

Market Leader, Inc.  
Form 4  
August 09, 2013

**FORM 4**

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

OMB APPROVAL

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

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

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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Morris Ian H

2. Issuer Name and Ticker or Trading Symbol  
Market Leader, Inc. [LEDR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
11332 NE 122ND WAY, SUITE 200

3. Date of Earliest Transaction (Month/Day/Year)  
08/07/2013

\_\_\_\_ Director  
\_\_\_\_ Officer (give title below)  
\_\_\_\_ 10% Owner  
\_\_\_\_ Other (specify below)  
CEO

(Street)

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

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

KIRKLAND, WA 98034

(City) (State) (Zip)

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

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount or Price   |  |                                   |
| Common Stock                    | 08/07/2013                           |  | M                              |   | 150,000<br>(1)  | A  | \$ 5.4 310,966 D                  |
| Common Stock                    | 08/07/2013                           |  | M                              |   | 250,000<br>(1)  | A  | \$ 2.85 560,966 D                 |
| Common Stock                    | 08/07/2013                           |  | M                              |   | 240,000<br>(1)  | A  | \$ 1.96 800,966 D                 |
| Common Stock                    | 08/07/2013                           |  | M                              |   | 210,938<br>(1)  | A  | \$ 2.01 1,011,904 D               |
| Common Stock                    | 08/07/2013                           |  | M                              |   | 143,750   | A  | \$ 2.26 1,155,654 D               |

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|              |            |   |                |   |          |           |   |
|--------------|------------|---|----------------|---|----------|-----------|---|
| Common Stock | 08/07/2013 | M | 93,750         | A | \$ 4.66  | 1,249,404 | D |
| Common Stock | 08/07/2013 | F | 458,908<br>(6) | D | \$ 12.48 | 790,496   | D |
| Common Stock | 08/07/2013 | D | 143,750        | D | \$ 12.48 | 646,746   | D |
| Common Stock | 08/07/2013 | D | 93,750         | D | \$ 12.48 | 552,996   | D |

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

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(9-02)

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

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Underlying Security (Instr. 3 and 4) |              |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date                                   | Title        |
| Option (Right to Buy)                      | \$ 5.4   | 08/07/2013                           |  | M                              | 150,000   | 03/19/2007 <sup>(2)</sup>                                | 12/19/2016  | Common Stock |
| Option (Right to Buy)                      | \$ 2.85  | 08/07/2013                           |  | M                              | 250,000   | 10/28/2008 <sup>(3)</sup>                                | 07/28/2018  | Common Stock |
| Option (Right to Buy)                      | \$ 1.96  | 08/07/2013                           |  | M                              | 240,000   | 10/30/2009 <sup>(4)</sup>                                | 07/30/2019  | Common Stock |
| Option (Right to Buy)                      | \$ 2.01  | 08/07/2013                           |  | M                              | 210,938   | 12/23/2010 <sup>(5)</sup>                                | 09/23/2020  | Common Stock |
| Stock Appreciation Right                   | \$ 2.26  | 08/07/2013                           |  | M                              | 143,750   | 01/06/2012 <sup>(7)</sup>                                | 10/06/2016  | Common Stock |
| Stock Appreciation Right                   | \$ 4.66  | 08/07/2013                           |  | M                              | 93,750  | 09/14/2012 <sup>(8)</sup>                                | 06/14/2017  | Common Stock |

## Reporting Owners

| Reporting Owner Name / Address                                      | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| Morris Ian H<br>11332 NE 122ND WAY, SUITE 200<br>KIRKLAND, WA 98034 |               |           | CEO     |       |

## Signatures

Jacqueline  
Davidson, CFO 08/09/2013

     \*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Shares acquired on exercise of stock options.
- (2) The Option vested over 4 years at the rate of 6.25% per quarter from the grant date of December 19, 2006.
- (3) The Option vested over 4 years at the rate of 6.25% per quarter from the grant date of July 28, 2008.
- (4) The Option vested over 4 years at the rate of 6.25% per quarter from the grant date of July 30, 2009.
- (5) The Option vests over 4 years at the rate of 6.25% per quarter from the grant date of September 23, 2010. 50% of the unvested portion accelerated in vesting and became exercisable as of August 7, 2013.
- (6) Shares withheld by company to cover exercise price and taxes on exercise of stock options; not an open market transaction.
- (7) The Stock Appreciation Right vests over 4 years at the rate of 6.25% per quarter from the grant date of October 6, 2011. 50% of the unvested portion accelerated in vesting and became exercisable as of August 7, 2013.
- (8) The Stock Appreciation Right vests over 4 years at the rate of 6.25% per quarter from the grant date of June 14, 2012. 50% of the unvested portion accelerated in vesting and became exercisable as of August 7, 2013.

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