

Tree.com, Inc.
Form 424B3
September 22, 2011

**Filed Pursuant to Rule 424(b)(3)
Registration No. 333-152700**

**Prospectus Supplement No. 3 to
Prospectus Dated August 12, 2011**

Tree.com, Inc.

3,678,664 Shares of Common Stock, Par Value \$0.01 Per Share

This prospectus supplement no. 3 supplements and amends information in the prospectus dated August 12, 2011 (the "Prospectus"). You should read this prospectus supplement in conjunction with the Prospectus. This supplement is qualified by reference to the Prospectus, except to the extent that the information herein supersedes the information contained in the Prospectus.

This prospectus supplement includes our Current Report on Form 8-K dated and filed September 21, 2011 (other than the portions of such documents, if any, furnished to the Securities and Exchange Commission but not deemed to have been filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended).

As indicated under "Risk Factors" on page 4 of the Prospectus, in reviewing this prospectus supplement and the Prospectus, you should carefully consider the risks beginning on page 4 of the Prospectus and in any prospectus supplements to the Prospectus dated prior to the date of this prospectus supplement.

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

This supplement is part of the Prospectus and must accompany the Prospectus to satisfy prospectus delivery requirements under the Securities Act of 1933, as amended.

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This date of this prospectus supplement is September 21, 2011.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **September 15, 2011**

Tree.com, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction)

00134063
(Commission)

26-2414818
(IRS Employer)

of Incorporation)

File Number)

Identification No.)

11115 Rushmore Drive, Charlotte, NC
(Address of Principal Executive Offices)

28277
(Zip Code)

Registrant's telephone number, including area code: **(704) 541-5351**

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into Material Definitive Agreement.

The information with respect to entry into the Agreement disclosed in Item 2.01 below is incorporated by reference into this Item 1.01.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On September 16, 2011, two wholly-owned subsidiaries of Tree.com (the Company) LendingTree, LLC and RealEstate.com, Inc. (the Sellers), completed the sale of certain of the Sellers' assets from the Company's former Real Estate segment for a total purchase price of \$8,250,000 in cash pursuant to an asset purchase agreement entered into and dated September 15, 2011 by and among the Sellers and Market Leader, Inc. (the Agreement). The Agreement is attached hereto as Exhibit 2.1 and is incorporated herein by reference.

Pursuant to the Agreement, Market Leader, Inc. acquired certain assets relating to the Sellers' business of providing information, tools and services to consumers seeking real estate services and then matching such consumers with real estate professionals. These assets are distinct from those of both the LendingTree Exchanges and LendingTree Loans businesses. The operating assets of the LendingTree Loans business are subject to a pending sale to Discover Bank. Under the Agreement, the parties made customary representations, warranties and indemnities that are typical and consistent for a transaction of this nature. The assertions embodied in those representations and warranties were made solely for purposes of the Agreement and may be subject to important qualifications and limitations agreed to by the parties in connection with the negotiated terms of the Agreement. Moreover, some of those representations and warranties may have been true only at a certain date, may be subject to a contractual standard of materiality or may have been used for purposes of allocating risk between the parties rather than establishing matters of facts.

The foregoing description of the Agreement is qualified in its entirety by reference to the full text of the Agreement.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
2.1	Asset Purchase Agreement dated September 15, 2011 by and among LendingTree, LLC, RealEstate.com, Inc. and Market Leader, Inc.*
2.2	Bill of Sale
2.3	Assignment and Assumption Agreement

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* Certain schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 6.01(b)(2). The Company agrees to furnish supplementally a copy of all omitted schedules to the SEC upon its request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Date: September 21, 2011

TREE.COM, INC.

By:

*/s/ Katharine F. Pierce
Katharine F. Pierce
Assistant General Counsel and Corporate Secretary*