests of such persons may differ from the interests of other shareholders. As a result, in addition to their positions with us, such persons will have significant influence over and control all corporate actions requiring shareholder approval, irrespective of how our other shareholders may vote, including their ability to:

- elect or defeat the election of our directors;
- amend or prevent amendment of our certificate of incorporation or bylaws;
- effect or prevent a merger, sale of assets or other corporate transaction; and
- control the outcome of any other matter submitted to the shareholders for vote.

Their power to control the designation of directors gives them the ability to exert influence over day-to-day operations.

In addition, such persons' stock ownership may discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, which in turn could reduce our stock price or prevent our shareholders from realizing a premium over our stock price.



If we become involved in lawsuits relating to our intellectual property rights, it could be expensive and time consuming, and an adverse result could result in significant damages and/or force us to make changes to our business.

We rely on trade secrets to protect our intellectual property rights. If we are sued by a third party which alleges we are violating its intellectual property rights or if we sue a third party for violating our rights, intellectual property litigation is very expensive and can divert our limited resources. We may not prevail in any litigation. An adverse determination of any litigation brought by us could materially and adversely affect our future results of operations by either reducing future revenues or increasing future costs. Additionally, an adverse award of money damages could affect our financial condition.

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 common stock.

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

The market for our 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 competitive services. We believe that our future success will depend, in part, upon our ability to develop our 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 services obsolete or uncompetitive.

If our computer systems fail to operate effectively in the future, we may incur significant costs to remedy these failures and may sustain reduced revenues.

Our success depends on the continuing and uninterrupted performance of our computer systems. Sustained or repeated system failures that interrupt our ability to provide services to customers, including failures affecting our ability to deliver advertisements quickly and accurately and to process visitors' responses to advertisements, would reduce significantly the attractiveness of our solutions to advertisers and publishers. Our business, results of operations and financial condition could also be materially and adversely affected by any systems damage or failure that impacts data integrity or interrupts or delays our operations. Our computer systems are vulnerable to damage from a variety of sources, including telecommunications failures, power outages and malicious or accidental human acts. Any of the above factors could substantially harm our business resulting in increased costs. Moreover, despite network security measures, our servers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems in part because we cannot control the maintenance and operation of our third-party data centers. Any of these occurrences could cause material interruptions or delays in our business, result in the loss of data, render us unable to provide services to our customers, and expose us to material risk of loss or litigation and liability. If we fail to address these issues in a timely manner, it may materially damage our reputation and business causing our revenues to decline.

Because our third-party servers are located in South Florida, in the event of a hurricane our operations could be adversely affected.

Because South Florida is in a hurricane-sensitive area, we are susceptible to the risk of damage to our servers. This damage can interrupt our ability to provide services. If damage caused to our servers were to cause them to be

inoperable for any amount of time, we would be forced to switch hosting facilities which could be more costly. We are not insured against any losses or expenses that arise from a disruption or any short-term outages from to our business due to hurricanes or tropical storms.

Since we rely on third-party co-location providers, a failure of service by these providers could adversely affect our business and reputation.

We rely upon third party co-location providers to host our main servers. In the event that these providers 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, short-term outages have occurred in the service maintained by co-location providers which could recur. We also rely on third-party providers for components of our technology platform. A failure or limitation of service or available capacity by any of these third-party providers could adversely affect our business and reputation.

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

We may be subject to additional operating restrictions and regulations in the future. Companies engaging in online search, commerce and related businesses face uncertainty related to future government regulation of the Internet. Due to the rapid growth and widespread use of the Internet, federal and state governments are enacting and considering various laws and regulations relating to the Internet. Furthermore, the application of existing laws and regulations to Internet companies remains somewhat unclear. Our business and operating results may be negatively affected by new laws, and such existing or new regulations may expose us to substantial compliance costs and liabilities and may impede the growth in use of the Internet.

The application of these statutes and others to the Internet search industry is not entirely settled. Further, several existing and proposed federal laws could have an impact on our business:

- The Digital Millennium Copyright Act and its related safe harbors, are intended to reduce the liability of online service providers for listing or linking to third-party websites that include materials that infringe copyrights or other rights of others.
- The CAN-SPAM Act of 2003 and certain state laws are intended to regulate interstate commerce by imposing limitations and penalties on the transmission of unsolicited commercial electronic mail via the Internet.
- There have been several bills introduced in the Congress in recent years relating to protecting privacy. As with any change in Presidential administration, especially to one more likely to protect privacy, new legislation in this area may be enacted.
- Adopted and pending consumer protection and privacy legislation, including the Federal Trade Commission Online Behavioral Advertising Principles referred to in a prior risk factor.

With respect to the subject matter of each of these laws, courts may apply these laws in unintended and unexpected ways. As a company that provides services over the Internet, we may be subject to an action brought under any of these or future laws governing online services. We may also be subject to costs and liabilities with respect to privacy issues. Several Internet companies have incurred costs and paid penalties for violating their privacy policies. Further, it is anticipated that new legislation may be adopted by federal and state governments with respect to user privacy. Additionally, foreign governments may pass laws which could negatively impact our business or may prosecute us for our products and services based upon existing laws. The restrictions imposed by and cost of complying with, current and possible future laws and regulations related to our business could harm our business and operating results.

#### Risks Relating to our Common Stock

Because the market for our common stock is limited, persons who purchase our common stock may not be able to resell their shares at or above the purchase price paid by them.

Our common stock trades on the Over-the-Counter Bulletin Board which is not a liquid market. There is currently only a limited public market for our common stock. We cannot assure you that an active public market for our common stock will develop or be sustained in the future. If an active market for our common stock does not develop or is not sustained, the price may decline.

Due to factors beyond our control, our stock price may be volatile.

Any of the following factors could affect the market price of our common stock:

- Actual or anticipated variations in our quarterly results of operations;
- Our failure to meet financial analysts' performance expectations;
- Our failure to achieve and maintain profitability;
- Short selling activities;
- The loss of major advertisers or publishers;
- Announcements by us or our competitors of significant contracts, new products, acquisitions, commercial relationships, joint ventures or capital commitments;
- The departure of key personnel;
- Regulatory developments;
- Changes in market valuations of similar companies; or
- The sale of a large amount of common stock by our shareholders including those who invested prior to commencement of trading.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted. A securities class action suit against us could result in substantial costs and divert our management's time and attention, which would otherwise be used to benefit our business.

Because almost all of our outstanding shares are freely tradable, sales of these shares could cause the market price of our common stock to drop significantly, even if our business is performing well.

As of the date of this prospectus, we had outstanding 41,335,387 shares of common stock of which our directors and executive officers own 16,101,795 shares which are subject to the limitations of Rule 144 under the Securities Act of 1933 or the Securities Act. All of the remaining outstanding shares are freely tradable, except for 922,915 shares. These later restricted shares will be eligible for sale under Rule 144 on various dates beginning November 29, 2009 through January 15, 2010.

In general, Rule 144 provides that any non-affiliate of ours, who has held restricted common stock for at least six-months, is entitled to sell their restricted stock freely, provided that we stay current in our SEC filings.

An affiliate of interCLICK may sell after six months with the following restrictions:

- (i) we are current in our filings,
- (ii) certain manner of sale provisions,
- (iii) filing of Form 144, and
- (iv) volume limitations limiting the sale of shares within any three-month period to a number of shares that does not exceed the greater of 1% of the total number of outstanding shares or, the average weekly trading volume during the four calendar weeks preceding the filing of a notice of sale.

Because almost all of our outstanding shares are freely tradable and the shares held by our affiliates may be freely sold (subject to the Rule 144 limitations), sales of these shares could cause the market price of our common stock to drop significantly, even if our business is performing well.

#### FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. All statements other than statements of historical facts contained in this prospectus, including statements regarding our future financial position, liquidity, business strategy and plans and objectives of management for future operations, are forward-looking statements. The words "believe," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "could," "target," "potential," "is likely," "will," "expect" and expressions, as they relate to us, are intended to identify forward-looking statements. 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. These forward-looking statements are subject to a number of risks, uncertainties and assumptions described in "Risk Factors" and elsewhere in this prospectus.

Other sections of this prospectus may include additional factors which could adversely affect our business and financial performance. Moreover, our business is competitive and our business model may rapidly change. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any risk factor, or combination of risk factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Except as otherwise required by applicable laws, we undertake no obligation to publicly update or revise any forward-looking statements or the risk factors described in this prospectus, whether as a result of new information,

future events, changed circumstances or any other reason after the date of this prospectus.

#### USE OF PROCEEDS

We will not receive any proceeds upon the sale of shares by the selling shareholders, except to the extent they exercise their warrants. We intend to use any proceeds received for general corporate purposes including working capital.

## CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2009. The table should be read in conjunction with the unaudited consolidated financial statements and related notes included elsewhere in this prospectus:

	As of June 30, 2009 (Unaudited)	
<b>Shareholders' equity:</b>		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, zero issued and outstanding		-
Common stock, \$0.001 par value; 140,000,000 shares authorized, 41,228,253 shares issued and outstanding	\$	41,228
Additional paid-in capital		27,336,744
Accumulated other comprehensive loss		(1,061,354)
Accumulated deficit		(14,815,130)
<b>Total shareholders' equity</b>	<b>\$</b>	<b>11,501,488</b>

## PRIVATE PLACEMENT

On June 22, 2009, we sold 2,500,000 shares of common stock and 625,000 warrants exercisable at \$1.40 per share to the selling shareholders for \$2,500,000. We are registering all of the shares and all of the shares issuable upon exercise of the warrants, except 100,000 shares and 25,000 warrants, or a total of 3,000,000 shares. At his request, we are not registering 100,000 shares of common stock and 25,000 shares of common stock issuable upon exercise of warrants purchased by one of our co-chairman, Mr. Barry Honig, in the private placement.

In connection with this private placement, Mr. Scott Frohman acted as a finder. Mr. Frohman is the Chief Executive Officer of Options Media Group Holdings, Inc. or OPMG, the company which purchased Options Acquisition Sub, Inc. or Options from us on June 23, 2008. We paid RBC Capital Markets Corporation a fee of \$125,000 and issued them 100,000 warrants for serving as a financial advisor. Additionally, we paid RBC \$28,000 for expenses.

We are using the proceeds from the private placement to support our growth and for general corporate purposes, including working capital, and to reduce our outstanding indebtedness.

## MARKET FOR COMMON STOCK

Our common stock is quoted on the Over-the-Counter Bulletin Board under the symbol "ICLK.OB". The last reported sale price of our common stock as reported by the Over-the Counter Bulletin Board on August 18, 2009 was \$1.81 per share. As of August 18, 2009, there were approximately 97 shareholders of record and we believe approximately 500 beneficial owners.

The following table provides the high and low bid price information for our common stock for the periods indicated as reported by the Bulletin Board.

Year	Quarter Ended	Bid Prices		
			High	Low
2009	March 31, 2009	\$	1.05	\$ 0.55
	June 30, 2009	\$	1.35	\$ 0.60

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2008	March 31, 2008	\$	6.25	\$	3.56
	June 30, 2008	\$	3.80	\$	2.60
	September 30, 2008	\$	3.49	\$	1.12
	December 31, 2008	\$	1.92	\$	0.45
2007	December 31, 2007	\$	6.49	\$	5.10

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(1) Our common stock began trading on the Bulletin Board on October 31, 2007.



## Dividends

We have not paid dividends on our common or preferred stock since inception and do not plan to pay dividends on our common stock in the foreseeable future.

## SELECTED FINANCIAL DATA

The following selected financial data for the year ended December 31, 2008 and for the period from June 14, 2007 (inception) to December 31, 2007 was derived from our audited financial statements contained in this prospectus. The financial data for the six month periods ended June 30, 2009 and 2008 are derived from our unaudited financial statements contained in this prospectus. You should read the selected financial data together with our financial statements and the section of the prospectus entitled Management's Discussion and Analysis or Plan of Operation.

Salberg & Company, P.A., an independent registered public accounting firm, audited our financial statements for the year ended December 31, 2008 and for the period from June 14, 2007 (Inception) to December 31, 2007.

## Statements of Operations Data

	Six Months Ended		Year Ended	Period from June
	June 30,	2008	December 31,	14, 2007 (Inception)
	2009		2008	to December 31,
	(Unaudited)			
	2009	2008	2008	2007
Revenues	\$ 19,071,977	\$ 8,235,596	\$ 22,452,333	\$ 6,654,768
Cost of revenues	10,064,603	6,120,079	15,344,337	5,315,418
Gross profit	9,007,374	2,115,517	7,107,996	1,339,350
Total operating expenses	9,498,559	6,742,421	13,700,574	4,871,027
Total other income (expense)	(508,671)	(1,246,861)	(1,659,413)	(239,290)
Loss from continuing operations before equity investment	(999,856)	(5,873,765)	(6,564,686)	(3,232,967)
Equity in investee's loss, net of income taxes	-	(249,128)	(653,231)	-
Loss from continuing operations	(999,856)	(6,122,893)	(7,217,917)	(3,232,967)
Net loss	(1,001,076)	(7,683,047)	(12,025,539)	(3,232,967)
Net loss per share (basic and diluted)	\$ (0.03)	\$ (0.21)	\$ (0.32)	\$ (0.12)
Weighted average number of common shares outstanding	38,088,860	36,441,497	37,137,877	28,025,035

## Balance Sheet Data

	June 30	December 31
	2009	2008
	(Unaudited)	
Cash and cash equivalents	\$ 2,784,986	\$ 183,871
Accounts receivable, net of allowance	10,249,135	7,120,311
Due from factor	1,034,712	637,705
Total assets	24,316,602	19,027,645
Liability on transferred accounts receivable	5,160,291	3,188,425
Accounts payable	6,372,241	5,288,807
Total liabilities	12,815,114	9,556,423
Accumulated deficit	(14,815,130)	(15,258,506)

Total shareholders' equity	\$	11,501,488	\$	9,471,222
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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our consolidated financial statements and related notes appearing elsewhere in this prospectus. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties, and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to those set forth under "Risk Factors" and elsewhere in this prospectus.

Management's discussion and analysis of financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates and assumptions, including, but not limited to, those related to revenue recognition, allowance for doubtful accounts, income taxes, goodwill and other intangible assets, and contingencies. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and assumptions.

### Overview

Significant events which have affected our results of operations include:

- In the first six months of 2009, our revenues were \$19,071,977 in contrast to \$8,235,596 for the same period in 2008, or an increase of 132%;
- As our revenues increased, our gross margins also increased substantially, as our gross margins were 47.2% for the first six months of 2009 in contrast to 25.7% for the same period of 2008;
  - We raised gross proceeds of \$2,500,000 in our private placement that closed on June 22, 2009; and
  - We increased our credit line to \$5,500,000 in April 2009 to support the growth of our business.

### Results of Operations

The following table presents our results of operations for the six months ended June 30, 2009 and 2008. It should be noted that our results of operations and our liquidity and capital resources discussions focus primarily on the operations of interCLICK while referring to Options as a discontinued operation.

	For the Six Months Ended June 30, 2009 (Unaudited)	For the Six Months Ended June 30, 2008 (Unaudited)
Revenues	\$ 19,071,977	\$ 8,235,596
Cost of revenues	10,064,603	6,120,079
Gross profit	9,007,374	2,115,517
Total operating expenses	9,498,559	6,742,421

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Operating income (loss) from continuing operations	(491,185)	(4,626,904)
Total other income (expense)	(508,671)	(1,246,861)
Loss from continuing operations before equity investment	(999,856)	(5,873,765)
Equity in investee's loss, net of income taxes	-	(249,128)
Loss from continuing operations	(999,856)	(6,122,893)
Loss from discontinued operations, net of income taxes	(1,220)	(1,560,154)
Net income (loss)	\$ (1,001,076)	\$ (7,683,047)
Earnings (loss) per share from continuing operations – basic and diluted	\$ (0.03)	\$ (0.17)
Loss per share from discontinued operations – basic and diluted	\$ -	\$ (0.04)
Net earnings (loss) per share – basic and diluted	\$ (0.03)	\$ (0.21)
Weighted average shares outstanding – basic	38,088,860	36,441,497
Weighted average shares outstanding – diluted	38,088,860	36,441,497

Six Months Ended June 30, 2009 Compared with The Six Months Ended June 30, 2008.

## Revenues

Unless otherwise indicated, the following discussion relates to our continuing operations and does not include the operations of Options. We acquired that business in January 2008 and sold it in June 2008 resulting in a net loss on sale of \$3,571,682.

Revenues for the six months ended June 30, 2009 increased to \$19,071,977 from \$8,235,596 for the six months ended June 30, 2008, an increase of 132%. The increase is primarily attributable to growth of our advertiser base through our expanded national sales force and through budget increases among existing advertisers. Additionally, interCLICK's ad rates have continued to increase substantially since late in the third quarter of 2008.

Seasonally, the third quarter marks the start of the stronger half of the year in terms of demand for cost per thousand or CPM advertising campaigns. interCLICK is particularly sensitive to this seasonality effect given that the majority of its revenues are tied to CPM campaigns. Despite the marked deterioration of the economy in 2008 and 2009, the overall U.S. Internet audience based on comScore data expanded to 193,532,000 average viewers in the second quarter of 2009, an increase of 0.9%, as compared to the first quarter of 2009, and an increase of 1.6%, as compared to the second quarter of 2008. For the same periods indicated, interCLICK experienced growth of 2.1% and 18.2%, respectively, as its audience reach expanded rapidly based on signing more publishers and gaining access to more inventory.

Given the continued overall growth in online advertising, coupled with other strategic initiatives undertaken by interCLICK, including the continued enhancement of our behavioral targeting system and our continued ability to acquire top tier publishing inventory, we expect to continue to increase our advertising customer base and revenues on a year-over-year basis.

Revenues from branded advertisers continue to account for the substantial majority of our revenues. During the six months ended June 30, 2009, revenues from such advertisers accounted for more than 95% of revenues.

## Cost of Revenues and Gross Profit

Cost of revenues for the six months ended June 30, 2009 increased to \$10,064,603 from \$6,120,079 for the six months ended June 30, 2008, an increase of 64.5%. The increase is primarily attributable to the growth in advertising campaigns requiring the purchase of appropriate levels of inventory from publishers. Cost of revenues is comprised of the amounts we paid to website publishers on interCLICK's online advertising network. Cost of revenues represented 52.8% of revenues for the six months ended June 30, 2009 compared to 74.3% of revenues for the six months ended June 30, 2008. The decrease is primarily attributable to: (1) improvements in our supply chain management platform, resulting in a better match between acquired publisher inventory and advertising campaign demand and (2) targeting efficiencies achieved through our proprietary technology platform.

Gross profit for the six months ended June 30, 2009 increased to \$9,007,374 from \$2,115,517 for the six months ended June 30, 2008, an increase of 326%. Our gross margin was 47.2% for the six months ended June 30, 2009 compared to 25.7% for the six months ended June 30, 2008.

We pay interCLICK's website publishers on either a fixed CPM volume commitment basis or on a revenue share basis. The amount of display advertisements we deliver (i.e., impressions) reflects the level of publishing inventory we can acquire. Based on our comScore ranking as of June 30, 2009, we reached 69.3% of the domestic online population and are ranked as the 11th largest ad network in the domestic online marketplace. We endeavor both to expand our

publisher base and to increase the levels of acquired publishing inventory, particularly from leading websites which we refer to as tier one publishers.

## Operating Expenses:

### General and Administrative

General and administrative expenses consist primarily of executive and administrative compensation, facilities costs, insurance, depreciation, professional fees and investor relations fees. General and administrative expenses for the six months ended June 30, 2009 increased to \$3,894,487 from \$3,139,705 for the six months ended June 30, 2008, an increase of 24.0%. The increase is primarily attributable to headcount expansion over the period. We hired 21 employees in the second quarter to meet the expected growth trajectory of our business, growing our employee base from 43 to 64 employees. We expect to continue hiring new employees for the balance of 2009, albeit at a slower pace than in the second quarter. General and administrative expenses represented 20.4% of revenues for the six months ended June 30, 2009 compared to 38.1% of revenues for the six months ended June 30, 2008.

Included in general and administrative expenses are non-cash stock based compensation, which is comprised of expense from our stock options, restricted stock and amortization of warrants. Non-cash stock based compensation for the six months ended June 30, 2009 increased to \$1,353,743 from \$976,553 for the six months ended June 30, 2008, an increase of 38.6%. The increase is primarily attributable to the award of stock option grants to current as well as new employees. Non-cash stock based compensation represented 7.1% of revenues for the six months ended June 30, 2009 compared to 11.9% of revenues for the six months ended June 30, 2008. The remaining portion of stock-based expenses for the six months ended June 30, 2008 totaling \$159,700 is allocated to discontinued operations, which are discussed below.

Future non-cash compensation expense related to current unvested options, restricted stock awards and warrants amounts to \$6,252,905 as of June 30, 2009, of which \$1,234,060 will be amortized in the remainder of 2009.

### Sales and Marketing

Sales and marketing expenses consist primarily of compensation for sales and marketing and related support resources, sales commissions and trade show expenses. Sales and marketing expenses for the six months ended June 30, 2009 increased to \$4,733,402 from \$2,270,642 for the six months ended June 30, 2008, an increase of 109%. The increase is primarily attributable to our national sales-force expansion. Sales and marketing expenses represented 24.8% of revenues for the six months ended June 30, 2009 compared to 27.6% of revenues for the six months ended June 30, 2008.

### Technology Support

Technology support consists primarily of compensation of technology support and related consulting resources and third party ad server costs for interCLICK. Technology support and related consulting support resources have been directed primarily towards continued enhancement of our proprietary behavioral targeting platform, including integration of third party data providers, upgrades to our optimization system, and ongoing maintenance and improvement of our technology infrastructure. Technology support expenses for the six months ended June 30, 2009 increased to \$753,007 from \$508,409 for the six months ended June 30, 2008, an increase of 48.1%. The increase is primarily attributable to expenditures necessary to support interCLICK's increased business as well as expected increases in revenues. Technology support expenses represented 3.9% of revenues for the six months ended June 30, 2009 compared to 6.2% of revenues for the six months ended June 30, 2008.

### Merger, Acquisition, Divestiture and Investor Relations Costs

Merger, acquisition, divestiture and investor relations costs consist primarily of legal, audit and accounting services related to the acquisition and subsequent divestiture of Options in addition to investor relations services. Merger, acquisition, divestiture and investor relations costs for the six months ended June 30, 2009 decreased to \$178,535 from \$512,062 for the six months ended June 30, 2008, a decrease of 65.1%. The decrease is primarily attributable to the acquisition of Options in January 2008 and its subsequent divestiture in June 2008 whereas the 2009 costs consist primarily of investor relations. Merger, acquisition, divestiture and investor relations costs represented 0.9% of revenues for the six months ended June 30, 2009 compared to 6.2% of revenues for the six months ended June 30, 2008.

#### Amortization of Intangible Assets

Amortization of intangible assets includes amortization of customer relationships, developed technology and a domain name acquired through the Desktop acquisition. Amortization of intangible assets for the six months ended June 30, 2009 decreased to \$99,520 from \$209,367 for the six months ended June 30, 2008, a decrease of 52.5%. The decrease is primarily attributable to the accelerated amortization applicable to acquired customer relationships. Amortization of intangible assets represented 0.5% of revenues for the six months ended June 30, 2009 compared to 2.5% of revenues for the six months ended June 30, 2008.



## Loss From Discontinued Operations, Net

Loss from discontinued operations for the six months ended June 30, 2009 consists of a loss on the sale of discontinued operations of \$1,220. Loss from discontinued operations for the six months ended June 30, 2008 consists of a loss from discontinued operations of \$935,173 and the loss on the sale of discontinued operations of \$624,981. The loss from discontinued operations for the six months ended June 30, 2008 also contains \$159,700 of stock-based expense.

## Results of Operations

The following table presents our results of operations for the three months ended June 30, 2009 and 2008. It should be noted that our results of operations and our liquidity and capital resources discussions focus primarily on the operations of interCLICK while referring to Options as a discontinued operation.

	For the Three Months Ended June 30, 2009 (Unaudited)	For the Three Months Ended June 30, 2008 (Unaudited)
Revenues	\$ 10,648,686	\$ 4,673,629
Cost of revenues	5,624,005	3,412,541
Gross profit	5,024,681	1,261,088
Total operating expenses	5,736,600	3,564,841
Operating income (loss) from continuing operations	(711,919)	(2,303,753)
Total other income (expense)	(322,324)	(551,679)
Loss from continuing operations before equity investment	(1,034,243)	(2,855,432)
Equity in investee's loss, net of income taxes	-	(249,128)
Loss from continuing operations	(1,034,243)	(3,104,560)
Loss from discontinued operations, net of income taxes	-	(843,168)
Net income (loss)	\$ (1,034,243)	\$ (3,947,728)
Earnings (loss) per share from continuing operations – basic and diluted	\$ (0.03)	\$ (0.09)
Loss per share from discontinued operations – basic and diluted	\$ -	\$ (0.02)
Net earnings (loss) per share – basic and diluted	\$ (0.03)	\$ (0.11)
Weighted average shares outstanding – basic	38,329,875	36,940,689
Weighted average shares outstanding – diluted	38,329,875	36,940,689

Three Months Ended June 30, 2009 Compared with The Three Months Ended June 30, 2008.

## Revenues

Unless otherwise indicated, the following discussion relates to our continuing operations and does not include the operations of Options. We acquired that business in January 2008 and sold it in June 2008 resulting in a net loss on sale of \$3,571,682.

Revenues for the three months ended June 30, 2009 increased to \$10,648,686 from \$4,673,629 for the three months ended June 30, 2008, an increase of 128%. The increase is primarily attributable to growth of our advertiser base through our expanded national sales force and through budget increases among existing advertisers. Additionally, interCLICK's ad rates have continued to increase substantially since late in the third quarter of 2008, rising over 50% since that time.

Seasonally, the third quarter marks the start of the stronger half of the year in terms of demand for CPM advertising campaigns. interCLICK is particularly sensitive to this seasonality effect given that the majority of its revenues are tied to CPM campaigns. Despite the marked deterioration of the broader economy over the past twelve months and in 2009, the overall U.S. Internet audience based on comScore data expanded to 193,532,000 average viewers in the second quarter of 2009, an increase of 0.9%, as compared to the first quarter of 2009, and an increase of 1.6%, as compared to the second quarter of 2008. For the same periods indicated, interCLICK experienced growth of 2.1% and 18.2%, respectively, as its audience reach expanded rapidly based on signing more publishers and gaining access to more inventory.

Given the continued overall growth in online advertising, coupled with other strategic initiatives undertaken by interCLICK, including the continued enhancement of our behavioral targeting system and our continued ability to acquire top tier publishing inventory, we expect to continue to increase our advertising customer base and revenues on a year-over-year basis.

Revenues from branded advertisers continue to account for the substantial majority of our revenues. During the three months ended June 30, 2009, revenues from such advertisers accounted for more than 95% of revenues.

#### Cost of Revenues and Gross Profit

Cost of revenues for the three months ended June 30, 2009 increased to \$5,624,005 from \$3,412,541 for the three months ended June 30, 2008, an increase of 64.8%. The increase is primarily attributable to the growth in advertising campaigns requiring the purchase of appropriate levels of inventory from publishers. Cost of revenues is comprised of the amounts we paid to website publishers on interCLICK's online advertising network. Cost of revenues represented 52.8% of revenues for the three months ended June 30, 2009 compared to 73.0% of revenues for the three months ended June 30, 2008. The decrease is primarily attributable to: (1) improvements in our supply chain management platform, resulting in a better match between acquired publisher inventory and advertising campaign demand and (2) targeting efficiencies achieved through our proprietary technology platform.

Gross profit for the three months ended June 30, 2009 increased to \$5,024,681 from \$1,261,088 for the three months ended June 30, 2008, an increase of 298%. Our gross margin was 47.2% for the three months ended June 30, 2009 compared to 27.0% for the three months ended June 30, 2008.

#### Operating Expenses:

##### General and Administrative

General and administrative expenses consist primarily of executive and administrative compensation, facilities costs, insurance, depreciation, professional fees and investor relations fees. General and administrative expenses for the three months ended June 30, 2009 increased to \$2,414,255 from \$1,410,607 for the three months ended June 30, 2008, an increase of 71.2%. The increase is primarily attributable to headcount expansion over the period. We hired 21

employees in the second quarter to meet the expected growth trajectory of our business, growing our employee base from 43 to 64 employees. We expect to continue hiring new employees for the balance of 2009, albeit at a slower pace than in the second quarter. General and administrative expenses represented 22.7% of revenues for the three months ended June 30, 2009 compared to 30.2% of revenues for the three months ended June 30, 2008.

Included in general and administrative expenses are non-cash stock based compensation, which is comprised of expense from our stock and stock option plans and amortization of warrants. Non-cash stock based compensation for the three months ended June 30, 2009 increased to \$777,173 from \$502,379 for the three months ended June 30, 2008, an increase of 54.7%. The increase is primarily attributable to the award of stock option grants to current as well as new employees. Non-cash stock based compensation represented 7.3% of revenues for the three months ended June 30, 2009 compared to 10.7% of revenues for the three months ended June 30, 2008. The remaining portion of stock-based expenses for the three months ended June 30, 2008 totaling \$62,580 is allocated to discontinued operations, which are discussed below.

Future non-cash compensation expense related to unvested options, restricted stock awards and warrants amounts to \$6,252,905 as of June 30, 2009, of which \$1,234,060 will be amortized in the remainder of 2009.

#### Sales and Marketing

Sales and marketing expenses consist primarily of compensation for sales and marketing and related support resources, sales commissions and trade show expenses. Sales and marketing expenses for the three months ended June 30, 2009 increased to \$2,691,096 from \$1,445,894 for the three months ended June 30, 2008, an increase of 86.1%. The increase is primarily attributable to our national sales-force expansion. Sales and marketing expenses represented 25.3% of revenues for the three months ended June 30, 2009 compared to 30.9% of revenues for the three months ended June 30, 2008.

#### Technology Support

Technology support consists primarily of compensation of technology support and related consulting resources and third party ad server costs for interCLICK. Technology support and related consulting support resources have been directed primarily towards continued enhancement of our proprietary behavioral targeting platform, including integration of third party data providers, upgrades to our optimization system, and ongoing maintenance and improvement of our technology infrastructure. Technology support expenses for the three months ended June 30, 2009 increased to \$420,958 from \$231,371 for the three months ended June 30, 2008, an increase of 81.9%. The increase is primarily attributable to expenditures necessary to support interCLICK's increased business as well as expected increases in revenues. Technology support expenses represented 4.0% of revenues for the three months ended June 30, 2009 compared to 5.0% of revenues for the three months ended June 30, 2008.

#### Merger, Acquisition, Divestiture and Investor Relations Costs

Merger, acquisition, divestiture and investor relations costs consist primarily of legal, audit and accounting services related to the acquisition and subsequent divestiture of Options in addition to investor relations services. Merger, acquisition, divestiture and investor relations costs for the three months ended June 30, 2009 decreased to \$113,156 from \$274,903 for the three months ended June 30, 2008, a decrease of 58.8%. The decrease is primarily attributable to the acquisition of Options in January 2008 and its subsequent divestiture in June 2008 whereas the 2009 costs consist primarily of investor relations. Merger, acquisition, divestiture and investor relations costs represented 1.1% of revenues for the three months ended June 30, 2009 compared to 5.9% of revenues for the three months ended June 30, 2008.

#### Amortization of Intangible Assets

Amortization of intangible assets includes amortization of customer relationships, developed technology and a domain name acquired through the Desktop acquisition. Amortization of intangible assets for the three months ended June 30, 2009 decreased to \$49,760 from \$104,630 for the three months ended June 30, 2008, a decrease of 52.4%. The decrease is primarily attributable to the accelerated amortization applicable to acquired customer relationships. Amortization of intangible assets represented 0.5% of revenues for the three months ended June 30, 2009 compared to 2.2% of revenues for the three months ended June 30, 2008.

#### Loss From Discontinued Operations, Net

Loss from discontinued operations for the three months ended June 30, 2008 consists of a loss from discontinued operations of \$218,187 and the loss on the sale of discontinued operations of \$624,981. The loss from discontinued operations for the three months ended June 30, 2008 also contains \$62,580 of stock-based expense.

## Results of Operations

The following table presents our results of operations for the year ended December 31, 2008 and for the period from June 14, 2007 (Inception) to December 31, 2007. It should be noted that our results of operations and our liquidity and capital resources discussions focus primarily on the operations of interCLICK while referring to Options as a discontinued operation.

	For the Year Ended December 31, 2008	For the period from June 14, 2007 (Inception) to December 31, 2007
Revenues	\$ 22,452,333	\$ 6,654,768
Cost of revenues	15,344,337	5,315,418
Gross profit	7,107,996	1,339,350
Total operating expenses	13,700,574	4,871,027
Operating loss from continuing operations	(6,592,578)	(3,531,677)
Total other income (expense)	(1,659,413)	(239,290)
Loss from continuing operations before income taxes	(8,251,991)	(3,770,967)
Income tax benefit	1,687,305	538,000
Equity in investee ' s loss, net of income taxes	(653,231)	-
Net loss from discontinued operations, net of income taxes	(4,807,622)	-
Net loss	\$ (12,025,539)	\$ (3,232,967)
Loss per share from continuing operations – basis and diluted	\$ (0.19)	\$ (0.12)
Loss per share from discontinued operations – basis and diluted	\$ (0.13)	\$ -
Net loss per share – basic and diluted	\$ (0.32)	\$ (0.12)
Weighted average shares outstanding – basic and diluted	37,137,877	28,025,035

Year Ended December 31, 2008 Compared with The Period From June 14, 2007 (Inception) to December 31, 2007

## Revenues

Unless otherwise indicated, the following discussion relates to our continuing operations and does not include the operations of Options. We acquired that business in January 2008 and sold it in June 2008 resulting in a net loss on sale of \$3,571,682. Revenues for the year ended December 31, 2008 increased to \$22,452,333 from \$6,654,768 for the period from June 14, 2007 (Inception) to December 31, 2007, an increase of 237%. The increase is primarily attributable to growth of our advertiser base through our expanded national sales force and through budget increases among existing advertisers.

Seasonally, the third quarter marks the start of the stronger half of the year in terms of demand for costs per thousand clicks or CPM advertising campaigns. interCLICK is particularly sensitive to this seasonality effect given that the majority of its revenues are tied to CPM campaigns. Despite the marked deterioration of the broader economy in the second half of 2008, the overall U.S. Internet audience based on comScore data expanded to 190,700,000 average viewers in the fourth quarter of 2008, an increase of 0.8%, as compared to the third quarter of 2008, and an increase of 4.4%, as compared to the fourth quarter of 2007. For the same periods indicated, we experienced growth of 7.5% and 35.8%, respectively, as its audience reach expanded rapidly based on signing more publishers and gaining access to more inventory.

Given the continued overall growth in online advertising, coupled with other strategic initiatives undertaken by interCLICK, including our continued enhancement of our behavioral targeting system and our continued ability to acquire top tier publishing inventory, we expect to continue to increase our advertising customer base and revenues on a year-over-year basis.

We expect that revenues from large branded advertisers will continue to grow as a percentage of our revenues in future quarters. During the year ended December 31, 2008, revenues from such advertisers accounted for more than 85% of revenues as compared to less than 75% for the period from June 14, 2007 (Inception) to December 31, 2007.

#### Cost of Revenues and Gross Profit

Cost of revenues for the year ended December 31, 2008 increased to \$15,344,337 from \$5,315,418 for the period from June 14, 2007 (Inception) to December 31, 2007, an increase of 189%. The increase is primarily attributable to the growth in advertising campaigns requiring the purchase of appropriate levels of inventory from publishers. Cost of revenues is comprised of the amounts we paid to website publishers on interCLICK's online advertising network. Cost of revenues represented 68.3% of revenues for the year ended December 31, 2008 compared to 79.9 % of revenues for the period from June 14, 2007 (Inception) to December 31, 2007. The decrease is primarily attributable to improvements in our supply chain management platform, resulting in a better match between acquired publisher inventory and advertising campaign demand.

Gross profit for the year ended December 31, 2008 increased to \$7,107,996 from \$1,339,350 for the period from June 14, 2007 (Inception) to December 31, 2007, an increase of 431%. The increase is primarily attributable to a revenue mix shift towards higher margin CPM advertising campaigns, as well as improved supply chain management. Gross profit represented 31.7% of revenues for the year ended December 31, 2008 compared to 20.1% of revenues for the period from June 14, 2007 (Inception) to December 31, 2007.

We pay interCLICK's website publishers on either a fixed CPM volume commitment basis or on a revenue share basis. The amount of display advertisements we deliver (i.e., impressions) reflects the level of publishing inventory we can acquire. Based on our comScore ranking as of December 31, 2008, we reached 71.9% of the domestic online population and are ranked as the tenth largest ad network in the domestic online marketplace. We endeavor both to expand our publisher base and to increase the levels of acquired publishing inventory, particularly from tier one publishers.

#### Operating Expenses:

##### General and Administrative

General and administrative expenses consist primarily of executive and administrative compensation, facilities costs, insurance, depreciation, professional fees and investor relations fees. General and administrative expenses for the year ended December 31, 2008 increased to \$6,269,070 from \$2,442,705 for the period from June 14, 2007 (Inception) to December 31, 2007, an increase of 157%. The increase is primarily attributable to headcount expansion over the period. General and administrative expenses represented 27.9% of revenues for the year ended December 31, 2008 compared to 36.7% of revenues for the period from June 14, 2007 (Inception) to December 31, 2007.

Included in general and administrative expenses are non-cash stock based compensation, which is comprised of expense from our stock and stock option plans and amortization of warrants. Non-cash stock based compensation for the year ended December 31, 2008 increased to \$1,941,191 from \$954,167 for the period from June 14, 2007 (Inception) to December 31, 2007, an increase of 103%. The increase is primarily attributable to the award of stock option grants to current as well as new employees. Non-cash stock based compensation represented 8.5% of revenues for the year ended December 31, 2008 compared to 14.3% of revenues for the period from June 14, 2007 (Inception) to December 31, 2007. The remaining portion of stock-based expenses totaling \$1,121,818 is allocated to discontinued operations which are discussed below.

##### Sales and Marketing

Sales and marketing expenses consist primarily of compensation for sales and marketing and related support resources, sales commissions and trade show expenses. Sales and marketing expenses for the year ended December 31, 2008 increased to \$4,884,973 from \$1,073,884 for the period from June 14, 2007 (Inception) to December 31, 2007, an increase of 355%. The increase is primarily attributable to our national sales-force expansion. Sales and marketing expenses represented 21.8% of revenues for the year ended December 31, 2008 compared to 16.1% of revenues for the period from June 14, 2007 (Inception) to December 31, 2007.



## Technology Support

Technology support consists primarily of compensation of technology support and related consulting resources and third party ad server costs for interCLICK. Technology support and related consulting support resources have been directed primarily towards continued enhancement of our proprietary behavioral targeting platform, including integration of third party data providers, upgrades to our optimization system, and ongoing maintenance and improvement of our technology infrastructure. Technology support expenses for the year ended December 31, 2008 increased to \$1,061,182 from \$748,968 for the period from June 14, 2007 (Inception) to December 31, 2007, an increase of 41.7%. The increase is primarily attributable to expenditures necessary to support interCLICK's increased operating scale. Technology support expenses represented 4.7% of revenues for the year ended December 31, 2008 compared to 11.3% of revenues for the period from June 14, 2007 (Inception) to December 31, 2007.

## Merger, Acquisition and Divestiture Costs

Merger, acquisition and divestiture costs consist primarily of legal, audit and accounting services related to the acquisition and subsequent divestiture of Options in addition to the earlier Desktop acquisition. Merger, acquisition and divestiture costs for the year ended December 31, 2008 increased to \$652,104 from \$187,353 for the period from June 14, 2007 (Inception) to December 31, 2007, an increase of 248%. The increase is primarily attributable to an acquisition in early 2008 and to management's strategic decision later in 2008 to focus on the organic growth of its Internet ad network operations and resulting divestiture of Options. Merger, acquisition and divestiture costs represented 2.9% of revenues for the year ended December 31, 2008 compared to 2.8% of revenues for the period from June 14, 2007 (Inception) to December 31, 2007.

## Amortization of Intangible Assets

Amortization of intangible assets includes amortization of customer relationships, developed technology and a domain name acquired through the Desktop acquisition. Amortization of intangible assets for the year ended December 31, 2008 increased to \$418,508 from \$302,062 for the period from June 14, 2007 (Inception) to December 31, 2007, an increase of 38.6%. The increase is primarily attributable to the accelerated amortization applicable to the acquired customer relationships. Amortization of intangible assets represented 1.9% of revenues for the year ended December 31, 2008 compared to 4.5% of revenues for the period from June 14, 2007 (Inception) to December 31, 2007.

## Income taxes

As part of the allocation of the purchase price associated with Options, a deferred tax liability of \$264,000 was established as a result of differences between the book and tax basis of acquired intangible assets. With our divestiture of the business of Options in June 2008, the entire deferred tax liability was recognized as a deferred tax benefit in operations, which ultimately increased the loss on sale from discontinued operations and decreased the loss from discontinued operations.

We recognized a tax benefit of \$1,687,305 from continuing operations for the year ended December 31, 2008, due to our continued losses. At December 31, 2008, we had an estimated \$3,383,088 of net operating loss carry-forwards which will expire from 2027 to 2028.

## Loss From Discontinued Operations, Net

This amount consists of a loss from discontinued operations of \$1,235,940, net of an income tax benefit of \$1,016,292 and the loss on the sale of discontinued operations of \$3,571,682 net of an income tax provision of \$2,439,597. The loss from discontinued operations also contains \$1,121,818 of stock-based expense.

Liquidity and Capital Resources

Net cash used in operating activities during the six months ended June 30, 2009 totaled \$822,654 and resulted primarily from a \$2,968,432 increase in accounts receivable and a \$1,001,076 net loss, partially offset by \$1,353,743 in stock-based compensation, an increase in accounts payable of 1,083,434, an increase in accrued expenses of \$292,816, and a \$232,061 change in fair value of a warrant derivative liability.

Net cash used in investing activities during the six months ended June 30, 2009 totaled \$52,454 and resulted from \$73,883 of purchases of property and equipment, offset by proceeds from the sale of OPMG stock of \$21,429.

Net cash provided by financing activities during the six months ended June 30, 2009 was \$3,726,223 and resulted primarily from net proceeds of \$2,257,000 from a private placement, \$1,574,859 received under our credit facility (net of repayments), partially offset by the repayment of \$100,000 of notes payable.

Net cash used in operating activities during the year ended December 31, 2008 totaled approximately \$3.0 million. This resulted primarily from a loss from continuing operations of approximately \$7.2 million (net of the loss from discontinued operations of \$4,807,622) and a \$2.1 million outflow of cash from changes in operating assets and liabilities offset by \$6.3 million in non-cash charges.

Net cash provided by investing activities for the year ended December 31, 2008 totaled approximately \$0.7 million. This resulted primarily from proceeds from the sale of available-for-sale securities of approximately \$1.1 million offset by purchases of property and equipment of approximately \$0.4 million.

Net cash provided by financing activities for the year ended December 31, 2008 was approximately \$1.3 million. This resulted primarily from approximately \$2.9 million in cash received from stock subscriptions, approximately \$2.5 million received under a credit facility net of repayments and \$1.3 million received from the issuance of notes payable offset by approximately \$5.4 million in note payable principal payments.

On September 26, 2008, Barry Honig, one of our Co-Chairmen, and GRQ Consultants, Inc. 401(k) (an entity controlled by Mr. Honig) loaned interCLICK a total of \$1,300,000 and we issued to each \$650,000 6% promissory notes. We repaid Mr. Honig's note in 2008 and as of December 31, 2008 owed GRQ \$400,000, which was due June 30, 2009. On June 5, 2009, the Board of Directors approved an extension of the due date of \$100,000 of the note from June 30, 2009 to December 31, 2009. In addition, this \$100,000 note which was previously not convertible was made convertible at \$2.00 per share. On June 22, 2009, we repaid \$100,000 of the remaining \$300,000 non-convertible note and extended the due date of this remaining \$200,000 non-convertible note to December 31, 2009. On August 19, 2009, we repaid all of the principal and accrued interest remaining on the \$200,000 note. As of the date of this prospectus, GRQ holds a \$100,000 6% promissory note convertible at \$2.00 per share due December 31, 2009.

On November 13, 2008, interCLICK entered into a revolving credit facility with Crestmark Commercial Capital Lending, LLC to finance certain eligible accounts receivables of interCLICK in an amount up to \$3.5 million (increased to \$4.5 million on February 3, 2009 and increased to \$5.5 million on April 30, 2009). The line of credit expires on May 12, 2010 and is secured by all of the assets of interCLICK except the OPMG shares.

At June 30, 2009, interCLICK had \$2,784,986 in cash and cash equivalents and working capital of \$1,711,329. interCLICK continues to expand and had record revenues in July 2009. In addition to our \$1,711,329 of working capital, the unused amount under the Crestmark line of credit available was \$1,374,421 at June 30, 2009. interCLICK is in advanced discussions to increase this line of credit. For all of these reasons, interCLICK expects that it has sufficient cash and borrowing capacity to meet its working capital needs for at least the next 12 months.

In the next 12 months, we expect to acquire up to \$2,000,000 in capital assets to establish the appropriate scale of technology assets necessary both to support the realization of growth objectives as well as to advance interCLICK's present competitive position. We expect many of these capital assets will be acquired through conventional capital leases reducing our need to use available cash.

#### New Accounting Pronouncements

See Note 3 to our unaudited consolidated financial statements included elsewhere in this prospectus for discussion of recent accounting pronouncements.

#### Critical Accounting Estimates

The methods, estimates, and judgments that we use in applying our accounting policies have a significant impact on the results that we report in our financial statements. Some of our accounting policies require us to make difficult and subjective judgments, often as a result of the need to make estimates regarding matters that are inherently uncertain. These estimates which are discussed below involve certain assumptions that if incorrect could create a material adverse impact on interCLICK's results of operations and financial condition. See Note 3 to our audited consolidated financial statements included elsewhere in this prospectus.

With the present economic recession, management is particularly attentive to the potential for lengthening account receivable collection cycles and the attendant possibility of an increase in bad debts. However, as collection performance improved over the course of the first quarter of 2009 in part due to a major retailer client receiving an \$80,000,000 capital investment, management opted to reduce bad debt reserves to \$185,032, or 1.8% of gross accounts receivable at June 30, 2009, from \$216,532 or 2.5% of gross accounts receivable, at March 31, 2009. The retailer client has paid the balance of the amount we were owed.

Aside from bad debt reserves and write-offs, management is sensitive to the carrying value of the 7,285,715 OPMG shares valued on the June 30, 2009 balance sheet at \$728,572 which are valued based on the OPMG shares we sold privately in May 2009.

## BUSINESS

### Company Overview.

interCLICK provides Internet advertising solutions for Internet publishers and advertisers. interCLICK operates the interCLICK Network, an online advertising platform that combines advanced behavioral targeting with complete data and inventory transparency, allowing advertisers to identify and track their desired audience on an unprecedented level. We offer advanced proprietary demographic, behavioral, contextual, geographic and retargeting technologies across a network of name brand publishers to ensure the right message is delivered to a precise audience in a brand friendly environment.

By combining complete data and inventory transparency and advanced behavioral targeting, interCLICK is taking the inefficiencies out of the buyer/seller dynamic by allowing advertisers to achieve a direct response metric, whether it is a click, lead or a sale. We believe that this fundamental difference allows online marketers to achieve a better return on investment while still being able to target the premium websites.

### Industry Overview

According to Jupiter Research, online advertisers' use of behavioral targeting increased significantly in 2008 with nearly 25% allocating their ad budgets accordingly. This percentage increased 3% from 2006 to 2007 and increased 8% from 2007 to 2008. Based on ad network surveys, Jupiter Research indicates their clients' best behavioral targeting campaigns have realized returns more than twice those of regularly optimized campaigns. Furthermore, the Jupiter Research report estimates that almost twice as many marketers will use behavioral targeting in the next year.

Based on our current experience, advertisers' focus on "return on ad spend" is intensifying with the weakening economy. As such, we expect market share gains will accrue to those ad networks with the most advanced behavioral targeting capabilities.

In its 2009 Internet Investment Guide, J.P. Morgan stated that it believed that performance-based advertising will continue to gain market share and that the recessionary environment will only accelerate its growth. Lower ad budgets and economic concerns have made advertisers place a higher value on clear return on investments or ROIs. According to eMarketer, "with the economy struggling and budgets being reduced, U.S. marketers are focusing on quantifiable tactics to get their messages across." In a February 2008 survey conducted by iMedia Connection, a marketing community website, 59% of U.S. marketers stated that they were dedicating their firms to measurable, ROI driven strategies.

### Seasonality

Our business is subject to seasonal fluctuations. The fourth quarter of the calendar year, during the holiday season, is our strongest. The third calendar quarter marks the start of the stronger half of the year. While we are a relatively new company, our experience to date and our management's knowledge of the advertising industry indicates that the first calendar quarter is our slowest quarter. Because so many advertisers operate on a calendar year, advertising decisions tend to be put off until January when new budgets are implemented. This has a tendency to reduce revenues for the first quarter compared to other quarters.

## Customers

In order to provide opportunities for advertisers, we buy display advertising banner inventory from publishers or companies that maintain websites and seek to monetize their websites through the sale of advertising. In the second quarter of 2009, we derived more than 10% of our revenues from one customer. During fiscal 2008, we derived more than 10% of our revenues from a different customer, which was not a 10% customer in 2007. In 2007, we had two customers who each accounted for more than 30% of our revenues; neither was a 10% customer in 2008. Our margins are based upon our ability to deliver advertising campaigns at an efficiency level sufficient to realize pricing in excess of the cost incurred securing inventory from the website publishers. We deliver advertising campaigns for a wide variety of advertisers and advertising agency partners with no concentration on any specific industry vertical. As such, interCLICK's existing advertiser base includes numerous industries including but not limited to — consumer packaged goods, retail, electronics, Internet, computer software, automotive, pharmaceuticals, wireless communications and the entertainment industry.

## Sales and Marketing

We sell and market our product and services through our sales team of 25 experienced sales persons as of August 15, 2009. We carefully select industry-veteran sales managers adept at articulating our technically-driven, value-oriented solutions. As part of our strategic plan, we opened sales offices in 2008 and early 2009 in Chicago, Los Angeles and San Francisco as complements to the sales team based in the our New York head office. We expect to increase our sales staff by one person per month for the balance of 2009.

## Competition

We face intense competition in the Internet advertising market from other online advertising and direct marketing networks for a share of client advertising budgets. We expect that this competition will continue to intensify in the future as a result of industry consolidation, the maturation of the industry and low barriers to entry. Additionally, we compete for advertising budgets with traditional media including television, radio, and newspapers and magazines. Furthermore, many of the advertising, media, and Internet companies possess greater resources and are more adequately capitalized than interCLICK.

Our ability to compete depends upon several factors, including the following:

- the timing and market acceptance of our new solutions and enhancements to existing solutions developed by us;
- continuing our relationships with top quality publishers;
- our customer service and support efforts;
- our sales and marketing efforts; and
- our ability to remain price competitive.

## Research and Development Expenses

We had no research and development expenses in 2007, 2008 or the first half of 2009.

## Regulation

In February 2009, the FTC issued informal guidance about companies like us that engage in behavioral targeting. The essence of the report is that self regulation to protect privacy rights must occur or the FTC will declare certain practices to be unfair trade practices. Our management viewed this FTC report as being favorable and believes its business model will not be adversely affected from self regulation. Many states also have adopted what are commonly called "Little FTC Unfair Trade Practice Acts." State Acts include the power to seek injunctions, triple damages and attorneys' fees.

#### Employees

As of August 11, 2009, interCLICK had a total of 64 full-time employees. We expect to add approximately 16 more employees by December 31, 2009. None of these employees are members of a union. Management believes that our relations with our employees are good.



## Corporate History and Acquisitions

We were formed in Delaware on March 4, 2002 and acquired CAN under the name Outsiders Entertainment, Inc. On August 28, 2007, we completed a reverse merger. In connection with the merger, we changed our name to Customer Acquisition Network Holdings, Inc. Three days later, on August 31, 2007, interCLICK acquired Desktop. On June 25, 2008, we changed our name to interCLICK, Inc.

On January 4, 2008, interCLICK acquired Options Newsletter, Inc., a privately-held Delaware corporation primarily engaged in the email service provider business. interCLICK paid Options Newsletter's shareholder a total of \$2,600,000 (not including interest). On June 23, 2008, interCLICK sold the Options Newsletter business to OPMG. interCLICK received (i) 12,500,000 shares of OPMG stock, (ii) \$3,000,000 in cash and (iii) a \$1,000,000 senior secured promissory note. As of August 18, 2009, we owned 7,285,715 shares of OPMG and the note had been repaid.

## Intellectual Property

We currently rely on a combination of copyright, trademark and trade secret laws and restrictions on disclosure to protect our intellectual property rights. We enter into proprietary information and confidentiality agreements with our employees, consultants and commercial partners and control access to, and distribution of our software documentation and other proprietary information.

## Legal Proceedings

None.

## Property

We have the following offices:

Location	Approximate Size	Monthly Cost(1)	Expiration Date
Executive offices New York, NY	5,786 sq. ft.	\$ 25,073	December 31, 2014
Technology offices Boca Raton, FL	2,272 sq. ft.	\$ 3,313	February 2014
Sales office(2) Chicago, IL	3 workstations	\$ 1,400	June 30, 2010
Sales office San Francisco, CA	1,324 sq. ft.	\$ 3,089	July 31, 2014
Sales office(2) Los Angeles, CA	2 workstations	\$ 1,532	February 28, 2010

(1) Our leases typically have annual escalations ranging from 2.5% to 3.0%. In addition, all leases typically have suchpass throughs such as property taxes and electricity.

(2) These sales offices are located in executive suites.

## MANAGEMENT

The following is a list of our executive officers and directors. All directors serve one-year terms or until each of their successors are duly qualified and elected. The officers are elected by the Board of Directors.

Name	Age	Position
Michael Mathews	47	Chief Executive Officer and Director
Michael Katz	31	President and Director
Roger Clark	40	Chief Financial Officer
Andrew Katz	28	Chief Technology Officer
Michael Brauser	53	Co-Chairman
Barry Honig	38	Co-Chairman
Brett Cravatt	35	Director

Michael Mathews has served as our Chief Executive Officer and a member of our board of directors since August 28, 2007. Mr. Mathews is one of the founders of Customer Acquisition and served as its Chief Executive Officer, President and a director since its inception in June 2007. From May 15, 2008 until June 30, 2008, Mr. Mathews served as our interim Chief Financial Officer until David Garrity was appointed. From 2004 to 2007, Mr. Mathews served as the senior vice-president of marketing and publisher services for World Avenue U.S.A., LLC, an Internet promotional marketing company. Mr. Mathews graduated from San Francisco State University with a degree in Marketing and holds a Masters in Business Administration from Golden Gate University.

Michael Katz has served as President and our director since August 31, 2007. From 2003 until we acquired Desktop on August 31, 2007, Mr. Katz was the founder, Chief Executive Officer, and President of Desktop. Mr. Katz graduated from Syracuse University with a degree in Finance and Economics.

Roger Clark has served as our Chief Financial Officer since August 7, 2009. From 1994 until August 2009, Mr. Clark was an executive with IAC/InterActiveCorp. which operates more than 50 Internet businesses worldwide. From 2006 until 2009, Mr. Clark was Vice President, Finance at IAC Advertising Solutions and in 2009 served in the Office of the Chief Financial Officer at IAC Search & Media. From 2002 to 2006, Mr. Clark was the Vice President, Investor Relations and Finance at IAC/InterActiveCorp. Mr. Clark was an auditor with Ernst & Young, LLP from 1991 until 1994, and became a Certified Public Accountant in 1994; his current status is not practicing.

Andrew Katz has served as our Chief Technology Officer since August 31, 2007. From 2004 until we acquired Desktop on August 31, 2007, Mr. Katz was the Chief Technology Officer of Desktop. From February 2004 until July 1, 2008, Mr. Katz also served as the Chief Executive Officer of mStyle, LLC. Prior to mStyle, he served as the Senior Software Engineer for Jenzabar, Inc. Mr. Katz is the brother of Michael Katz, our President.

Michael Brauser has served as Co-Chairman since August 28, 2007. Mr. Brauser served as Chairman of the Board of Directors of SendTec, Inc. from October 2005 through November 2006. Mr. Brauser has been the manager of Marlin Capital Partners, LLC, a private investment company, since 2003. He is a private investor. From 1999 through 2002, he served as President and Chief Executive Officer of Naviant, Inc. (eDirect, Inc.), an Internet marketing company. He also was the founder of Seisant Inc. (eData.com, Inc.).

Barry Honig has served as Co-Chairman since August 28, 2007. Since January 2004, Mr. Honig has been the President of GRQ Consultants, Inc. 401(k), an investor and consultant to early stage companies. He is a private investor.

Brett Cravatt has served as a director since June 5, 2009. Since 2006, Mr. Cravatt has been the Chief Executive Officer and founder of WebYes! LLC. WebYES! finds new customers every day online for clients in select verticals by designing, creating and marketing web properties tailored to specific consumer products and services. Prior to WebYES!, Mr. Cravatt served as the Chief Operating Officer of Vendare Media (now Connexus). Mr. Cravatt joined Vendare Media in March 2001 via the acquisition of SportSkill.com, a fantasy sports software company co-founded by Mr. Cravatt. Prior to SportSkill.com, Mr. Cravatt was a corporate securities attorney for Loeb & Loeb, LLP, where he handled various corporate matters for start-up companies and Fortune 1000 clients. Mr. Cravatt holds a Bachelor's degree in Political Science from U. C. Berkeley and a J. D. from Stanford Law School.

## Key Employees

Jason Lynn has served as our Vice President of Product Development since June 2008. From July 2007 through July 2008, Mr. Lynn was the Director of Solutions Engineering at Right Media, LLC, a wholly-owned subsidiary of Yahoo! Inc. From August 2006 through July 2007, Mr. Lynn was the Product Manager at TACODA Systems, Inc., a provider of behavioral targeting solutions to web publishers. From June 2004 until July 2006, he was self-employed as an IT Systems Consultant. He is 36 years old.

Dave Myers has served as our Vice President of Operations since April 2009. From 2006 until joining interCLICK, Mr. Myers worked for Yahoo! Inc. and Right Media (which was acquired by Yahoo! Inc. in July 2007) as a Senior Director of Advertiser Marketplaces Operations and Senior Director of Right Media Client Services, respectively. From 2004 to 2006, Mr. Myers was an Enterprise Services Engagement Manager at Microsoft Corporation. He is 40 years old.

## Corporate Governance

### Board Responsibilities and Structure

The Board oversees, counsels, and directs management in the long-term interest of interCLICK and its shareholders. The Board's responsibilities include:

- Establishing broad corporate policies and
- Reviewing the overall performance of interCLICK.

The Board is not, however, involved in the operating details on a day-to-day basis.

### Board Committees and Charters

The Board and its Committees meet throughout the year and act by written consent from time to time as appropriate.

The Board has formed Audit, Compensation and Nominating Committees. The latter two Committees were formed on June 5, 2009. Committees regularly report on their activities and actions to the Board. The Board appoints members to its: Audit Committee, Compensation Committee and Nominating Committee. The Audit Committee and the Nominating Committee each have a written charter approved by the Board.

The following table identifies the independent and non-independent current Board and Committee members:

Name	Independent	Audit	Compensation	Nominating
Michael Brauser	P	P	P	P
Barry Honig	P	P	P	P
Brett Cravatt	P	P	P	P
Michael Katz				
Michael Mathews				

Our Board has determined that Messrs. Cravatt, Brauser and Honig are independent under the Nasdaq Stock Market Rules.

### Audit Committee

The Audit Committee's primary role is to review our accounting policies and any issues which may arise in the course of the audit of our financial statements. The Audit Committee selects our independent registered public accounting firm, approves all audit and non-audit services, and reviews the independence of our independent registered public accounting firm. The Audit Committee also reviews the audit and non-audit fees of the auditors. Our Audit Committee is also responsible for certain corporate governance and legal compliance matters including internal and disclosure controls and Sarbanes-Oxley compliance. The members of the Audit Committee are Brett Cravatt, Michael Brauser and Barry Honig. Our Board has determined that Messrs. Cravatt and Brauser are each qualified as an Audit Committee Financial Expert, as that term is defined by the rules of the Securities and Exchange Commission or the SEC and in compliance with the Sarbanes-Oxley Act of 2002. The Board has determined that Messrs. Cravatt, Brauser and Honig are independent in accordance with The Nasdaq Stock Market independence standards for audit committees.

### Compensation Committee

The function of the Compensation Committee is to review and recommend the compensation of benefits payable to our officers, review general policies relating to employee compensation and benefits and administer our various stock option plans. The members of the Compensation Committee are Messrs. Cravatt, Brauser and Honig.

### Nominating Committee

The purpose and responsibilities of the Nominating Committee include the identification of individuals qualified to become Board members, the selection or recommendation to the Board of nominees to stand for election as directors, the oversight of the evaluations of the Board and management, and review with the Board from time to time the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board, including issues of diversity, age, skills such as understanding of technology, finance and marketing. The members of the Nominating Committee are Messrs. Cravatt, Brauser and Honig.

### Code of Ethics

Our Board of Directors has adopted a Code of Ethics that applies to all of our employees, including our Chief Executive Officer and Chief Financial Officer. Although not required, the Code of Ethics also applies to our directors. The Code of Ethics provides written standards that we believe are reasonably designed to deter wrongdoing and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, full, fair, accurate, timely and understandable disclosure and compliance with laws, rules and regulations, including insider trading, corporate opportunities and whistle-blowing or the prompt reporting of illegal or unethical behavior. A request for a copy can be made in writing to interCLICK, Inc. 257 Park Avenue South, Suite 602, New York, NY 10010 Attention: Mr. Michael Mathews.

### Shareholder Communications

Although we do not have a formal policy regarding communications with the Board of Directors, shareholders may communicate with the Board by writing to us interCLICK, Inc., 257 Park Avenue South, Suite 602, New York, NY 10010 Attention: Mr. Michael Mathews, or by facsimile (646) 558-1225. Shareholders who would like their submission directed to a member of the Board may so specify, and the communication will be forwarded, as appropriate.

## EXECUTIVE COMPENSATION

The following table reflects the compensation paid to our Chief Executive Officer and the two other executive officers whose compensation exceeded \$100,000, who we refer to as our Named Executive Officers for 2007 and 2008.

2008 Summary Compensation Table

Name and Principal Position (a)	Year (b)	Salary \$(c)	Bonus \$(d)	Option Awards \$(f)(1)	Total \$(j)
Michael Mathews Chief Executive Officer	2008	\$ 325,000	\$ 70,000	\$ 379,301	\$ 774,301
Michael Katz President	2007	\$ 116,071	\$ 50,000	\$ 122,545	\$ 288,616
Andrew Katz Chief Technology Officer	2008	\$ 250,000	\$ 112,615	\$ 50,162	\$ 412,777
	2007	\$ 116,896	\$ 0	\$ 16,721	\$ 133,617
	2008	\$ 181,875	\$ 0	\$ 70,351(2)	\$ 252,226
	2007	\$ 84,583	\$ 35,000	\$ 4,618	\$ 124,201

(1) Represents the dollar amounts recognized in our year-end 2008 and 2007 financial statements for reporting purposes in accordance with the Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123(R), "Share-Based Payment" or SFAS 123(R). Amounts shown cover awards granted in 2008 and 2007. The amounts represent the compensation costs of awards that are paid in options to purchase shares of interCLICK's common stock, the amounts do not reflect the actual amounts that may be realized by the Named Executive Officers. A discussion of the assumptions used in calculating these values may be found in our audited consolidated financial statements found elsewhere in this prospectus.

(2) Includes 200,000 options re-priced from \$2.95 to \$1.31 per share.

## Executive Employment Agreements

**Michael Mathews Employment Agreement.** Effective on June 28, 2007, we entered into an employment agreement with Michael Mathews, to serve as our Chief Executive Officer. In accordance with the employment agreement, Mr. Mathews was paid a base salary of: (i) \$325,000 in his first year of employment, (ii) \$340,000 in his second year of employment, and (iii) currently receives \$355,000 in his third year of employment, and will receive an agreed upon salary for all future years of employment. In addition to a base salary, Mr. Mathews is eligible to receive an annual performance bonus based upon the achievement of pre-established performance milestones tied to our revenues and earnings of which half would be paid in cash and the remaining in interCLICK stock. If performance milestones are met, Mr. Mathews' bonus will be 50% of his base salary for the year the milestone was met. Additionally, we agreed in 2007 to (i) pay his former employer \$100,000, (ii) pay a \$50,000 relocation fee and (iii) guarantee a \$50,000 minimum bonus payment. Mr. Mathews also received 1,400,000 shares of vested founders stock. Mr. Mathews was granted 1,350,000 stock options vesting in quarterly increments over three years exercisable at \$1.00 per share. Mr. Mathews received a discretionary bonus of \$50,000 in June 2009.

**Roger Clark Employment Agreement.** Effective August 7, 2009, we entered into a three-year employment agreement with Roger Clark, to serve as our Chief Financial Officer. Mr. Clark receives a \$225,000 base salary in his first year of employment and will receive at least a 10% increase each year thereafter. In addition to a base salary, Mr. Clark is eligible to receive an annual bonus based upon the achievement of pre-established annual individual and interCLICK performance goals. If the performance goals are met, Mr. Clark's bonus will be equal to 50% of his base salary for the year the milestone is met and may be paid in any combination of cash and interCLICK stock that Mr. Clark determines. Additionally, we agreed to pay him a \$25,000 minimum bonus payment which shall be considered an advance against any performance bonus received by him for 2009. Mr. Clark also received 20,000 shares of common stock vesting six months after commencing employment (February 4, 2010), subject to continued employment with interCLICK. Mr. Clark was granted 500,000 stock options vesting in quarterly increments over three years beginning September 30, 2009, exercisable at \$1.60 per share.

**Michael Katz Employment Agreement.** On August 31, 2007, we entered into an employment agreement with Michael Katz, to serve as our President. Under the agreement, Mr. Katz was to receive an annual base salary of \$250,000. Under his agreement, he also received a \$75,000 signing bonus and a bonus based on pre-established performance milestones half payable in stock and half in cash. If the performance milestone is met, it shall equal 30% of his base salary for that year. Mr. Katz received a discretionary bonus of \$30,000 in June 2009. In the event that the Board and Mr. Katz are unable to agree on a mutually acceptable performance milestone, Mr. Katz will receive a guaranteed annual bonus for such fiscal year of not less than 15 percent of his base salary. In his sole discretion, Mr. Katz may elect to receive such annual bonus in capital stock at the basis determined by our Board. Additionally, Mr. Katz was granted 300,000 stock options vesting annually on each over a three year period exercisable at \$1.00 per share which are now fully vested. On June 5, 2009, Mr. Katz was granted 700,000 stock options vesting quarterly over four years beginning June 30, 2009.

**Andrew Katz Employment Agreement.** Effective March 3, 2008, we entered into an employment agreement with Mr. Andrew Katz, our Chief Technology Officer. The current term of his agreement expires on March 3, 2010 but will be automatically renewed for additional one-year periods until either we or Mr. Katz gives the other party written notice of its intent not to renew at least 60 days prior to the end of the then current term. Mr. Katz was paid a base salary of \$225,000 in his first year of employment, currently receives \$247,500 and will continue to receive a 10% increase on each one-year anniversary of entering into the agreement. Under his agreement, he is entitled to receive a bonus based on pre-established performance milestones half payable in stock and half in cash. If the performance milestone is met, it shall equal 50% of his base salary for that year. Additionally, Mr. Katz was granted 200,000 stock options exercisable at \$2.95 per share vesting annually over four years beginning March 3, 2009. On September 23, 2008, these options were repriced at \$1.31 per share. In March 2009, our Board approved the payment of a \$56,250 discretionary bonus and the issuance to him of 56,250 shares of restricted common stock vesting semi-annually over a



four-year period. On June 5, 2009, Mr. Katz was granted 500,000 stock options vesting quarterly over four years beginning June 30, 2009.

## Termination Provisions

The table below describes the severance payments that our executive officers are entitled to in connection with a termination of their employment upon death, disability, without cause, for Good Reason, change of control and the non-renewal of their employment at the discretion of interCLICK. All of the termination provisions are intended to comply with Section 409A of the Internal Revenue Code of 1986 and the Regulations thereunder.

	Michael Mathews	Roger Clark	Michael Katz	Andrew Katz
Death	None	None	12 months base salary	None
Total Disability	None	None	12 months base salary	None
Dismissal Without Cause	18 months base salary and 1,350,000 stock options immediately vest	The greater of 12 months base salary or the remainder of the base salary due under the employment agreement and all stock options or shares of restricted stock immediately vest	The greater of 12 months base salary or the remainder of the base salary due under the employment agreement	Six months base salary
Resignation for Good Reason (1)	18 months base salary and 1,350,000 stock options immediately vest	12 months base salary and all stock options or shares of restricted stock scheduled to vest within one year immediately vest	The greater of 12 months base salary or the remainder of the base salary due under the employment agreement	Six months base salary
Change of Control	All of his stock options and restricted stock immediately vest	All of his stock options and restricted stock immediately vest	All of his stock options and restricted stock immediately vest	None
Expiration of Initial Term and interCLICK does not renew	None	None	The greater of 12 months base salary or the remainder of the base salary due under the employment agreement	None

(1) Generally, Good Reason in the above agreements include the material diminution of the executives' duties, any material reduction in base salary without consent, the relocation of the geographical location where the executive performs services or any other action that constitutes a material breach by interCLICK under the employment agreements.

Mr. David Garrity, who served as our Chief Financial Officer from June 30, 2008 until August 7, 2009, was receiving a base salary of \$235,000 when his employment was terminated. His employment agreement provided for six months of base salary and benefits in the event that he was terminated without cause (which he was). In order to ensure his continued availability during the transition period, we entered into a six month consulting agreement with Mr. Garrity which pays him the full amount of his severance and his stock options will continue to vest while he serves as a consultant.

#### Compensation Awards

In February 2009, our Board of Directors reviewed management compensation. Because it had not set any performance goals for 2008, it elected to make discretionary compensation awards. In February 2009, we granted Mr. Mathews 200,000 five-year options fully vested and exercisable at \$0.76 per share. Mr. Garrity was granted 20,000 five-year options fully vested and exercisable at \$0.76 per share. Mr. Michael Katz's base salary was increased to \$300,000. Additionally, we paid Mr. Andrew Katz a \$56,250 cash bonus and in March 2009 we awarded him 56,250 shares of restricted common stock, which vest in equal increments semi-annually over a four-year period beginning June 30, 2009. On June 5, 2009, we granted Mr. Michael Katz 700,000 five-year options and Mr. Andrew Katz 500,000 five-year options exercisable at \$1.30 per share vesting quarterly over four years beginning June 30, 2009.

## 2007 Equity Incentive Plan and 2007 Incentive Stock and Award Plan

The following chart reflects the number of stock options and shares of restricted stock available for future grants under our incentive plans.

Plan	Number Authorized	Number Remaining
2007 Incentive Stock and Award Plan	4,225,000	313,750
2007 Equity Incentive Plan	4,500,000	0

In August 2007, we established the 2007 Equity Incentive Plan or the Equity Plan under which we may issue up to 4,500,000 stock options and restricted stock to our directors, employees and consultants. On November 13, 2007, we adopted the 2007 Incentive Stock and Award Plan or the Incentive Plan covering an additional 1,000,000 shares upon the exercise of options and the granting of restricted stock. Both the Equity Plan and the Incentive Plan are similar and are referred to below as the “Plans.” In January 2009, we amended the Plans to permit options to be transferable, except in limited circumstances including Incentive Stock Options or ISOs as defined by the Internal Revenue Code. As of February 6, 2009, we amended the Incentive Plan to include an additional 225,000 options and shares of restricted stock. On June 5, 2009, we further amended the Incentive Plan to provide for a total of 3,725,000 options and shares of restricted stock, adding an additional 2,500,000 shares, and on July 27, 2009, we added an additional 500,000 shares to the Incentive Plan providing for a total of 4,225,000 under the Incentive Plan.

Both Plans are to be administered by a Committee of two or more independent directors, or in their absence by the Board. The identification of individuals entitled to receive awards, the terms of the awards, and the number of shares subject to individual awards, are determined by our Board or the Committee, in their sole discretion. The total number of shares with respect to which options or stock awards may be granted under the Plans and the purchase price per share, if applicable, shall be adjusted for any increase or decrease in the number of issued shares resulting from a recapitalization, reorganization, merger, consolidation, exchange of shares, stock dividend, stock split, reverse stock split, or other subdivision or consolidation of shares.

Both Plans provide for the grant of ISOs or non-qualified options. For any ISOs granted, the exercise price may not be less than 110% of the fair market value in the case of 10% shareholders. Options granted under the Plans shall expire no later than 10 years after the date of grant, except for ISOs granted to 10% shareholders which must expire not later than five years from grant. The option price may be paid in United States dollars by check or other acceptable instrument including wire transfer or, at the discretion of the Board or Committee, by delivery of shares of our common stock having fair market value equal as of the date of exercise to the cash exercise price, or a combination thereof.

Our Board or the Compensation Committee may from time to time alter, amend, suspend, or discontinue the Plans with respect to any shares as to which awards of stock rights have not been granted. However no rights granted with respect to any awards under the Plans before the amendment or alteration shall not be impaired by any such amendment, except with the written consent of the grantee.

Under the terms of the Plans, our Board or the Compensation Committee may also grant awards which will be subject to vesting under certain conditions. In the absence of a determination by the Board or Compensation Committee, options shall vest and be exercisable at the end of one, two and three years. The vesting may be time-based or based upon meeting performance standards, or both. ISOs are subject to a \$100,000 per calendar year limit on becoming first exercisable. Recipients of restricted stock awards will realize ordinary income at the time of vesting equal to the fair market value of the shares. We will realize a corresponding compensation deduction. Upon the exercise of stock options other than ISOs, the holder will have a basis in the shares acquired equal to any amount paid on exercise plus

the amount of any ordinary income recognized by the holder. For ISOs which meet certain requirements, the exercise is not taxable upon sale of the shares, the holder will have a capital gain or loss equal to the sale proceeds minus his or her basis in the shares.

#### Equity Compensation Plan Information

The following chart reflects the number of options granted and the weighted average exercise price under our compensation plans as of December 31, 2008.

Name Of Plan	Aggregate Number of Securities Underlying Options Granted	Weighted Average Exercise Price Per Share	Aggregate Number of Securities Available for Grant
Equity compensation plans approved by security holders	0	\$ 0	0
Equity compensation plans not approved by security holders	5,075,954	\$ 1.50	424,046
<b>Total</b>	<b>5,075,954</b>	<b>\$ 1.50</b>	<b>424,046</b>

## Outstanding Equity Awards At 2008 Fiscal Year-End

Listed below is information with respect to outstanding equity awards held by our Named Executive Officers as of December 31, 2008:

Name (a)	Number of Securities Underlying Unexercised Options (#)		Option Exercise Price (\$)(e)	Option Expiration Date (f)
	Exercisable (b)	Unexercisable (c)		
Michael Mathews (1) Chief Executive Officer (1)	604,167 83,333	845,833 166,667	1.00 1.00	08/28/2012 10/12/2012
Michael Katz (2) President	75,000	225,000	1.00	08/31/2012
Andrew Katz (3) Chief Technology Officer (1)	25,000 0	75,000 200,000	1.00 1.31	09/21/2012 06/16/2013

- (1) These options vest over a three year period.  
 (2) These options are fully vested.  
 (3) These options vest annually over a four year period.

The following chart reflects the number of stock options we awarded in fiscal 2007 to 2009 to our current executive officers and directors.

Name	Number of Options	Exercise Price per Share	Expiration Date
Michael Mathews	1,450,000	\$ 1.00	8/28/2012
Michael Mathews	250,000	\$ 1.00	10/12/2012
Michael Mathews	200,000	\$ 0.76	2/6/2014
Michael Katz	300,000	\$ 1.00	8/31/2012
Michael Katz	700,000	\$ 1.30	6/5/2014
Andrew Katz	100,000	\$ 1.00	9/21/2012
Andrew Katz	200,000	\$ 1.31	6/16/2013
Andrew Katz	500,000	\$ 1.30	6/5/2014
Michael Brauser	100,000	\$ 1.00	8/28/2012
Barry Honig	100,000	\$ 1.00	8/28/2012
Brett Cravatt	300,000	\$ 1.20	6/29/2014
Roger Clark	500,000	\$ 1.60	8/4/2014

## Director Compensation

We do not pay cash compensation to our directors for service on our Board of Directors. In 2008, non-employee members of our Board of Directors were compensated with stock options for service as a director as follows:

Name (a)	Option Awards (\$)	Total (\$)
Michael Brauser (1)(2)	\$ 22,289	\$ 22,289
David Garrity (1)(2)(3)(4)	\$ 26,915	\$ 26,915
Barry Honig (1)(2)	\$ 22,289	\$ 22,289
Sanford Rich (1)(2)(4)	\$ 22,289	\$ 22,289

(1) The amounts reflect the accounting charge taken in 2008 for awards granted in 2008 and in prior years. Accounting costs are determined, as required, under SFAS No. 123(R). For a more detailed discussion on the valuation model and assumptions used to calculate the fair value of our options refer to Note 11 of the audited consolidated financial statements found elsewhere in this prospectus.

(2) Includes the amortized portion of the value of 2007 grants of 100,000 options to each non-employee director, except for Mr. Garrity. Mr. Garrity received 100,000 options in June 2008 when he became a director prior to becoming an employee. All option grants to our directors vest annually over four years.

(3) On September 23, 2008, these options were repriced from \$2.998 to \$1.31 per share.

(4) Mr. Garrity and Mr. Rich resigned as directors on June 5, 2009.

## PRINCIPAL SHAREHOLDERS

The following table sets forth the number of shares of our common stock beneficially owned as of August 18, 2009 by (i) those persons known by us to be owners of more than 5% of our common stock, (ii) each director (iii) our Named Executive Officers (as disclosed in the Summary Compensation Table), and (iv) our executive officers and directors as a group.

Title of Class	Name and Address of Beneficial Owner	Amount of Beneficial Ownership(1)	Percent Beneficially Owned(1)
<b>Directors and Executive Officers:</b>			
Common Stock	Michael Mathews 257 Park Avenue South Ste. 602 New York, NY 10010 (2)(3)(4)	2,483,333	5.8%
Common Stock	Michael Katz 257 Park Avenue South Ste. 602 New York, NY 10010 (2)(3)(5)	2,300,000	5.5%
Common Stock	Andrew Katz 4800 T-Rex Avenue Ste. 120 Boca Raton, FL 33431	172,917	*
Common Stock	Michael Brauser 595 S. Federal Hwy. Ste. 600 Boca Raton, FL 33432 (3)(7)	6,998,000	16.9%
Common Stock	Barry Honig 595 S. Federal Hwy. Ste. 600 Boca Raton, FL 33432 (3)(8)	6,052,545	14.6%
Common Stock	Brett Cravatt 324 Bayview Drive Hermosa Beach, CA 90254 (3)(9)	37,500	*
Common Stock	All directors and executive officers as a group (7 persons)	18,105,962	41.8 %
<b>5% Shareholder</b>			
Common Stock	Gerald Unterman 610 Park Avenue Apt. 16A New York, NY 10065 (10)	4,256,000	10.2%
*	Less than 1%		

(1) Applicable percentages are based on 41,335,387 shares outstanding adjusted as required by rules of the SEC. Beneficial ownership is determined under the rules of the SEC and generally includes voting or investment power with respect to securities. A person is deemed to be the beneficial owner of securities that can be acquired by such person within 60 days whether upon the exercise of options or otherwise. Shares of common stock subject to options, warrants and convertible notes currently exercisable or convertible, or exercisable or convertible within 60 days after the date of this prospectus are deemed outstanding for computing the percentage of the person holding such securities but are not deemed outstanding for computing the percentage of any other person. Unless otherwise indicated in the footnotes to this table, interCLICK believes that each of the shareholders named in the table has sole voting and investment power with respect to the shares of common stock indicated as beneficially owned by them.

(2) An executive officer.



- (3) A director.
- (4) Includes 1,333,333 shares issuable upon exercise of options that are exercisable within 60 days of the date of this prospectus.
- (5) Includes 300,000 shares issuable upon exercise of options that are exercisable within 60 days of the date of this prospectus.
- (6) Includes 116,667 shares issuable upon exercise of options that are exercisable within 60 days of the date of this prospectus. Also includes 56,250 shares of restricted common stock which vest semi-annually over a four year period beginning June 30, 2009.
- (7) Includes 50,000 shares issuable upon exercise of options that are exercisable within 60 days of the date of this prospectus. Also includes: (i) 4,485,500 shares held in a Partnership of which Mr. Brauser is the General Partner, (ii) 1,500,000 shares held jointly with his wife and (iii) 950,000 shares held by a trust whereby his wife is the trustee and beneficiary.
- (8) Includes 50,000 shares issuable upon exercise of options that are exercisable within 60 days of the date of this prospectus. Includes shares held in a 401(K) plan whereby Mr. Honig is the trustee. Also includes 50,000 shares issuable upon the conversion of a note convertible at \$2.00 per share and 25,000 shares issuable upon the exercise of warrants. Does not include shares beneficially owned by Mr. Honig's father, Alan Honig. Mr. Alan Honig beneficially owns less than 5% of our common stock for various accounts including as custodian for Mr. Barry Honig's minor children. Mr. Barry Honig disclaims the beneficial ownership of any shares held by his father, Mr. Alan Honig.

(9) Includes 37,500 shares issuable upon exercise of options that are exercisable within 60 days of the date of this prospectus.

(10) Includes 500,000 shares issuable upon exercise of warrants.

## RELATED PERSON TRANSACTIONS

During this year and the last two fiscal years, we have engaged in certain transactions in which some of our directors, executive officers and 10% shareholders had a direct or indirect material interest, in which the amount involved exceeded the lesser of \$120,000 or 1% of the average of our total assets for the last two completed fiscal years (not including employment agreements with our management). These transactions are described below.

In June 2007, Michael Brauser and Barry Honig each loaned interCLICK \$125,000 and were issued 8% convertible notes exercisable at \$0.50 per share. Messrs. Brauser and Honig were required to convert the notes upon interCLICK entering into a \$2,000,000 financing arrangement. On August 28, 2007, the shareholders converted their notes and were issued 250,000 shares each.

In connection with our acquisition of Desktop, we were obligated to pay an additional \$1,000,000 upon Desktop achieving certain revenue milestones. On October 5, 2007 and September 20, 2008, Michael Katz was paid \$643,000 and \$357,000, respectively. Included in our revenues for 2008 and 2007 was approximately \$43,000 and \$154,000, respectively, from a company controlled by Michael Katz, our President and a director.

On November 30, 2007, we sold senior secured promissory notes in the amount of \$5,000,000. In connection with the sale of these notes, Barry Honig issued 150,000 shares of his personally owned common stock of interCLICK to the lenders, which shares were valued at \$802,500, for nominal consideration resulting in an expense to interCLICK.

On September 26, 2008, Barry Honig and GRQ Consultants, Inc. 401(k) (an entity controlled by Mr. Honig) loaned interCLICK a total of \$1,300,000 and we issued to each \$650,000 6% promissory notes. The notes were secured by a first priority security interest in shares held by us in OPMG. On November 26, 2008, we repaid the note issued to Mr. Honig. On December 31, 2008, we repaid \$250,000 of the principal amount owed to GRQ and extended the due date of the remaining \$400,000 from December 31, 2008 to June 30, 2009. On June 5, 2009, the Board of Directors approved an extension of the due date of \$100,000 of the note from June 30, 2009 until December 31, 2009. In addition, this \$100,000 note which was previously not convertible was made convertible by replacing it with a 6% unsecured note, convertible at \$2.00 per share, subject to adjustment for stock splits, stock dividends, combinations and similar events. In consideration for extending the due date on the \$100,000 note and in lieu of a cash payment for interest, we issued GRQ a total of 21,055 shares of common stock with a combined value of \$25,266. On June 22, 2009, we repaid \$100,000 of the remaining \$300,000 non-convertible note and extended the due date of this remaining \$200,000 non-convertible note to December 31, 2009. On August 19, 2009, we repaid all of the principal and interest owed under the \$200,000 note. As of the date of this prospectus, GRQ holds a \$100,000 6% promissory note convertible at \$2.00 per share, due December 31, 2009.

## SELLING SHAREHOLDERS

The following table provides information about each selling shareholder listing how many shares of our common stock they own on the date of this prospectus, how many shares are offered for sale by this prospectus, and the number and percentage of outstanding shares each selling shareholder will own after the offering assuming all shares covered by this prospectus are sold. None of the selling shareholders have had any position, office, or material relationship with us or our affiliates within the past three years. The information concerning beneficial ownership has been taken from our stock transfer records and information provided by the selling shareholders.

We do not know when or in what amounts a selling shareholder may offer shares for sale. The selling shareholders may not sell any or all of the shares offered by this prospectus. Because the selling shareholders may offer all or some of the shares, and because there are currently no agreements, arrangements or understandings with respect to the sale of any of the shares, we cannot estimate the number of the shares that will be held by the selling shareholders after completion of the offering. However, for purposes of this table, we have assumed that, after completion of the offering, all of the shares covered by this prospectus will be sold by the selling shareholder.

Name	Number of securities beneficially owned before offering	Number of securities to be offered	Number of securities owned after offering	Percentage of securities beneficially owned after offering
Chestnut Ridge Partners, LP (1)	506,500	375,000	131,500	*
Mara Gateway Associates, LP (2)	225,000	125,000	100,000	*
Gerald Unterman (3)	4,256,000	2,500,000	1,756,000	4.2%

(1) Includes 75,000 shares issuable upon the exercise of warrants that are being registered under this prospectus.

(2) Includes 25,000 shares issuable upon the exercise of warrants that are being registered under this prospectus.

(3) Includes 500,000 shares issuable upon the exercise of warrants that are being registered under this prospectus.

## DESCRIPTION OF SECURITIES

### Common Stock

We are authorized to issue 140,000,000 shares of common stock, par value \$0.001 per share. The holders of common stock are entitled to one vote per share on all matters submitted to a vote of shareholders, including the election of directors. There is no cumulative voting in the election of directors. The holders of common stock are entitled to any dividends that may be declared by the Board of Directors out of funds legally available for payment of dividends subject to the prior rights of holders of preferred stock and any contractual restrictions we have against the payment of dividends on common stock. In the event of our liquidation or dissolution, holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preferences of any outstanding shares of preferred stock. Holders of common stock have no preemptive rights and have no right to convert their common stock into any other securities.

### Preferred Stock

We are authorized to issue of 10,000,000 shares of \$0.001, par value preferred stock in any series. The Board of Directors has the authority to establish and designate a series, and to fix the number of shares included in such series and the variations in the relative rights, preferences and limitations in the series. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of our company without further action by shareholders and could adversely affect the rights and powers, including voting rights, of the holders of common stock. In certain circumstances, the issuance of preferred stock could depress the market price of the common stock.

### Anti-takeover Effects of Delaware Law

We are subject to the “business combination” provisions of Section 203 of the Delaware General Corporation Law. In general, such provisions prohibit a publicly-held Delaware corporation from engaging in various “business combination” transactions such as a merger with any interested shareholder which includes, a shareholder owning 15% of a corporation’s outstanding voting securities, for a period of three years after the date in which the person became an interested shareholder, unless:

- The transaction is approved by the corporation’s Board of Directors prior to the date the shareholder became an interested shareholder;
  - Upon closing of the transaction which resulted in the shareholder becoming an interested shareholder, the shareholder owned at least 85% of the shares of stock entitled to vote generally in the election of directors

of the corporation outstanding excluding those shares owned by persons who are both directors and officers and specified types of employee stock plans; or

- On or after such date, the business combination is approved by the Board of Directors and at least 66 2/3% of outstanding voting stock not owned by the interested shareholder.

Transfer Agent

We have appointed Action Stock Transfer Corp. as our transfer agent. Their contact information is: 7069 S. Highland Drive, Suite 300, Salt Lake City, Utah 84121, phone number (801) 274 – 1088, facsimile (801) 274 – 1099, [www.actionstocktransfer.com](http://www.actionstocktransfer.com).

## PLAN OF DISTRIBUTION

We are registering the shares of our common stock covered by this prospectus for the selling shareholders. The selling shareholders and any of their respective pledgees, donees, assignees and other successors-in-interest may, from time to time, sell any or all of their shares of common stock on the OTC Bulletin Board or any stock exchange, market or trading facility on which the shares are then traded or in private transactions. These sales may be at fixed prices which may be changed, at market prices at the time of sale, at prices related to market prices or at negotiated prices. The selling shareholders may use any one or more of the following methods when selling shares:

- Ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- Block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
  - Purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
  - An exchange distribution in accordance with the rules of the applicable exchange;
    - Privately negotiated transactions;
    - Short sales;
- Broker-dealers may agree with the selling shareholders to sell a specified number of such shares at a stipulated price per share;
  - Writing of options on the shares;
  - A combination of any such methods of sale; and
  - Any other method permitted pursuant to applicable law.

The selling shareholders may also sell shares under Rule 144 under the Securities Act, if available, rather than under this prospectus.

The selling shareholders may pledge their shares to their brokers under the margin provisions of customer agreements. If a selling shareholder defaults on a margin loan, the broker may, from time to time, offer and sell the pledged shares.

The selling shareholders or their respective pledgees, donees, transferees or other successors in interest may also sell the shares directly to market makers acting as principals and/or broker-dealers acting as agents for themselves or their customers. Such broker-dealers may receive compensation in the form of discounts, concessions or commissions from the selling shareholders and/or the purchasers of shares for whom such broker-dealers may act as agents or to whom they sell as principal or both, which compensation as to a particular broker-dealer might be in excess of customary commissions. Market makers and block purchasers purchasing the shares will do so for their own account and at their own risk. It is possible that a selling shareholder will attempt to sell shares of common stock in block transactions to market makers or other purchasers at a price per share which may be below the then market price. The selling shareholders and any brokers, dealers or agents, upon effecting the sale of any of the shares offered in this prospectus, may be deemed to be “underwriters” as that term is defined under the Securities Act or the rules thereunder. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

The selling shareholders, alternatively, may sell all or any part of the shares offered in this prospectus through an underwriter. No selling shareholder has entered into any agreement with a prospective underwriter and the selling shareholders have advised us that they have no plans to enter into any such agreement.

The selling shareholders and any other persons participating in the sale or distribution of the shares will be subject to applicable provisions of the Securities Exchange Act of 1934 or the Exchange Act and the rules thereunder, including Regulation M. These provisions may restrict certain activities of, and limit the timing of purchases and sales of any of the shares by, the selling shareholders or any other such person. Furthermore, under Regulation M, persons engaged in a distribution of securities are prohibited from simultaneously engaging in market making and certain other activities with respect to such securities for a specified period of time prior to the commencement of such distributions, subject to specified exceptions or exemptions. All of these limitations may affect the marketability of the shares.

We have agreed to indemnify the selling shareholders including liabilities under the Securities Act or to contribute to payments the selling shareholders may be required to make in respect of such liabilities. If the selling shareholders notify us that they have a material arrangement with a broker-dealer for the resale of the common stock, then we would be required to amend the registration statement of which this prospectus is a part, or file a prospectus supplement to describe the agreements between the selling shareholders and the broker-dealer.

We are paying all fees and expenses incident to the registration of the shares, excluding fees and disbursements of any counsel to the selling shareholders, brokerage commissions and underwriting discounts.

We have advised each selling shareholder that it may not use shares registered for public sale by this prospectus to cover short sales of our common stock made prior to the date of this prospectus. Each selling shareholder who uses this prospectus for any sale of our common stock will be subject to the prospectus delivery requirements of the Securities Act. The selling shareholders are also responsible for complying with the applicable provisions of the Exchange Act and the rules thereunder including Regulation M in connection with their sales of shares of common stock under this prospectus.

#### LEGAL MATTERS

The validity of the securities offered hereby will be passed upon for us by Harris Cramer LLP, West Palm Beach, Florida. An attorney employed by this firm owns 100,000 shares of our common stock.

#### EXPERTS

The financial statements appearing in this prospectus and registration statement for the year ended December 31, 2008 and for the period from June 14, 2007 (inception) to December 31, 2007 have been audited by Salberg & Company, P.A., an independent registered public accounting firms, as set forth in their reports appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

#### ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1, including the exhibits, schedules, and amendments to this registration statement, under the Securities Act with respect to the shares of common stock to be sold in this offering. This prospectus, which is part of the registration statement, does not contain all the information set forth in the registration statement. For further information with respect to us and the shares of our common stock to be sold in this offering, we make reference to the registration statement. Although this prospectus contains all material information regarding us, statements contained in this prospectus as to the contents of any contract, agreement or other document referred to are not necessarily complete, and in each instance we make reference to the copy of such contract, agreement, or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by such reference. You may read and copy all or any portion of the registration statement or any other information, which we file at the SEC's public reference room at 100 F Street, N.E., Washington, DC 20549. We also file periodic reports and other information with the SEC. You can request copies of these documents, upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. Our SEC filings, including the registration statement, are also available to you on the SEC's website, [www.sec.gov](http://www.sec.gov).



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INTERCLICK, INC. (FORMERLY CUSTOMER ACQUISITION NETWORK HOLDINGS, INC.) AND  
SUBSIDIARY  
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2009 (Unaudited)	December 31, 2008
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 2,784,986	\$ 183,871
Accounts receivable, net of allowance of \$185,032 and \$425,000, respectively	10,249,135	7,120,311
Due from factor	1,034,712	637,705
Prepaid expenses and other current assets	372,187	94,164
<b>Total current assets</b>	<b>14,441,020</b>	<b>8,036,051</b>
Property and equipment, net	523,432	596,913
Intangible assets, net	510,593	610,113
Goodwill	7,909,571	7,909,571
Investment in available-for-sale marketable securities	728,572	1,650,000
Deferred debt issue costs, net of accumulated amortization of \$28,250 and \$6,667, respectively	11,750	33,333
Other assets	191,664	191,664
<b>Total assets</b>	<b>\$ 24,316,602</b>	<b>\$ 19,027,645</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities:</b>		
Liability on transferred accounts receivable	\$ 5,160,291	\$ 3,188,425
Senior secured note payable - related party, net of debt discount of \$11,500 and \$0, respectively	188,500	400,000
Convertible note payable - related party	100,000	-
Payable and promissory note settlement liability	-	248,780
Accounts payable	6,372,241	5,288,807
Accrued expenses	603,501	310,685
Accrued interest	5,028	16,948
Obligations under capital leases, current portion	10,098	10,615
Deferred rent, current portion	2,906	-
Deferred revenue	143,548	9,972
Warrant derivative liability	143,578	-
<b>Total current liabilities</b>	<b>12,729,691</b>	<b>9,474,232</b>
Obligations under capital leases, net of current portion	4,376	9,495
Deferred rent	81,047	