

ENVESTNET, INC.  
Form 10-K/A  
November 17, 2014  
[Table of Contents](#)

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

---

## FORM 10-K/A

(Amendment No. 1)

---

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the year ended December 31, 2013

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-34835

---

**Investnet, Inc.**

(Exact name of registrant as specified in its charter)

Edgar Filing: ENVESTNET, INC. - Form 10-K/A

---

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**20-1409613**

(I.R.S Employer  
Identification No.)

**35 East Wacker Drive, Suite 2400, Chicago, IL**

(Address of principal executive offices)

**60601**

(Zip Code)

Registrant's telephone number, including area code:

**(312) 827-2800**

---

Securities registered pursuant to Section 12(b) of the Act:

**Title of Each Class:**  
Common stock, par value \$0.005 per share

**Name of Each Exchange on Which Registered:**  
NYSE

Securities registered pursuant to Section 12(g) of the Act:

**None**

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the 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 the 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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Edgar Filing: ENVESTNET, INC. - Form 10-K/A

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

Aggregate market value of registrant's common stock held by non-affiliates of the registrant, based upon the closing price of a share of the registrant's common stock on June 30, 2013 as reported on The New York Stock Exchange on that date: \$551,089,200. For purposes of this calculation, shares of common stock held by (i) persons holding more than 5% of the outstanding shares of stock, and (ii) officers and directors of the registrant, as of June 30, 2013, are excluded in that such persons may be deemed to be affiliates. This determination is not necessarily conclusive of affiliate status.

As of March 7, 2014, 34,019,202 shares of the common stock with a par value of \$0.005 per share were outstanding.

---

Table of Contents

**Table of Contents**

|                         |   |   |
|-------------------------|---|---|
| <u>Explanatory Note</u> |   | 3 |
| <u>Item 9A</u>          | <u>Controls and Procedures</u>                    | 3 |
| <u>Item 15</u>          | <u>Exhibits and Financial Statement Schedules</u> | 5 |
| <u>Signatures</u>       |   | 6 |
| Exhibit 31.1            | Certification                                     |   |
| Exhibit 31.2            | Certification                                     |   |
| Exhibit 32.1            | Certification                                     |   |
| Exhibit 32.2            | Certification                                     |   |

Table of Contents

**EXPLANATORY NOTE**

This Amendment No.1 on Form 10-K/A amends the Company's Annual Report on Form 10-K, as filed by the Company with the Securities and Exchange Commission on March 17, 2014 (the "Form 10-K"), and is being filed to amend Item 9A of the Form 10-K to (i) provide our management's assessment of the effectiveness of our internal control over financial reporting as of the end of the fiscal year, (ii) disclose that our registered public accounting firm audited the financial statements included in the annual report and has included an attestation report on our internal control over financial reporting and (iii) disclose changes in our internal control over financial reporting during the three months ended December 31, 2013 that had materially affected, or were reasonably likely to materially affect, our internal control over financial reporting. Except as set forth in Item 9A below and filing of related certifications, no other changes are made to the Form 10-K. Unless expressly stated, this Amendment No. 1 does not reflect events occurring after the filing of the Form 10-K, nor does it modify or update in any way the disclosures contained in the Form 10-K, including the Company's financial statements and the footnotes thereto. The information on the facing page is as of the date of the filing of the Form 10-K.

**Item 9A. Controls and Procedures**

*Evaluation of Disclosure Controls and Procedures*

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2013. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of December 31, 2013, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are effective at the reasonable assurance level.

*Management's Annual Report on Internal Control Over Financial Reporting*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for our company. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Exchange Act, as a process designed by, or under the supervision of, a company's principal executive and principal financial officers and effected by the Company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

## Edgar Filing: ENVESTNET, INC. - Form 10-K/A

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made in accordance with authorizations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has excluded Wealth Management Solutions ( WMS ), from its assessment of internal control over financial reporting as of December 31, 2013, because this entity was acquired by the Company in a purchase business combination in the third quarter of 2013. WMS has total assets representing \$30,929,000 and has total revenues representing \$33,517,000, of the Company's consolidated financial statement amounts as of and for the year ended December 31, 2013.

Table of Contents

Our management, including our chief executive officer and chief financial officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2013, using the criteria established in Internal Control Integrated Framework (1992) issued by the Committee of Sponsoring Organization of the Treadway Commission (COSO). Based on their evaluation under the COSO framework, our principal executive officer and our principal financial officer concluded that as of December 31, 2013, our internal control over financial reporting was effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

KPMG LLP, an independent registered public accounting firm, has audited the consolidated financial statements included in this Annual Report on Form 10-K and, as part of their audit, has issued an attestation report on the Company's internal control over financial reporting as of December 31, 2013 included in Item 9A. Controls and Procedures.

*Changes in Internal Control Over Financial Reporting*

During the three months ended December 31, 2013, we completed our remediation plan related to the previously reported material weakness for inadequate and ineffective controls over accounting for income taxes. We finalized our review of the tax accounting process and identified certain controls to mitigate the material weakness, including an annual control over the preparation and review of the our income tax provision and enhanced controls over the preparation and review of the Company's analysis and conclusions for all technical tax accounting matters. During the three months ended December 31, 2013, we formally instituted these additional controls and completed our testing of such controls. There were no other changes in our internal control over financial reporting during the three months ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

Table of Contents

**Item 15. Exhibits and Financial Statement Schedules**

| <b>Exhibit No.</b> | <b>Description of Exhibit</b>   |
|--------------------|---|
| 31.1               | Certification of Chief Executive Officer pursuant to Rule 13a-14(a).  |
| 31.2               | Certification of Chief Financial Officer pursuant to Rule 13a-14(a).  |
| 32.1               | Certificate of Chief Executive Officer pursuant to Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code. |
| 32.2               | Certificate of Chief Financial Officer pursuant to Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code. |



Table of Contents

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**ENVESTNET, INC.**

Date: November 17, 2014

*/s/ JUDSON BERGMAN*  
Judson Bergman  
*Chairman and Chief Executive Officer*  
*(Principal Executive Officer)*

Date: November 17, 2014

*/s/ PETER H. D ARRIGO*  
Peter H. D Arrigo  
*Chief Financial Officer*  
*(Principal Financial Officer)*