

Total identifiable net assets assumed	2,548
Goodwill	602
Total	<u>\$3,150</u>

Goodwill of \$0.6 million arising from the acquisition consists primarily of the benefit of incorporating engineering talent from Minetta, and the full amount is deductible for tax purposes.

The Company fair valued the acquired intangible assets totaling \$2.4 million using the cost approach. The market and income approaches were not used given (1) there are no comparable transactions for technology at a similar development stage, and (2) Minetta had not generated any revenue as of the acquisition date.

During December 2013, the Company determined that it needed to wind down the Minetta business and had no plans to utilize Minetta's technology in its own products. As the acquired intangible assets were not expected to contribute directly or indirectly to the future cash flows of the Company, and there were no other ways to monetize the technology, the Company recorded an impairment charge of \$2.4 million to reduce the carrying value of the Minetta intangible assets to zero. The Company recorded the impairment charge within operating expenses during the year ended December 31, 2013.

NOTE 6—GOODWILL

Goodwill is recorded when the consideration paid for an acquisition of a business exceeds the fair value of identifiable net tangible and intangible assets acquired.

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The following table summarizes activities related to the carrying value of goodwill (in thousands):

Balance at December 31, 2012	\$ —
Acquisition of Minetta, LLC	602
Balance at December 31, 2013	<u>\$ 602</u>
Acquisition of BookFresh, LLC	12,613
Acquisition of Caviar, Inc.	27,052
Balance at December 31, 2014	<u>\$40,267</u>
Acquisitions completed during the nine months ended September 30, 2015 (unaudited)	16,632
Balance at September 30, 2015 (unaudited)	<u>\$56,899</u>

The Company performed its annual goodwill impairment test as of December 31, 2014. The Company determined that the consolidated business is represented by a single reporting unit and concluded that it was more likely than not that the fair value of the reporting unit was greater than its carrying amount. As a result, the two-step goodwill impairment test was not required, and no impairments of goodwill were recognized during the year ended December 31, 2014.

NOTE 7—ACQUIRED INTANGIBLE ASSETS

The following table presents the detail of acquired intangible assets as of the periods presented (in thousands):

	<u>Balance at September 30, 2015</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Patents	\$ 1,285	\$ (322)	\$ 963
Technology Assets	19,430	(3,889)	15,541
Customer Assets	6,645	(2,423)	4,222
Total	<u>\$27,360</u>	<u>\$ (6,634)</u>	<u>\$20,726</u>

	<u>Balance at December 31, 2014</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>