

FRANKLIN ELECTRONIC PUBLISHERS INC
Form 10-Q
February 14, 2007
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended: December 31, 2006

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File No. 001-13198

FRANKLIN ELECTRONIC PUBLISHERS, INCORPORATED

(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania
(State or other Jurisdiction of
Incorporation or Organization)

22-2476703
(I.R.S. Employer
Identification No.)

One Franklin Plaza, Burlington, New Jersey
(Address of Principal Executive Office)

08016-4907
(Zip Code)

(609) 386-2500

(Registrant's Telephone Number, Including Area Code)

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large accelerated filer Accelerated filer Non-accelerated filer

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

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NUMBER OF SHARES OF COMMON STOCK, PAR VALUE \$0.01 PER SHARE

OUTSTANDING AS OF FEBRUARY 9, 2007: 8,217,921

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FRANKLIN ELECTRONIC PUBLISHERS, INCORPORATED

FORM 10-Q

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Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****FRANKLIN ELECTRONIC PUBLISHERS, INCORPORATED****AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS**

(in thousands, except share data)

(unaudited)

	December 31, 2006	March 31, 2006
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,145	\$ 3,710
Short-term investments	4,133	6,981
Accounts receivable, less allowance for doubtful accounts of \$313 and \$280	11,816	6,717
Inventories	9,801	7,492
Prepays and other assets	1,460	1,637
TOTAL CURRENT ASSETS	28,355	26,537
PROPERTY AND EQUIPMENT	1,608	1,607
OTHER ASSETS:		
Deferred income tax asset	5,700	5,700
Trademark and goodwill	3,019	2,265
Software development costs	3,169	3,642
Other assets	3,122	3,270
TOTAL OTHER ASSETS	15,010	14,877
TOTAL ASSETS	\$ 44,973	\$ 43,021
LIABILITIES AND SHAREHOLDERS EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 10,329	\$ 8,338
Revolving credit facility	1,700	
Current portion of long-term liabilities - Other	129	77
TOTAL CURRENT LIABILITIES	12,158	8,415
OTHER LIABILITIES	1,114	1,136
DEFERRED REVENUE	605	740
DEFERRED GAIN ON SALE AND LEASEBACK	4,144	4,478
SHAREHOLDERS EQUITY:		
Common stock, \$0.01 par value, authorized 50,000,000 shares, issued and outstanding, 8,217,921 and 8,209,771 shares	82	82

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Additional paid in capital	50,685	50,650
Retained earnings (deficit)	(22,983)	(21,439)
Foreign currency translation adjustment	(832)	(1,041)
TOTAL SHAREHOLDERS EQUITY	26,952	28,252
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 44,973	\$ 43,021

See notes to consolidated financial statements.

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(in thousands, except for per share data)

(unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2006	2005	2006	2005
SALES	\$ 17,179	\$ 17,894	\$ 41,240	\$ 49,444
COST OF SALES	9,068	7,905	22,271	24,114
GROSS MARGIN	8,111	9,989	18,969	25,330
EXPENSES:				
Sales and marketing	4,717	4,843	12,244	13,493
Research and development	1,062	1,103	3,158	3,108
General and administrative	1,699	1,900	4,994	5,501
Total operating expenses	7,478	7,846	20,396	22,102
OPERATING INCOME (LOSS)	633	2,143	(1,427)	3,228
Interest income (expense), net	1	(36)	166	(124)
Other, net	(81)	(1)	(67)	101
INCOME (LOSS) BEFORE INCOME TAXES	553	2,106	(1,328)	3,205
INCOME TAX PROVISION	160	111	216	188
NET INCOME (LOSS)	393	1,995	(1,544)	3,017
PREFERRED STOCK DIVIDEND		121		243
INCOME (LOSS) APPLICABLE TO COMMON SHAREHOLDERS	\$ 393	\$ 1,874	\$ (1,544)	\$ 2,774
INCOME (LOSS) PER COMMON SHARE:				
Basic	\$ 0.05	\$ 0.23	\$ (0.19)	\$ 0.34
Diluted	\$ 0.05	\$ 0.22	\$ (0.19)	\$ 0.32
WEIGHTED AVERAGE COMMON SHARES:				
Basic	8,218	8,200	8,217	8,135
Diluted	8,330	8,572	8,217	8,547

See notes to consolidated financial statements.

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FRANKLIN ELECTRONIC PUBLISHERS, INCORPORATED
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY
(in thousands, except for share data)

	Common Stock			Retained Earnings	Accumulated Other Comprehensive Income *	Total Shareholders Equity
	Shares	Amount	Additional Paid in Capital			
BALANCE - MARCH 31, 2006	8,209,771	\$ 82	\$ 50,650	\$ (21,439)	\$ (1,041)	\$ 28,252
Issuance of common shares and amortization of deferred compensation expense for shares issued for services	5,450		12			12
Issuance of common shares under employee stock option plan	2,700		3			3
Value of stock options granted			20			20
Loss for the period				(1,544)		(1,544)
Foreign currency translation adjustment					209	209
BALANCE - DECEMBER 31, 2006 (unaudited)	8,217,921	\$ 82	\$ 50,685	\$ (22,983)	\$ (832)	\$ 26,952

* Comprehensive income (loss), i.e., net income (loss), plus, or less, the change in foreign currency balance sheet translation adjustments, totaled (\$1,335) for the nine months ended December 31, 2006.

See notes to consolidated financial statements.

Table of Contents**FRANKLIN ELECTRONIC PUBLISHERS, INCORPORATED****AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF CASH FLOWS****(in thousands)****(unaudited)**

	Nine Months Ended December 31,	
	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME (LOSS)	\$ (1,544)	\$ 3,017
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Depreciation and amortization	2,560	2,150
Provision for losses on accounts receivable	94	107
Gain on disposal of property and equipment	(34)	(5)
Value of stock options granted	20	
Source (use) of cash from change in operating assets and liabilities:		
Accounts receivable	(5,153)	(5,747)
Inventories	(2,310)	320
Prepays and other assets	198	1,441
Accounts payable and accrued expenses	1,541	(777)
Deferred revenue	(135)	800
Other, net	(13)	2
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(4,776)	1,308
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(686)	(699)
Proceeds from sale of property and equipment	49	5
Investment in Kreutzfeldt Electronic Publishing	(852)	
Software development costs	(679)	(1,480)
Short term investments	2,848	
Change in other assets	(371)	(304)
NET CASH PROVIDED BY (USED IN) INVESTING	309	(2,478)

ACTIVITIES							
CASH FLOWS FROM FINANCING ACTIVITIES:							
Proceeds from revolving credit facility	1,700	1,500					
Cash dividends on preferred stock		(243)					
Proceeds from issuance of common shares	3	180					
Other liabilities	(10)	(56)					
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,693	1,381					
EFFECT OF EXCHANGE RATE CHANGES	209	(112)					
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,565)	99					
Other income/(expense):							
Investment income	2,905	6,476	8,451	2,184	195	92	124
Realized gains/(losses) on securities, net	27	(375)	857	(2,511)	(2,332)	(365)	61
Interest expense	(10,465)	(16,668)	(22,928)	(31,316)	(35,265)	(16,677)	(16,911)
Total other expense, net	(7,533)	(10,567)	(13,620)	(31,643)	(37,402)	(16,950)	(16,726)
Income from continuing operations before income taxes	212,669	232,777	258,147	278,899	264,605	158,104	196,763
Provision for income taxes	(85,722)	(91,992)	(103,184)	(120,671)	(137,991)	(67,250)	(82,984)
Income from continuing operations	126,947	140,785	154,963	158,228	126,614	90,854	113,779
Loss from discontinued operations, net of tax(1)	(2,574)	(1,805)	(4,589)				
Net income	\$ 124,373	\$ 138,980	\$ 150,374	\$ 158,228	\$ 126,614	\$ 90,854	\$ 113,779
Basic net income/(loss) per share(2):							
Income from continuing operations	\$ 0.60	\$ 0.68	\$ 0.77	\$ 0.87	\$ 0.72	\$ 0.52	\$ 0.63
Loss from discontinued operations	(0.02)	(0.01)	(0.02)				
Basic net income per share	\$ 0.58	\$ 0.67	\$ 0.75	\$ 0.87	\$ 0.72	\$ 0.52	\$ 0.63

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	Year Ended December 31,					Six Months Ended	
	2005	2006	2007	2008	2009	2009	2010
	(In thousands, except for share and per share data)						
Adjusted net income/(loss) per share(2):							
Income from continuing operations	\$ 0.57	\$ 0.65	\$ 0.74	\$ 0.83	\$ 0.70	\$ 0.50	\$
Income from discontinued operations	(0.01)	(0.01)	(0.02)				
Adjusted net income per share	\$ 0.56	\$ 0.64	\$ 0.72	\$ 0.83	\$ 0.70	\$ 0.50	\$
Weighted average shares outstanding(2):							
Weighted average shares outstanding	212,949,450	206,548,100	200,846,400	182,885,700	174,767,795	173,409,800	180,272,000
Weighted average shares outstanding	223,105,450	215,143,350	209,257,550	190,231,700	182,165,661	180,204,300	189,498,000

The financial operating data below sets forth information we believe is useful for investors in evaluating our overall financial performance:

	Year Ended December 31,					Six Months Ended	
	2005	2006	2007	2008	2009	2009	2010
	(In thousands)						
Other data:							
EBITDA(3):							
Risk Assessment							
EBITDA	\$ 195,951	\$ 202,872	\$ 212,780	\$ 222,706	\$ 210,928	\$ 121,197	\$ 131,694
Decision Analytics							
EBITDA	66,075	95,333	124,648	152,708	162,278	89,744	115,992
EBITDA	\$ 262,026	\$ 298,205	\$ 337,428	\$ 375,414	\$ 373,206	\$ 210,941	\$ 247,686

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Purchases of fixed assets	\$	(24,019)	\$	(25,742)	\$	(32,941)	\$	(30,652)	\$	(38,694)	\$	(16,195)	\$	(15,570)
Net cash provided by operating activities	\$	174,071	\$	223,499	\$	248,521	\$	247,906	\$	326,401	\$	184,529	\$	173,034
Net cash used in investing activities	\$	(107,444)	\$	(243,452)	\$	(110,831)	\$	(130,466)	\$	(185,340)	\$	(152,683)	\$	(22,924)
Net cash (used in)/provided by financing activities	\$	(90,954)	\$	75,907	\$	(212,591)	\$	(107,376)	\$	(102,809)	\$	(19,157)	\$	(114,617)

The following table is a reconciliation of income from continuing operations to EBITDA(3):

	Year Ended December 31,					Six Months Ended June 30,								
	2005	2006	2007	2008	2009	2009	2010							
	(In thousands)													
Income from continuing operations	\$	126,947	\$	140,785	\$	154,963	\$	158,228	\$	126,614	\$	90,854	\$	113,779
Depreciation and amortization of fixed and intangible assets		41,824		54,861		65,661		64,872		71,199		35,887		34,197
Investment income and realized (gains)/losses on securities, net		(2,932)		(6,101)		(9,308)		327		2,137		273		(185)
Interest expense		10,465		16,668		22,928		31,316		35,265		16,677		16,911
Provision for income taxes		85,722		91,992		103,184		120,671		137,991		67,250		82,984
EBITDA	\$	262,026	\$	298,205	\$	337,428	\$	375,414	\$	373,206	\$	210,941	\$	247,686

The following table sets forth our consolidated balance sheet data:

	As of December 31,					As of June 30,	
	2005	2006	2007	2008	2009	2009	2010
	(In thousands)						

Balance Sheet Data:

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and cash equivalents	\$ 42,822	\$ 99,152	\$ 24,049	\$ 33,185	\$ 71,527	\$ 45,962	\$ 10
assets	\$ 466,244	\$ 739,282	\$ 830,041	\$ 928,877	\$ 996,953	\$ 1,009,335	\$ 1,05
debt(4)	\$ 276,964	\$ 448,698	\$ 438,330	\$ 669,754	\$ 594,169	\$ 689,066	\$ 53
able common							
)	\$ 901,089	\$ 1,125,933	\$ 1,171,188	\$ 749,539	\$	\$ 842,117	\$
holders (deficit)/equity	\$ (940,843)	\$ (1,123,977)	\$ (1,203,348)	\$ (1,009,823)	\$ (34,949)	\$ (1,028,489)	\$ 5

(1) As of December 31, 2007, we discontinued operations of our claim consulting business located in New Hope, Pennsylvania and the United Kingdom. There was no impact of discontinued operations on the results of operations for the periods subsequent to December 31, 2007.

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- (2) In conjunction with our initial public offering, the stock of Insurance Services Office, Inc. converted to stock of Verisk Analytics, Inc., which then effected a stock split of its common stock. The numbers in the above table reflect this stock split.
- (3) EBITDA is the financial measure which management uses to evaluate the performance of our segments. EBITDA is defined as net income before loss from discontinued operations, investment income and realized (gains)/losses on securities, net, interest expense, provision for income taxes, and depreciation and amortization of fixed and intangible assets.

Although EBITDA is frequently used by securities analysts, lenders and others in their evaluation of companies, EBITDA has limitations as an analytical tool, and should not be considered in isolation, or as a substitute for an analysis of our results of operations or cash flow from operating activities reported under U.S. GAAP. Management uses EBITDA in conjunction with traditional GAAP operating performance measures as part of its overall assessment of company performance. Some of these limitations are:

EBITDA does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;

EBITDA does not reflect changes in, or cash requirements for, our working capital needs.

- (4) Includes capital lease obligations.
- (5) Prior to our initial public offering, we were required to record our Class A common stock and vested options at redemption value at each balance sheet date as the redemption of these securities was not solely within our control, due to our contractual obligations to redeem these shares. We classify this redemption value as redeemable common stock. Subsequent to our initial public offering, we are no longer obligated to redeem these shares.

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The following table sets forth information regarding beneficial ownership of our Class A common stock and Class B common stock as of September 3, 2010 by:

each person whom we know to own beneficially more than 5% of our common stock;

each of the directors and named executive officers individually;

all directors and executive officers as a group; and

each of the selling stockholders, which consist of the entities and individuals shown as having shares listed in the column Number of Shares Being Offered.

In accordance with the rules of the Securities and Exchange Commission, beneficial ownership includes voting or investment power with respect to securities and includes the shares issuable pursuant to stock options that are exercisable within 60 days of September 3, 2010. Shares issuable pursuant to stock options are deemed outstanding for computing the percentage of the person holding such options but are not outstanding for computing the percentage of any other person. Unless otherwise indicated, the address for each listed stockholder is: c/o Verisk Analytics, Inc., 545 Washington Boulevard, Jersey City, New Jersey, 07310-1686. To our knowledge, except as indicated in the footnotes to this table and pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to their shares of common stock.

Name and Address of Beneficial Owner	Class of Our Common Stock	Shares Beneficially Owned Before the Offering		Number of Shares Being Offered(1)	Shares Beneficially Owned After the Offering(2) Percent of Class	
		Number	Percent of Class		Number	Class
Principal Stockholders:						
Employee Stock Ownership Plan	Class A	21,097,485	17.0%			
Eton Park Fund, L.P.(3) 399 Park Avenue, 10th Floor New York, NY 10022	Class A	9,000,000	7.3%			
Morgan Stanley(4) 1585 Broadway New York, NY 10036	Class A	10,876,434	8.8%			
Neuberger Berman Group LLC(5) 605 3rd Avenue New York, NY 10158	Class A	8,230,346	6.6%			
OppenheimerFunds, Inc.(6)	Class A	6,504,863	5.3%			

2 World Financial Center 225 Liberty Street New York, NY 10281 American Financial Group, Inc.(7)	Class B	6,720,650	12.4%
One East Forth Street Cincinnati, OH 45202 Berkshire Hathaway Inc.(8) 1440 Kiewit Plaza Omaha, Nebraska 68131 Cincinnati Financial Corporation(9)	Class B	7,156,300	13.2%
6200 South Gilmore Road Fairfield, OH 45014 Old Republic International Corporation(10)	Class B	4,885,800	9.0%
307 N Michigan Avenue Chicago, IL 60601 The Travelers Companies, Inc.(11)	Class B	4,255,900	7.8%
485 Lexington Avenue, 8th Floor New York, NY 10017-2630 W.R. Berkley Corporation	Class B	8,712,050	16.1%
475 Steamboat Road Greenwich, CT 06830	Class B	3,389,800	6.2%
Directors and Executive Officers:			
Frank J. Coyne	Class A	7,221,538	5.5%
Scott G. Stephenson	Class A	3,207,625	2.5%
Mark V. Anquillare	Class A	1,176,250	*

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Name and Address of Beneficial Owner	Class of Our Common Stock	Shares Beneficially Owned Before the Offering		Number of Shares Being Offered(1)	Shares Beneficially Owned After the Offering(2)	
		Number	Percent of Class		Number	Percent of Class
Kenneth E. Thompson	Class A	435,000	*			
Carole J. Banfield	Class A	723,050	*			
Vincent M. Cialdella	Class A	632,250	*			
Kevin B. Thompson	Class A	660,000	*			
Vincent de Paul McCarthy	Class A	18,750	*			
Perry Rotella	Class A	12,500	*			
J. Hyatt Brown	Class A	233,110	*			
Glen A. Dell(12)	Class A	405,035	*			
Christopher M. Foskett(13)	Class A	122,822	*			
Constantine P. Iordanou	Class A	477,110	*			
John F. Lehman, Jr.(14)	Class A	749,802	*			
Samuel G. Liss	Class A	143,571	*			
Andrew G. Mills	Class A	359,207	*			
Thomas F. Motamed	Class A	34,772	*			
Arthur J. Rothkopf(15)	Class A	443,944	*			
David B. Wright	Class A	266,607	*			
All 19 directors and executive officers as a group	Class A	17,322,943	12.6%			
Other Selling Stockholders:						

* Less than 1%.

- (1) Class B common stock sold in this offering will be automatically converted into Class A common stock.
- (2) Assumes no exercise of the underwriters' over-allotment option. The underwriters have an option to purchase up to additional shares of our common stock from our Class B stockholders on a pro rata basis to cover over-allotments. See Underwriting.
- (3) As of December 31, 2009, based on a Schedule 13G Information Statement filed with the SEC on October 16, 2009 jointly by Eton Park Fund, L.P., Eton Park Master Fund, Ltd., Eton Park Associates, L.P., Eton Park Capital Management, L.P., and Eric M. Mindich. The Schedule 13G reports that Mr. Mindich, as the managing member of Eton Park Associates, LLC, may be deemed to have power to direct the vote and disposition of shares of common stock held by the related Eton Park entities with whom the filing is made.
- (4) As of December 31, 2009, based on a Schedule 13G Information Statement filed with the SEC on February 18, 2010 jointly by Morgan Stanley and Morgan Stanley Investment Management Inc. (MSIM). The Schedule 13G discloses that MSIM, an investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E), is a wholly owned

subsidiary of Morgan Stanley. In addition, the Schedule 13G reported that Morgan Stanley had sole voting power as to 10,575,164 shares of our Class A common stock and sole dispositive power as to 10,876,434 shares of our Class A common stock.

- (5) As of December 31, 2009, based on a Schedule 13G Information Statement filed with the SEC on February 16, 2010, jointly by Neuberger Berman Group LLC and Neuberger Berman L.L.C. The Schedule 13G discloses that Neuberger Berman has shared dispositive power over 8,230,346 shares of our Class A common stock and shared voting power over 7,425,958 shares of our Class A common stock.

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- (6) As of December 31, 2009, based on a Schedule 13G Information Statement filed with the SEC on February 2, 2010. The Schedule 13G discloses that Oppenheimer Funds, Inc. had shared voting power and shared dispositive power over 6,504,863 shares of our Class A common stock.
- (7) Includes shares owned by Great American Insurance Company.
- (8) Includes shares owned by General Re Corporation and GEICO Corporation.
- (9) Includes shares owned by Cincinnati Insurance Company.
- (10) Includes shares owned by Bituminous Casualty Corporation.
- (11) Includes shares owned by United States Fidelity and Guaranty Company.
- (12) Includes shares owned by the Barbara M. Dell GST Family Trust, of which Mr. Dell is the trustee. Mr. Dell disclaims beneficial ownership of any shares beneficially owned by the trust except to the extent of his pecuniary interest therein.
- (13) Includes 3,050 deferred stock awards that entitle Mr. Foskett to 3,050 shares of Class A common stock at the end of his service to the board.
- (14) Includes shares owned by the Lehman Business Trust, of which John F. Lehman, Jr. is the trustee. Mr. Lehman disclaims beneficial ownership of any shares beneficially owned by the trust except to the extent of his pecuniary interest therein. Includes 5,570 deferred stock awards that entitle Mr. Lehman to 5,570 shares of Class A common stock at the end of his service to the board.
- (15) Includes shares owned by the Arthur J. Rothkopf Revocable Trust, of which Mr. Rothkopf is one of the trustees. Mr. Rothkopf disclaims beneficial ownership of any shares beneficially owned by the trust except to the extent of his pecuniary interest therein.

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DESCRIPTION OF CAPITAL STOCK

Our authorized capital stock consists of 1,200,000,000 shares of Class A common stock, par value \$0.001 per share, 800,000,000 shares of Class B common stock, par value \$0.001 per share, sub-divided into the following two series of Class B common stock: (1) 400,000,000 shares of Class B (Series 1) common stock and (2) 400,000,000 shares of Class B (Series 2) common stock, and 80,000,000 shares of preferred stock, par value \$0.001 per share.

The following descriptions are summaries of the material terms of our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, and the descriptions are qualified by reference to those documents. Please refer to the more detailed provisions of the Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, copies of which are filed with the Securities and Exchange Commission as exhibits to our registration statement and applicable law.

Common Stock

Voting Rights

Holders of our common stock have the sole right and power to vote on all matters on which a vote of stockholders is to be taken, except as provided by statute or resolution of our board of directors in connection with the issuance of preferred stock in accordance with our Amended and Restated Certificate of Incorporation. The holders of Class A common stock and Class B common stock generally have identical rights, except that only holders of Class A common stock are entitled to vote on the election of Class A directors and only holders of Class B common stock are entitled to vote on the election of Class B directors.

Until the earlier of (a) October 6, 2011 or (b) the date on which there are no shares of Class B common stock issued and outstanding, the amendment of certain of the provisions in our amended and restated certificate of incorporation will require the affirmative vote of at least two-thirds of the votes cast thereon by the outstanding shares of each of the Class A common stock and the Class B common stock, voting separately as a class. These provisions include certain of the limitations described below under **Dividend Rights** , **Liquidation Rights** , **Transfer Restrictions** , **Conversion** , **Beneficial Ownership Limitations** and **Anti-Takeover Effects of Delaware Law Staggered Boards**. From and after the earlier of the events described above, the amendment of the provisions described below under **Beneficial Ownership Limitations** in our amended and restated certificate of incorporation will require the affirmative vote of at least two-thirds of the voting power of the outstanding shares of common stock.

Dividend Rights

Our Class A common stock and Class B common stock will share equally (on a per share basis) in any dividend declared by our board of directors, subject to any preferential or other rights of any outstanding preferred stock and to the distinction that any stock dividends will be paid in shares of Class A common stock to the holders of our Class A common stock and in shares of Class B common stock to the holders of our Class B common stock.

Liquidation Rights

Upon liquidation, dissolution or winding up, our Class A common stock and Class B common stock will be entitled to receive ratably the assets available for distribution to the stockholders after payment of liabilities and payment of preferential and other amounts, if any, payable on any outstanding preferred stock.

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Transfer Restrictions

Shares of our Class B (Series 1) common stock are not transferable until April 6, 2011. Shares of our Class B (Series 2) common stock are not transferable until October 6, 2011. The above described limitations on transfer are, however, subject to the following exceptions:

any transfer to us by any person or entity;

any transfer of any shares of Class B common stock of either series to any other holder of Class B common stock or its affiliate;

any transfer of any shares of Class B common stock of any applicable series to an affiliate of such holder; and

any transfer by a holder of Class B common stock to any person that succeeds to all or substantially all of the assets of such holder, whether by merger, consolidation, amalgamation, sale of substantially all assets or other similar transactions.

Our board of directors may approve exceptions to the limitation on transfers of our Class B common stock in their sole discretion, in connection with the sale of such Class B common stock in a public offering registered with the Securities and Exchange Commission or in such other limited circumstances as our board of directors may determine. Any Class B common stock sold to the public will first be converted to Class A common stock.

Conversion

Our Class A common stock is not convertible into any other shares of our capital stock. On April 6, 2011, each share of Class B (Series 1) common stock shall convert automatically, without any action by the holder, into one share of Class A common stock. On October 6, 2011, each share of Class B (Series 2) common stock shall convert automatically, without any action by the holder, into one share of Class A common stock. The conversion rate applicable to any conversion of shares of our Class B common stock shall always be one-to-one (i.e., one share of Class B common stock will, upon transfer, be converted into one share of Class A common stock).

Once transferred and converted into Class A common stock, the Class B common stock shall not be reissued. No class of common stock may be subdivided or combined unless the other class of common stock concurrently is subdivided or combined in the same proportion and in the same manner.

No conversions of shares of Class B common stock will be effected prior to the expiration of the transfer restrictions described under *Transfer Restrictions*, although our board of directors may make exceptions to such transfer restrictions, including in connection with a registered public offering of our Class A common stock, such as the transaction described in this prospectus.

Beneficial Ownership Limitations

Our amended and restated certificate of incorporation prohibits any insurance company from beneficially owning more than ten percent of the aggregate outstanding shares of our common stock. If any transfer is purportedly effected which, if effected, would result in a violation of this limitation, the intended transferee will acquire no rights in respect of the shares in excess of this limitation, and the purported transfer of such number of excess shares will be null and void. In this context an insurance company means any insurance company whose primary activity is the writing of

insurance or the reinsuring of risks underwritten by insurance companies or any other entity controlling, controlled by or under common ownership, management or control with such insurer or reinsurer.

Preferred Stock

The board of directors has the authority to issue the preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, dividend rates, conversion

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rights, voting rights, terms of redemption, redemption prices, liquidation preferences and the number of shares constituting any series or the designation of such series, without further vote or action by the stockholders. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of the Company without further action by the stockholders and may adversely affect the voting and other rights of the holders of common stock. At present, we have no plans to issue any of the preferred 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 with any interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder, unless

the transaction is approved by the board of directors prior to the date the interested stockholder obtained such status;

upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or

on or subsequent to such date the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders by the affirmative vote of at least 66²/₃% of the outstanding voting stock which is not owned by the interested stockholder.

A business combination is defined to include mergers, asset sales and other transactions resulting in financial benefit to a stockholder. In general, an interested stockholder is a person who, together with affiliates and associates, owns (or within three years, did own) 15% or more of a corporation's voting stock. The statute could prohibit or delay mergers or other takeover or change in control attempts with respect to the Company and, accordingly, may discourage attempts to acquire us even though such a transaction may offer our stockholders the opportunity to sell their stock at a price above the prevailing market price.

Advance Notice of Proposals and Nominations

Our bylaws establish advance notice procedures with regard to stockholders' proposals relating to the nomination of candidates for election as directors or other business to be brought before meetings of its stockholders. These procedures provide that notice of such stockholders' proposals must be timely given in writing to our secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not less than 60 days nor more than 90 days prior to the first anniversary date of the annual meeting for the preceding year. The notice must contain certain information specified in the bylaws.

Limits on Written Consents

Our amended and restated certificate of incorporation prohibits stockholder action by written consent.

Limits on Special Meetings

Our amended and restated certificate of incorporation and bylaws provide that special meetings of the stockholders may be called by our board of directors, the chairman of the board, the Chief Executive Officer, the President or our Secretary.

Staggered Boards

Our board of directors is divided into three classes serving staggered terms. The number of directors will be fixed by our board of directors, subject to the terms of our amended and restated certificate of incorporation. Until the earlier of (a) October 6, 2011, or (b) the date on which there are no shares of Class B

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common stock issued and outstanding, our board of directors will consist of between 11 and 13 directors, and will be comprised as follows:

between eight to ten Class A directors; and

three Class B directors.

Vacancies on our board of directors among the Class A directors will be filled by a majority of the remaining Class A directors and vacancies among the Class B directors will be filled by a majority of the remaining Class B directors.

From and after the earlier of the events described above, there will no longer be Class B directors, and each director will be elected for a three-year term by the holders of a plurality of the votes cast by the holders of shares of common stock present in person or represented by proxy at the meeting and entitled to vote on the election of the directors.

Listing

Our Class A common stock is listed on the NASDAQ Global Select Market under the symbol VRSK.

Transfer Agent and Registrar

The Transfer Agent and Registrar for the Class A common stock is American Stock Transfer & Trust Company, LLC.

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UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated and J.P. Morgan Securities LLC are acting as representatives of the underwriters named below. Under the terms and subject to the conditions described in an underwriting agreement among us, the selling stockholders and the underwriters, the selling stockholders have agreed to sell to the underwriters, and the underwriters severally have agreed to purchase from the selling stockholders, the number of shares indicated below.

Underwriter	Number of Shares
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Morgan Stanley & Co. Incorporated	
J.P. Morgan Securities LLC	
Total	

The underwriters have agreed to purchase all of the shares of Class A common stock if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

The underwriters are offering the shares, subject to prior sale, when, as and if transferred to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officers' certificates and legal opinions.

We expect to deliver the shares against payment therefor on or about the date specified in the last paragraph of the cover page of this prospectus, which will be the third business day following the date of the pricing of the shares.

Indemnification

We and the selling stockholders have agreed to indemnify the underwriters against some liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make in respect of those liabilities to the extent set forth in the underwriting agreement.

Over-allotment Option

The selling stockholders holding shares of our Class B common stock have granted the underwriters options to purchase up to additional shares of our Class A common stock, at the public offering price less the underwriting discount. The shares of Class B common stock will be automatically converted into Class A common stock to the extent the underwriters exercise these options. The underwriters may exercise these options for 30 days from the date of this prospectus solely to cover any over-allotments. If the underwriters exercise these options, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares from the selling stockholders proportionate to that underwriter's initial amount reflected in the above table.

Commissions and Discounts

The underwriters propose to offer the shares of Class A common stock to the public at the public offering price on the cover page of this prospectus and to dealers at that price less a concession not in excess of \$ per share. The underwriters may allow, and the dealers may re-allow, a discount not in excess of \$ per share to other dealers. After the public offering, the public offering price, concession and discount may be changed.

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The following table shows the per share public offering price, underwriting discount and proceeds before expenses to the selling stockholders. The information assumes either no exercise or full exercise by the underwriters of their over-allotment option.

	Per Share	Without Option	With Option
Public offering price	\$	\$	\$
Underwriting discount	\$	\$	\$
Proceeds, before expenses, to the selling stockholders	\$	\$	\$

Our expenses related to the offering, not including the underwriting discount, are estimated to be \$. The underwriters have agreed to reimburse us for certain of these expenses.

Lock-up Agreements

We, the selling stockholders, our officers and our directors have agreed, subject to certain exceptions, not to sell, transfer or otherwise dispose of or hedge any shares of Class A common stock or securities convertible or exchangeable into our Class A common stock for at least 90 days after the date of this prospectus without first obtaining the written consent of the representatives. We have also agreed not to waive the provision of our certificate of incorporation relating to restrictions on transfer for a period of 90 days from the date of this prospectus.

Notwithstanding the foregoing, if the 90th day after the date of this prospectus occurs within 17 days following an earnings release by us or the occurrence of material news or a material event related to us, or if we intend to issue an earnings release within 16 days following the 90th day, the 90-day period will be extended to the 18th day following such earnings release or the occurrence of the material news or material event, unless such extension is waived by the representatives.

These lock-up agreements also apply to Class A common stock or securities convertible or exchangeable into our Class A common stock or securities convertible or exchangeable into our Class A common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

Listing on NASDAQ

Our Class A common stock is listed for trading on the NASDAQ Global Select Market under the symbol VRSK. On September 15, 2010, the last sale price of the shares as reported on the NASDAQ Global Select Market was \$28.42 per share.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the shares is completed, Securities and Exchange Commission rules may limit the ability of the underwriters and selling group members from bidding for and purchasing our Class A common stock. However, the representatives may engage in transactions that stabilize the price of our Class A common stock, such as bids or purchases to peg, fix or maintain that price.

If the underwriters create a short position in the Class A common stock in connection with the offering, i.e., if they sell more shares than are listed on the cover of this prospectus, the representatives may elect to reduce any short position by purchasing shares in the open market. The representatives may also elect to reduce any short position by exercising all or part of the over-allotment option described above. The underwriters may sell more shares than could be covered by exercising all of the over-allotment option, in which case they would have to cover these sales through open market purchases. Purchases of the Class A common stock to stabilize its price or to reduce a short position may cause the price of the Class A common stock to be higher than it might be in the absence of such purchases.

The representatives may also impose a penalty bid on underwriters and selling group members. This means that if the representatives purchase our Class A common stock in the open market to reduce the

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underwriters' short position or to stabilize the price of such Class A common stock, they may reclaim the amount of the selling concession from the underwriters and selling group members who sold those shares. The imposition of a penalty bid may also affect the price of the shares in that it discourages resales of shares.

Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our Class A common stock. In addition, neither we nor any of the underwriters makes any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Prospectus Delivery

In connection with this offering, this prospectus in electronic format may be made available on the internet sites or through other online services maintained by one or more of the underwriters participating in this offering, or by their affiliates. In those cases, prospective investors may view offering terms online. Depending upon the particular underwriter, prospective investors may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares for sale to online brokerage account holders. Any such allocation for online distributions will be made on the same basis as other allocations.

Other than this prospectus in electronic format, the information concerning any underwriter's web site and any information contained in any other web site maintained by an underwriter is not intended to be part of this prospectus or the registration statement, has not been approved and/or endorsed by us or any underwriter in its capacity as underwriter. Investors should not rely on such information.

Other Relationships

Each of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us. They have received, and they will in the future receive, customary fees and commissions for these transactions. Certain affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated and J.P. Morgan Securities LLC are lenders under our \$575.0 million revolving credit facility.

Notice to Prospective Investors in the EEA

In relation to each Member State of the European Economic Area which has implemented the prospectus Directive (each, a "Relevant Member State") an offer to the public of any shares which are the subject of the offering contemplated by this prospectus may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the manager for any such offer; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of shares shall result in a requirement for the publication by the Company or any Manager of a prospectus pursuant to Article 3 of the Prospectus Directive.

Any person making or intending to make any offer of securities within the EEA should only do so in circumstances in which no obligation arises for us or any of the underwriters to produce a prospectus for such

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offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of securities through any financial intermediary, other than offers made by the underwriters which constitute the final offering of securities contemplated in this prospectus.

For the purposes of this provision, the expression an offer to the public in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase any shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any securities under, the offer of securities contemplated by this prospectus will be deemed to have represented, warranted and agreed to and with us and each underwriter that:

(A) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(B) in the case of any securities acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the securities acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors (as defined in the Prospectus Directive), or in circumstances in which the prior consent of the representatives has been given to the offer or resale; or (ii) where securities have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those securities to it is not treated under the Prospectus Directive as having been made to such persons.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

This document as well as any other material relating to the securities which are the subject of the offering contemplated by this prospectus does not constitute an issue prospectus pursuant to Articles 652a and/or 1156 of the Swiss Code of Obligations. The shares will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the shares, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The shares are being offered in Switzerland by way of a private placement, i.e. to a small number of selected investors only, without any public offer and only to investors who do not purchase the shares with the intention to distribute them to the public. The investors will be individually approached by the Company from time to time. This document as well as any other material relating to the shares is personal and confidential and does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or

made available to other persons without express consent of the Company. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

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Notice to Prospective Investors in the Dubai International Financial Centre

This document relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (DFSA). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

VALIDITY OF COMMON STOCK

The validity of the issuance of the shares of common stock offered hereby will be passed upon for the Company by Davis Polk & Wardwell LLP, New York, New York. Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York, is representing the underwriters.

EXPERTS

The consolidated financial statements and the related financial statement schedule, incorporated by reference in this Prospectus from the Company's Annual Report on Form 10-K for the year ended December 31, 2009 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference herein (which report expresses an unqualified opinion and includes explanatory paragraphs regarding the Company's completion of its corporate reorganization and initial public offering in October 2009, and the Company's adoption of the new accounting standard for the *Accounting for Uncertainty in Income Taxes*, effective January 1, 2007). Such financial statements and financial statement schedule have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement that we filed with the SEC. The registration statement, including the attached exhibits, contains additional relevant information about us. The rules of the SEC allow us to omit from this prospectus some of the information included in the registration statement. This information may be read and copied at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of these public reference facilities. The SEC maintains an Internet site, <http://www.sec.gov>, which contains reports, proxy and information statements and other information regarding issuers that are subject to the SEC's reporting requirements.

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act. We fulfill our obligations with respect to such requirements by filing periodic reports and other information with the SEC. These reports and other information are available as provided above.

INFORMATION INCORPORATED BY REFERENCE

The rules of the SEC allow us to incorporate by reference information into this prospectus. The information incorporated by reference is considered to be a part of this prospectus. This prospectus incorporates by reference the documents listed below:

Edgar Filing: FRANKLIN ELECTRONIC PUBLISHERS INC - Form 10-Q
our annual report on Form 10-K for the year ended December 31, 2009;
our quarterly reports on Form 10-Q for the quarterly periods ended March 31, 2010 and June 30, 2010;

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our Definitive Proxy Statement filed on April 28, 2010 (other than information in the Definitive Proxy Statement that is not specifically incorporated by reference in our Annual Report on Form 10-K for the year ended December 31, 2009); and

our Current Reports on Form 8-K filed on June 18, 2010 and September 13, 2010.

Any statement made in this prospectus or in a document incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You can obtain any of the filings incorporated by reference in this prospectus through us or from the SEC through the SEC's Internet site at <http://www.sec.gov>. We will provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus is delivered, upon written or oral request of such person, a copy of any or all of the documents referred to above which have been or may be incorporated by reference in this prospectus. You should direct requests for those documents to Verisk Analytics, Inc., 545 Washington Boulevard, Jersey City, NJ 07310-1686, Attention: Investor Relations (telephone: (201) 469-2138). The incorporated materials may also be found on the Investor Relations portion of our website at investor.verisk.com. Our website and the information contained in it or connected to it shall not be deemed to be incorporated into this prospectus or the registration statement.

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	Amount to be Paid
Registration fee	\$ 35,650
FINRA filing fee	\$ 50,500
Listing fees	\$ *
Transfer agent's fees	\$ *
Printing and engraving expenses	\$ *
Legal fees and expenses	\$ *
Accounting fees and expenses	\$ *
Blue Sky fees and expenses	\$ *
Miscellaneous	\$ *
 Total	 \$ *

* To be completed by amendment.

Each of the amounts set forth above, other than the Registration fee and the FINRA filing fee, is an estimate.

Item 14. *Indemnification of Directors and Officers.*

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee or agent to the Registrant. The Delaware General Corporation Law provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise. Article Twelfth of the Registrant's Certificate of Incorporation provides for indemnification by the Registrant of its directors, officers and employees to the fullest extent permitted by the Delaware General Corporation Law.

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for unlawful payments of dividends or unlawful stock repurchases, redemptions or other distributions, or (iv) for any transaction from which the director derived an improper personal benefit. The Registrant's Certificate of Incorporation provides for such limitation of liability.

The Registrant maintains standard policies of insurance under which coverage is provided (a) to its directors and officers against loss arising from claims made by reason of breach of duty or other wrongful act, and (b) to the

Registrant with respect to payments which may be made by the Registrant to such officers and directors pursuant to the above indemnification provision or otherwise as a matter of law.

The proposed form of Underwriting Agreement filed as Exhibit 1.1 to this Registration Statement provides for indemnification of directors and officers of the Registrant by the underwriters against certain liabilities.

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Table of Contents**Item 15. *Recent Sales of Unregistered Securities.***

On June 2, 2008, we issued an aggregate of 100 shares of our common stock, par value \$.01 per share, to Insurance Services Office, Inc. for \$.01 per share. The issuance of such shares was not registered under the Securities Act because the shares were offered and sold in a transaction exempt from registration under Section 4(2) of the Securities Act. These shares were cancelled in connection with the Company's initial public offering.

Between September 3, 2007 and April 6, 2010, the Company and Insurance Services Office, Inc. issued to directors, officers and employees options to purchase 11,610,261 shares of Class A common stock with per share exercise prices ranging from \$16.10 to \$28.20, and issued 7,210,250 shares of Class A common stock upon exercise of outstanding options. These issuances of stock options and the common stock issued upon the exercise of such options to directors, officers and employees were determined to be exempt from registration under the Securities Act in reliance on Rule 701 as promulgated under the Securities Act.

Item 16. *Exhibits and Financial Statement Schedules.*

The following exhibits are filed as part of this Registration Statement:

Exhibit Number	Description
1.1	Form of Underwriting Agreement**
3.1	Amended and Restated Certificate of Incorporation, incorporated herein by reference to Exhibit 3.1 to Amendment No. 6 to the Company's Registration Statement on Form S-1, dated September 21, 2009.
3.2	Amended and Restated By-Laws, incorporated herein by reference to Exhibit 3.2 to Amendment No. 6 to the Company's Registration Statement on Form S-1, dated September 21, 2009.
4.1	Form of Common Stock Certificate, incorporated herein by reference to Exhibit 4.1 to Amendment No. 6 to the Company's Registration Statement on Form S-1, dated September 21, 2009.
4.2	Prudential Uncommitted Master Shelf Agreement, dated as of June 13, 2003, among Insurance Services Office, Inc., The Prudential Insurance Company of America, U.S. Private Placement Fund, Baystate Investments, LLC, United of Omaha Life Insurance Company and Prudential Investment Management, Inc., incorporated herein by reference to Exhibit 4.2 to Amendment No. 2 to the Company's Registration Statement on Form S-1, dated November 20, 2008.
4.3	Amendment No. 1 to the Prudential Uncommitted Master Shelf Agreement, dated February 1, 2005, among Insurance Services Office, Inc., The Prudential Insurance Company of America, Prudential Investment Management, Inc. and the other purchasers party thereto, incorporated herein by reference to Exhibit 4.3 to Amendment No. 2 to the Company's Registration Statement on Form S-1, dated November 20, 2008.
4.4	Amendment No. 2 to the Prudential Uncommitted Master Shelf Agreement, dated June 1, 2005, among Insurance Services Office, Inc., The Prudential Insurance Company of America, Prudential Investment Management, Inc. and the other purchasers party thereto, incorporated herein by reference to Exhibit 4.4 to Amendment No. 2 to the Company's Registration Statement on Form S-1, dated November 20, 2008.
4.5	Amendment No. 3 to the Prudential Uncommitted Master Shelf Agreement, dated January 23, 2006, among Insurance Services Office, Inc., The Prudential Insurance Company of America, Prudential Investment Management, Inc. and the other purchasers party thereto, incorporated herein by reference to Exhibit 4.5 to Amendment No. 2 to the Company's Registration Statement on Form S-1, dated November 20, 2008.

- 4.6 Waiver and Amendment No. 4 to the Prudential Uncommitted Master Shelf Agreement, dated February 28, 2007, among Insurance Services Office, Inc., The Prudential Insurance Company of America, Prudential Investment Management, Inc. and the other purchasers party thereto, incorporated herein by reference to Exhibit 4.6 to Amendment No. 2 to the Company's Registration Statement on Form S-1, dated November 20, 2008.

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Exhibit Number	Description
4.7	New York Life Uncommitted Master Shelf Agreement, dated as of March 16, 2007, among Insurance Services Office, Inc., New York Life Insurance Company and the other purchasers party thereto, incorporated herein by reference to Exhibit 4.7 to Amendment No. 2 to the Company's Registration Statement on Form S-1, dated November 20, 2008.
4.8	Amendment No. 5 to the Prudential Uncommitted Master Shelf Agreement, dated August 30, 2010, among Insurance Services Office, Inc., The Prudential Insurance Company of America, Prudential Investment Management, Inc. and the other purchasers party thereto.*
5.1	Opinion of Davis Polk & Wardwell LLP**
10.1	401(k) Savings Plan and Employee Stock Ownership Plan, incorporated herein by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-1, dated August 12, 2008.
10.2	Verisk Analytics, Inc. 2009 Equity Incentive Plan, incorporated herein by reference to Exhibit 10.2 to Amendment No. 6 to the Company's Registration Statement on Form S-1, dated September 21, 2009.
10.3	Form of Letter Agreement, incorporated herein by reference to Exhibit 10.3 to Amendment No. 1 to the Company's Registration Statement on Form S-1, dated October 7, 2008.
10.4	Form of Master License Agreement and Participation Supplement, incorporated herein by reference to Exhibit 10.4 to Amendment No. 1 to the Company's Registration Statement on Form S-1, dated October 7, 2008.
10.5	Schedule of Master License Agreements Substantially Identical in All Material Respects to the Form of Master License Agreement and Participation Supplement, incorporated herein by reference to Exhibit 10.5 to Amendment No. 2 to the Company's Registration Statement on Form S-1, dated November 20, 2008.
10.6	Credit Agreement, dated as of July 2, 2009, between Insurance Services Office, Inc. and Bank of America, N.A., as Administrative Agent, and the lenders party thereto, incorporated herein by reference to Exhibit 10.6 to Amendment No. 5 to the Company's Registration Statement on Form S-1, dated August 21, 2009.
10.7	Letter Agreement dated August 21, 2009 between Insurance Services Office, Inc. and Bank of America, N.A., as Administrative Agent, incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated September 13, 2010.
10.8	Second Amendment and Modification Agreement dated April 19, 2010 between Insurance Services Office, Inc., Bank of America, N.A., as Administrative Agent, and the lenders party thereto, incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, dated September 13, 2010.
10.9	Third Amendment and Modification Agreement dated September 10, 2010 among Insurance Services Office, Inc., the Company, as guarantor, the other guarantors party thereto, Bank of America, N.A., and the other lenders party thereto, incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, dated September 13, 2010.
10.10	Employment Agreement with Frank J. Coyne, incorporated herein by reference to Exhibit 10.7 to Amendment No. 6 to the Company's Registration Statement on Form S-1, dated September 21, 2009.
10.11	Form of Change of Control Severance Agreement, incorporated herein by reference to Exhibit 10.8 to Amendment No. 6 to the Company's Registration Statement on Form S-1, dated September 21, 2009.
10.12	Insurance Services Office, Inc. 1996 Incentive Plan and Form of Stock Option Agreement thereunder, incorporated herein by reference to Exhibit 10.9 to Amendment No. 7 to the Company's Registration Statement on Form S-1, dated September 29, 2009.
10.13	Form of Stock Option Award Agreement, incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, dated November 16, 2009.

- 21.1 Subsidiaries of the Registrant, incorporated herein by reference to Exhibit 21.1 to Amendment No. 6 to the Company's Registration Statement on Form S-1, dated September 29, 2009.
- 23.1 Consent of Deloitte & Touche LLP*

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Exhibit

Number Description

23.2 Consent of Davis Polk & Wardwell LLP (included in Exhibit 5.1)

24.1 Power of Attorney (included on signature page)

* Filed herewith.

** To be filed by amendment.

Item 17. *Undertakings*

The undersigned hereby undertakes:

(a) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions referenced in Item 14 of this Registration Statement, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered hereunder, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(b) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

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

Table of Contents**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Jersey City, State of New Jersey, on the 15th day of September, 2010.

Verisk Analytics, Inc.

By: /s/ Frank J. Coyne

Name: Frank J. Coyne

Title: Chief Executive Officer, President and
Chairman of the Board of Directors

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Frank J. Coyne and Mark V. Anquillare, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and any and all additional registration statements pursuant to Rule 462(b) of the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agents full power and authority to do and perform each and every act in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or either of them or their or his or her substitute or substitutes may lawfully do or cause to be done by virtue hereof.

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

Signature	Title	Date
/s/ Frank J. Coyne Frank J. Coyne	Chief Executive Officer, President and Chairman of the Board of Directors (principal executive officer)	September 15, 2010
/s/ Mark V. Anquillare Mark V. Anquillare	Senior Vice President and Chief Financial Officer (principal financial officer and principal accounting officer)	September 15, 2010
/s/ J. Hyatt Brown J. Hyatt Brown	Director	September 15, 2010
/s/ Glen A. Dell Glen A. Dell	Director	September 15, 2010

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/s/ Christopher M. Foskett

Director

September 15, 2010

Christopher M. Foskett

/s/ Constantine P. Iordanou

Director

September 15, 2010

Constantine P. Iordanou

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Signature	Title	Date
/s/ John F. Lehman, Jr. John F. Lehman, Jr.	Director	September 15, 2010
/s/ Samuel G. Liss Samuel G. Liss	Director	September 15, 2010
/s/ Thomas F. Motamed Thomas F. Motamed	Director	September 15, 2010
/s/ Andrew G. Mills Andrew G. Mills	Director	September 15, 2010
/s/ Arthur J. Rothkopf Arthur J. Rothkopf	Director	September 15, 2010
/s/ David B. Wright David B. Wright	Director	September 15, 2010

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EXHIBIT INDEX

Exhibit Number	Description
1.1	Form of Underwriting Agreement**
3.1	Amended and Restated Certificate of Incorporation, incorporated herein by reference to Exhibit 3.1 to Amendment No. 6 to the Company's Registration Statement on Form S-1, dated September 21, 2009.
3.2	Amended and Restated By-Laws, incorporated herein by reference to Exhibit 3.2 to Amendment No. 6 to the Company's Registration Statement on Form S-1, dated September 21, 2009.
4.1	Form of Common Stock Certificate, incorporated herein by reference to Exhibit 4.1 to Amendment No. 6 to the Company's Registration Statement on Form S-1, dated September 21, 2009.
4.2	Prudential Uncommitted Master Shelf Agreement, dated as of June 13, 2003, among Insurance Services Office, Inc., The Prudential Insurance Company of America, U.S. Private Placement Fund, Baystate Investments, LLC, United of Omaha Life Insurance Company and Prudential Investment Management, Inc., incorporated herein by reference to Exhibit 4.2 to Amendment No. 2 to the Company's Registration Statement on Form S-1, dated November 20, 2008.
4.3	Amendment No. 1 to the Prudential Uncommitted Master Shelf Agreement, dated February 1, 2005, among Insurance Services Office, Inc., The Prudential Insurance Company of America, Prudential Investment Management, Inc. and the other purchasers party thereto, incorporated herein by reference to Exhibit 4.3 to Amendment No. 2 to the Company's Registration Statement on Form S-1, dated November 20, 2008.
4.4	Amendment No. 2 to the Prudential Uncommitted Master Shelf Agreement, dated June 1, 2005, among Insurance Services Office, Inc., The Prudential Insurance Company of America, Prudential Investment Management, Inc. and the other purchasers party thereto, incorporated herein by reference to Exhibit 4.4 to Amendment No. 2 to the Company's Registration Statement on Form S-1, dated November 20, 2008.
4.5	Amendment No. 3 to the Prudential Uncommitted Master Shelf Agreement, dated January 23, 2006, among Insurance Services Office, Inc., The Prudential Insurance Company of America, Prudential Investment Management, Inc. and the other purchasers party thereto, incorporated herein by reference to Exhibit 4.5 to Amendment No. 2 to the Company's Registration Statement on Form S-1, dated November 20, 2008.
4.6	Waiver and Amendment No. 4 to the Prudential Uncommitted Master Shelf Agreement, dated February 28, 2007, among Insurance Services Office, Inc., The Prudential Insurance Company of America, Prudential Investment Management, Inc. and the other purchasers party thereto, incorporated herein by reference to Exhibit 4.6 to Amendment No. 2 to the Company's Registration Statement on Form S-1, dated November 20, 2008.
4.7	New York Life Uncommitted Master Shelf Agreement, dated as of March 16, 2007, among Insurance Services Office, Inc., New York Life Insurance Company and the other purchasers party thereto, incorporated herein by reference to Exhibit 4.7 to Amendment No. 2 to the Company's Registration Statement on Form S-1, dated November 20, 2008.
4.8	Amendment No. 5 to the Prudential Uncommitted Master Shelf Agreement, dated August 30, 2010, among Insurance Services Office, Inc., The Prudential Insurance Company of America, Prudential Investment Management, Inc. and the other purchasers party thereto.*
5.1	Opinion of Davis Polk & Wardwell LLP**
10.1	401(k) Savings Plan and Employee Stock Ownership Plan, incorporated herein by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-1, dated August 12, 2008.
10.2	

- Verisk Analytics, Inc. 2009 Equity Incentive Plan, incorporated herein by reference to Exhibit 10.2 to Amendment No. 6 to the Company's Registration Statement on Form S-1, dated September 21, 2009.
- 10.3 Form of Letter Agreement, incorporated herein by reference to Exhibit 10.3 to Amendment No. 1 to the Company's Registration Statement on Form S-1, dated October 7, 2008.
- 10.4 Form of Master License Agreement and Participation Supplement, incorporated herein by reference to Exhibit 10.4 to Amendment No. 1 to the Company's Registration Statement on Form S-1, dated October 7, 2008.

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Exhibit Number	Description
10.5	Schedule of Master License Agreements Substantially Identical in All Material Respects to the Form of Master License Agreement and Participation Supplement, incorporated herein by reference to Exhibit 10.5 to Amendment No. 2 to the Company's Registration Statement on Form S-1, dated November 20, 2008.
10.6	Credit Agreement, dated as of July 2, 2009, between Insurance Services Office, Inc. and Bank of America, N.A., as Administrative Agent, and the lenders party thereto, incorporated herein by reference to Exhibit 10.6 to Amendment No. 5 to the Company's Registration Statement on Form S-1, dated August 21, 2009.
10.7	Letter Agreement dated August 21, 2009 between Insurance Services Office, Inc. and Bank of America, N.A., as Administrative Agent, incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated September 13, 2010.
10.8	Second Amendment and Modification Agreement dated April 19, 2010 between Insurance Services Office, Inc., Bank of America, N.A., as Administrative Agent, and the lenders party thereto, incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, dated September 13, 2010.
10.9	Third Amendment and Modification Agreement dated September 10, 2010 among Insurance Services Office, Inc., the Company, as guarantor, the other guarantors party thereto, Bank of America, N.A., and the other lenders party thereto, incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, dated September 13, 2010.
10.10	Employment Agreement with Frank J. Coyne, incorporated herein by reference to Exhibit 10.7 to Amendment No. 6 to the Company's Registration Statement on Form S-1, dated September 21, 2009.
10.11	Form of Change of Control Severance Agreement, incorporated herein by reference to Exhibit 10.8 to Amendment No. 6 to the Company's Registration Statement on Form S-1, dated September 21, 2009.
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21.1	Subsidiaries of the Registrant, incorporated herein by reference to Exhibit 21.1 to Amendment No. 6 to the Company's Registration Statement on Form S-1, dated September 29, 2009.
23.1	Consent of Deloitte & Touche LLP*
23.2	Consent of Davis Polk & Wardwell LLP (included in Exhibit 5.1)
24.1	Power of Attorney (included on signature page)

* Filed herewith.

** To be filed by amendment.