UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **October 1, 2014**

ENVESTNET, INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-34835**	**20-1409613**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

35 East Wacker Drive, Suite 2400 **Chicago, Illinois**	**60601**
(Address of principal executive offices)	(Zip Code)

(312) 827-2800
(Registrant's telephone number, including area code)

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 obligations 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))

Explanatory Note

This Amendment No. 1 to Current Report on Form 8-K/A is being filed by Envestnet, Inc. ("Envestnet") solely for the purpose of amending and supplementing Item 9.01 of the Current Report on Form 8-K originally filed by Envestnet with the Securities and Exchange Commission ("SEC") on October 1, 2014 (the "Original Form 8-K") in connection with the acquisition and merger agreement between Envestnet and Placemark Holdings, Inc. ("Placemark") pursuant to which Envestnet acquired all of the capital stock of Placemark. As indicated in the Original Form 8-K, this Current Report on Form 8-K/A is being filed to provide the information required by Item 9.01(a) and (b) of Form 8-K, which was not previously filed with the Original Form 8-K as permitted by the rules of the SEC.

Item 9.01 Financial Statements and Exhibits.

(a) *Financial statements of business acquired.*

The following financial statements of Placemark are being filed as exhibits to this amendment and are incorporated by reference herein:

Exhibit 99.1 — Placemark Holdings, Inc. and Subsidiary audited consolidated financial statements, including the independent auditors' report, as of and for the year ended December 31, 2013.

Exhibit 99.2— Placemark Holdings, Inc. and Subsidiary unaudited condensed consolidated financial statements as of June 30, 2014 and for the six months ended June 30, 2014 and 2013.

(b) *Unaudited pro forma financial information.*

The following pro forma financial information is being filed as an exhibit to this amendment and is incorporated by reference herein:

Exhibit 99.3 — Unaudited pro forma condensed combined financial statements and explanatory notes for Envestnet, Inc. as of June 30, 2014, for the six months ended June 30, 2014 and for the year ended December 31, 2013.

Forward-Looking Statements

Information in this Current Report on Form 8-K/A, together with the exhibits attached hereto, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, including, but not limited to, statements regarding the integration of Envestnet and Placemark, the expected benefits and costs of the Placemark acquisition; Envestnet's plans relating to the acquisition; the future financial and accounting impact of the acquisition; and any statements of expectation or belief or assumptions underlying any of the foregoing. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. Factors that could cause actual results and the timing of certain events to differ materially from the forward-looking statements, include, but are not limited to, the possibility that the expected costs and benefits of the acquisition may not materialize as expected; the possibility that preliminary financial reporting estimates and assumptions may prove to be incorrect; the failure of Envestnet to successfully integrate the Placemark business or realize synergies; conditions in the capital and financial markets, general economic conditions and other risks that are described in Envestnet's Annual Report on Form 10-K for the year ended December 31, 2013.

(c) *Exhibits.*

The following exhibits are filed as part of this Current Report on Form 8-K/A.

Exhibit No.	Description
23.1	Consent of KPMG LLP, Independent Accountants.
99.1	Audited consolidated financial statements of Placemark Holdings, Inc. and Subsidiary as of and for the year ended December 31, 2013, and Independent Auditors' Report thereon.
99.2	Unaudited condensed consolidated financial statements of Placemark Holdings, Inc. and Subsidiary as of June 30, 2014 and for the six months ended June 30, 2014 and 2013.
99.3	Unaudited pro forma condensed combined financial statements and explanatory notes for Envestnet, Inc. as of June 30, 2014, for the six months ended June 30, 2014 and for the year ended December 31, 2013.

SIGNATURES

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

ENVESTNET, INC.

By: /s/ Peter H. D'Arrigo
Name: Peter H. D'Arrigo
Title: Chief Financial Officer

Date: December 5, 2014

EXHIBIT INDEX

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Exhibit 23.1

Consent of Independent Auditors

The Board of Directors
Envestnet, Inc.:

We consent to the incorporation by reference in the registration statements (No. 333-197145) on Form S-3 and (Nos. 333-169050 and 333-181071) on Form S-8 of Envestnet, Inc. of our report dated September 30, 2014, with respect to the consolidated balance sheet of Placemark Holdings, Inc. and Subsidiary (Placemark) as of December 31, 2013, and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended, which report appears in the Form 8-K/A of Envestnet, Inc. dated October 1, 2014, and to the reference to our firm under the heading "Experts" in the prospectus.

Our report dated September 30, 2014 contains an explanatory paragraph that states that the Placemark consolidated financial statements were restated, and were previously audited by other auditors. Our report dated September 30, 2014 also refers to our audit of an adjustment that was applied to restate accumulated deficit as of December 31, 2012.

/s/ KPMG LLP

Chicago, Illinois
December 5, 2014

PLACEMARK HOLDINGS, INC. AND SUBSIDIARY

Consolidated Financial Statements

Year Ended December 31, 2013

PLACEMARK HOLDINGS, INC. AND SUBSIDIARY
Consolidated Financial Statements
Year Ended December 31, 2013

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Independent Auditors' Report

The Board of Directors
Placemark Holdings, Inc. and Subsidiary:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Placemark Holdings, Inc. and Subsidiary (the Company), which comprise the consolidated balance sheet as of December 31, 2013, and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the 2013 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Placemark Holdings, Inc. and Subsidiary as of December 31, 2013, and the results of their operations and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matter

As described in note 2 to the accompanying consolidated financial statements, the Company has restated its accumulated deficit as of December 31, 2012, as well as its consolidated balance sheet as of December 31, 2013, and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended, which were previously audited by other auditors.

As part of our audit of the 2013 consolidated financial statements, we also audited the adjustment described in Note 2 that was applied to restate accumulated deficit as of December 31, 2012. In our opinion, such adjustment is appropriate and has been properly applied.

/s/ KPMG LLP

Chicago, Illinois
September 30, 2014

PLACEMARK HOLDINGS, INC. AND SUBSIDIARY
Consolidated Balance Sheet (Restated)
December 31, 2013

Assets		
Current assets:		
Cash and cash equivalents	$	7,700,433
Accounts receivable		2,048,139
Prepaid expenses and other current assets		884,162
Deferred income taxes		255,400
Total current assets		10,888,134
Equipment and leasehold improvements:		
Computer hardware		1,807,019
Computer software		1,570,939
Furniture and equipment		441,372
Leasehold improvements		563,227
Computer software projects in process		476,946
		4,859,503
Less — accumulated depreciation and amortization		(3,327,838)
Total equipment and leasehold improvements		1,531,665
Other assets:		
Deferred income taxes		4,394,600
Deposits		21,726
Total assets	$	16,836,125
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of note payable	$	27,708
Accounts payable		471,498
Accrued liabilities		1,889,879
Deferred revenue		2,890
Total current liabilities		2,391,975
Note payable, net of current portion		6,923
Deferred rent		170,518
		177,441
Commitment and contingencies (note 7)		
Stockholders' equity:		
Preferred stock, Convertible Series B-2, $0.001 par value, 1,000,000 shares authorized and 1,000,000 shares issued and outstanding (redemption and liquidation value of $361,497)		361,497
Preferred stock, Convertible Series B-1, $0.001 par value, 36,480,553 shares authorized and 30,262,917 shares issued and outstanding (redemption and liquidation value of $10,939,953)		10,939,953
Preferred stock, Convertible Series A, $0.001 par value, 42,347,660 shares authorized and 35,327,781 shares issued and outstanding (redemption value of $26,450,343 and liquidation value of $26,819,438)		26,450,343
Common stock, $0.001 par value, 110,000,000 shares authorized, 23,809,103 shares issued, and 21,865,140 shares outstanding at December 31, 2013		23,809
Treasury stock, at cost (1,943,963 shares at December 31, 2013)		(227,046)
Additional paid-in capital		34,934,687
Accumulated deficit		(58,216,534)
Total stockholders' equity		14,266,709
Total liabilities and stockholders' equity	$	16,836,125

See accompanying notes to consolidated financial statements.

PLACEMARK HOLDINGS, INC. AND SUBSIDIARY
Consolidated Statement of Income (Restated)
Year ended December 31, 2013

Net advisory fee revenue	$	17,709,345
Other client fees		282,819
Total revenue		17,992,164
Operating expenses:		
General and administrative expenses		16,792,974
Depreciation and amortization		256,693
Share-based compensation expense		36,186
Total operating expenses		17,085,853
Income from operations		906,311
Other income (expense):		
Interest income		4,525

Interest expense	(451)
Other expense	(7,107)
Total other income (expense)	(3,033)
Income before income taxes	903,278
Income tax benefit	2,860,000
Net income	$ 3,763,278

See accompanying notes to consolidated financial statements.

PLACEMARK HOLDINGS, INC. AND SUBSIDIARY
Consolidated Statement of Stockholders' Equity (Restated)
Year ended December 31, 2013

	Preferred stock		Common stock		Treasury	Additional paid-in	Accumulated	
	Shares	**Amount**	**Shares**	**Amount**	**stock**	**capital**	**deficit**	**Total**
Balance at December 31, 2012	66,590,698	$ 34,510,173	23,751,823	$ 23,752	(227,046)	38,139,702	(61,979,812)	10,466,769
Issuance of common stock upon exercise of stock options	—	—	57,280	57	—	419	—	476
Share-based compensation expense	—	—	—	—	—	36,186	—	36,186
Accretion of Series A preferred stock to redemption value	—	2,404,475	—	—	—	(2,404,475)	—	—
Accretion of Series B-1 preferred stock to redemption value	—	810,367	—	—	—	(810,367)	—	—
Accretion of Series B-2 preferred stock to redemption value	—	26,778	—	—	—	(26,778)	—	—
Net income	—	—	—	—	—	—	3,763,278	3,763,278
Balance at December 31, 2013	66,590,698	$ 37,751,793	23,809,103	$ 23,809	(227,046)	34,934,687	(58,216,534)	14,266,709

See accompanying notes to consolidated financial statements.

PLACEMARK HOLDINGS, INC. AND SUBSIDIARY
Consolidated Statement of Cash Flows (Restated)
Year ended December 31, 2013

Cash flows from operating activities:	
Net income	$ 3,763,278
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	256,693
Share-based compensation expense	36,186
Deferred income taxes	(2,860,000)
Changes in assets and liabilities:	
Accounts receivable	101,434
Prepaid expenses and other current assets	(4,376)
Deposits	—
Accounts payable	29,732
Accrued liabilities	1,151,248
Deferred rent	(105,273)
Deferred revenue	(94,614)
Net cash provided by operating activities	2,274,308
Cash flows from investing activities:	
Purchases of property and equipment	(721,012)
Purchases of computer software projects in process	(147,422)
Net cash used in investing activities	(868,434)
Cash flows from financing activities:	
Payments on note payable	(27,710)
Payments on capital lease	(1,790)
Exercise of stock options	476
Net cash used in financing activities	(29,024)
Net change in cash and cash equivalents	1,376,850
Cash and cash equivalents:	
Beginning of year	6,323,583
End of year	$ 7,700,433

See accompanying notes to consolidated financial statements.

PLACEMARK HOLDINGS, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statement
Year Ended December 31, 2013

(1) Nature of Business

Description of Business

Placemark Holdings, Inc. (PHI), a Delaware corporation, is a holding company for Placemark Investments, Inc. (PI) (together, the Company).

PI is a Registered Investment Advisor and investment management technology firm dedicated to delivering highly customized and tax optimized separate account solutions to financial advisors and their clients.

PI offers overlay portfolio management (OPM) solutions and services in the retail investment industry, providing critical investment management services in its Unified Managed Account (UMA) offering. UMAs are fee-based investment solutions that incorporate multiple investments such as managed accounts, mutual funds and ETFs into a customized, individual client portfolio. In its role as an OPM, PI makes all trade decisions in client accounts, working with money managers, specified by clients/financial advisors, who contribute proprietary investment models. PI oversees activity across multiple investment products comingled in a single custodial account, coordinating cross investment opportunities to optimize client investment performance, risk mitigation, and/or tax minimization. The Company does not have title to the client accounts to which it oversees.

(2) Summary of Significant Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements include the accounts of PHI and PI. All intercompany accounts and transactions have been eliminated in consolidation.

(b) Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis, in conformity with accounting principles generally accepted in the United States of America (GAAP).

(c) Restatements

The 2013 consolidated financial statements have been restated to record a reduction in the deferred tax asset valuation allowance.

(Continued)

The following table sets forth the effects of the restatement adjustments as of and for the year ended December 31, 2013:

	As previously reported	As restated
Income tax benefit	$ —	2,860,000
Net income	903,278	3,763,278
Deferred income taxes — current	—	255,400
Deferred income taxes — noncurrent	—	4,394,600
Accumulated deficit	61,076,534	58,216,534

The previously reported accumulated deficit as of December 31, 2012 has been reduced by $1,790,000 as a result of an adjustment to the deferred tax asset valuation allowance. The related stockholders' equity as previously reported as of December 31, 2012 has been increased by $1,790,000.

(d) Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates made in the preparation of these financial statements include those related to share-based compensation expense. Actual results could differ from those estimates.

(e) Cash and Equivalents

For financial reporting purposes, the Company considers all certificates of deposit, short-term investments and debt instruments with original maturities of three months or less to be cash equivalents. Cash equivalents at December 31, 2013 totaled $1,236,534.

(f) Accounts Receivable

Accounts receivable are stated at the amount management expects to collect on outstanding balances. An allowance for doubtful accounts may be provided if an accounts receivable balance is considered to be uncollectible based upon historical experience and management's evaluation of outstanding accounts receivable at the end of the year. Bad debts are written off against the allowance when identified. At December 31, 2013, there was no allowance for doubtful accounts recorded.

(g) Revenue Recognition

Net advisory fee revenue is typically based upon a contracted fee applied to assets under management at the end of each quarter, less contracted fees paid to the money managers who provide their proprietary investment models. Net revenue is recognized when earned in accordance with the advisory contracts. The fee structure is determined by the program in which each investor is enrolled.

(Continued)

The presentation of revenue as the gross amount billed to a customer because it has earned revenue from the sale of goods or services or the net amount retained (that is, the amount billed to a customer less the amount paid to a supplier) because it has earned a commission or fee is a matter of judgment that depends on the relevant facts and circumstances. Management has determined that reporting the net amount of a sale is appropriate given that certain key risks and responsibilities are not assumed by the Company in completing a sales transaction.

(h) Equipment and Leasehold Improvements

Equipment and leasehold improvements are recorded at cost. For financial reporting purposes, depreciation and amortization are provided on the straight-line basis over the estimated useful lives of the respective assets as follows:

	Years
Computer hardware	3
Computer software	3
Furniture and equipment	3–5
Leasehold improvements	Lesser of lease term or useful life of asset

During the year ended December 31, 2013, the Company capitalized $147,422 related to a software project being developed for internal use. As of December 31, 2013, this project remains in development and has not been placed into service. The total costs capitalized related to this in-process development are $476,946, and are included in computer software projects in process in the consolidated balance sheet as of December 31, 2013. The Company expects the project to be completed during 2014, and the remaining costs required to complete the project are expected to be immaterial.

(i) Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If facts or circumstances support the possibility of impairment, the Company will prepare a projection of the undiscounted future operating cash flows. In cases when the Company does not expect to recover its carrying value, an impairment loss will be recognized. For the year ended December 31, 2013, the Company has not recorded any impairment loss.

(j) Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense was $207,020 for the year ended December 31, 2013. Advertising and marketing expenses include costs of advertising and public relations.

(k) Fair Value Measurements

The Company follows the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820,*Fair Value Measurement,* for all its financial and nonfinancial

(Continued)

assets and liabilities that require fair value measurements. The guidance defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. It also provides a consistent definition of fair value which focuses on an exit price, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The topic also prioritizes, within the measurement of fair value, the use of market-based information over entity specific information and establishes a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date.

The three levels of the fair value hierarchy are as follows:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

As of December 31, 2013, the Company’s assets and liabilities subject to measurement at fair value on a recurring basis are its cash equivalents, which are measured using quoted prices in active markets and classified as Level 1 in the fair value hierarchy. There have been no changes in the valuation methods used during the year ended December 31, 2013.

(l) Income Taxes

The Company accounts for income taxes under the liability method which requires that deferred taxes be determined based on the impact of temporary differences between the amount of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws and regulations. The Company’s temporary differences relate primarily to book versus tax depreciation and amortization methods, and the differences between the net operating loss carryforward recorded for financial reporting and tax purposes. Deferred income tax provisions and benefits are based on the changes to the asset or liability from period to period. The Company and its wholly owned subsidiary file a consolidated tax return.

The Company recognizes the tax benefit of tax positions taken in its tax returns to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. As of December 31, 2013, the Company does not have any uncertain tax positions. Due to the carryforward of net operating losses, the Company remains subject to U.S. federal or state and local income tax examinations with respect to all tax returns filed. The Company recognizes interest and penalties related to uncertain tax positions, if any, as a component of the provision for income taxes in the accompanying statement of income. At December 31, 2013, there were no such interest and penalties accrued.

(Continued)

(m) Share-Based Compensation Expense

The Company grants stock options and other share-based compensation to its employees and directors. The Company records compensation expense based upon the grant date fair value for new awards and additional compensation expense based upon the fair value of awards modified, as necessary (Note 6). Such compensation is recorded over the requisite service period of the award. Compensation expense is reduced by an expected forfeiture rate, and trued-up based on actual results.

(3) Related-Party Transactions

During the year ended December 31, 2013, the Company earned net revenue of $2,670,924, from clients represented by a program sponsor that is a subsidiary of a bank that owns approximately 16% of outstanding shares of the Company on an as converted, fully diluted basis.

Related-party receivables are not material to the consolidated financial statements and are included in accounts receivable.

(4) Income Taxes

The Company's net income computed for tax purposes differs from the amount recorded in the consolidated financial statements primarily due to the costs of internally developed software, which were currently deductible for income tax purposes but capitalized and depreciated for financial statement purposes.

The Company's income tax benefit is comprised of a federal deferred benefit of $2,773,000 and a state deferred benefit of $87,000.

The Company's effective income tax rate in 2013 differed from the federal statutory rate of 34% primarily due to the effect of the reduction of the valuation allowance related to deferred tax assets.

The following is a summary of the significant components of the Company's deferred tax assets and liabilities at December 31, 2013:

Deferred tax assets (liabilities):		
Net operating loss carryforward	$	11,810,158
Texas franchise tax credit		604,092
Deferred revenue		1,012
Fixed assets		(358,987)
Accrued expenses		117,040
		12,173,315
Valuation allowance		(7,523,315)
Deferred income taxes, net	$	4,650,000

Due to the uncertainty surrounding the timing of realizing the benefits of its deferred tax assets in future tax returns, the Company has recorded a partial valuation allowance against its deferred tax assets as of

(Continued)

December 31, 2013. The valuation allowance decreased by $2,860,000 in 2013 based on the Company's consideration of all available positive and negative evidence, including historical results, forecasted results, and tax planning strategies.

The Company has net operating loss carryforwards for federal tax purposes of approximately $33,743,038 that expire beginning in the year 2019. The net operating losses can be carried forward to offset future taxable income. Utilization of the above carryforward will be subject to certain change of control-related utilization limitations, which may inhibit the Company's ability to use carryforwards in the future. Management has estimated that the net operating loss carryforward as disclosed is the best estimate of the usable value.

(5) Stockholders' Equity

(a) Preferred Stock

The Company was recapitalized on July 22, 2009. The recapitalization involved issuing newly formed Series B-1 convertible participating preferred stock and B-2 convertible nonvoting participating preferred stock. The new Series B-1 and B-2 convertible participating preferred stock (collectively the Series B preferred stock) consists of 30,262,917 and 1,000,000 shares issued and outstanding, respectively. Both were issued at a price of $0.2566 per share. Gross proceeds from the Series B-1 and B-2 issue, collectively, were approximately $8,000,000. Shares of existing preferred stock for those investors participating in the recapitalization were converted to new Series A convertible preferred stock (the Series A preferred stock) based on the participation percentage. The Series A preferred stock consists of 35,327,781 shares.

Prior to the conversion, the Company engaged in several rounds of preferred stock financing with gross proceeds totaling approximately $28,000,000.

Conversion

Each share of Series A, B-1 and B-2 convertible preferred stock, at the option of the holder, is convertible into a number of fully paid and nonassessable shares of common stock as determined by dividing the original issue price by the conversion price. The initial conversion price of each series is the original issuance price for each series ($0.2566 for Series B-1 and B-2 and $0.4722 for Series A). The convertible participating preferred stock will automatically convert to common stock upon the closing of a public offering of the Company's common stock involving aggregated proceeds of at least $50,000,000 and a per common share offering price of at least $1.54.

Dividends

The holders of Series A and B preferred stock are entitled to receive dividends when and if declared by the board of directors at a rate of 8% of the preferred stock's original issue price, compounded annually. Dividends on preferred stock are in preference to and prior to any payment of any dividend on common stock and are cumulative. As of December 31, 2013, no dividends have been declared.

Redemption

If the Company has not effected a Qualified Public Offering of its common stock, or a liquidation, dissolution, or winding up of the Company by July 22, 2014, then at any time on or after July 22,

(Continued)

2014, the Company shall, upon receipt of written request(s) for redemption from any holder or holders of at least 60% of the then outstanding shares of each series of preferred stock, redeem all of the shares of Series A, B-1 and B-2 convertible preferred stock at a redemption price of the greater of the applicable liquidation payment or the amount the holders would receive if all such shares were converted to common stock and the Company was immediately sold at the then fair market value of the Company. On March 27, 2014, the holders of the outstanding redeemable preferred stock agreed to defer this right until July 22, 2015 at the earliest.

Liquidation Preference

In the event of any liquidation, dissolution, or winding up of the Company, the holders of the Series B preferred stock shall first be entitled to $0.2566 per share, plus any accrued but unpaid dividends payable, whether or not declared, on the Series B preferred stock. After payment has been made to holders of the Series B preferred stock, the holders of the Series A preferred stock shall then be entitled to be paid an amount equal to $20,000,000 divided by the number of Series A shares then outstanding plus any accrued but unpaid dividends payable, whether or not declared, on the Series A preferred stock.

After the liquidation payments have been made in full to all holders of preferred stock, the remaining assets of the Corporation shall be distributed ratably among holders of preferred and common stock. In the event that, upon liquidation or dissolution, the assets and funds of the Company are insufficient to permit the payment to the preferred stockholders as described above of their full preferential amounts, then the entire assets and funds of the Company legally available for distribution are to be distributed ratably among the holders of the preferred shares (Series B-1, B-2, and A) in order of preference described above, in proportion to the full preferential amount each is otherwise entitled to receive.

Voting Rights

Each stockholder of Series B-1 and A preferred stock is entitled to the number of votes per share equal to the number of shares of common stock into which such holder's shares are convertible. Shareholders of Series B-2 nonvoting preferred stock do not have any voting rights.

(b) Common Stock

The common stock is subordinated to each of the series of preferred stock for dividends and distributions in liquidation and dissolution.

(c) Common Stock Warrants

As of December 31, 2013, the Company had warrants outstanding for the purchase of 745,620 shares of common stock, with an exercise price of $0.8047 per share. All warrants outstanding expire in December 2015.

(6) Share-Based Compensation

The Company records share-based compensation expense based upon the fair value for new awards and additional expense based upon the fair value of awards modified, as necessary. Compensation expense relating to share-based payment transactions to be recognized in the financial statements is calculated using

(Continued)

a fair-value measurement method, which requires the use of certain inputs such as a risk free interest rate, expected patterns of volatility, and employee forfeitures. Under the fair value method, the estimated fair value of an award is charged against income on a straight-line basis over the requisite service period, which is generally the vesting period. For the year ended December 31, 2013, the Company recognized $36,186, of share-based compensation expense. As of December 31, 2013, there was approximately $42,000 of unrecognized compensation expense related to nonvested stock option awards, which is expected to be recognized over a weighted average period of approximately 3 years.

The fair value of the stock option grants were estimated on the date of grant using the Black-Scholes option pricing model using the following assumptions:

Expected volatility		39.32 %
Expected term (in years)		6 years
Expected dividends		— %
Risk-free rate		1.82 %
Weighted average grant date fair value	$	0.04

The compensation committee of the board of directors determines the term of each option, option exercise price within limits set forth in the plan, number of shares for which each option is granted and the rate at which each option is exercisable. However, the exercise price of any incentive stock option may not be less than the fair market value of the shares on the date granted (or less than 110% of the fair market value in the case of option holders holding more than 10% of the voting stock of the Company) and the term cannot exceed ten years (five years for incentive stock options granted to holders of more than 10% of the Company's voting stock).

2009 Plan

In July 2009, the board of directors voted to adopt the Placemark Holdings, Inc. 2009 Stock Option and Grant Plan (the 2009 Plan) for the issuance of up to 19,174,628 shares of common stock. In July 2012, the board of directors voted to increase the amount of authorized reserved shares of common stock for issuance by 1,500,000 to a total of 20,674,628. The maximum number of shares available for issuance under the 2009 Plan is subject to adjustment as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, or other similar change in the Company's capital stock which increases or decreases the Company's capital stock.

In conjunction with the adoption of the 2009 Plan, the Company offered existing option holders an opportunity to exchange options granted under its prior share based compensation plans for new options under the 2009 Plan. The replacement options were issued at a lower exercise price ($0.005) and carried a new vesting term. Option holders with at least 200,000 options were eligible to purchase restricted common stock equal to the number of options held at a price of $0.001 per share. All options granted under a previous plan were exchanged for new options or used to purchase restricted common stock as indicated above. There are no longer any options issued or outstanding under prior share-based compensation plans.

For the year ended December 31, 2009, the Company issued 16,688,119 shares of restricted common stock under the 2009 Plan in exchange for previously issued stock options. During 2013, 2,162,264 shares

(Continued)

vested, and no shares remained unvested as of December 31, 2013. Compensation expense is not material to the financial statements for 2013.

The restricted common stock and stock options, which were issued in 2009, vested over a four-year period provided the holder remains employed with the Company. These transactions were considered a modification, as such, the grant date fair value of the awards immediately prior to, and after the exchange was compared, and the incremental compensation cost, if any, was recognized over the new requisite service period. For those options granted prior to January 1, 2006 that had been recognized under the intrinsic value method, no compensation cost was previously recorded, as required, and therefore, the new grant date fair value was recognized over the requisite service period of the new awards.

As of December 31, 2013, there are 980,511 shares of common stock available for future grant under the 2009 Plan.

The following table summarized information regarding options granted and outstanding:

	Number of shares		Weighted average exercise price
Outstanding at December 31, 2012	2,801,912	$	0.057
Granted	625,000		0.110
Exercised	(57,280)		0.008
Forfeited	(9,822)		0.031
Expired	(5,759)		0.023
Outstanding at December 31, 2013	3,354,051	$	0.068
Exercisable at December 31, 2013	1,874,879	$	0.068
Vested and expected to vest at December 31, 2013	3,010,124		0.068

The following table summarizes information about stock options outstanding and exercisable at December 31, 2013:

		Outstanding options				Exercisable options			
	Exercise price	Number outstanding	Weighted average remaining contractual life		Weighted average exercise price	Number exercisable	Weighted-average remaining contractual life		Weighted-average exercise price
$	0.005	1,102,166	5.833	$	0.005	1,102,166	5.833	$	0.005
	0.070	311,041	7.008		0.070	233,541	7.008		0.070
	0.100	1,315,844	8.396		0.100	539,172	8.396		0.100
	0.110	625,000	9.926		0.110	—	9.926		0.110
		3,354,051				1,874,879			

(Continued)

(7) Commitments and Contingencies

Operating Leases

In May 2007, the Company entered into a lease in Addison, Texas. In March 2013, the Company entered into a second amendment to the lease agreement. The new amendment takes effect June 2014 and extends the term to June 2017 with monthly lease payments ranging from $49,563 to $51,718. The amendment stipulates one month free rent at the beginning of the extension term and a tenant improvement allowance up to $258,590 to be used in 2014.

The Company also leases office space in Wellesley, Massachusetts. In November 2013, the Company entered into an agreement to extend its existing lease to July 2018 with monthly rental payments ranging from $22,220 to $23,798. This agreement provided for eight months of free rent at the beginning of the extended term.

In June 2011, the Company entered into an agreement to lease office space in Coral Gables, Florida with a lease term that ended July 2012, with monthly rental payments of $620. At the end of the initial lease term, the Company entered into a month-to-month rental agreement for the office space. The month-to-month rental agreement was terminated in February 2014.

Rent expense for operating leases, which have escalating rent payments over the terms of the leases and tenant improvement allowances, is recorded on a straight-line basis over the combined initial lease term and extended terms. The difference between straight-line rent expense and actual rent paid is recorded as deferred rent. Deferred rent totaled approximately $170,518 at December 31, 2013, which is included on the accompanying consolidated balance sheet. Rent expense totaled $721,178 for the year ended December 31, 2013.

As of December 31, 2013, future minimum lease payments under these noncancelable operating leases are as follows:

		Amount
Year ending December 31:		
2014	$	704,763
2015		800,960
2016		889,732
2017		592,199
2018		166,584
	$	3,154,238

Purchase Obligations and Indemnifications

The Company includes various types of indemnification and guarantee clauses in certain arrangements. These indemnifications and guarantees may include, but are not limited to, infringement claims related to intellectual property, direct or consequential damages and guarantees to certain service providers, and service level requirements with certain customers. The type and amount of any potential indemnification or guarantee varies substantially based on the nature of each arrangement. The Company has experienced no

(Continued)

previous claims and cannot determine the maximum amount of potential future payments, if any, related to such indemnification and guarantee provisions. The Company believes that it is unlikely it will have to make material payments under these arrangements and, therefore, has not recorded a contingent liability in the consolidated balance sheet.

(8) Note Payable

During 2012, the Company entered into a three-year installment note payable with a vendor to finance the purchase of computer software. The note is noninterest bearing and the final payment is due on January 20, 2015. The interest expense that would be imputed on the note payable balance was determined to be immaterial to the consolidated financial statements.

Future maturities on the note payable as of December 31, 2013 are as follows:

		Amount
Year ending December 31:		
2014	$	27,708
2015		6,923
	$	34,631

(9) Capital Lease Obligations

The Company periodically leases equipment under capital lease agreements. The assets are amortized over the lesser of the estimated useful life of the equipment or the lease term. During 2011, the Company entered into a capital lease agreement with payments required through 2014. The capital lease obligation is not material to the consolidated financial statements and is included in accrued liabilities.

(10) 401(k) Plan

The Company has a savings plan that qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code (the Plan). Under the Plan, participating employees may defer a portion of their eligible pretax earnings up to the Internal Revenue Service's annual contribution limit. All full-time employees on the payroll of the Company are eligible to participate in the Plan. In December 2005, the board of directors voted to begin a Company match equal to 50% of the first $2,000 that each participating employee contributes to the Plan. For the year ended December 31, 2013, the Company made matching contributions to the Plan totaling approximately $54,000.

(11) Concentrations of Credit Risk

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

(Continued)

The Company received 70% of its 2013 revenue from customers represented by three program sponsors.

The Company collects fees from all but two program sponsors in advance of each quarterly billing period based on customer assets under management valued on the last business day of the prior quarter. The customers represented by the other two sponsor programs, one of which represented approximately 38% of 2013 revenue, are billed in arrears resulting in an accounts receivable balance at the end of each billing period. As of December 31, 2013, 86% of the Company's accounts receivable were from this one program sponsor.

(12) Supplemental Cash Flow Disclosure

Cash paid during the year for interest	$	451
Cash paid during the year for income taxes	$	42,988

During the year ended December 31, 2013, the Company paid $1,280 for federal income taxes.

(13) Net Advisory Fees

The Company reports revenue net of contracted payments to money managers. Following is a summary of the gross advisory fees and contracted payments to money managers for the year ended December 31, 2013:

Gross advisory fees	$	32,941,366
Contracted payments to money managers		15,232,021
Net revenue	$	17,709,345

(14) Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure in the consolidated financial statements through September 30, 2014, the date the financial statements were available to be issued.

On June 30, 2014, the Company entered into a definitive agreement to be acquired by Envestnet, Inc., a publicly traded Company, for $66 million in cash. The sale, which involves 100% of the Company's capital stock, is not expected to have a significant short-term impact on the Company's operations and is expected to close on October 1, 2014.

Exhibit 99.2

PLACEMARK HOLDINGS, INC.
AND SUBSIDIARY

Unaudited Condensed Consolidated Financial Statements

Six Months Ended June 30, 2014 and 2013

PLACEMARK HOLDINGS, INC.
AND SUBSIDIARY
Unaudited Condensed Consolidated Financial Statements
Six Months Ended June 30, 2014 and 2013

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PLACEMARK HOLDINGS, INC. AND SUBSIDIARY
Condensed Consolidated Balance Sheet
(unaudited)
June 30, 2014

Assets	
Current assets:	
Cash and cash equivalents	$ 8,015,607
Accounts receivable	2,441,986
Prepaid expenses and other current assets	739,458
Deferred income taxes	255,400
Total current assets	11,452,451
Equipment and leasehold improvements, net	1,687,802
Deferred income taxes	4,394,600
Deposits	20,336
Total assets	$ 17,555,189
Liabilities and Stockholders' Equity	
Current liabilities:	
Current portion of note payable	$ 21,078
Accounts payable	547,875
Accrued liabilities	1,911,791
Deferred revenue	87,085
Current portion of deferred rent	—
Total current liabilities	2,567,829
Note payable, net of current portion	—
Deferred rent, net of current portion	348,136
	348,136
Stockholders' equity:	
	375,838
Preferred stock, Convertible Series B-2	
Preferred stock, Convertible Series B-1	11,373,954
Preferred stock, Convertible Series A	27,711,760
Common stock	23,877
Treasury stock, at cost	(227,046)
Additional paid-in capital	33,240,457
Accumulated deficit	(57,859,616)
Total stockholders' equity	14,639,224
Total liabilities and stockholders' equity	$ 17,555,189

See accompanying notes to unaudited condensed consolidated financial statements.

PLACEMARK HOLDINGS, INC. AND SUBSIDIARY

Condensed Consolidated Statements of Operations
(unaudited)
Six months ended June 30, 2014 and 2013

		2014	2013
Net advisory fee revenue	$	11,118,421	8,237,464
Other client fees		156,399	128,333
Total revenue		11,274,820	8,365,797
Operating expenses:			
General and administrative expenses		10,604,480	8,310,572
Depreciation and amortization		285,736	113,378
Share-based compensation costs		15,000	15,001
Total operating expenses		10,905,216	8,438,951
Income (loss) from operations		369,604	(73,154)
Other expense		(188)	(451)
Income (loss) before income taxes		369,416	(73,605)
Income taxes		(12,498)	(21,500)
Net income (loss)	$	356,918	(95,105)

See accompanying notes to unaudited condensed consolidated financial statements.

PLACEMARK HOLDINGS, INC. AND SUBSIDIARY
Condensed Consolidated Statement of Stockholders' Equity
(unaudited)
Six months ended June 30, 2014

	Preferred stock		Common stock		Treasury	Additional paid-in	Accumulated	
	Shares	Amount	Shares	Amount	stock	capital	deficit	Total
Balance at December 31, 2013	66,590,698	$ 37,751,793	23,809,103	$ 23,809	(227,046)	34,934,687	(58,216,534)	14,266,709
Issuance of common stock upon exercise of stock options	—	—	67,958	68	—	529	—	597
Share-based compensation expense	—	—	—	—	—	15,000	—	15,000
Accretion of Series A preferred stock to redemption value	—	1,261,417	—	—	—	(1,261,417)	—	—
Accretion of Series B-1 preferred stock to redemption value	—	434,001	—	—	—	(434,001)	—	—
Accretion of Series B-2 preferred stock to redemption value	—	14,341	—	—	—	(14,341)	—	—
Net income	—	—	—	—	—	—	356,918	356,918
Balance at June 30, 2014	66,590,698	$ 39,461,552	23,877,061	$ 23,877	(227,046)	33,240,457	57,859,616	14,639,224

See accompanying notes to unaudited condensed consolidated financial statements.

PLACEMARK HOLDINGS, INC. AND SUBSIDIARY
Condensed Consolidated Statements of Cash Flows
(unaudited)
Six months ended June 30, 2014 and 2013

		2014	2013
Cash flows from operating activities:			
Net income (loss)	$	356,918	(95,105)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization		285,735	113,378
Share-based compensation expense		15,000	15,001
Changes in assets and liabilities:			
Accounts receivable		(393,847)	273,478
Prepaid expenses and other current assets		144,702	259,328
Deposits		1,390	—
Accounts payable		76,377	(91,702)
Accrued liabilities		22,811	599,336
Deferred rent		177,618	(90,715)
Deferred revenue		84,195	(72,499)
Net cash provided by operating activities		770,899	910,500
Cash flows from investing activities:			
Purchases of property and equipment		35,074	(554,894)
Purchases of computer software projects in process		(476,946)	—
Net cash used in investing activities		(441,872)	(554,894)
Cash flows from financing activities:			
Payments on note payable		(13,551)	(13,855)
Payments on capital lease		(899)	(895)
Exercise of stock options		597	—
Net cash used in financing activities		(13,853)	(14,750)
Net change in cash and cash equivalents		315,174	340,856

Cash and cash equivalents:			
Beginning of year		7,700,433	6,323,583
End of period	$	8,015,607	6,664,439

See note 6 for supplemental disclosure of cash flow activity.

See accompanying notes to unaudited condensed consolidated financial statements.

(1) Nature of Business

Description of Business

Placemark Holdings, Inc. (PHI), a Delaware corporation, is a holding company for Placemark Investments, Inc. (PI) (together, the Company).

PI is a Registered Investment Advisor and investment management technology firm dedicated to delivering highly customized and tax optimized separate account solutions to financial advisors and their clients.

PI offers overlay portfolio management (OPM) solutions and services in the retail investment industry, providing critical investment management services in its Unified Managed Account (UMA) offering. UMAs are fee-based investment solutions that incorporate multiple investments such as managed accounts, mutual funds, and ETFs into a customized, individual client portfolio. In its role as an OPM, PI makes all trade decisions in client accounts, working with money managers, specified by clients/financial advisors, who contribute proprietary investment models. PI oversees activity across multiple investment products comingled in a single custodial account, coordinating cross investment opportunities to optimize client investment performance, risk mitigation, and/or tax minimization. The Company does not have title to the client accounts to which it oversees.

(2) Summary of Significant Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements include the accounts of PHI and PI. All intercompany accounts and transactions have been eliminated in consolidation.

(b) Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis, in conformity with accounting principles generally accepted in the United States of America (GAAP).

The accompanying unaudited condensed consolidated financial statements of the Company as of June 30, 2014 and for the six months ended June 30, 2014 and 2013 have not been audited by an independent accounting firm. These unaudited condensed consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements for the year ended December 31, 2013 and reflect all normal recurring adjustments, which are, in the opinion of management, necessary to present fairly the Company’s financial position as of June 30, 2014 and the results of operations, equity, and cash flows for the periods presented herein. The results of operations for the six months ended June 30, 2014 and 2013 are not necessarily indicative of the operating results to be expected for other interim periods or for the full fiscal year.

These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2013.

(Continued)

(c) Cash and Equivalents

For financial reporting purposes, the Company considers all certificates of deposit, short-term investments, and debt instruments with original maturities of three months or less to be cash equivalents. Cash equivalents at June 30, 2014 totaled $1,032,042.

(d) Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense was $89,668 and $70,257 for the six months ended June 30, 2014 and 2013, respectively. Advertising and marketing expenses include costs of advertising and public relations.

(3) Related-Party Transactions

During the six months ended June 30, 2014 and 2013, the Company earned net revenue of $1,558,765 and $1,274,718, respectively, from clients represented by a program sponsor that is a subsidiary of a bank that owns approximately 16% of outstanding shares of the Company on an as converted, fully-diluted basis.

Related-party receivables are not material to the consolidated financial statements and are included in accounts receivable.

(4) Income Taxes

The Company's effective income tax rate in 2013 and 2014 differed from the federal statutory rate of 34% due primarily to the utilization of net operating losses.

(5) Concentrations of Credit Risk

The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Company received 65% and 71% of its 2014 and 2013 revenue, respectively, from customers represented by three program sponsors.

(Continued)

The Company collects fees from all but two program sponsors in advance of each quarterly billing period based on customer assets under management valued on the last business day of the prior quarter. The customers represented by the other two sponsor programs, one of which represented approximately 34% and 39 % of 2014 and 2013 revenue, respectively, are billed in arrears resulting in an accounts receivable balance at the end of each billing period. As of June 30, 2014, 82% of the Company's accounts receivable were from this one program sponsor.

(6) Supplemental Cash Flow Disclosure

	2014	2013
Cash paid during the period for interest	$ 225	225
Cash paid during the period for income taxes	$ 27,500	42,988

(7) Net Advisory Fees

The Company reports revenue net of contracted payments to money managers. Following is a summary of the gross advisory fees and contracted payments to money managers for the six months ended June 30:

	2014	2013
Gross advisory fees	$ 22,193,156	14,776,056
Contracted payments to money managers	11,074,735	6,538,592
Net revenue	$ 11,118,421	8,237,464

(8) Subsequent Events

On June 30, 2014, the Company entered into a definitive agreement to be acquired by Envestnet, Inc., a publicly traded company, for $66 million in cash. The sale, which involved 100% of the Company's capital stock closed on October 1, 2014.

(Continued)

Unaudited Pro Forma Financial Information for Envestnet and Placemark

On October 1, 2014, pursuant to an amended and restated acquisition and agreement of merger (the "Placemark Agreement"), dated August 11, 2014, with Placemark Holdings, Inc., a Delaware corporation ("Placemark"), the Selling Securityholders and Fortis Advisors, LLC as Securityholder Representative, Envestnet, Inc. ("Envestnet") acquired (the "Placemark Acquisition") all of the outstanding capital stock of Placemark.

On July 1, 2013, pursuant to an asset purchase agreement (the "WMS Agreement"), dated April 11, 2013, with Prudential Investments LLC ("PI"), a subsidiary of Prudential Financial, Inc. ("Prudential"), Envestnet acquired (the "WMS Acquisition") substantially all the assets of PI's Wealth Management Solutions ("WMS") division.

The following unaudited pro forma condensed combined balance sheet as of June 30, 2014 is derived from the unaudited condensed consolidated balance sheet of Envestnet, and the unaudited condensed consolidated balance sheet of Placemark as of June 30, 2014, included in Exhibit 99.2 to this Current Report on Form 8-K/A.

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2013 is derived from the unaudited pro forma condensed combined statement of operations of Envestnet and WMS for the year ended December 31, 2013, included elsewhere in this Exhibit 99.3 to this Current Report on Form 8-K/A, and the audited consolidated statement of income of Placemark for the year ended December 31, 2013, included in Exhibit 99.1 to this Current Report on Form 8-K/A.

The unaudited pro forma condensed combined statement of operations for the six month period ended June 30, 2014 is derived from the unaudited condensed consolidated statement of operations of Envestnet for the six month period ended June 30, 2014 and the unaudited condensed consolidated statement of income of Placemark for the six month period ended June 30, 2014, included in Exhibit 99.2 to this Current Report on Form 8-K/A.

The unaudited pro forma condensed combined financial information has been prepared pursuant to the requirements of Article 11 of Regulation S-X, to give effect to the completed Placemark Acquisition which has been accounted for as a purchase business combination in accordance with ASC 805, "*Business Combinations"*. The assumptions, estimates, and adjustments reflected herein have been made solely for purposes of developing the unaudited pro forma condensed combined financial information and are based upon available information and certain assumptions that we believe are reasonable. The related purchase accounting should be considered preliminary.

The unaudited pro forma condensed combined balance sheet presented herein has been prepared as if the Placemark Acquisition, which was completed on October 1, 2014, had been completed as of June 30, 2014, the end of Envestnet's second quarter of fiscal year 2014. The unaudited pro forma condensed combined statement of operations for the twelve month period ended December 31, 2013 has been prepared as if the Placemark Acquisition and the WMS Acquisition were completed on January 1, 2013, the first day of Envestnet's fiscal year 2013. The unaudited pro forma condensed combined statement of operations for the six month period ended June 30, 2014 has been prepared as if the Placemark Acquisition and the WMS Acquisition were completed on January 1, 2013, the first day of Envestnet's fiscal year 2013.

The unaudited pro forma condensed combined financial information should be read in conjunction with (i) the audited consolidated financial statements and related notes of Envestnet, and "Management's Discussion and Analysis of Financial Condition and results of Operations" contained in Envestnet's Annual Report on Form 10-K for the year ended December 31, 2013, (ii) the unaudited condensed consolidated financial statements and related notes of Envestnet, and "Management's Discussions and Analysis of Financial Condition and results of Operations" contained in Envestnet's Quarterly report on Form 10-Q for the six month period ended June 30, 2014, (iii) the audited consolidated financial statements and related notes of Placemark as of and for the year ended December 31, 2013, which are included as Exhibit 99.1 to this Current Report on Form 8-K/A, (iv) the unaudited condensed consolidated financial statements and related notes of Placemark as of June 30, 2014 and for the six month periods ended June 30, 2014 and 2013, which are included as Exhibit 99.2 to this Current Report on Form 8-K/A, and (v) the unaudited statement of revenue and direct expenses of WMS for the six months ended June 30, 2013 and 2012, which are included in Exhibit 99.2 to Envestnet's Current Report on Form 8-K filed with the SEC on October 7, 2013.

The unaudited pro forma condensed combined financial information is not intended to represent or be indicative of the consolidated results of operations or financial condition of Envestnet that would have been reported had the Placemark Acquisition and the WMS Acquisition been completed as of the dates presented, and should not be construed as representative of the future consolidated results of operations or financial condition of the combined entity.

Envestnet, Inc.
Unaudited Pro Forma Condensed Combined Balance Sheet
As of June 30, 2014
(in thousands)

	Historical		Pro Forma		
	Envestnet (1)	Placemark (2)	Adjustments		Combined
Assets					
Current assets:					
Cash and cash equivalents	$ 64,464	$ 8,016	$ (57,605)	a	$ 14,875
Fees and other receivables, net	24,857	2,442	—		27,299
Deferred tax assets, net	3,705	255	—		3,960
Prepaid expenses and other current assets	6,660	739	—		7,399
Total current assets	99,686	11,452	(57,605)		53,533
Property and equipment, net	14,565	803	—		15,368
Internally developed software, net	6,394	885	(885)	b	6,394
Intangible assets, net	31,398	—	26,000	c	57,398
Goodwill	74,868	—	18,633	d	93,501
Deferred tax assets, net	8,367	4,395	(3,138)	e	9,624
Other non-current assets	5,110	20	—		5,130
Total assets	$ 240,388	$ 17,555	$ (16,995)		$ 240,948
Liabilities and Stockholders' Equity					
Current liabilities:					
Accrued expenses	$ 33,683	$ 1,933	$ 1,113	f, g	$ 36,729
Accounts payable	6,728	548	—		7,276
Contingent consideration	6,000	—	—		6,000
Deferred revenue	6,566	87	—		6,653
Total current liabilities	52,977	2,568	1,113		56,658
Contingent consideration	11,389	—	—		11,389

Deferred revenue	3,017	—	—	3,017
Deferred rent	2,575	348	—	2,923
Lease incentive	4,146	—	—	4,146
Other non-current liabilities	2,548	—	—	2,548
Total liabilities	76,652	2,916	1,113	80,681
Total equity	163,736	14,639	(18,108) h	160,267
Total liabilities and equity	$ 240,388	$ 17,555	$ (16,995)	$ 240,948

(1) Amounts reflect the unaudited condensed consolidated balance sheet of Envestnet as reported in Envestnet's quarterly report on Form 10-Q as of June 30, 2014, filed with the SEC on August 11, 2014.

(2) Certain reclassifications were made to conform to Envestnet's financial statement presentation.

See notes to the unaudited pro forma condensed combined financial statements.

Envestnet, Inc.
Unaudited Pro Forma Condensed Combined Statement of Operations
Year Ended December 31, 2013
(in thousands, except share and per share information)

	Historical		Pro Forma	
	Condensed combined pro forma total for Envestnet and WMS (1)	Placemark (2)	Adjustments	Combined
Revenues:				
Assets under management or administration	$ 233,016	$ 17,709	$ (610) i	$ 250,115
Licensing and professional services	41,967	283	—	42,250
Total revenues	274,983	17,992	(610)	292,365
Operating expenses:				
Cost of revenues	117,080	—	(610) i	116,470
Compensation and benefits	91,140	11,512	1,527 j	104,179
General and administration	56,692	5,317	—	62,009
Depreciation and amortization	19,657	257	5,818 c	25,732
Restructuring charges and asset impairment charges	474	—	—	474
Total operating expenses	285,043	17,086	6,735	308,864
Income (loss) from operations	(10,060)	906	(7,345)	(16,499)
Other income (expense), net	200	(3)	—	197
Income (loss) before income tax provision	(9,860)	903	(7,345)	(16,302)
Income tax provision (benefit)	656	(2,860)	(2,938) l	(5,142)
Net income (loss)	$ (10,516)	$ 3,763	$ (4,407)	$ (11,160)
Net loss per share:				
Basic	$ (0.32)			$ (0.34)
Diluted	$ (0.32)			$ (0.34)
Weighted average common shares outstanding:				
Basic	33,191,088			33,191,088
Diluted	33,191,088			33,191,088

(1) Based on calculations set forth in the unaudited pro forma condensed combined statement of operations for Envestnet, including WMS, included elsewhere in this Exhibit 99.3.

(2) Certain reclassifications were made to conform to Envestnet's financial statement presentation.

See notes to the unaudited pro forma condensed combined financial statements.

Envestnet, Inc.
Unaudited Pro Forma Condensed Combined Statement of Operations
Six Month Period Ended June 30, 2014
(in thousands, except share and per share information)

	Historical		Pro Forma	
	Envestnet (1)	Placemark (2)	Adjustments	Combined

Revenues:				
Assets under management or administration	$ 137,808	$ 11,118	$ (374) i	$ 148,552
Licensing and professional services	25,560	156	—	25,716
Total revenues	163,368	11,274	(374)	174,268
Operating expenses:				
Cost of revenues	72,392	—	(374) i	72,018
Compensation and benefits	48,616	7,653	767 j	57,036
General and administration	25,086	2,967	(536) k	27,517
Depreciation and amortization	9,037	285	2,391 c	11,713
Total operating expenses	155,131	10,905	2,248	168,284
Income from operations	8,237	369	(2,622)	5,984
Other income, net	1,920	—	—	1,920
Income before income tax provision	10,157	369	(2,622)	7,904
Income tax provision (benefit)	3,639	12	(1,049) l	2,602
Net income	6,518	357	(1,573)	5,302
Add: Net loss attributable to non-controlling interest	195	—	—	195
Net income attributable to Envestnet, Inc.	$ 6,713	$ 357	$ (1,573)	$ 5,497
Net income per share:				
Basic	$ 0.20			$ 0.16
Diluted	$ 0.18			$ 0.15
Weighted average common shares outstanding:				
Basic	34,332,759			34,332,759
Diluted	36,726,121			36,726,121

(1) Amounts reflect the unaudited condensed consolidated statement of operations of Envestnet as reported in Envestnet's quarterly report on Form 10-Q for the six months ended June 30, 2014, filed with the SEC on August 11, 2014.

(2) Certain reclassifications were made to conform to Envestnet's financial statement presentation.

See notes to the unaudited pro forma condensed combined financial statements.

Notes to Unaudited Pro Forma Condensed Combined Financial Statements
(in thousands, except shares)

Note 1: Basis of pro forma presentation

On October 1, 2014, pursuant to an amended and restated acquisition and agreement of merger (the "Placemark Agreement") dated August 11, 2014, with Placemark Holdings, Inc., a Delaware corporation ("Placemark"), the Selling Securityholders and Fortis Advisors, LLC, as Securityholder Representative, Envestnet Inc. ("Envestnet") acquired (the "Placemark Acquisition") all of the outstanding capital stock of Placemark. The estimated consideration transferred and estimated purchase price allocation, below, are presented for pro forma information purposes only and are likely to vary from the final amounts to be presented, as Envestnet finalizes its normal purchase accounting adjustments for the transaction.

The estimated consideration transferred in the Placemark Acquisition is as follows:

Cash consideration	$ 65,154
Cash received	(8,419)
Preliminary working capital adjustment	870
Total estimated fair value of consideration transferred	$ 57,605

On July 1, 2013, pursuant to an asset purchase agreement (the "WMS Agreement"), dated April 11, 2013, with Prudential Investments LLC ("PI"), a subsidiary of Prudential Financial, Inc. ("Prudential"), Envestnet acquired (the "WMS Acquisition") substantially all the assets of PI's Wealth Management Solutions ("WMS") division.

The unaudited pro forma condensed combined financial statements have been prepared by Envestnet pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC").

The unaudited pro forma condensed combined balance sheet as of June 30, 2014 is derived from the unaudited condensed consolidated financial statements of Envestnet and the unaudited condensed consolidated balance sheet of Placemark as of June 30, 2014, included in Exhibit 99.2 to this Current Report on Form 8-K/A.

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2013 is derived from the unaudited pro forma condensed combined statement of operations of Envestnet, including WMS, for the year ended December 31, 2013, presented elsewhere in this document, and the audited statement of income of Placemark for the year ended December 31, 2013, included in Exhibit 99.1 to this Current Report on Form 8-K/A.

The unaudited pro forma condensed combined statement of operations for the six month period ended June 30, 2014 is derived from the unaudited condensed consolidated statement of operations of Envestnet for the six month period ended June 30, 2014 and the unaudited statement of income of Placemark for the six month period ended June 30, 2014, included in Exhibit 99.2 to this Current Report on Form 8-K/A.

Certain information and disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP") have been condensed or omitted pursuant to such rules and regulations. However, Envestnet believes that the disclosures provided herein, taken together with those included in Envestnet's Annual Report on Form 10-K for the year ended December 31, 2013, Envestnet's Form 10-Q for the quarterly period ended June 30, 2014, the audited consolidated financial statements of Placemark as of and for the year ended December 31, 2013 and the unaudited condensed consolidated financial statements of Placemark as of and for the six month periods ended June 30, 2014 and 2013 are adequate to make the information presented not misleading.

(in thousands, except shares)

The unaudited pro forma condensed combined financial statements are provided for informational purposes only and do not purport to be indicative of Envestnet's financial position or results of operations which would actually have been obtained had such transaction been completed as of the date or for the periods presented, or for the financial position or results of operations that may be obtained in the future.

Note 2: Purchase price allocation

Under the purchase method of accounting, the total consideration transferred will be allocated to Placemark's assets acquired and liabilities assumed based on the estimated fair value of Placemark's tangible and intangible assets and liabilities as of October 1, 2014, the Placemark Acquisition date. The excess of the total consideration over the net tangible and intangible assets will be recorded as goodwill. Envestnet has made a preliminary allocation of the estimated total consideration as follows:

Estimated Preliminary Consideration Allocation

Total tangible assets acquired, net of cash acquired	$	15,871
Total liabilities assumed		(2,899)
Identifiable intangible assets:		
Customer relationships		21,000
Proprietary technology		4,000
Trade names and domains		1,000
Goodwill		18,633
Total estimated preliminary consideration allocation	$	57,605

Envestnet is waiting for the completion of a valuation report to determine the fair values of intangible assets and goodwill and the related deferred income taxes. In addition, the working capital adjustment has not been finalized with the seller. These amounts are preliminary and are subject to change.

Total amortizable identifiable intangible assets total $26,000 and consist of customer relationships, proprietary technology and trade names with useful lives that range from 3 years to 12 years.

Goodwill of $18,633 represents the excess of the purchase price of the acquired business over the fair value of the underlying net tangible and identifiable intangible assets and represents the expected synergistic benefits of the transaction, primarily related to an increase in future revenues as a result of potential cross selling opportunities, as well as lower future operating expenses, including lower technology platform-related costs due to the migration of Placemark's clients to the Envestnet technology platform. The goodwill is also related to the knowledge and experience of the workforce in place. Goodwill is subject to change based on finalization of the purchase accounting by Envestnet. In accordance with applicable accounting standards, goodwill will not be amortized but instead will be tested for impairment at least annually or more frequently if certain indicators are present. In the event that the management of the combined company determines that the value of goodwill has become impaired, the combined company will incur an accounting charge for the amount of impairment during the fiscal quarter in which the determination is made.

The goodwill resulting from the Placemark Acquisition is not tax deductible.

Note 3: Pro forma adjustments

The pro forma adjustments included in the unaudited pro forma condensed combined financial statements are as follows:

(a) To record net cash consideration of $57,605.

(b) To eliminate Placemark's capitalized internally developed software as the fair value is recognized in proprietary technology. See tickmark (c) below.

(c) To record the estimated fair value of Placemark's intangible assets and the resulting amortization expense and to eliminate amortization expense for Placemark historical internal use software:

					Amortization		
		Estimated Fair Value	Estimated Useful Life in Years		For the Year Ended December 31, 2013		For the Six Months Ended June 30, 2014
Customer relationships		21,000	12.0	$	4,336	$	1,756
Proprietary technology		4,000	3.0		1,333		667
Trade names and domains		1,000	5.0		200		100
Total intangible assets acquired	$	26,000		$	5,869	$	2,523
Less:							
Placemark internal use software amortization					(51)		(132)
				$	5,818	$	2,391

(d) To record the estimated fair value of goodwill.

(e) To record the estimated deferred tax asset in the amount of $7,262 related to the reversal of Placemark's valuation allowance offset by estimated deferred tax liabilities of $10,400 comprised of the difference between the assigned values of the tangible and intangible assets acquired and the tax basis of those assets.

(f) To record transaction costs totaling $1,134. These costs are not reflected in the pro forma condensed combined statement of operations as these costs are non-recurring and are directly related to the acquisition.

(g) To eliminate a note payable not assumed in the acquisition in the amount of $21.

(h) To eliminate Placemark historical stockholders' equity and to record the effects of entries a through g.

(i) To eliminate transactions between Envestnet and Placemark for the historical periods presented.

(j) Envestnet issued 111,751 shares of restricted stock to certain former Placemark employees on October 1, 2014. The restricted stock vests one-third on each of the first three anniversaries of the grant date. To record stock-based compensation for the issuance of the restricted shares net of estimated forfeitures and to eliminate stock-based compensation recorded by Placemark for the historical periods presented:

	For the Year Ended December 31, 2013	For the Six Months Ended June 30, 2014
Stock compensation expense	$ 1,563	$ 782
Less: Historical Placemark stock compensation expense	(36)	(15)
Net	$ 1,527	$ 767

(k) To eliminate the direct, incremental transaction costs in the amount of $536 related to the Placemark Acquisition for the six months ended June 30, 2014.

(l) To record the pro forma tax effect for the year ended December 31, 2013 and for the six months ended June 30, 2014 on the adjustments to pro forma net loss and net income before income tax provision based on an estimated statutory rate of 40.0% for both periods. The pro forma combined income tax benefits do not reflect the amounts that would have resulted had Envestnet and Placemark filed consolidated income tax returns during the periods presented.

Unaudited Pro Forma Financial Information for Envestnet and Wealth Management Solutions

On July 1, 2013, pursuant to an asset purchase agreement (the "Agreement"), dated April 11, 2013, with Prudential Investments LLC ("PI"), a subsidiary of Prudential Financial, Inc. ("Prudential"), Envestnet, Inc. ("Envestnet") acquired (the "WMS Acquisition") substantially all the assets of PI's Wealth Management Solutions ("WMS") division.

The following unaudited pro forma condensed combined statement of operations for the year ended December 31, 2013 is derived from the audited financial statements of Envestnet for the year ended December 31, 2013, included in Envestnet's Form 10-K for the year ended December 31, 2013, and the unaudited statement of revenue and direct expenses of WMS for the six month period ended June 30, 2013, included in Exhibit 99.1 to Envestnet's Current Report on Form 8-K, filed with the SEC on October 8, 2013.

The unaudited pro forma condensed combined financial information has been prepared pursuant to the requirements of Article 11 of Regulation S-X, to give effect to the completed WMS Acquisition which has been accounted for as a purchase business combination in accordance with ASC 805, "*Business Combinations.*" The assumptions, estimates, and adjustments herein have been made solely for purposes of developing the unaudited pro forma condensed combined financial information and are based upon available information and certain assumptions that we believe are reasonable.

The unaudited pro forma condensed combined statement of operations for the twelve month period ended December 31, 2013 has been prepared as if the WMS Acquisition was completed on January 1, 2013, the first day of Envestnet's fiscal year 2013.

The unaudited pro forma condensed combined financial information should be read in conjunction with (i) the audited consolidated financial statements and related notes of Envestnet, and "Management's Discussion and Analysis of Financial Condition and results of Operations" contained in Envestnet's Annual Report on Form 10-K for the year ended December 31, 2013, (ii) the unaudited abbreviated financial statements and related notes of WMS as of June 30, 2013, and for the six month periods ended June 30, 2013 and 2012, which are included in Exhibit 99.1 to Envestnet's Current Report on Form 8-K filed with the SEC on October 8, 2013.

The unaudited pro forma condensed combined financial information is not intended to represent or be indicative of the consolidated results of operations or financial condition of Envestnet that would have been reported had the WMS Acquisition been completed as of the date presented, and should not be construed as representative of the future consolidated results of operations or financial condition of the combined entity.

Note 1: Basis of pro forma presentation

On July 1, 2013, pursuant to an asset purchase agreement dated April 11, 2013, with Prudential Investments LLC ("PI"), a subsidiary of Prudential Financial, Inc ("Prudential"), Envestnet Inc. ("Envestnet") acquired (the "WMS Acquisition") substantially all the assets of PI's Wealth Management Solutions ("WMS") division.

The total consideration transferred in the WMS Acquisition as of the date of acquisition was as follows:

Cash consideration	$ 8,992
Contingent consideration	15,738
Total fair value of consideration transferred	$ 24,730

The unaudited pro forma condensed combined statement of operations of Envestnet and WMS have been prepared by Envestnet pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC").

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2013 is derived from the audited consolidated statement of operations of Envestnet, included in Envestnet's Form 10-K for the year ended December 31, 2013, and the unaudited statement of revenues and direct expenses of WMS for the six months ended June 30, 2013, included in Exhibit 99.1 to Envestnet's Current Report on Form 8-K, filed with the SEC on October 8, 2013.

Prior to the WMS Acquisition, WMS was neither a separate legal entity nor a subsidiary of PI and was neither operated nor accounted for as a stand-alone business, but was an integral part of PI. PI did not maintain distinct and separate accounts for WMS necessary to prepare complete financial statements and the unaudited abbreviated financial statements omitted certain overhead, interest and tax allocations from PI and Prudential. Therefore, the unaudited abbreviated financial statements are not intended to be a complete presentation of WMS's revenues and expenses and the historical operating results of WMS may not be indicative of the results that might have been achieved had WMS been a stand-alone entity. Furthermore, the statement of operations information presented for WMS is not indicative of the results of operations of the acquired business going forward due to the changes made in the business and

Notes to Unaudited Pro Forma Condensed Combined Statement of Operations
(in thousands, except shares)

the reduction of various operating expenses including compensation and benefits due to reduced headcount, information technology related expenditures and other general and administrative costs.

Certain information and disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP") have been condensed or omitted pursuant to such rules and regulations. However, Envestnet believes that the disclosures provided herein, taken together with those included in Envestnet's Annual Report on Form 10-K for the year ended December 31, 2013, and the unaudited abbreviated financial statements of WMS for the six month periods ended June 30, 2013 and 2012 are adequate to make the information presented not misleading.

The unaudited pro forma condensed combined statement of operations is provided for informational purposes only and does not purport to be indicative of Envestnet's results of operations which would actually have been obtained had such transaction been completed for the periods presented, or for the results of operations that may be obtained in the future.

Envestnet, Inc.
Unaudited Pro Forma Condensed Combined Statement of Operations of Envestnet and WMS
Year Ended December 31, 2013
(in thousands, except share and per share information)

	Historical		Pro Forma		
	Envestnet (1)	WMS (2)	Adjustments		Combined
Revenues:					
Assets under management or administration	$ 200,568	$ 32,448	$ —		$ 233,016
Licensing and professional services	41,967	—	—		41,967
Total revenues	242,535	32,448	—		274,983
Operating expenses:					
Cost of revenues	98,970	18,110	—		117,080
Compensation and benefits	77,442	14,059	(361)	a	91,140
General and administration	44,808	11,192	692	b	56,692
Depreciation and amortization	15,329	1,170	3,158	c	19,657
Restructuring charges	474	—	—		474
Total operating expenses	237,023	44,531	3,489		285,043
Income (loss) from operations	5,512	(12,083)	(3,489)		(10,060)
Other income, net	200	—	—		200
Income (loss) before income tax provision	5,712	(12,083)	(3,489)		(9,860)
Income tax provision (benefit)	2,052	—	(1,396)	d	656
Net income (loss)	$ 3,660	$ (12,083)	$ (2,093)		$ (10,516)
Net income (loss) per share:					
Basic	$ 0.11				$ (0.32)
Diluted	$ 0.10				$ (0.32)
Weighted average common shares outstanding:					
Basic	33,191,088				33,191,088
Diluted	35,666,575		(2,475,487)	e	33,191,088

(1) Amounts reflect the unaudited condensed consolidated statement of operations of Envestnet as reported in Envestnet's annual report on Form 10-K for the year ended December 31, 2013, filed with the SEC on March 17, 2014.

(2) Reflects the historical results of WMS for the six months ended June 30, 2013, the period prior to the consummation of the acquisition by Envestnet on July 1, 2013. Certain reclassifications were made to conform to Envestnet's financial statement presentation.

See notes to the unaudited pro forma condensed combined statement of operations.

Notes to Unaudited Pro Forma Condensed Combined Statement of Operations
(in thousands, except shares)

Note 2: Purchase price allocation

Under the purchase method of accounting, the total consideration transferred was allocated to WMS's assets acquired and liabilities assumed based on the fair value of

(in thousands, except shares)

WMS's tangible and intangible assets and liabilities as of the beginning of business on July 1, 2013, the WMS Acquisition date. The excess of the total consideration over the net tangible and intangible assets was recorded as goodwill. Envestnet made an allocation of the total consideration as follows:

Consideration Allocation

Total tangible assets acquired	$	1,296
Total liabilities assumed		(2,257)
Identifiable intangible assets:		
Customer relationships		14,000
Proprietary technology		3,000
Goodwill		8,691
Total consideration allocation	$	24,730

Total amortizable identifiable intangible assets total $17,000 and consist of customer relationships and proprietary technology with useful lives that range from 1.5 years to 12 years.

Goodwill of $8,691 represents the excess of the purchase price of the acquired business over the fair value of the underlying net tangible and identifiable intangible assets and represents the expected synergistic benefits of the transaction, primarily related to an increase in future revenues as a result of potential cross selling opportunities, as well as lower future operating expenses, including a reduction in headcount from pre-acquisition levels and lower technology platform-related costs due to the migration of WMS's clients to the Envestnet technology platform. The goodwill is also related to the knowledge and experience of the workforce in place. In accordance with applicable accounting standards, goodwill will not be amortized but instead will be tested for impairment at least annually or more frequently if certain indicators are present. In the event that the management of the combined company determines that the value of goodwill has become impaired, the combined company will incur an accounting charge for the amount of impairment during the fiscal quarter in which the determination is made.

The goodwill resulting from the WMS Acquisition is tax deductible.

Note 3: Pro forma adjustments

The pro forma adjustments included in the unaudited pro forma condensed financial statements are as follows:

(a) To record stock-based compensation for the issuance of restricted shares in conjunction with the acquisition, net of estimated forfeitures and to eliminate stock-based compensation recorded by WMS for the historical periods presented:

		For the Year Ended December 31, 2013
Stock compensation expense	$	221
Less: Historical WMS stock based expense		(582)
Net	$	(361)

(b) To record accretion expense in the amount of $1,573 related to contingent consideration for the year ended December 31, 2013 and to eliminate the direct, incremental transaction costs in the amount of $881 related to the WMS Acquisition for the year ended December 31, 2013.

(c) To record amortization expense for the effect of purchase accounting on WMS's intangible assets and to eliminate amortization expense for WMS historical internal use software:

		Fair Value	Estimated Useful Life in Years		Amortization For the Year Ended December 31, 2013
Customer relationships	$	14,000	12.0	$	2,142
Proprietary technology		3,000	1.5		2,186
Total intangible assets acquired	$	17,000		$	4,328
Less: WMS internal use software amortization					(1,170)
Net				$	3,158

(d) To record the pro forma tax effect for the year ended December 31, 2013 on the adjustments to pro forma net loss before income taxes based on an estimated statutory rate of 40.0%. The pro forma combined income tax benefits do not reflect the amounts that would have resulted had Envestnet and WMS filed consolidated income tax returns during the periods presented.

(e) To eliminate the effects of stock options and warrants to purchase common stock as a result of the pro forma combined net loss.

Note 4: Transition Services Agreement

Upon the WMS Acquisition, Envestnet entered into a Transition Services Agreement ("TSA") with PI, whereby Envestnet reimburses expenses incurred by PI on behalf of WMS, primarily related to information technology costs, data and research fees and other administrative costs. The impact of the TSA expense as compared to the historical expenses included in the unaudited abbreviated financial statements is not determinable. The total amount of TSA expense reimbursed by Envestnet during the period July 1, 2013 through December 31, 2013 totaled $3,906.