FROST PHILLIP MD ET AL
Form 4
July 25, 2017

FORM 4

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

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

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

OMB APPROVAL	
OMB Number:	3235-0287
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Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
FROST PHILLIP MD ET AL

(Last) (First) (Middle)

OPKO HEALTH, INC., 4400 BISCAYNE BLVD.

(Street)

MIAMI, FL 33137

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Opko Health, Inc. [OPK]

3. Date of Earliest Transaction (Month/Day/Year)
07/24/2017

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director __X__ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
CEO & Chairman

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

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock								3,068,951	D	
Common Stock	07/24/2017		P		300	A	$ 6.405	163,712,643	I	See Footnote (1)
Common Stock	07/24/2017		P		200	A	$ 6.4075	163,712,843	I	See Footnote (1)
Common Stock	07/24/2017		P		9,500	A	$ 6.41	163,722,343	I	See Footnote (1)

Common Stock	07/24/2017		P		500	A	$ 6.415	163,722,843	I	See Footnote (1)
Common Stock	07/24/2017		P		11,500	A	$ 6.42	163,734,343	I	See Footnote (1)
Common Stock	07/24/2017		P		1,600	A	$ 6.425	163,735,943	I	See Footnote (1)
Common Stock	07/24/2017		P		16,200	A	$ 6.43	163,752,143	I	See Footnote (1)
Common Stock	07/24/2017		P		4,000	A	$ 6.435	163,756,143	I	See Footnote (1)
Common Stock	07/24/2017		P		1,200	A	$ 6.44	163,757,343	I	See Footnote (1)
Common Stock								20,091,062	I	See Footnote (2)

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

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SEC 1474 (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 Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FROST PHILLIP MD ET AL OPKO HEALTH, INC. 4400 BISCAYNE BLVD. MIAMI, FL 33137	X	X	CEO & Chairman	
Frost Gamma Investments Trust 4400 BISCAYNE BLVD. MIAMI, FL 33137		X		

Signatures

Phillip Frost, M.D., Individually and as Trustee	07/25/2017
**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) The securities are held by Frost Gamma Investments Trust, of which Phillip Frost M.D., is the trustee. Frost Gamma L.P. is the sole and exclusive beneficiary of Frost Gamma Investments Trust. Dr. Frost is one of two limited partners of Frost Gamma L.P. The general partner of Frost Gamma L.P. is Frost Gamma, Inc., and the sole shareholder of Frost Gamma, Inc. is Frost-Nevada Corporation. Dr. Frost is also the sole shareholder of Frost-Nevada Corporation. The reporting person disclaims beneficial ownership of these securities, except to the extent of any pecuniary interest therein and this report shall not be deemed an admission that the reporting person is the beneficial owner of these securities for purposes of Section 16 or for any other purpose.

(2) These securities are owned directly by The Frost Group, LLC. Frost Gamma Investments Trust is a principal member of The Frost Group, LLC. The reporting person disclaims beneficial ownership of these securities, except to the extent of any pecuniary interest therein and this report shall not be deemed an admission that the reporting person is the beneficial owner of these securities for purposes of Section 16 or for any other purpose.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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Total
$ 116,141 $ (53,820) $ 123,076 $ (53,548)

Amortization expense that will be charged to income for the remaining period of 2008, based on the March 31, 2008 book value, is approximately $16.7 million.

Amortization expense that will be charged to income for the subsequent five years and thereafter is estimated, based on the March 31, 2008 book value, to be $18.4 million in 2009, $14.7 million in 2010, $6.2 million in 2011, $2.0 million in 2012, $0.7 million in 2013 and thereafter $0.9 million.

Included in the gross book value as of March 31, 2008 and December 31, 2007, is foreign currency translation of $2.7 million and $3.3 million, respectively.

12. Goodwill

The change in carrying amount of goodwill for the three months ended March 31, 2008 is as follows (in thousands):

Balance as of January 1, 2008	$ 117,702
Impact of change in Canadian dollar exchange rate	(929)
Other	(40)
Balance as of March 31, 2008	$ 116,733

13. Other Accrued Liabilities

Following is a summary of the components of other accrued liabilities (in thousands):

	March 31, 2008	December 31, 2007
Taxes	$ 3,448	$ 3,379
Customer deposits	2,791	2,773
Professional fees	2,406	1,462
Other	1,541	920
Revenue share	907	1,196
Software licenses	739	1,212
Public company costs	184	174
Severance	176	271
Total other accrued liabilities	$ 12,192	$ 11,387

14. Income Taxes

We adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes an Interpretation of FASB Statement No. 109 of FIN 48*, on January 1, 2007. FIN 48 specifies the way public companies are to account for uncertainty in income tax reporting, and prescribes the methodology for recognizing, reversing, and measuring the tax benefits of a tax position taken, or expected to be taken, in a tax return. Our adoption of FIN 48 did not result in any change to the level of our liability for uncertain tax positions, and there was no adjustment to our retained earnings for the cumulative effect of an accounting change. At January 1, 2008, the total liability for uncertain tax positions recorded in our balance sheet in accrued other liabilities was $0.1 million, and we expect the balance to remain unchanged at December 31, 2008.

We file a consolidated U.S. income tax return and tax returns in various state and local jurisdictions. Certain of our subsidiaries also file income tax returns in Canada. The Internal Revenue Service has completed its examination of our federal income tax returns through 2004.

Interest and penalties related to tax positions taken in our tax returns are recorded in interest expense and general and administrative expenses, respectively, in our consolidated statement of operations. At January 1, 2008, the combined amount of accrued interest and penalties related to tax positions taken on our tax returns was zero. There was no significant change to this amount during the first quarter of 2008.

15. Long-Term Incentive Equity Awards

On August 2, 2006, November 2, 2006, and July 21, 2007, the compensation committee of the board of directors granted long-term performance equity awards (under the 2005 Incentive Award Plan) consisting of 565,000 shares, 35,000 shares and 10,000 shares of restricted common stock, respectively, to certain executive officers and other employees. Each individual s award is allocated 50% to achieving earnings before interest, taxes, depreciation and amortization, as adjusted to reflect any future acquisitions (EBITDA Performance Award) and 50% to the market value of our common stock (Market Value Award). The awards are earned upon our achievement of EBITDA and market-based targets for the fiscal years 2007, 2008 and 2009, but will not vest unless the grantee remains continuously employed in active service until January 31, 2010. If an EBITDA Performance Award or Market Value Award is not earned in an earlier year, it can be earned upon achievement of that target in a subsequent year. The awards will accelerate in full upon a change in control, if any.

In accordance with FAS 123(R), we valued the EBITDA Performance Award and the Market Value Award using the Black-Scholes and binomial lattice-based valuation pricing models, respectively. The total fair value of the entire EBITDA Performance Award is $6.0 million (prior to estimated forfeitures), of which, in January 2007, we began expensing on a straight-line basis the amounts associated with the 2007 award as it was deemed probable that the threshold for the year ended December 31, 2007 would be met. We have met the EBITDA target for 2007. The total value of the entire Market Value Award is $2.5 million (including estimated forfeitures), which is expensed on a straight-line basis from the date of grant over the applicable service period. As long as the service condition is satisfied, the expense is not reversed, even if the market conditions are not satisfied. As of March 31, 2008, we have not begun to expense the 2008 EBITDA Award as it has not been deemed probable that the target will be achieved. We will continue to evaluate the probability of achieving the target on a quarterly basis.

The expense recorded related to the EBITDA Performance Award and the Market Value Award for the three months ended March 31, 2008 and 2007, is as follows:

	Three Months Ended March 31,	
	2008	**2007**
EBITDA Performance Award	$ 166,718	$ 148,093
Market Value Award	187,099	172,509
Total Long-Term Incentive Equity Awards expense	$ 353,817	$ 320,602

The EBITDA & Market Value Awards expense is included in restricted common stock in the stock-based compensation expense table in Note 7.

16. Commitments and Contingencies

Retail Sales Tax

The Ontario Ministry of Revenue (the Ministry) has conducted a retail sales tax field audit on the financial records of our Canadian subsidiary, DealerTrack Canada, Inc. (formerly known as DealerAccess Canada, Inc.), for the period from March 1, 2001 through May 31, 2003. We received a formal assessment from the Ministry indicating unpaid Ontario retail sales tax totaling approximately $0.2 million, plus interest. Although we are disputing the Ministry s findings, the assessment, including interest, has been paid in order to avoid potential future interest and penalties.

As part of the purchase agreement dated, December 31, 2003 between us and Bank of Montreal for the purchase of 100% of the issued and outstanding capital stock of DealerAccess, Inc., Bank of Montreal agreed to indemnify us specifically for this potential liability for all sales tax periods prior to January 1, 2004. To date all amounts paid to the Ministry by us for this assessment have been reimbursed by the Bank of Montreal under this indemnity.

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We undertook a comprehensive review of the audit findings of the Ministry using external tax experts. Our position has been that our financing source revenue transactions are not subject to Ontario retail sales tax. We filed a formal Notice of Objection with the Ministry on December 12, 2005. We received a letter dated November 2, 2007 from an appeals officer of the Ministry stating that the assessment was, in his opinion, properly raised and his intention was to recommend his confirmation to senior management of the Ministry. The officer agreed, however, to defer his recommendation for a period of thirty business days to enable us to submit any additional information not yet provided. We submitted additional information to the Ministry to support our position that the services are not subject to sales tax.

We received a letter dated December 21, 2007 from a senior manager at the Ministry stating that no change should be made to the appeals officer s opinion. The letter further stated that we had ninety days from the date of the letter to file a Notice of Appeal with the Superior Court of Justice. A Notice of Appeal was filed on our behalf on March 18, 2008 to challenge the assessment because we did not believe these services are subject to sales tax. We have not accrued any related sales tax liability for the period subsequent to May 31, 2003, for these financing source revenue transactions. This appeal is supported by the financial institutions whose source revenue transactions were subject to the assessment. These financial institutions have agreed to participate in the cost of the litigation.

In the event we are obligated to charge sales tax for this type of transaction, this Canadian subsidiary s contractual arrangements with its financing source customers obligate these customers to pay all sales taxes that are levied or imposed by any taxing authority by reason of the transactions contemplated under the particular contractual arrangement. In the event of any failure to pay such amounts, we would be required to pay the obligation, which could range from $4.0 million (CAD) to $4.5 million (CAD), including penalties and interest. Pursuant to the purchase agreement discussed above, we would be indemnified by the Bank of Montreal for approximately $0.3 million of this potential sales tax liability.

Commitments

Pursuant to employment or severance agreements with certain employees, we have a commitment to pay severance of approximately $7.8 million as of March 31, 2008 and $7.5 million as of December 31, 2007, in the event of termination without cause, as defined in the agreements, as well as certain potential gross-up payments to the extent any such severance payment would constitute an excess parachute payment under the Internal Revenue Code.

On January 30, 2008, we entered into an inventory purchase agreement for 2,000 ePad units for approximately $0.3 million. As of March 31, 2008, we have only received 120 units.

We are a party to a variety of agreements pursuant to which we may be obligated to indemnify the other party with respect to breach of contract, infringement and other matters. Typically, these obligations arise in the context of agreements entered into by us, under which we customarily agree to hold the other party harmless against losses arising from breaches of representations, warranties and/or covenants. In these circumstances, payment by us is generally conditioned on the other party making a claim pursuant to the procedures specified in the particular agreement, which procedures typically allow us to challenge the other party s claims. Further, our obligations under these agreements may be limited to indemnification of third-party claims only and limited in terms of time and/or amount. In some instances, we may have recourse against third parties for certain payments made by us.

It is not possible to predict the maximum potential amount of future payments under these or similar agreements due to the conditional nature of our obligations and the unique facts and circumstances involved in each particular agreement. To date, we have not been required to make any such payment. We believe that if we were to incur a loss in any of these matters, it is not probable that such loss would have a material effect on our business or financial condition.

Legal Proceedings

From time to time, we are a party to litigation matters arising in connection with the normal course of our business, none of which is expected to have a material adverse effect on us. In addition to the litigation matters arising in connection with the normal course of our business, we are party to the litigation described below.

DealerTrack Inc. v. RouteOne LLC

On January 28, 2004, we filed a Complaint and Demand for Jury Trial against RouteOne LLC (RouteOne) in the United States District Court for the Eastern District of New York, Civil Action No. CV 04-322 (SJF). The complaint seeks injunctive relief as well as damages against RouteOne for infringement of two patents owned by us, which relate to computer implemented automated credit application analysis and decision routing inventions (the Patents). The complaint also seeks relief for RouteOne s acts of copyright infringement, circumvention of technological measures and common law fraud and unfair competition.

The court has approved a joint stipulation of dismissal with respect to this action. Pursuant to the joint stipulation, the patent count has been dismissed without prejudice to be pursued as part of the below consolidated actions and all other counts have been dismissed with prejudice.

DealerTrack, Inc. v. Finance Express et al., CV-06-2335;
DealerTrack Inc. v. RouteOne and Finance Express et al., CV-06-6864; and
DealerTrack Inc. v. RouteOne and Finance Express et al., CV-07-215

On April 18, 2006, we filed a Complaint and Demand for Jury Trial against David Huber, Finance Express and three of their unnamed dealer customers in the United States District Court for the Central District of California, Civil Action No. CV-06-2335 AG (FMOx). The complaint seeks declaratory and injunctive relief, as well as, damages against the defendants for infringement of the Patents. We are also seeking relief for acts of copyright infringement and unfair competition.

On June 8, 2006, David Huber and Finance Express filed their answer and counterclaims. The counterclaims seek damages for libel related to an allegation in the complaint, breach of contract, deceit, actual and constructive fraud, misappropriation of trade secrets and unfair competition related to a confidentiality agreement between the parties. On October 26, 2006, the Court dismissed the counterclaim for libel pursuant to a motion by us.

On October 27, 2006, we filed a Complaint and Demand for Jury Trial against RouteOne LLC, David Huber and Finance Express in the United States District Court for the Central District of California, Civil Action No. CV-06-6864 (SJF). The complaint seeks declaratory and injunctive relief as well as damages against the defendants for infringement of the Patents. On November 28, 2006 and December 4, 2006, respectively, defendants RouteOne, David Huber and Finance Express filed their answers. Finance Express also asserted counterclaims for breach of contract, deceit, actual and constructive fraud, misappropriation of trade secrets and unfair competition related to a confidentiality agreement between Finance Express and us.

On February 20, 2007, we filed a Complaint and Demand for Jury Trial against RouteOne LLC, David Huber and Finance Express in the United States District Court for the Central District of California, Civil Action No. CV-07-215 (CWx). The complaint seeks declaratory and injunctive relief as well as damages against the defendants for infringement of U. S. Pat. No. 7,181,427 (the 427 Patent). On April 13, 2007 and April 17, 2007, respectively, defendants RouteOne, David Huber and Finance Express filed their answers. RouteOne, David Huber and Finance Express asserted counterclaims for a declaratory judgment of unenforceability due to inequitable conduct with respect to the 427 Patent and the Patents. David Huber and Finance Express also asserted counterclaims for breach of contract, deceit, actual and constructive fraud, misappropriation of trade secrets and unfair competition related to a confidentiality agreement between Finance Express and us.

The DealerTrack, Inc. v. Finance Express et al., CV-06-2335 action, the DealerTrack Inc. v. RouteOne and Finance Express et al., CV-06-6864 action and the DealerTrack v. RouteOne and Finance Express et al., CV-07-215 action, described above, have been consolidated by the Court. A hearing on claims construction, referred to as a Markman hearing, was held on September 25, 2007. A decision in the Markman hearing has not yet been issued. Fact and expert discovery are completed and the parties are in the process of preparing motions for summary judgment and preparing for trial. Trial of this action is scheduled to begin on July 22, 2008.

We intend to pursue our claims and defend any counter claims vigorously.

We believe that the potential liability from all current litigations will not have a material effect on our financial position or results of operations when resolved in a future period.

17. Segment Information

In accordance with SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information* (SFAS No. 131) segment information is being reported consistent with our method of internal reporting. In accordance with SFAS No. 131, operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The chief operating decision maker reviews information at a consolidated level, as such we have one reportable segment under SFAS No. 131. For enterprise-wide disclosure, we are organized primarily on the basis of service lines. Revenue earned outside of the United States for the three months ended March 31, 2008 and 2007, is less than 10% of our total net revenue.

Supplemental disclosure of revenue by service type is as follows (in thousands):

	Three Months Ended March 31,	
	2008	**2007**
Transaction services revenue	$ 38,167	$ 34,290
Subscription services revenue	22,386	15,769
Other	3,755	1,666
Total net revenue	$ 64,308	$ 51,725

18. Credit Facility

Our $25.0 million revolving credit facility expired on April 15, 2008, pursuant to its terms. The facility had an interest rate of LIBOR plus 150 basis points or Prime plus 50 basis points, and was available for general corporate purposes (including acquisitions), subject to certain conditions. As of March 31, 2008 and December 31, 2007, we had no amounts outstanding and $25.0 million available for borrowings under this revolving credit facility.

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Item 2. ***Management s Discussion and Analysis of Financial Condition and Results of Operations***

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements. Certain statements in this Quarterly Report on Form 10-Q are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). These statements involve a number of risks, uncertainties and other factors that could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that could materially affect such forward-looking statements can be found in the section entitled Risk Factors in Part I, Item 1A. in our Annual Report on Form 10-K for the year ended December 31, 2007 filed with the SEC on February 28, 2008. Investors are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are only made as of the date hereof and we will undertake no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

Overview

DealerTrack is a leading provider of on-demand software and data solutions for the automotive and related specialty retail industries in the United States. Utilizing the Internet, we have built a network connecting automotive dealers with banks, finance companies, credit unions and other financing sources, and other service and information providers, such as aftermarket providers and the major credit reporting agencies. We have established a network of active relationships in the United States, which, as of March 31, 2008, consisted of over 22,000 automotive dealers, including approximately 90% of all franchised dealers; over 500 financing sources, a number of other service and information providers to the automotive retail industry. Our credit application processing product enables dealers to automate and accelerate the indirect automotive financing process by increasing the speed of communications between these dealers and their financing sources. We have leveraged our leading market position in credit application processing to address other inefficiencies in the automotive retail industry value chain. We believe our proven network provides a competitive advantage for distribution of our software and data solutions. Our integrated subscription-based software products and services enable our dealer customers to manage their dealership and operations, receive valuable consumer leads, compare various financing and leasing options and programs, sell insurance and other aftermarket products, analyze inventory, document compliance with certain laws and execute financing contracts electronically. We have also created efficiencies for financing source customers by providing a comprehensive digital and electronic contracting solution. In addition, we offer data and other products and services to various industry participants, including lease residual value and automobile configuration data.

We are a Delaware corporation formed in August 2001. We are organized as a holding company and conduct a substantial amount of our business through our subsidiaries including Automotive Lease Guide (alg), Inc., Arkona, Inc., DealerTrack Accessories Solutions, Inc., Chrome Systems, Inc., DealerTrack Aftermarket Services, Inc., DealerTrack Canada, Inc., DealerTrack Digital Services, Inc., and DealerTrack, Inc.

We monitor our performance as a business using a number of measures that are not found in our consolidated financial statements. These measures include the number of active dealers and financing sources in the DealerTrack network, the number of transactions processed and the number of product subscriptions. We believe that improvements in these metrics will result in improvements in our financial performance over time. We also view the acquisition and successful integration of acquired companies as important milestones in the growth of our business as these acquired companies bring new products to our customers and expand our technological capabilities. We believe that successful acquisitions will also lead to improvements in our financial performance over time. In the near term, however, the purchase accounting treatment of acquisitions can have a negative impact on our net income as the depreciation and amortization expenses associated with acquired assets, as well as particular intangibles (which tend to have a relatively short useful life), can be substantial in the first several years following an acquisition. As a result, we monitor our EBITDA and other business statistics as a measure of operating performance in addition to net income and the other measures included in our consolidated financial statements.

The following is a table consisting of EBITDA and certain other business statistics that management is continually monitoring (amounts in thousands, except active dealers, financing source data, and product subscriptions):

	Three Months Ended March 31, 2008	2007
	(In thousands, except for non-financial data)	
EBITDA and Other Business Statistics:		
EBITDA (1)	$ 13,344	$ 14,643
Capital expenditures, software and website development costs	$ 2,914	$ 3,447
Active dealers in our network as of end of the quarter (2)	22,457	22,642
Active financing sources in our network as of end of the quarter (3)	503	344
Transactions processed (4)	23,889	22,725
Product subscriptions (5)	30,098	23,267

(1) EBITDA represents net income before interest (income) expense, taxes, depreciation and amortization. We present EBITDA because we believe that EBITDA provides useful information with respect to the performance of our fundamental business activities and is also frequently used by securities analysts, investors and other interested parties in the evaluation of comparable companies. We rely on EBITDA as a primary measure to review and assess the operating performance of our company and management team in connection with our executive compensation plan incentive payments. In addition, our credit

agreement uses EBITDA (with additional adjustments), in part, to measure our compliance with covenants such as interest coverage.

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EBITDA has limitations as an analytical tool and you should not consider it in isolation, or as a substitute for analysis of our results as reported under Generally Accepted Accounting Principles (GAAP). 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;
- EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debts;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
- Other companies may calculate EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using EBITDA only supplementally. EBITDA is a measure of our performance that is not required by, or presented in accordance with, GAAP. EBITDA is not a measurement of our financial performance under GAAP and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with GAAP or as an alternative to cash flow from operating activities as a measure of our liquidity.

The following table sets forth the reconciliation of EBITDA, a non-GAAP financial measure, to net income, our most directly comparable financial measure in accordance with GAAP (in thousands).

	Three Months Ended March 31,	
	2008	**2007**
GAAP net income	$ 2,338	$ 4,825
Interest income	(1,563)	(1,531)
Interest expense	92	62

Provision for income taxes	1,955	3,441
Depreciation of property and equipment and amortization of capitalized software and web site costs	2,896	2,276
Amortization of acquired identifiable intangibles	7,626	5,570
EBITDA (Non-GAAP)	$ 13,344	$ 14,643

(2) We consider a dealer to be active as of a date if the dealer completed at least one revenue-generating credit application processing transaction using the DealerTrack network during the most recently ended calendar month.

(3) We consider a financing source to be active in our network as of a date if it is accepting credit application data electronically from dealers in the DealerTrack network.

(4) Represents revenue-generating transactions processed in the DealerTrack, DealerTrack Digital Services and DealerTrack Canada networks at the end of a given period.

(5) Represents revenue-generating subscriptions in the DealerTrack or DealerTrack Canada networks at the end of a given period.

Revenue

Transaction Services Revenue. Transaction services revenue includes revenue earned from our financing source customers for each credit application that dealers submit to them. We also earn transaction services revenue from financing source customers for each financing contract executed via our electronic contracting and digital contract processing solutions, as well as for any portfolio residual value analyses we perform for them. We also earn transaction services revenue from dealers or other service and information providers, such as aftermarket providers, vehicle sales lead distributors, and credit report providers, for each fee-bearing product accessed by dealers.

Subscription Services Revenue. Subscription services revenue includes revenue earned from our customers (typically on a monthly basis) for use of our subscription or license-based products and services. Some of these subscription services enable dealer customers to manage their dealership data and operations, obtain valuable consumer leads, compare various financing and leasing options and programs, sell insurance and other aftermarket products, analyze inventory, and execute financing contracts electronically.

Cost of Revenue and Operating Expenses

Cost of Revenue. Cost of revenue primarily consists of expenses related to running our network infrastructure (including Internet connectivity and data storage), amortization expense on acquired intangible assets, compensation and related benefits for network and technology development personnel, amounts paid to third parties pursuant to contracts under which a portion of certain revenue is owed to those third parties (revenue share), direct costs (printing, binding, and delivery) associated with our residual value guides, installation and hardware costs associated with our dealership management system product offering, allocated overhead and amortization associated with capitalization of software.

Product Development Expenses. Product development expenses consist primarily of compensation and related benefits, consulting fees, and other operating expenses associated with our product development departments. The product development departments perform research and development, as well as enhance and maintain existing products.

Selling, General and Administrative Expenses. Selling, general and administrative expenses consist primarily of compensation and related benefits, facility costs, and professional services fees for our sales, marketing, customer service and administrative functions.

We allocate overhead such as occupancy and telecommunications charges, and depreciation expense to all departments based on headcount, as we believe this to be the most accurate measure. As a result, a portion of general overhead expenses is reflected in our cost of revenue and each operating expense category.

Critical Accounting Policies and Estimates

Our management s discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the amounts reported for assets, liabilities, revenue, expenses and the disclosure of contingent liabilities.

Our critical accounting policies are those that we believe are both important to the portrayal of our financial condition and results of operations and that involve difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The estimates are based on historical experience and on various assumptions about the ultimate outcome of future events. Our actual results may differ from these estimates in the event unforeseen events occur or should the assumptions used in the estimation process differ from actual results. Management believes there have been no material changes during the three months ended March 31, 2008 to the critical accounting policies discussed in the section entitled Management Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2007, filed with the SEC on February 28, 2008.

Results of Operations

The following table sets forth, for the periods indicated, the selected consolidated statements of operations data expressed as a percentage of net revenue:

	Three Months Ended March 31,	
	2008	2007
	(% of net revenue)	
Consolidated Statements of Operations Data:		
Net revenue	100.0%	100.0%

Operating costs and expenses:		
Cost of revenue	44.5%	41.2%
Product development	4.9%	4.6%
Selling, general and administrative	46.2%	41.1%
Total operating costs and expenses	95.6%	86.9%
Income from operations	4.4%	13.1%
Interest income	2.4%	3.0%
Interest expense	(0.1)%	(0.1)%
Income before provision for income taxes	6.7%	16.0%
Provision for income taxes	(3.1)%	(6.7)%
Net income	3.6%	9.3%

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Three Months Ended March 31, 2008 and 2007

Revenue

Total net revenue increased $12.6 million, or 24%, to $64.3 million for the three months ended March 31, 2008 from $51.7 million for the three months ended March 31, 2007.

Transaction Services Revenue. Transaction services revenue increased $3.9 million, or 11%, to $38.2 million for the three months ended March 31, 2008 from $34.3 million for the three months ended March 31, 2007. The increase was primarily the result of a 5% increase in the volume of transactions processed through our network to 23.9 million for the three months ended March 31, 2008 from 22.7 million for the three months ended March 31, 2007, driven by a 46% increase in financing source customers active in our network to 503 as of March 31, 2008 from 344 as of March 31, 2007, and an increase in the average transaction price to $1.60 as of March 31, 2008 from $1.51 for the three months ended March 31, 2007. Included in the $3.9 million increase is $0.9 million related to acquisitions.

Subscription Services Revenue. Subscription services revenue increased $6.6 million, or 42%, to $22.4 million for the three months ended March 31, 2008 from $15.8 million for the three months ended March 31, 2007. The increase in revenue from our subscription products was primarily the result of the 29% increase in total subscriptions to 30,098 as of March 31, 2008 from 23,267 as of March 31, 2007, coupled with an increase in the average subscription price to $251 as of March 31, 2008 from $234 for the three months ended March 31, 2007. Included in the $6.6 million increase is $2.9 million related to acquisitions.

Cost of Revenue and Operating Expenses

Cost of Revenue. Cost of revenue increased $7.3 million, or 34%, to $28.6 million for the three months ended March 31, 2008 from $21.3 million for the three months ended March 31, 2007. The $7.3 million increase was primarily the result of increased amortization and depreciation charges of $2.4 million primarily relating to the acquired identifiable intangibles from our 2007 acquisitions of Arkona, AutoStyleMart, Curomax, and the acquisition of certain assets from Manheim Auctions, coupled with increased compensation and related benefit costs of $2.3 million and increased occupancy and telecommunications costs of $0.2 million due to overall headcount additions including those from acquired companies and salary increases, $0.7 million of technology expense, $0.9 million in cost of revenue from the Arkona business and $0.4 million in cost of revenue from our digital contract business.

Product Development Expenses. Product development expenses increased $0.7 million, or 32%, to $3.1 million for the three months ended March 31, 2008 from $2.4 million for the three months ended March 31, 2007. The $0.7 million increase was primarily a result of increased compensation and related benefit costs of $0.6 million due to overall headcount additions and salary increases.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased $8.5 million, or 40%, to $29.7 million for the three months ended March 31, 2008 from $21.2 million for the three months ended March 31, 2007. The $8.5 million increase in selling, general and administrative expenses was primarily the result of increased compensation and related benefit costs of approximately $3.1 million due to headcount additions and salary increases, $3.0 million in increased professional fees related primarily to pending litigation, $1.1 million in increased non-cash stock-based compensation expense due to additional stock options and restricted common stock awards granted since March 31, 2007, $0.5 million related to increased bad debt expense, $0.2 million related to increased marketing and travel expenses, and $0.2 million in increased occupancy and telecommunications expenses.

Provision for Income Taxes

The provision for income taxes for the three months ended March 31, 2008 of $1.9 million consisted primarily of $1.0 million of federal tax, $0.2 million of state and local income taxes, and $0.7 million of tax expense for our Canadian subsidiary. The provision for income taxes for the three months ended March 31, 2007 of $3.4 million consisted primarily of $2.9 million of federal tax and $0.5 million of state and local income taxes, and $0.2 million of tax expense for our Canadian subsidiaries. Included in tax expense for our Canadian subsidiary for the three months ended March 31, 2008 and 2007 is $0.3 million and $0.2 million, respectively, for a permanent item relating to intangible amortization. These amounts have a 7.7% and a 2.4% impact on the effective tax rate for the three months ended March 31, 2008 and 2007, respectively.

Liquidity and Capital Resources

Our liquidity requirements will continue to be for working capital, acquisitions, capital expenditures and general corporate purposes. Our capital expenditures, software and web site development costs for the three months ended March 31, 2008 were \$2.9 million, of which \$2.6 million was in cash. We expect to finance our future liquidity needs through working capital and cash flows from operations, however future acquisitions or other strategic initiatives may require us to incur or seek additional financing. As of March 31, 2008, we had no amounts outstanding under our available \$25.0 million revolving credit facility, which expired on April 15, 2008.

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As of March 31, 2008, we had $206.7 million of cash and cash equivalents, $18.2 million in non-current investments and $216.6 million in working capital, as compared to $50.6 million of cash and cash equivalents, $169.6 million in short-term investments and $222.8 million in working capital as of December 31, 2007.

Reductions in interest rates could materially impact our interest income and may negatively impact future reported operating results and earnings per share.

The following table sets forth the cash flow components for the following periods (in thousands):

	Three Months Ended March 31,	
	2008	**2007**
Net cash provided by operating activities	$ 8,983	$ 5,458
Net cash provided by (used in) investing activities	146,902	(21,845)
Net cash provided by financing activities	710	2,257

Operating Activities

Net cash provided by operating activities for the three months ended March 31, 2008 was primarily attributable to net income of $2.3 million, which includes depreciation and amortization of $10.5 million, amortization of stock-based compensation of $3.5 million, an increase to the provision for doubtful accounts and sales credits of $1.5 million, and an increase to deferred revenue and other current liabilities of $0.9 million, partially offset by a decrease in accounts payable and accrued expenses of $7.8 million, a deferred tax benefit of $0.5 million, a stock-based compensation windfall tax benefit of $0.1 million, and an increase in accounts receivable of $1.8 million due to an overall increase in revenue. Net cash provided by operating activities for the three months ended March 31, 2007 was primarily attributable to net income of $4.8 million, which includes depreciation and amortization of $7.8 million, amortization of stock-based compensation of $2.1 million, an increase to the provision for doubtful accounts and sales credits of $1.0 million, and an increase to deferred revenue and other current liabilities of $0.9 million, partially offset by a deferred tax benefit of $2.1 million, a stock-based compensation windfall tax benefit of $1.1 million, an increase in accounts receivable of $3.1 million due to an overall increase in revenue, and a decrease in accounts payable and accrued expenses of $5.8 million.

Investing Activities

Net cash provided by investing activities for the three months ended March 31, 2008 was primarily attributable to the net sale of short-term investments of $151.1 million offset by capital expenditures of $1.0 million, an expenditure of capitalized software and web site development costs of $1.5 million, and the payment for net assets acquired of $1.6 million. Net cash used in investing activities for the three months ended March 31, 2007 was primarily attributable to capital expenditures of $0.8 million, an increase in capitalized software and web site development costs of $1.0 million, and payment for net assets acquired of $37.8 million, offset by the net sale of short-term investments of $17.8 million.

Financing Activities

Net cash provided by financing activities for the three months ended March 31, 2008 was primarily attributable to the net proceeds received from employee stock purchases under our employee stock purchase plan of $0.7 million, the exercise of employee stock options of $0.4 million and stock-based compensation windfall tax benefit of $0.1 million, offset by principal payments on capital lease obligations of $0.5 million. Net cash provided by financing activities for the three months ended March 31, 2007 was primarily attributable to the exercise of employee stock options of $0.8 million, net proceeds received from employee stock purchases under our employee stock purchase plan of $0.4 million and stock-based compensation windfall tax benefit of $1.1 million.

Contractual Obligations

As of March 31, 2008, there were no material changes in our contractual obligations as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2007, except for the inventory purchase agreement entered into on January 30, 2008. Under the terms of the inventory purchase agreement we agreed to purchase 2,000 ePad units for approximately $0.3 million. As of March 31, 2008, we have only received 120 units.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements or relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which are typically established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Industry Trends

The number of dealers serviced and the level of indirect financing by our participating financing source customers, and the volume of new and used automobiles financed or leased, special promotions by automobile manufacturers and the level of indirect financing by captive finance companies not available in our network impact our business. Our business may be affected by these and other economical, seasonal and promotional trends in the indirect automotive finance market.

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Effects of Inflation

Our monetary assets, consisting primarily of cash and cash equivalents, long-term investments and receivables, and our non-monetary assets, consisting primarily of intangible assets and goodwill, which are not affected significantly by inflation. We believe that replacement costs of equipment, furniture and leasehold improvements will not materially affect our operations. However, the rate of inflation affects our expenses, which may not be readily recoverable in the prices of products and services we offer.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

Foreign Currency Exposure

We only have operations located in, and provide services to, customers in the United States and Canada. Our earnings are affected by fluctuations in the value of the U.S. dollar as compared with the Canadian dollar. Our exposure is mitigated, in part, by the fact that we incur certain operating costs in the same foreign currency in which revenue is denominated. The foreign currency exposure that does exist is limited by the fact that the majority of transactions are paid according to our standard payment terms, which are generally short-term in nature.

Interest Rate Exposure

As of March 31, 2008, we had cash, cash equivalents and non-current investments of $225.0 million invested in money market instruments and tax-exempt and tax advantaged preferred stock trust securities. Such investments are subject to interest rate and credit risk. Our policy of investing in securities with original maturities of three months or less minimizes our interest and credit risk. As of March 31, 2008, we had no borrowings outstanding under our revolving credit facility. Any borrowings under our revolving credit facility would bear interest at a variable rate equal to LIBOR plus a margin of 1.5% or Prime plus 0.5%. On April 15, 2008, our revolving credit facility expired pursuant to its terms.

As of March 31, 2008, approximately $18.2 million of our investment portfolio consisted primarily of state and local government, universities, utilities and preferred stock trust securities. If the issuers of these securities are unable to successfully complete future auctions or refinance their obligations and their credit ratings deteriorate, we may be required to adjust the carrying value of these securities and recognize an impairment charge for an other-than-temporary decline in fair value. As of March 31, 2008 we have $0.3 million in unrealized losses. We believe that we will be able to liquidate our investment without material loss and that these securities are not permanently impaired, however due to the uncertainty of whether we will be able to sell these securities within the next year, we have reclassified them to long-term at March 31, 2008. Based on our available cash and other investments, we do not currently anticipate that the lack of liquidity caused by failed auctions, if any, related to these securities will have a material adverse effect on our operating cash flows or will affect our ability to operate our business as usual.

Item 4. *Controls and Procedures*

Disclosure Controls and Procedures

We carried out an evaluation under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15 (e) under the Exchange Act. In designing and evaluating our disclosure controls and procedures, we and our management recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating and implementing possible controls and procedures. Based upon that evaluation, our chief executive officer and chief financial officer have concluded that they believe that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2008 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

From time to time, we are a party to litigation matters arising in connection with the normal course of our business, none of which is expected to have a material adverse effect on us. In addition to the litigation matters arising in connection with the normal course of our business, we are party to the litigation described below.

DealerTrack Inc. v. RouteOne LLC

On January 28, 2004, we filed a Complaint and Demand for Jury Trial against RouteOne LLC (RouteOne) in the United States District Court for the Eastern District of New York, Civil Action No. CV 04-322 (SJF). The complaint seeks injunctive relief as well as damages against RouteOne for infringement of two patents owned by us, which relate to computer implemented automated credit application analysis and decision routing inventions (the Patents). The complaint also seeks relief for RouteOne s acts of copyright infringement, circumvention of technological measures and common law fraud and unfair competition.

The court has approved a joint stipulation of dismissal with respect to this action. Pursuant to the joint stipulation, the patent count has been dismissed without prejudice to be pursued as part of the below consolidated actions and all other counts have been dismissed with prejudice.

DealerTrack, Inc. v. Finance Express et al., CV-06-2335;
DealerTrack Inc. v. RouteOne and Finance Express et al., CV-06-6864; and
DealerTrack Inc. v. RouteOne and Finance Express et al., CV-07-215

On April 18, 2006, we filed a Complaint and Demand for Jury Trial against David Huber, Finance Express , and three of their unnamed dealer customers in the United States District Court for the Central District of California, Civil Action No. CV-06-2335 AG (FMOx). The complaint seeks declaratory and injunctive relief as well as damages against the defendants for infringement of the Patents. We are also seeking relief for acts of copyright infringement and unfair competition.

On June 8, 2006, David Huber and Finance Express filed their answer and counterclaims. The counterclaims seek damages for libel related to an allegation in the complaint, breach of contract, deceit, actual and constructive fraud, misappropriation of trade secrets and unfair competition related to a confidentiality agreement between the parties. On October 26, 2006, the Court dismissed the counterclaim for libel pursuant to a motion by us.

On October 27, 2006, we filed a Complaint and Demand for Jury Trial against RouteOne LLC, David Huber and Finance Express in the United States District Court for the Central District of California, Civil Action No. CV-06-06864 (SJF). The complaint seeks declaratory and injunctive relief as well as damages against the defendants for infringement of the Patents. On November 28, 2006 and December 4, 2006, respectively, defendants RouteOne, David Huber and Finance Express filed their answers. Finance Express also asserted counterclaims for breach of contract, deceit, actual and constructive fraud, misappropriation of trade secrets and unfair competition related to a confidentiality agreement between Finance Express and us.

On February 20, 2007, we filed a Complaint and Demand for Jury Trial against RouteOne LLC, David Huber and Finance Express in the United States District Court for the Central District of California, Civil Action No. CV-07-215 (CWx). The complaint seeks declaratory and injunctive relief as well as damages against the defendants for infringement of U. S. Pat. No. 7,181,427 (the 427 Patent). On April 13, 2007 and April 17, 2007, respectively, defendants RouteOne, David Huber and Finance Express filed their answers. RouteOne, David Huber and Finance Express asserted counterclaims for a declaratory judgment of unenforceability due to inequitable conduct with respect to the 427 Patent and the Patents. David Huber and Finance Express also asserted counterclaims for breach of contract, deceit, actual and constructive fraud, misappropriation of trade secrets and unfair competition related to a confidentiality agreement between Finance Express and us.

The DealerTrack, Inc. v. Finance Express et al., CV-06-2335 action, the DealerTrack Inc. v. RouteOne and Finance Express et al., CV-06-6864 action and the DealerTrack v. RouteOne and Finance Express et al., CV-07-215 action, described above, have been consolidated by the Court. A hearing on claims construction, referred to as a Markman hearing, was held on September 25, 2007. A decision in the Markman hearing has not yet been issued. Fact and expert discovery are completed and the parties are in the process of preparing motions for summary judgment and preparing for trial. Trial of this action is scheduled to begin on July 22, 2008.

We intend to pursue our claims and defend any counter claims vigorously.

We believe that the potential liability from all current litigations will not have a material effect on our financial position or results of operations when resolved in a future period.

Item 1A. ***Risk Factors***

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in the section entitled Risk Factors in Part I, Item 1A. of our Annual Report on Form 10-K for the year ended December 31, 2007, which was filed with the SEC on February 28, 2008, that could materially affect our business, financial condition or results of operations. The risks described in that Annual Report on Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition and/or results of operations.

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There have been no material changes in our risk factors from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2007, except as set forth below.

Funds associated with certain of our auction rate securities may not be accessible for in excess of 12 months and our auction rate securities may experience an other than temporary decline in value, which would adversely affect our income.

As of March 31, 2008, approximately $18.2 million of our investment portfolio consisted primarily of state and local government, universities and utilities auction rate securities. These securities have come up for auction and the auctions have failed. As of March 31, 2008, we have $0.3 million in unrealized losses related to these securities. Although we believe that the decline in the fair market value of these securities is temporary, there is a risk that the decline in value may ultimately be deemed to be other than temporary. In the future, should we determine that the decline in value of these auction rate securities is other than temporary, it would result in a loss being recognized in our statement of operations, which could be material. The funds associated with failed auctions will not be accessible until a successful auction occurs, a buyer is found outside of the auction process or the underlying securities have matured. As a result, we have classified those securities with failed auctions as long-term assets in our consolidated balance sheet. Based on our available cash and other investments, we do not currently anticipate that the lack of liquidity caused by failed auctions related to these securities will have a material adverse effect on our operating cash flows or will affect our ability to operate our business as usual.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Purchases of Equity Securities by the Issuer

From time to time, in connection with the vesting of restricted common stock under our Amended and Restated 2005 Incentive Award Plan, we may receive shares of our common stock from certain restricted common stockholders in consideration of the tax withholdings due upon the vesting of restricted common stock. Additionally, on March 18, 2008, the board of directors authorized a stock repurchase program under which we may spend up to $75 million to repurchase our common stock. Stock repurchases under this program may be made on the open market, through 10b5-1 programs, or in privately negotiated transactions in accordance with all applicable laws, rules and regulations. The transactions may be made from time to time without prior notice and in such amounts as management deems appropriate and will be funded from cash on hand. The number of shares to be repurchased and the timing of repurchases will be based on several factors, including the price of our common stock, legal or regulatory requirements, general business and market conditions, and other investment opportunities. The stock repurchase program will expire on March 31, 2009, but may be limited or terminated at any time by the Board of Directors without prior notice. There were no repurchases under this program for the three months ended March 31, 2008.

The following table sets forth the repurchases for the three months ended March 31, 2008:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Number of Shares That May Yet be Purchased Under the Program
January 2008	1,133	$ 32.15	n/a	n/a
February 2008	705	$ 23.39	n/a	n/a
March 2008		$		(1)

Total	1,838

(1) Up to $75 million of our common stock may be purchased under this program.

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Item 6. ***Exhibits***

Exhibit Number	Description of Document
10.1 (1)	Amendment No. 3, dated March 19, 2008, to the Credit Agreement, dated as of April 15, 2005, among the Registrant, the Lenders party therto and JPMorgan Chase Bank, N.A., as Administrative Agent and LC Issuing Bank.
31.1	Certification of Mark F. O Neil, Chairman, President and Chief Executive Officer, pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Robert J. Cox III, Senior Vice President, Chief Financial Officer and Treasurer, pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications, of Mark F. O Neil, Chairman, President and Chief Executive Officer, and Robert J. Cox III, Senior Vice President, Chief Financial Officer and Treasurer, pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(1) Incorporated by reference to our Current Report on Form 8-K dated March 19, 2008, which was filed on March 20, 2008.

SIGNATURE

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

DealerTrack Holdings, Inc.
(Registrant)

Dated: May 8, 2008

/s/ Robert J. Cox III

Robert J. Cox III
Senior Vice President, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

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