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

FORM 10-K

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

For the fiscal year ended December 31, 2013

OR

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

For the transition period from _____ to _____

Commission file number 001-33720

REMARK MEDIA, INC.
(Exact name of Registrant as specified in its charter)

Delaware	**33-1135689**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

**3930 Howard Hughes Parkway, Suite400
Las Vegas, Nevada 89169**
(Address of principal executive offices, including zip code)

702-701-9514
(Registrant's telephone number, including area code)

**5 Concourse Parkway NE, Suite 2400
Atlanta, Georgia 30328**
(Former name, former address, or former fiscal year, if changed since last report)

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

Title of each class	**Name of each exchange on which registered**
Common Stock, $0.001 Par Value	NASDAQ Capital Market

Securities registered pursuant to Section 12(g) of the Act: None.

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

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes x No

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

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

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

Large accelerated filer	Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company x

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

At March 31, 2014, 11,288,759 shares of the registrant's common stock, $0.001 par value per share, were outstanding. The aggregate market value of the common stock held by non-affiliates of the registrant was approximately $35,181,821 as of December 31, 2013, based on the closing price of the Common Stock on that date on the NASDAQ Capital Market. Shares of common stock held by each executive officer and director and by each person who owns 10% or more of the outstanding common stock have been excluded in that such person might be deemed to be an affiliate. This determination of affiliate status might not be conclusive for other purposes.

Table of Contents

		Page
	PART I	
Item 1.	Business	4
Item 1A.	Risk Factors	9
Item 1B.	Unresolved Staff Comments	17
Item 2.	Properties	17
Item 3.	Legal Proceedings	17
Item 4.	Mine Safety Disclosures	17
	PART II	
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	18
Item 6.	Selected Financial Data	18
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	18
Item 7A.	Quantitative and Qualitative Disclosures about Market Risk	27
Item 8.	Financial Statements and Supplementary Data	28
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	58
Item 9A.	Controls and Procedures	58
Item 9B.	Other Information	58
	PART III	
Item 10.	Directors, Executive Officers and Corporate Governance	59
Item 11.	Executive Compensation	59
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	59
Item 13.	Certain Relationships and Related Transactions, and Director Independence	59
Item 14.	Principal Accounting Fees and Services	59
	PART IV	
Item 15.	Exhibits and Financial Statement Schedules	61
SIGNATURES		62
INDEX TO EXHIBITS		63

PART I

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

Our disclosure and analysis in this report concerning our operations, cash flows and financial position, including, in particular, the likelihood of our success in expanding our business and our assumptions regarding the regulatory environment and international markets, include forward-looking statements. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expect," "anticipate," "intend," "plan," "believe," "estimate," "may" and similar expressions are forward-looking statements. Although these statements are based upon reasonable assumptions, they are subject to risks and uncertainties that are described more fully in this report in the section titled "Part I, Item 1A. Risk Factors." These forward-looking statements represent our estimates and assumptions only as of the date of this filing and are not intended to give any assurance as to future results. As a result, undue reliance should not be placed on any forward-looking statements. We assume no obligation to update any forward-looking statements to reflect actual results, changes in assumptions or changes in other factors, except as required by applicable securities laws.

ITEM 1. BUSINESS

OVERVIEW

Who We Are

Remark Media, Inc. ("Remark Media" or the "Company") is a global digital media company focusing on the 18-to-34 year old demographic in primarily the United States and Asia. The Company is headquartered in Las Vegas, Nevada, with additional operations in Beijing, China and Sao Paulo, Brazil. Remark Media is listed on The NASDAQ Capital Market under the symbol "MARK".

The Company provides unique and dynamic digital media experiences across multiple verticals, with a focus on compelling content, trusted brands, and valuable resources for consumers.

History

Remark Media was incorporated in Delaware in March 2006 as a wholly owned subsidiary of HowStuffWorks, Inc. to develop businesses using exclusive digital publishing rights to HowStuffWorks' content in China and Brazil. The Company merged with INTAC International, Inc. ("INTAC") in 2007 to accelerate obtaining Internet licenses and to benefit from INTAC's knowledge of the Chinese markets, relationships, and core competencies. In 2007 and 2008, the Company launched Brazilian and Chinese editions, respectively, of HowStuffWorks.com, utilizing strategies tailored to the needs of each localized market. Remark Media still owns and operates these businesses.

In 2008, Remark Media decided to further leverage its web-publishing infrastructure by expanding its operations into the U.S. market through the acquisition of DailyStrength, Inc. ("DailyStrength"). DailyStrength's website offered content authored by medical professionals and the ability for users and members to launch health-related discussion groups using leading community tools to interact with others.

In 2009, the Company co-founded Sharecare, a U.S.-based venture between: Dr. Mehmet Oz, a leading cardiac surgeon, health expert and host of "The Dr. Oz Show"; HARPO Productions, producer of "The Oprah Winfrey Show"; Discovery Communications, the world's largest non-fiction media company; Jeff Arnold, WebMD founder and Discovery Communications' former Chief of Global Digital Strategy; Sony Pictures Television; and Remark Media. Sharecare was created to build a web-based platform that simplifies the search for health and wellness information by organizing a vast array of health-related questions and providing multiple answers from experts, organizations, publishers, and caregivers representing various points of view. As a part of the transactions, the Company received an equity stake in Sharecare, sold substantially all of the assets of its DailyStrength subsidiary to Sharecare, agreed to provide management and website development services to Sharecare, and received a license to use Sharecare's web platform for its own businesses. As Sharecare's technology development partner, the Company began development of the platform for Sharecare in July 2009, and Sharecare.com was launched in October 2010. The Company continued to provide services to Sharecare through December 31, 2011, at which time its agreement with Sharecare expired. As of December 31, 2013, Remark Media owns approximately 8.19% of Sharecare's common stock and has representation on its Board of Directors. Accordingly, the Company considers Sharecare a related party. Further information about Sharecare is available at http://sharecare.com. The Company does not incorporate any information on the Sharecare.com site into this Form 10-K. The Company does not expect to provide any further significant development services to Sharecare. Remark Media maintains the licensed rights to use the web publishing and social media platform it built for Sharecare for its own businesses outside of the healthcare industry.

In 2010, Remark Media launched Curiosity Online for Discovery Communications (http://curiosity.com), and provided website development services for the site through November 2011. The Company's service agreement with Discovery concluded in December 2011.

In 2012, Remark Media began building a portfolio of personal finance digital media websites and services. The Company entered into an agreement to acquire Banks.com, Inc. ("Banks.com") in February 2012, and completed the acquisition in June 2012. Banks.com's properties include the personal finance websites Banks.com and US Tax Center at www.irs.com, and personal finance services FileLater.com and MyStockFund.com. In February 2014, Remark Media acquired TaxExtension.com to expand its suite of financial portals.

Remark Media entered the 18-to-34 year old lifestyle vertical in 2013, with the acquisition of Pop Factory, LLC ("Pop Factory") in March 2013. Pop Factory is a beach lifestyle digital media brand providing websites, branded merchandise, and mobile content. In 2013, Remark Media introduced a refreshed brand and a new website at www.bikini.com, with a focus on providing sophisticated and informative content, social media and services for fun in the sun destinations, style, and health and fitness. To support the acquisition of Pop Factory and its entry into the new vertical, Remark Media raised $4 million in a convertible debt financing in April 2013. In November 2013, Remark Media launched its e-commerce segment.

The Company intends to make additional acquisitions and product launches in the 18-to-34 year old lifestyle vertical, which it believes holds significant growth opportunity in the near-term. The 18-to-34 demographic is the first age group to have grown up with the Internet and social media, and is an increasingly meaningful user base that is redefining how media is consumed. They represent a disproportionally large percentage of the consumers viewing online videos, engaging in social networking, owning tablets, and using smartphones, according to Nielsen research.

DESCRIPTION OF BUSINESSES

Remark Media, Inc. is a global digital media company focusing on the 18-to-34 year old demographic in primarily the United States and Asia with properties focused on Young Adult Lifestyle: Bikini.com; Personal Finance: Banks.com, US Tax Center at www.irs.com, FileLater.com, TaxExtension.com, and MyStockFund.com; and International: BoWenWang and ComoTudoFunciona. We will both organically develop new business through our assets and look to make acquisitions in verticals attractive to this demographic such as film, music, fashion, travel, and on-line gaming. The Company is headquartered in Las Vegas, Nevada and has operations in Beijing, China and São Paulo, Brazil. Remark Media is listed on The NASDAQ Capital Market under the symbol "MARK".

Brands

Our Brands segment consists of those digital media properties that we own and operate. It presently includes our translated and localized editions of HowStuffWorks.com in China and Brazil; our personal finance vertical, including Banks.com, US Tax Center at www.irs.com, FileLater.com, TaxExtension.com, and MyStockFund.com; and our new young adult lifestyle vertical, including Bikini.com. We intend to expand our Brands segment in the coming year by continuing to acquire, develop and launch U.S.-based content, social and ecommerce websites in the 18-to-34 year old lifestyle and personal finance.

HowStuffWorks International

ComoTudoFunciona (hsw.com.br) is Brazil's online source for credible, unbiased and easy-to-understand explanations of how the world actually works. The Portuguese-language site is the exclusive digital publisher in Brazil of translated and localized content from the leading Discovery Communications brand HowStuffWorks.

BoWenWang (www.bowenwang.cn) is an information and reference website that provides China with encyclopedic knowledge and easy-to-understand explanations of how the world works. The website is published from Beijing in the Chinese language. Launched in June 2008, *BoWenWang* features a combination of original content authored by the Company, translated and localized articles from the leading Discovery Communications brand HowStuffWorks, and content from World Book, Inc.

Personal Finance

Banks.com is an action-oriented resource for people interested in financial institutions and products. In addition to providing relevant and timely news and information about banking, investing and loans, Banks.com allows users to compare rates and take action on financial products such as mortgages and savings accounts.

US Tax Center at www.irs.com offers information about tax matters affecting U.S. readers, and provides them with access to tax related information and services.

FileLater.com and TaxExtenion.com are e-commerce businesses providing taxpayers with an online platform to file business and personal tax extensions with the IRS and receive acknowledgment of that filing from the IRS in a matter of minutes.

MyStockFund.com offers fractional share investing and a dollar cost averaging brokerage product that allows investors to build a diversified portfolio in stocks, index funds and bond funds without incurring the high fees and trading costs of traditional brokerage firms.

Young Adult Lifestyle

Bikini.com is a digital beach lifestyle brand including its flagship website at www.bikini.com, branded merchandise, and mobile content . In November 2013, Remark Media launched its e-commerce website.

Sales & Marketing

The primary business model for our Brands business is the sale of advertising, sponsorships and related products and services. By focusing on providing high-quality digital properties to end users in the United States, Brazil and China we aim to establish a user base attractive to advertisers. We primarily sell advertising based on the quantity of views delivered to advertisers or the success of various advertising-related metrics, such as clicks or specified user actions. We have sales operations in the United States to service our advertisers and intend to conduct sales for our owned and operated websites through a direct sales force and strategic partnerships.

Much of our marketing efforts are in fostering word-of-mouth momentum by providing high-quality brands, in addition to using public relations efforts and search engine optimization practices. We also intend to enter into partnerships with local businesses to provide awareness of and traffic to our brands.

Competition

Online publishing is a rapidly evolving market and we encounter significant competition in each market in which we own and operate websites. Competitors for our Brands business include:

- United States: traditional Internet companies like Yahoo! and AOL, and web portals that focus on specific category verticals such as Demand Media, WebMD and About.com;
- China: national Internet portals such as Baidu, Sina, sohu.com and tom.com; and
- Brazil: national websites such as Terra and Globo.

These competitors operate websites that compete with us for both end users and advertising revenue.

The online financial services market continues to evolve rapidly and we expect it to remain highly competitive. Our MyStockFund.com website competes with full commission, discount and online brokerage firms. Some of these competitors provide Internet trading and banking services, investment advisor services, touchtone telephone and voice response banking services, electronic bill payment services and a host of other financial products. Our tax preparation and tax extension websites compete with the much larger firms such as Intuit and H&R Block.

We also face intense competition in attracting and retaining qualified employees. Our ability to compete effectively will depend upon our ability to attract new employees and retain and motivate our existing employees while efficiently managing compensation-related costs.

Intellectual Property

We license many technologies used in our businesses as well as hold licenses to content owned by HowStuffWorks. We rely upon trademark, copyright and trade secret laws in various jurisdictions, as well as confidentiality procedures and contractual provisions to protect our proprietary assets and brands. We do not own any patent or copyright registrations. We hold various trademarks for our brands, and we have additional applications pending.

Government Regulation

The application of new and existing laws and regulations to the Internet or other online services could also have a material adverse effect on our business, prospects, financial condition and results of operations. Several federal laws that could have an impact on our business have already been adopted. The Digital Millennium Copyright Act is intended to reduce the liability of online service providers for listing or linking to third party web properties that include materials that infringe copyrights or rights of others. The Children’s Online Privacy Protection Act is intended to restrict the distribution of certain materials deemed harmful to children and impose additional restrictions on the ability of online services to collect user information from minors. In addition, the Protection of Children from Sexual Predators Act requires online services providers to report evidence of violations of federal child pornography laws under certain circumstances. The foregoing legislation may impose significant additional costs on our business or subject us to additional liabilities, if we were not to comply fully with their terms, whether intentionally or not. We intend to fully comply with the laws and regulations that govern our industry, and we employ internal resources and incur outside professional fees to establish, review and maintain policies and procedures to reduce the risk of noncompliance.

Privacy concerns relating to the disclosure of consumer financial information have drawn increased attention from federal and state governments. For example, the IRS generally prohibits the use or disclosure by tax return preparers of taxpayers' information without the prior written consent of the taxpayer. In addition, other regulations require financial service providers to adopt and disclose consumer privacy policies and provide consumers with a reasonable opportunity to "opt-out" of having personal information disclosed to unaffiliated third-parties for marketing purposes. Although we have procedures to protect against identity theft, breaches of our clients' privacy may occur. To the extent the measures we have taken prove to be insufficient or inadequate, we may become subject to litigation or administrative sanctions, which could result in significant fines, penalties or damages and harm to our brand and reputation. In addition, changes in these federal and state regulatory requirements could result in more stringent requirements and could result in a need to change business practices, including how information is disclosed. Establishing systems and processes to achieve compliance with these new requirements may increase costs and/or limit our ability to pursue certain business opportunities.

We post our privacy policy and practices concerning the use and disclosure of any user data on our web properties and our distribution applications. Any failure by us to comply with posted privacy policies, Federal Trade Commission requirements or other domestic or international privacy-related laws and regulations could result in proceedings by governmental or regulatory bodies that could potentially harm our businesses, results of operations and financial condition. In this regard, there are a large number of legislative proposals before the United States Congress and various state legislative bodies regarding privacy issues related to our businesses. It is not possible to predict whether or when such legislation may be adopted, and certain proposals, if adopted, could harm our business through a decrease in user registrations and revenue. These decreases could be caused by, among other possible provisions, the required use of disclaimers or other requirements before users can utilize our services.

There are a growing number of legislative proposals before Congress and various state legislatures regarding privacy issues related to the Internet generally, and some of these proposals apply specifically to paid search businesses and ownership rights of Internet domain properties. We are unable to determine if and when such legislation may be adopted. If certain proposals were to be adopted, our business could be harmed by increased expenses or lost revenue opportunities, and in other unforeseen ways.

We anticipate that new laws and regulations affecting us will be implemented in the future. Those new laws, in addition to new applications of existing laws, could expose us to substantial liabilities and compliance costs. In addition, because our services are available over the Internet in multiple states, certain states may claim that we are required to qualify to do business in such state.

As part of our initiative to make *www.banks.com* a preferred destination for personal finance and consumer banking information and services, we have focused our efforts on enhancing the content and usability of the site. Our subsidiary MyStockFund Securities, Inc. is a broker-dealer registered with the SEC and in all 50 states, the District of Columbia, and Puerto Rico, and a member of a self-regulatory organization, the Financial Industry Regulatory Authority ("FINRA"). Broker-dealers are subject to federal and state laws and regulations covering all aspects of the securities business, including sales and trading practices, securities offerings, publication of research reports, use of customers' funds and securities, minimum net capital requirements, record-keeping and retention, anti-money laundering, privacy laws, and the conduct of their directors, officers, employees and other associated persons. Violations of the federal and state laws and regulations governing a broker-dealers actions could result in civil and criminal liability and administrative liability in the form of censures, fines, the issuance of cease-and-desist orders, revocation of licenses or registrations, the suspension or expulsion from the securities industry of such broker-dealer or its officers or employees, or other similar consequences by both federal and state securities administrators.

The government of the People's Republic of China has at times taken measures to restrict digital platforms, publishers or specific content themes from consumption by its citizens. We invest significant efforts into ensuring that our published content in China is consistent with our most current understanding of prevailing Chinese laws, regulations, and policies; and to date our published content in China has been met with successful distribution and no action or inquiry from the Chinese government. However, our business could be harmed by unforeseen regulatory restrictions or policy changes in China regarding digital content.

Employees

As of December 31, 2013, we had 24 employees.

Our Relationship with Discovery Communications, Inc.

On December 17, 2007, following HowStuffWorks' contribution of digital publishing rights to the Company, HowStuffWorks merged with Discovery Communications, Inc. (the "Discovery Merger"), and became a wholly owned subsidiary of Discovery. The merger agreement between Discovery and HowStuffWorks provided that payment to the former HowStuffWorks shareholders for a significant portion of its ownership of our common stock would not be paid at the October 2007 closing of the transaction, but instead would be available to be paid in three semi-annual installments. The installments were planned to begin in October 2008 and occurred in December 2012.

Available Information

Remark Media's website address is www.remarkmedia.com. Information on our website is not incorporated by reference into the Form 10-K and should not be considered a part of this report. We make available free of charge through our website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports in addition to other SEC reports as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC.

ITEM 1A. RISK FACTORS

This report contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed in this report. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this report and in any documents incorporated in this report by reference.

RISKS RELATING TO OUR SERVICES & BRANDS

We continue to evolve our business strategy and develop new brands and services, and prospects are difficult to evaluate.

We are in varying development stages of our business, so our prospects must be considered in light of the many risks, uncertainties, expenses, delays, and difficulties frequently encountered by companies in their early stages of development. Additionally, we have limited operating history of our owned websites in the United States market. Some of the risks and difficulties we expect to encounter include our ability to:

- manage and implement new business strategies;
- successfully commercialize and monetize our assets;
- successfully attract advertisers for our owned and operated websites;
- continue to raise additional working capital;
- manage our expense structure as a U.S. public company including, without limitation, compliance with the Sarbanes Oxley and Dodd Frank Acts;
- manage operating expenses;
- establish and take advantage of strategic relationships;
- manage and adapt to rapidly changing and expanding operations;
- respond effectively to competitive developments; and
- attract, retain and motivate qualified personnel..

Because of our lack of operating history in the United States and the early stage of development of our business, we cannot be certain that our business strategy will be successful or that it will successfully address these risks. Any failure by us to successfully implement our new business plans could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If we do not effectively manage our growth, our operating performance will suffer and our financial condition could be adversely affected.

Substantial future growth will be required in order for us to realize our business objectives. To the extent we are capable of achieving this growth, it will place significant demands on our managerial, operational and financial resources. Additionally, this growth will require us to make significant expenditures, establish, train and manage a larger work force, and allocate valuable management resources. We must manage any such growth through appropriate systems and controls in each of these areas. If we do not manage the growth of our business effectively, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

The expansion of our Brands segments into new category verticals subjects us to additional business, legal, financial and competitive risks.

A key component of our business strategy is to grow our network of owned and operated websites to cover a variety of category verticals to address consumer interests and needs. In doing so we will encounter a number of risks, including increased capital requirements, growth in our workforce, new competitors and development of new strategic relationships. We cannot ensure that our strategy will result in increased revenue or operating profit. Furthermore, growth into new areas may require changes to our cost structure, modifications to our infrastructure and exposure to new regulatory and legal risks.

Our quarterly results of operations might fluctuate due to seasonality, which could adversely affect our growth rate and in turn the market price of our securities.

Our quarterly results have fluctuated in the past and will likely fluctuate in the future due to seasonal fluctuations in the level of Internet usage and interest in various topics of our Brands. Prolonged or severe decreases in usage during certain seasonal periods may adversely affect our growth rate and in turn the market price of our securities. In addition, we expect the revenues associated with our websites at *www.irs.com, www.taxextension.com,* and *www.filelater.com* to be largely seasonal in nature, with peak revenues occurring during January through April, corresponding to the U.S. tax season.

If we are unable to attract and retain visitors to our web business in a cost-effective manner, our business, financial condition and results of operations will be adversely affected.

Our primary strategy for attracting and retaining users to our websites is to provide content and community-focused digital experiences. The success of these efforts depends, in part, upon our ability to create and distribute high-quality content as well as to innovate and evolve our content and social media technology platforms at scale in a cost-effective manner. Failure to do so could adversely affect user experiences and reduce traffic to our owned and operated websites, which would adversely affect our business, financial condition, results of operations and cash flows. Additionally, our strategy could be flawed and might not result in the ability to attract and retain users in a cost-effective manner. A second strategy we utilize to attract traffic is the search engine optimization, ("SEO"), of our websites and the content published on them. SEO involves architecting websites with the objective of ranking well in unpaid search engine results. Our ability to successfully manage SEO efforts across our owned and operated websites is dependent on our timely and effective modification of SEO practices implemented in response to periodic changes in search engine algorithms and methodologies and changes in search query trends and our ability to offer websites and content responsive to ever-changing consumer interests and trends. Our failure to successfully manage our SEO strategy could result in a substantial decrease in traffic to our owned and operated websites, or an inability to attract traffic to new websites that we launch which would adversely affect our business, financial condition, results of operations and cash flows.

Even if we succeed in attracting traffic to our owned and operated websites, we may not be successful in monetizing the traffic. Additionally, the costs of attracting and retaining users to our websites may exceed our ability to generate revenues from such activities, which would have an adverse effect on our business, financial condition, results of operations and cash flows.

As a creator and a distributor of digital content, we face potential liability for legal claims based on the nature and content of the materials that we create or distribute, or that are accessible via our owned and operated websites.

As a creator and distributor of original content and third-party provided content, we face potential liability for legal claims, including defamation, negligence, unlawful practice of a licensed profession, copyright or trademark infringement or other legal theories based on the nature, creation or distribution of this information, and under various laws, including the Lanham Act, the Digital Millennium Copyright Act and the Copyright Act. We may also be exposed to similar liability in connection with content that is posted to our owned and operated websites by users and other third parties through comments, profile pages, discussion forums and other social media features. In addition, it is also possible that visitors to our owned and operated websites could make claims against us for losses incurred in reliance upon information provided on our owned and operated websites. Any of these claims could result in significant costs to investigate and defend, regardless of the merit of the claims. If we are not successful in our defense, we may be forced to pay substantial damages. While we run our content through a rigorous quality control process, there is no guarantee that we will avoid future liability and potential expenses for legal claims, which could affect our business, financial condition, results of operations and cash flows.

We may be subject to liability for information displayed by advertisers on our websites, which may affect our business.

Laws relating to the liability of providers of online services for activities of their advertisers and for the content of their advertisers' listings are currently unsettled. It is unclear whether we could be subjected to claims for defamation, negligence, copyright or trademark infringement or claims based on other theories relating to the information we publish on our websites. These kinds of claims have been brought, sometimes successfully, against online services as well as other print publications in the past. We may not successfully avoid liability for unlawful activities carried out by advertisers displayed on our websites. If we are subjected to such lawsuits, it may adversely affect our business.

In addition, much of the information on websites in our personal finance vertical that is provided by advertisers and collected from third parties relates to the rates, costs and features for various loan, depositary, personal credit and investment products offered by financial institutions, mortgage companies, investment companies, insurance companies and others participating in the consumer financial marketplace. We are exposed to the risk that some advertisers may provide us, or directly post on our websites, (i) inaccurate information about their product rates, costs and features, or (ii) rates, costs and features that are not available to all consumers. This could cause consumers to lose confidence in the information provided by advertisers on our websites, and cause certain advertisers to become dissatisfied with our websites, and result in lawsuits being filed against us.

New regulations governing the Internet and e-commerce may negatively affect our business.

Any new legislation or regulation, or the application of existing laws and regulations to the Internet or other online services, could have a material adverse effect on our business, prospects, and financial conditions and results of operations.

The Federal Trade Commission has recently reviewed the way in which search engines disclose paid search practices to Internet users. In 2002, the FTC issued guidance recommending that all search engine companies ensure that all paid search results are clearly distinguished from non-paid results, that the use of paid search is clearly and conspicuously explained and disclosed and that other disclosures are made to avoid misleading users about the possible effects of paid search listings on search results. The adoption of laws or regulations relating to placement of paid search advertisements or user privacy, defamation or taxation may inhibit the growth in use of the Internet, which in turn, could decrease the demand for our services and increase our cost of doing business or otherwise have a material adverse effect on our business, prospects, financial condition and results of operations.

The application of new and existing laws and regulations to the Internet or other online services has had a material adverse effect on our business, prospects, financial condition and results of operations in the past. For example, on April 17, 2007, the U.S. House of Representatives passed H.R. 1677, *The Taxpayer Protection Act of 2007*("H.R. 1677"). Section 8 of H.R. 1677 would have amended Section 333, Title 31 of the U.S. Code to include Internet domain addresses in the prohibition on certain use of the U.S. Department of the Treasury names and symbols. Although the legislation was never passed by the Senate or signed into law and the bill ceased with the ending of the 110th Congress in January 2009, there is no guarantee that similar legislation won't be introduced and passed into law by the current or future Congress. While the ultimate impact of any such proposed legislation is not presently determinable, if enacted, such legislation may adversely impact our overall operations. We own the Internet domain address *US Tax Center at www.irs.com,* which is an acronym commonly associated with the Internal Revenue Service, a division of the U.S. Department of the Treasury. While the bill was never passed into law, if enacted, the passage of such legislation could have severely adversely affected our use of our Internet domain address *US Tax Center at www.irs.com* as well as our overall operations. In the event a bill such as H.R. 1677 were to become law, we intend to be continue to be diligent in our communications with the Internal Revenue Service and Congress in an effort to mitigate any potential negative effects of such legislation.

We are subject to the extensive regulations that govern a broker-dealer.

MyStockFund Securities, Inc., one of our websites (MyStockFund.com), is a broker-dealer registered with the SEC and in all 50 states, the District of Columbia, and Puerto Rico, and a member of a self-regulatory organization, the Financial Industry Regulatory Authority ("FINRA"). Broker-dealers are subject to federal and state laws and regulations covering all aspects of the securities business, including sales and trading practices, securities offerings, publication of research reports, use of customers' funds and securities, minimum net capital requirements, record-keeping and retention, anti-money laundering, privacy laws, and the conduct of their directors, officers, employees and other associated persons. Violations of the federal and state laws and regulations governing a broker-dealers actions could result in civil and criminal liability and administrative liability in the form of censures, fines, the issuance of cease-and-desist orders, revocation of licenses or registrations, the suspension or expulsion from the securities industry of such broker-dealer or its officers or employees, or other similar consequences by both federal and state securities administrators.

We face intense competition from larger, more established companies, and we may not be able to compete effectively, which could reduce demand for our services.

We compete for Internet advertising revenues with the personal finance sections of general interest sites such as Bankrate.com, Yahoo!Finance.com, and Smartmoney.com, and we will compete for Internet advertising revenues with numerous websites focusing on the young adult demographic.

Nearly all our competitors have longer operating histories, larger customer bases, greater brand recognition and significantly greater financial, marketing and other resources than we do. Our competitors may secure more favorable revenue arrangements with advertisers, devote greater resources to marketing and promotional campaigns, adopt more aggressive growth strategies and devote substantially more resources to website and systems development than we do. In addition, the Internet media and advertising industries continue to experience consolidation, including the acquisitions of companies offering finance related content and services and paid search services. Industry consolidation has resulted in larger, more established and well-financed competitors with a greater focus. If these industry trends continue, or if we are unable to compete in the Internet media and paid search markets, our financial results may suffer.

Additionally, larger companies may implement policies and/or technologies into their search engines or software that make it less likely that consumers can reach our websites and less likely that consumers will click-through on sponsored listings from our advertisers. The implementation of such technologies could result in a decrease in our revenues. If we are unable to successfully compete against current and future competitors, our operating results will be adversely affected.

Historically, a few of our advertising networks and direct advertisers have provided a substantial portion of our revenue; the loss of one of these partners may have a material adverse effect on our operating results.

We cannot assure you that, should agreements with our advertising networks, strategic sales and marketing partners, and /or direct advertisers fail to be renewed or should the contracts be terminated or modified in advance of their expiration, we will be able to timely replace the sponsored listings they provide us. We have had similar agreements in the past that have failed to be renewed or been modified prior to their termination where our financial results were harmed.

We may not succeed in marketing and monetizing our assets to potential customers or developing strategic partnerships for the distribution of our products and services.

Our plans to market and monetize our assets in the United States are still relatively new, and we have limited experience in owning and operating websites in the United States. We may not be successful in establishing a customer base of our owned and operated websites. If we are not successful in developing, releasing and/or marketing these owned and operated websites and services on a profitable basis, our results of operations would be materially and adversely affected.

RISKS RELATING TO OUR COMPANY

We may not have sufficient liquidity to support our operations.

As of December 31, 2013, the Company's total cash and cash equivalents balance was approximately $1.3 million. The Company has incurred net losses and generated substantial negative cash flow from operations in the twelve months ended December 31, 2013 and in each fiscal year since its inception and has an accumulated deficit of $111.7 million as of December 31, 2013.

The Company intends to fund its future operations through revenue growth in its Brands segment, particularly its personal finance and 18-to-34 year old lifestyle properties. However, absent any acquisitions of new businesses, the addition of new customers, or the material increase in revenue from its existing customers, current revenue growth may not be sufficient to sustain the Company's operations in the long term. As such, the Company may need to obtain additional equity financing and/or divest of certain assets or businesses, neither of which can be assured on commercially reasonable terms, if at all. In addition, any equity financing that might be obtained could substantially dilute existing stockholders. There is no certainty that the Company will be successful at raising capital, nor is there certainty around the amount of funds that may be raised. For further details regarding liquidity, refer to our "Liquidity and Capital Resources" section of the "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this Form 10-K.

In addition, the success of the Company will be subject to performance of the markets and investor sentiment regarding the macro and micro economic conditions under which we operate including stock market volatility. There can be no assurance that the Company will be successful at generating more revenues or selling any of its assets. Any failure by the Company to successfully implement these plans would have a material adverse effect on the Company's business, including the possible inability to continue operations.

Based on the Company's current financial projections, the new Term Loan Agreements, conversion of the old Term Loan Agreements, and the reduction in expenses, all discussed above, the Company believes it has sufficient existing cash resources to fund operations through December 2014. However, projecting operating results is inherently uncertain. Accordingly, the Company's cash resources could be fully utilized prior to December 2014.

The market price of our stock is likely to be volatile and various factors could negatively affect the market price or market for our common stock.

The market for and price of our common stock could be affected by the following factors:

- general market and economic conditions;
- our common stock has been thinly traded; and
- minimal third party research is available regarding our company.

Additionally, the terms of the Discovery Merger provided that payment to HowStuffWorks stockholders for a significant portion of HowStuffWorks' ownership of our common stock would not be paid at the October 2007 closing of the transaction and instead are payable to HowStuffWorks' former stockholders in three semi-annual installments. Discovery has distributed all such shares of Remark Media to the HowStuffWorks' former stockholders. Accordingly, the amount of shares of our common stock Discovery owns has decreased. All of our rights to publish HowStuffWorks content will remain effective regardless of the number of shares Discovery owns in the future. As a result of such distributions, relative to the daily market trading volumes for our common stock, such stockholders may sell a significant number of shares. These factors could also affect our common stock, and depress the market price for our common stock or limit the market for resale of our common stock. The market price of our common stock has been volatile, particularly in the recent stock market turmoil, and is also based on other factors outside of our control.

The anticipated benefits of the acquisitions may not be realized fully or at all or may take longer to realize than expected.

The acquisitions of Banks.com and Pop Factory involved the integration of companies that have previously operated independently with principal offices in different distinct locations. Significant management attention and resources have been and will be required to integrate the companies. Delays in this process could adversely affect the combined company's business, financial results, financial condition, and stock price following the merger. Even if the combined company were able to integrate the business operations successfully, there can be no assurance that this integration will result in the realization of the full benefits of synergies, innovation and operational efficiencies that may be possible from this integration and that these benefits will be achieved within a reasonable period of time.

We have a history of operating losses and if we do not reach profitability, we may not be able to fund and operate our businesses.

Although Remark Media was founded in 2006, our business strategy is still evolving, and we have a limited operating history. We are in varying development stages of our businesses, including online publishing and international and domestic digital markets, with a limited operating history upon which investors and others can evaluate our current business and prospects. We have had operating losses in each year of our operations. If we are not able to reach profitability, we may not be able to fund our operations in the future.

During 2013, we significantly increased our revenues compared to 2012 from $0.5 million to $2.0 million. The increase was principally due to the acquisitions of Pop Factory and Banks.com. The Company has also implemented multiple cost saving measures in 2013. However, we cannot be certain that our business strategy will be successful or that it will successfully address these risks. Any failure by us to successfully implement our new business plans would have a material adverse effect on our business, financial condition, results of operations and cash flows.

Acquisitions, business combinations and other transactions present integration risk and may have negative consequences for our business and our stockholders.

We plan to continuously monitor certain strategic acquisition opportunities. The process of integrating acquired businesses into our existing operations may result in unforeseen difficulties and liabilities and may require a disproportionate amount of resources and management attention. Difficulties that we encounter in integrating the operations of acquired businesses could have a material adverse effect on our business, financial condition, results of operations and cash flows. Moreover, we may not realize any of the anticipated benefits of an acquisition and integration costs may exceed anticipated amounts.

Our investment in Sharecare's equity securities involves a substantial degree of risk.

Sharecare is a recently formed company with limited history of operations. Its prospects must be considered in light of the many risks, uncertainties, expenses, delays and difficulties encountered by companies in their early stages of development. Moreover, Sharecare operates in the highly competitive Internet industry and might not achieve profitability or consumer acceptance in the near term, if ever. Our investment in Sharecare's equity securities is illiquid and might fail to appreciate and might decline in value or become worthless. It is unlikely our Sharecare equity securities will pay current dividends, and our ability to realize a return on our investment, as well as to recover our investment, will be dependent on the success of Sharecare.

Even if Sharecare is successful, our ability to realize the value of our investment might be limited. Because it is a private company, there is no public market for Sharecare's securities, and the Sharecare securities are subject to restrictions on resale that might prevent us from selling these securities during periods in which it would be advantageous to do so. As a result, we might have to wait for a liquidity event, such as a public offering or the sale of Sharecare, to realize the value of our investment, if any. A liquidity event is not expected in the near term.

We accounted for our investment in Sharecare under the equity method of accounting through November 2012, under which we record our proportionate share of Sharecare's net income or loss. As of December 2012, we moved to the cost method. It is likely that Sharecare will need to raise additional capital, or make additional acquisitions, and our equity position in Sharecare may be diluted if Sharecare issues additional equity, options, or warrants. If Sharecare makes a capital call of its existing equity holders, our position may be diluted if we choose not to contribute additional capital. Our interest ownership in the common stock of Sharecare was 8.19% at December 31, 2013.

If we do not scale and adapt our business to technological needs of increased traffic and technological changes, it could cause inefficiencies or disruptions on our websites and loss of users, contributors, and advertisers.

As our business grows, our technological and network infrastructure must keep in-line with our traffic and advertiser needs. Future demand is difficult to forecast and we may not be able to adequately handle large increases unless we spend substantial amounts to augment our ability to handle increased traffic. Additionally, the implementation of increased network capacity contains some execution risks and may lead to ineffectiveness or inefficiency. This could lead to a diminished experience for our consumers and advertisers and damage our reputation and relationship with them, leading to lower marketability and negative effects on our operating results. Moreover, the pace of innovative change in network technology is fast and if we do not keep up, we may lag behind competitors. The costs of upgrading and improving technology could be substantial and negatively affect our business, financial condition, results of operations and cash flows.

We are vulnerable to failures of third party network and technology providers who may fail to provide adequate services in the future. This could cause technical problems or failure of our websites or traffic, which could inhibit our revenues or damage our reputation and relationships with users, advertisers, and content providers.

We rely on many third party businesses for technological, network, and expert services. Our ability to operate successfully depends on the successful operation of these third party businesses, which carry their own risks. If one of our third party vendors fails to deliver expected services, our websites and business could suffer operating problems or temporary failures. If there is a problem or failure with our websites, it could hurt our ability to advertise and damage our reputation with consumers and advertisers.

We utilize third party services to host our websites. If one of these third parties experiences a failure, it could cause the failure of our websites, which may cause material adverse effects to our business. Additionally, a termination of our hosting agreements or failure to renew on favorable terms could affect our business. Shifting hosting services could require management focus and time and potentially disrupt operations of our websites.

In addition, as operators of content websites reliant on user traffic to sell advertising, our users must have adequate and functioning Internet access. Technical problems with Internet access providers such as cable, DSL satellite or mobile companies may inhibit user access to our websites and slow traffic. Such events as power outages caused by blackouts, brown outs, storm outages or other power issues could also cause loss of user access to our websites.

Our network operations may be vulnerable to hacking, viruses and other disruptions, which may make our products and services less attractive and reliable.

User traffic to our owned and operated websites could decline if any well-publicized compromise of our security occurs. "Hacking" involves efforts to gain unauthorized access to information or systems or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment. Hackers, if successful, could misappropriate proprietary information or cause disruptions in our service. We may be required to expend capital and other resources to protect our owned and operated websites against hackers. If our security measures are breached as a result of third party action, employee error or otherwise, we could incur liability and our reputation would be damaged, which could lead to the loss of current and potential customers. If we experience any breaches of our network security or sabotage, we might be required to expend significant capital and other resources to remedy, protect against or alleviate these and related problems, and we may not be able to remedy these problems in a timely manner, or at all. Because techniques used by outsiders to obtain unauthorized network access or to sabotage systems change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We cannot ensure that any measures we may take will be effective. In addition, the inadvertent transmission of computer viruses could expose us to a material risk of loss or litigation and possible liability, as well as materially damage our reputation and decrease our user traffic.

Unauthorized use of our intellectual property by third parties, and the expenses incurred in protecting our intellectual property rights, may adversely affect our business.

We regard our copyrights, service marks, trademarks, trade secrets and other intellectual property as critical to our success. Unauthorized use of our intellectual property by third parties may adversely affect our business and reputation. We rely on trademark and copyright law, trade secret protection and confidentiality agreements with our employees, customers, business partners and others to protect our intellectual property rights. Despite our precautions, it is possible for third parties to obtain and use our intellectual property without authorization. Furthermore, the validity, enforceability and scope of protection of intellectual property in Internet related industries are uncertain and still evolving. In particular, the laws of the PRC and Brazil are uncertain or do not protect intellectual property rights to the same extent as do the laws of the United States. Moreover, litigation may be necessary in the future to enforce our intellectual property rights, to protect our trade secrets or to determine the validity and scope of the proprietary rights of others. Future litigation could result in substantial costs and diversion of resources.

We may be subject to intellectual property infringement claims, which may force us to incur substantial legal expenses and, if determined adversely against us, materially disrupt our business.

We cannot be certain that our brands and services will not infringe valid patents, copyrights or other intellectual property rights held by third parties. We may in the future be subject to legal proceedings and claims from time to time relating to the intellectual property of others in the ordinary course of our business. In particular, if we are found to have violated the intellectual property rights of others, we may be enjoined from using such intellectual property, and may incur licensing fees or be forced to develop alternatives. We may incur substantial expenses in defending against these third party infringement claims, regardless of their merit. Successful infringement claims against us may result in substantial monetary liability or may materially disrupt the conduct of our business.

If we are not able to attract and retain key management, we may not successfully integrate the acquired assets into our historical business or achieve our other business objectives.

We will depend upon the contributions of our senior management, including our Chief Executive Officer and Chief Financial Officer, for our future business success. The loss of the service of any of the key members of our senior management may significantly delay or prevent the integration of the contributed assets and other business objectives.

We could incur asset impairment charges for intangible assets or other long-lived assets.

We have intangible assets and other long-lived assets, therefore future lower than anticipated financial performance or changes in estimates and assumptions, which in many cases require significant judgment, could result in impairment charges. We test intangible assets that are determined to have an indefinite life for impairment during the fourth quarter of each fiscal year, and assess whether factors or indicators, such as unfavorable variances from established business plans, significant changes in forecasted results or volatility inherent to external markets and industries, become apparent that would require an interim test. Adverse changes in the operating environment and related key assumptions used to determine the fair value of our indefinite lived intangible assets or declines in the value of our common stock may result in future impairment charges for a portion or all of these assets. In December 2012, we recorded an impairment charge of $0.4 million resulting from abandoning certain projects in our Content and Platform Services business. In September 2011, we recorded an impairment charge of $0.4 million resulting from our analysis of a triggering event tied to the strategic reductions in investment in our China operations to better align expenses to the revenues being generated at that time. If any of the assumptions used in the analysis change in the future, an impairment charge for a portion or all of the assets may be required. In addition, in December 2010, we recorded an impairment charge of $0.5 million, primarily because of changes in our assumptions as to the time and cost required to obtain licenses to operate in China similar to the ones we currently hold. An additional impairment charge could have a material adverse effect on our business, financial position and results of operations, but would not be expected to have an impact on our cash flows or liquidity. As of December 31, 2013, we evaluated our portfolio of intangible assets and other long-lived assets for impairment and determined that no impairment was deemed necessary.

Our Information Technology Infrastructure is cloud-based.

In December 2013, we converted from hardware storage in data room to a cloud-based infrastructure. Like many companies using the cloud, we continually strive to meet industry information security standards relevant to our business. We continuously perform vulnerability assessments, review log/access, perform system maintenance, and manage network perimeter protection. A breach of external perimeter may lead to the loss of confidential information.

RISKS RELATING TO OUR COMMON STOCK

Our stock price has fluctuated considerably and is likely to remain volatile, in part due to the limited market for our common stock

Our common stock is currently listed on the NASDAQ Capital Market. From January 1, 2013, through March 30, 2014, the high and low sales prices for our common stock were $6.10 and $1.12, respectively. There is a limited public market for our common stock, and we cannot provide assurances that a more active trading market will develop. As a result of low trading volume in our common stock, the purchase or sale of a relatively small number of shares could result in significant share price fluctuations.

The concentration of our stock ownership may limit individual stockholder ability to influence corporate matters.

HowStuffWorks, a subsidiary of Discovery, beneficially owns a 6.53% of our outstanding common stock and is a party of a stockholders' agreement. Our Chairman and Chief Executive Officer, Kai-Shing Tao may be deemed to beneficially own 3,890,402 shares or 34% of our common stock including 3,556,372 beneficially owned by Digipac, LLC, of which he is the manager and a member. The interests of these stockholders may not always coincide with the interests of other stockholders, and they may act in a manner that advances their best interests and not necessarily those of other stockholders, and might affect the prevailing market price for our securities.

If these stockholders act together, they may be able to exert significant control over our management and affairs requiring stockholder approval, including approval of significant corporate actions. This concentration of ownership may have the effect of delaying or preventing change in control and might adversely affect the market price of our common stock. This concentration of ownership may not be in the best interests of all of our stockholders.

Provisions in our corporate charter documents and under Delaware law could make an acquisition of the Company more difficult, which acquisition may be beneficial to stockholders.

Provisions in our certificate of incorporation and by-laws, as well as provisions of the General Corporation Law of the State of Delaware ("DGCL"), may discourage, delay or prevent a merger, acquisition or other change in control of the Company, even if such a change in control would be beneficial to our stockholders. These provisions include the following:

only our Board of Directors may call special meetings of our stockholders;
our stockholders may take action only at a meeting of our stockholders and not by written consent;
we have authorized undesignated preferred stock, the terms of which may be established and shares of which may be issued without stockholder approval.

Additionally, Section 2013 of the DGCL prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. We have not opted out of the restriction under Section 2013, as permitted under DGCL.

The concentration of our stock ownership, as well as our Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws, stockholders agreement and Delaware law contain provisions that may make our acquisition more difficult without the approval of our board of directors, which could discourage, delay or prevent a transaction involving our change of control.

As of December 31, 2013, Kai-Shing Tao, the Company's Chairman and Chief Executive Officer, together, with all of his managed and controlled entities, including Digipac, LLC and Pacific Star Management, LP, holds approximately 34% of our outstanding shares of common stock. As a result, it will be difficult for our other stockholders to approve a takeover of us without cooperation of Mr. Tao. In addition, Digipac, LLC issued a $3.5 million convertible promissory note on January 29, 2014 that may convert both the unpaid, accrued interest and principal at a rate of $5.03 into shares of the Company's common stock. As of March 31, 2014, if Digipac elected to convert its outstanding principal and accrued interest into shares of common stock - which also have registration and piggyback rights - the transaction would result in an additional 703 thousand of common stock, representing an additional 4% of equity interest and increasing his ownership position from 34% to 38%.

Furthermore, our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws contain anti-takeover provisions, including but not limited to the following provisions:

- only our Board of Directors may call special meetings of our stockholders;
- our stockholders may take action only at a meeting of our stockholders and not by written consent;
- we have authorized undesignated preferred stock, the terms of which may be established and shares of which may be issued without stockholder approval;
- SEC Rule 14a-8 requires that we receive notice of stockholder proposals at least 120 days prior to the date of our proxy statement for the previous year’s annual meeting or we do not have to include them in our proxy materials; and
- for stockholder proposals not requested to be included in our proxy materials under Rule 14a-8, we require advance notice of not less than 60 nor more than 90 days prior to a meeting for the proposal to be introduced and considered.

In addition, the stockholders agreement gives HowStuffWorks the right to designate nominees to our Board of Directors.

These anti-takeover defenses could discourage, delay or prevent a transaction involving a change of control of us. These provisions could also discourage proxy contests and make it more difficult for individual investors and other stockholders to cause us to take other corporate actions individual investors and other stockholders desire.

Section 203 of the Delaware General Corporation Law may also delay, defer or prevent a change in control that our stockholders might consider to be in their best interest. We are subject to Section 203 of the Delaware General Corporation Law which, subject to certain exceptions, prohibits “business combinations” between a publicly-held Delaware corporation and an “interested stockholder,” which is generally defined as a stockholder who becomes a beneficial owner of 15% or more of a Delaware corporation’s voting stock for a three-year period following the date that such stockholder became an interested stockholder. Section 203 could have the effect of delaying, deferring or preventing a change in control of us that our stockholders consider to be in their best interest.

A significant number of additional shares of our common stock may be issued upon the exercise or conversion of existing securities, which issuances would substantially dilute existing stockholders and may depress the market price of our common stock

As of December 31, 2013, we had convertible notes and accrued interest convertible into 2,521,929 shares of common stock, and options and warrants to purchase approximately 284,329 shares of common stock outstanding. The issuance of these shares of common stock would substantially dilute the proportionate ownership and voting power of existing stockholders, and their issuance, or the possibility of their issuance, may depress the market price of our common stock.

If we fail to meet all listing requirements, we might not be able to remain listed on The NASDAQ Stock Market.

On May 21, 2013, The NASDAQ Stock Market (“NASDAQ”) notified the Company that it did not comply with Listing Rule 5550(b) (the “Rule”), which requires a minimum $2,500,000 stockholders’ equity, $35,000,000 market value of listed securities, or $500,000 net income from continuing operations. As a result of the conversion of certain convertible notes into equity; on November 12, 2013, the Company believes it has regained compliance with the stockholders’ equity requirement for continued listing set forth in Listing Rule 5550(b). There can be no assurance that we will be able to continue to satisfy the requirements to maintain a continued listing on The NADAQ Capital Market.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our corporate headquarters are located at 3930 Howard Hughes Parkway, Suite 400, Las Vegas, Nevada 89169, which consists of approximately 10,915 square feet of leased space. Remaining obligations under the lease are approximately $0.5 million, and the lease terminates in 2016. We also leased approximately 11,818 square feet of leased space in Concourse Six office space, Suite 1500, Atlanta, Georgia, 30328, which we have subleased for the remainder of the term of June 30, 2016.

ITEM 3. LEGAL PROCEEDINGS

We are not subject to any material pending legal proceeding, nor are we aware of any material threatened claims against us.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANTS COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock has been traded on the NASDAQ Capital Market under the symbol “MARK” since January 3, 2012, following the change of our corporate name to Remark Media, Inc. Previously, our common stock traded under the symbol “HSWI” on the NASDAQ Global Market from October 2, 2007, until May 30, 2011, and on the NASDAQ Capital Market from May 31, 2011 until January 3, 2012. The following table sets forth the high and low sales prices of our common stock, as reported on the NASDAQ Capital Market.

	High	Low
Year ended December 31, 2013		
First Quarter	$ 2.05	$ 1.12
Second Quarter	3.78	1.55
Third Quarter	4.57	2.24
Fourth Quarter	6.10	3.45
Year ended December 31, 2012		
First Quarter	$ 6.15	$ 6.02
Second Quarter	3.58	3.40
Third Quarter	1.95	1.66
Fourth Quarter	1.74	1.53

Holders of Record

As of March 31, 2014, the last sale price of our common stock on the NASDAQ Capital Market was $5.51 per share. As of March 31, 2014, there were approximately 138 stockholders of record.

Dividend Policy

We have neither paid nor declared dividends on our common stock since our inception and do not plan to pay dividends in the foreseeable future. Any earnings that we may realize will be retained to finance our growth.

Equity Compensation Plans

The information required by Item 5 of Form 10-K regarding equity compensation plans is incorporated herein by reference to “Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.”

ITEM 6. SELECTED FINANCIAL DATA

Not applicable.

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management’s Discussion and Analysis of our Financial Condition and Results of Operations should be read in conjunction with the consolidated financial statements and notes thereto included as part of this Form 10-K. Our disclosure and analysis in this report concerning our operations, cash flows and financial position, including, in particular, the likelihood of our success in expanding our business, the likelihood of our success in achieving the desired benefits from the Banks.com and Pop Factory acquisitions and our assumptions regarding the regulatory environment and international markets, include forward-looking statements. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “estimate,” “may” and similar expressions are forward-looking statements. Although these statements are based upon reasonable assumptions, they are subject to risks and uncertainties. These forward-looking statements represent our estimates and assumptions only as of the date of this filing and are not intended to give any assurance as to future results. As a result, undue reliance should not be placed on any forward-looking statements. We assume no obligation to update any forward-looking statements to reflect actual results, changes in assumptions or changes in other factors, except as required by applicable securities laws.

Business Overview and Recent Developments

Remark Media, Inc. (“Remark Media” or the “Company”) is a global digital media company focused on developing, owning and operating next-generation digital platforms that combine traditional web publishing, social media and e-commerce with the goal of revolutionizing the way people search and exchange information over the Internet.

The Company’s current leading brands, BoWenWang (bowenwang.com.cn) and ComoTudoFunciona (hsw.com.br), provide readers in China and Brazil with thousands of articles about how the world around them works, serving as destinations for credible, easy-to-understand reference information. Remark Media is the exclusive digital publisher in China and Brazil for translated content from HowStuffWorks.com, a subsidiary of Discovery Communications, and in China for certain content from World Book, Inc., publisher of World Book Encyclopedia. Revenue in these international subsidiaries has not yielded any significant revenues in 2012 or to date in 2013.

On February 26, 2012, the Company entered into an agreement and plan of merger with Banks.com, Inc. (“Banks.com”), pursuant to which Banks.com became a wholly owned subsidiary of Remark Media (the “Banks.com Merger”). Banks.com is a leading financial services portal operating a unique breadth and depth of financial products and services. Upon the closing of the merger on June 28, 2012, Remark Media issued approximately 702,267 shares of Common Stock to the shareholders of Bank.com, plus $300,000 in cash, as consideration for the merger. Also, on the effective date of the merger, the Company paid $131,250 in settlement of a promissory note in the amount of $125,000, which matured on June 28, 2012 and related unpaid interest.

On February 27, 2012, the Company entered into definitive equity financing agreements with accredited and institutional investors to raise funds in the amount of $4.25 million through a private placement. In connection with the transaction, the Company issued to investors common stock priced at $4.50 per share. Investors also received warrants to acquire shares of common stock at an exercise price of $6.81 per share, in the amount of 25% of the number of shares of common stock that the investors purchased. On February 29, 2012, the Company received $4.25 million in cash and issued to the investors a total of 944,777 shares of common stock and warrants to acquire an additional 236,194 shares of common stock.

On November 13, 2012, the Company entered into a Services Agreement with TheStreet Inc. (Nasdaq: TST) (“TheStreet”) in which Remark Media granted TheStreet an exclusive right to sell and serve advertisement and e-commerce on certain of Remark Media’s personal finance websites. TheStreet will also support the websites by providing personal finance content, various promotion and advertisements on TheStreet’s websites, and marketing support. The Company and The Street elected to terminate the agreement effective May 31, 2013.

On November 23, 2012, the Company entered into a $1.8 million Term Loan Agreement, at a 6.67% annual interest rate with a lender controlled by and in part owned by Mr. Kai-Shing Tao, the Company’s Chairman and Chief Executive Officer. Mr. Tao has been a director of the Company since 2007. The Term Loan is secured by substantially all the tangible and intangible assets of the Company, excluding its shares of common stock of Sharecare. The principal and accrued interest under the Term Loan Agreement is convertible into Common Stock of the Company at the rate of $1.30 per share, which represents an approximately 33% premium to the average closing prices of the Company’s common stock for the ten days prior to entrance into the agreement and an approximately 53% premium to the closing price of the Company’s common stock on the day of entrance into the agreement. This Term Loan Agreement was approved by the Audit Committee of the Board, which believes the related party transaction was negotiated as an arms-length transaction. The full balance is due November 2014.

On March 29, 2013, Remark Media acquired Pop Factory, LLC ("Pop Factory"), the owner and operator of Bikini.com, a beach lifestyle digital media brand providing websites, branded merchandise, and mobile content, for total cash consideration of $2,375,000. In connection with the purchase, the two founders, who had remained executives of Pop Factory, entered into one year employment agreements with Pop Factory and noncompetition agreements with the Company.

On April 2, 2013, the Company entered into a $4.0 million Senior Secured Convertible Promissory Note (“Promissory Note”), at a 6.67% annual interest rate for the first year and 8.67% for the second year, with a lender controlled by and in part owned by Mr. Kai-Shing Tao, the Company’s Chairman and Chief Executive Officer. The Promissory Note is secured pursuant to the Term Loan Agreement detailed above, as amended by Amendment Number One (“Amendment”) to that Term Loan Agreement, dated April 2, 2013. The principal and accrued interest under the Promissory Note is convertible into Common Stock of the Company at the rate of $2.00 per share, which represents an approximately 11% premium to the average closing prices of the Company’s common stock for the ten days prior to entrance into the agreement and an approximately 8% premium to the closing price of the Company’s common stock on the day of entrance into the agreement. This Promissory Note and Amendment were approved by the Audit Committee of the Board, which believes the related party transaction was negotiated as an arms-length transaction. The proceeds from this Promissory Note and Amendment was used to acquire Pop Factory and will be used to fund future acquisitions and the ongoing operations of the business, in conjunction with revenue growth in the Brands segment. The full balance is due April 2015.

On November 12, 2013, Digipac, LLC notified the Company that it wished to convert the entire principal amounts of both the November 2012 Note and the April 2013 Note, and all accrued and unpaid interest thereon, into shares of the Company’s common stock, effective as of the same day. This conversion resulted in the issuance of 3,556,672 shares of the Company’s common stock to Digipac, LLC, and the extinguishing of a total of $5.8 million in debt issued by the Company and the approximately $281,236 in accrued and unpaid interest.

On November 13, 2013, the Company entered into a $2.5 million Term Loan Agreement, at 6.67% annual interest rate for the first year and 8.67% for the second year, with a lender controlled by and in part owned by Mr. Kai-Shing Tao, the Company's Chairman and Chief Executive Officer. The Term Loan Agreement is secured pursuant to the Term Loan Agreement detailed above, as amended by Amendment No. 2 to that Term Loan Agreement, dated April 2, 2013. The principal and accrued interest under the Term Loan Agreement is convertible into Common Stock of the Company at the rate of $3.75 per share, which was the closing price of the Company's common stock on the date of entrance into the agreement. The balance is due November 2015.

On January 29, 2014, the Company entered into a $3.5 million Term Loan Agreement ("January 2014 Note"), at 6.67% annual interest for the first year and 8.67% for the second year, with the lender controlled by and in part owned by Mr. Kai-Shing Tao, the Company's Chairman and Chief Executive Officer, and in part owned by Mr. Douglas Osrow, the Company's Chief Financial Officer. The principal and accrued interest under the Term Loan Agreement is convertible into Common Stock of the Company at a rate of $5.03 (the "Conversion Price") - which was the stock price immediately prior to the effective date of the agreement - if all or a portion of is elected by Digipac. The Company may also convert the all or a portion of the principal and accrued interest of the January 2014 Note into Common Stock at the conversion price if the weighted average price of Common Stock is equal to at least the 150% of the conversion price for at least 30 to 40 trading days immediately prior to the date of the Company's election. The January 2014 Note provides that the Company and Digipac will negotiate and enter into a registration rights agreement providing Digipac with demand and piggyback rights with respect to the shares of Common Stock underlying the January 2014 Note.

Our Strategy

This year, we are focusing on creating an 18-to-34 year old, young adult lifestyle digital media vertical, and commenced the development in March 2013 with the acquisition of Pop Factory, the owner and operator of Bikini.com. We have redeveloped the website and added retail e-commerce for swimwear and accessories in November 2013. On January 15, 2014, the Company's wholly owned subsidiary, Banks.com, completed an asset acquisition of domain names www.taxextension.com, www.taxextensions.com, and www.onlinetaxextension.com - which provide web-based tax extension services. Additionally, we intend to continue to acquire other complimentary digital media properties.

During 2012, we focused on the development and growth of our personal finance digital media vertical by acquiring Banks.com, Inc., which brought us the portfolio of personal finance properties including Banks.com, US Tax Center at www.irs.com, FileLater.com, and MyStockFund.com.

Our Operations

Domestic

The Banks.com acquisition was successfully completed on June 28, 2012. Assets obtained through the Banks.com acquisition serve to build a network of personal finance digital media businesses. These include Banks.com, the US Tax Center at www.irs.com, FileLater.com, and MyStockFund.com.

In 2013, we acquired Pop Factory, and relaunched the brand and website as a beach lifestyle destination with a focus on fashion, style, fitness, travel and fun for 18-to-34 year old women. In November 2013, we added retail e-commerce to Bikini.com, allowing end users to purchase swimwear and accessories.

We continue to invest in technology and product development to support these businesses.

Although Remark Media is no longer providing services for Sharecare, the Company maintains equity ownership in the venture. As of December 31, 2013, we own approximately 8.19% of Sharecare’s common stock and had representation on Sharecare’s board of directors. Through November 30, 2012, the Company accounted for its equity interest in Sharecare under the equity method of accounting. Under this method, the Company recorded its proportionate share of Sharecare’s net income or loss based on Sharecare’s financial results. As of December 1, 2012, the Company changed to the cost method of accounting due to a lower percentage of ownership, nonparticipation in the policy-making processes, and limited existence of technology dependency.

International

We believe that the value of our international assets will be recognized over a longer-term horizon, as online advertising markets develop for Brazil and China and the websites' traffic fundamentals improve. In the near term, we are focused on leveraging the traffic that our BoWenWang and ComoTudoFunciona websites receive in China and Brazil, respectively. We believe there are significant opportunities in the gaming, travel, and other consumer verticals that our content platforms provide us broad access to develop.

BoWenWang (http://www.bowenwang.com.cn) is an information and reference website that provides China with encyclopedic knowledge and easy-to-understand explanations of how the world works. The website is published from Beijing in the Chinese language. Launched in June 2008, *BoWenWang* features a combination of original content authored by the Company, translated and localized articles from the leading Discovery Communications brand HowStuffWorks, and content from World Book, Inc. Revenue generated from the operations based in China was minimal during the years ended December 31, 2013 and 2012. We do not expect to see meaningful growth in our China operations in the near term without an increased investment.

ComoTudoFunciona (http://hsw.com.br) is Brazil's online source for credible, unbiased and easy-to-understand explanations of how the world actually works. The Portuguese-language site is the exclusive digital publisher in Brazil of translated and localized content from the leading Discovery Communications brand HowStuffWorks, and is published from Remark Media's São Paulo operations. We recognized minimal revenues from Brazil during the years ended December 31, 2013 and 2012, respectively. We do not expect to see meaningful growth in our Brazil operations in the near term without an increased investment.

Further, we have established media distribution relationships in Asia with a focus on China. We were appointed the official digital distributor in China, Taiwan, Hong Kong, Macao, and South Korea of the live internet broadcast of the Clash in Cotai / Pacquiao vs. Rios boxing event, promoted by Las Vegas Sands and Top Rank, occurring in Macau, China on November 23, 2013. We provided digital and social media, marketing, streaming operations, and establishing brand partners and sponsors for the event. Related to this event, we are the exclusive content partner for China's first streaming video boxing channel, which we operate in conjunction with PPTV, a leading Chinese streaming video platform. We are in the process of developing additional rich media opportunities to deliver original sports and entertainment content to the evolving Chinese media market through our strategic relationships in Asia and, more specifically, in China.

Results of Operations – Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

The following table sets forth our consolidated results of operations for the years ended December 31, 2013 and 2012.

	Twelve Months Ended December 31, 2013	Twelve Months Ended December 31, 2012
Operating revenue		
Brands	$ 2,048,304	$ 500,890
Total revenue	2,048,304	500,890
Operating expenses		
Sales and marketing	388,361	91,467
Content, technology and development	566,883	75,720
General and administrative	6,312,880	6,150,269
Impairment loss	-	412,979
Depreciation and amortization expense	666,395	232,574
Total operating expenses	7,934,519	6,963,009
Operating loss	(5,886,615)	(6,462,119)
Other income (expense)		
Gain on change in fair value of derivative liability	(491,638)	930,132
Interest expense	(364,332)	(64,838)
Other income (expense)	(66)	12,970
Total other income (expense)	(856,036)	878,264
Loss before gain (loss) from equity-method investments	(6,742,651)	(5,583,855)
Change of interest gain of equity-method investments	-	2,494,990
Proportional share in loss of equity-method investment	(222,707)	(2,948,206)
	(222,707)	(453,216)
Net loss before benefit from income taxes	(6,965,358)	(6,037,071)
Income tax (expense) benefit	-	(1,531)
Net loss	$ (6,965,358)	$ (6,038,602)
Net loss per share		
Net loss per share, basic and diluted	$ (0.90)	$ (0.91)
Basic and diluted weighted average shares outstanding	$ 7,732,748	6,605,563
Comprehensive loss		
Net loss	$ (6,965,358)	$ (6,038,602)
Cumulative translation adjustments	(8,713)	(11,511)
Total comprehensive loss	$ (6,974,071)	$ (6,050,113)

Segment Data

We monitor and analyze our financial results on a segment basis for reporting and management purposes, as presented in Note 6 to the accompanying consolidated financial statements. Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and assess performance.

Our Brands segment consists of our websites in Brazil and China and generates revenues from advertisers based in the respective countries. This segment also includes the businesses acquired through the Banks.com acquisition completed on June 28, 2012 and Pop Factory acquisition completed on March 29, 2013. On January 15, 2014, we expanded our personal finance portfolio by acquiring the tax extension domains. The operating results for services performed under the Sharecare and Discovery services agreements are included in the Content and Platform Services segment. However, the Sharecare services agreement was terminated in December 2011. The 2012 activity relates to an impairment of the remaining long-lived assets within that segment.

Revenues

For the twelve months ended December 2013 and 2012, we generated revenue of $2.0 million and $0.5 million, respectively. The increase from the prior year's period relates primarily to the revenues from Banks.com and Pop Factory.

Sales and Marketing

Sales and marketing expenses were $0.4 million and $0.1 million in 2013 and 2012, respectively. The marketing efforts to drive traffic to the sites have increased slightly from year-to-year because of the increase in number of sites through Banks.com and Pop Factory acquisitions.

Content, technology and development

Content, technology and development expenses include the ongoing third-party costs to acquire original content, translate and localize content from English to Portuguese and Chinese, as well as costs of designing and developing our products, including labor, content and third party platform support services. For the year ended December 31, 2013 and 2012, the expense was $0.6 and $0.1 million, respectively. The increase relates to our capital investment in software projects, editorial work outsourced to third parties, and software maintenance related to our websites.

General and Administrative Expenses

Our total general and administrative expenses were approximately $6.3 million and $6.2 million for the years ended December 31, 2013 and 2012, respectively. The increase principally relates to the legal expenses incurred for due diligence services..

Impairment Loss

Impairment loss was $0.4 million for the year ended December 31, 2012 - due to the Company's abandonment of certain projects in the Content and Platform Services business. No impairment loss was recognized for the year ended December 31, 2013.

Depreciation and Amortization

Depreciation and amortization expense was $0.7 million and $0.2 million for the years ended December 31, 2013 and 2012, respectively. The increase is primarily due to amortization of the software capitalized in 2012 and amortization of intangible assets from the Banks.com and Pop Factory acquisitions.

Gain (Loss) on Change in Fair Value of Derivative Liability

The loss on change in fair value of the derivative liability was approximately $0.5 million for the year ended December 31, 2013. The gain on change in fair value of derivative liability was approximately $0.9 million for the year ended December 31, 2012. Since the February 27, 2012 transaction date, the loss on change in fair value of derivative liability increased principally from the higher probability rate of a future financing event being dilutive.

Interest Expense

Interest expense for the year ending December 31, 2013 and 2012 was $0.4 million and $0.1 million, respectively. The increase primarily relates to interest accrued on the November 2012 Note and April 2013 Note - both of which were converted in November 2013.

Loss from Equity-Method Investments and Change of Interest Gain

We accounted for our investment in Sharecare under the equity method of accounting through November 2012. In December 2012, the Company changed to the cost method of accounting. Under the equity method, for the year ended December 31, 2012, we recorded a gain of $2.5 million as a result of the change in interest ownership in Sharecare. Additionally, we recorded a loss of $2.9 million for the year ended December 31, 2012, representing the Company's share in Sharecare's income. In the first quarter of 2013, the Company recorded a $0.2 million change in the estimate of its proportional share in loss of equity-method investment related to the period from January 1, 2012 through November 30, 2012.

Liquidity and Capital Resources

As of December 31, 2013, the Company's total cash and cash equivalents balance was approximately $1.3 million. The Company has incurred net losses and generated substantial negative cash flow from operations in the twelve months ended December 31, 2013 and in each fiscal year since its inception and has an accumulated deficit of $111.7 million as of December 31, 2013. The Company had minimal revenues in 2012 due to the termination of certain agreements in the Content and Platform Services segment at the end of 2011 and its transition to owning and operating its own digital media properties. Since that time, the Company has been focused on building and acquiring wholly owned digital media properties for its Brands segment. The Company's revenues in 2013 were $2.0 million which was a $1.5 million increase from 2012. The increase was due to the acquisition of Pop Factory and the personal finance portfolio.

On November 23, 2012, the Company entered into a $1.8 million Term Loan Agreement, at a 6.67% annual interest rate with a lender controlled by and in part owned by Mr. Kai-Shing Tao, the Company's Chairman and Chief Executive Officer. Mr. Tao has been a director of the Company since 2007. The Term Loan is secured by substantially all the tangible and intangible assets of the Company, excluding its shares of common stock of Sharecare. The principal and accrued interest under the Term Loan Agreement is convertible into Common Stock of the Company at the rate of $1.30 per share, which represents an approximately 33% premium to the average closing prices of the Company's common stock for the ten days prior to entrance into the agreement and an approximately 53% premium to the closing price of the Company's Common Stock on the day of entrance into the agreement. The full balance is due November 2014.

On April 2, 2013, the Company entered into a $4.0 million Promissory Note, at a 6.67% annual interest rate for the first year and 8.67% for the second year, with a lender controlled by and in part owned by Mr. Kai-Shing Tao, the Company's Chairman and Chief Executive Officer. The Promissory Note is secured pursuant to the Term Loan Agreement detailed above, as amended by Amendment Number One to that Term Loan Agreement, dated April 2, 2013. The principal and accrued interest under the Promissory Note is convertible into Common Stock of the Company at the rate of $2.00 per share, which represents an approximately 11% premium to the average closing prices of the Company's common stock for the ten days prior to entrance into the agreement and an approximately 8% premium to the closing price of the Company's common stock on the day of entrance into the agreement. The full balance is due April 2015.

On November 12, 2013, Digipac, LLC notified the Company that it wished to convert the entire principal amounts of both the November 2012 Note and the April 2013 Note, and all accrued and unpaid interest thereon, into shares of the Company's common stock, effective as of the same day. This conversion resulted into the issuance of 3,556,672 shares of the Company's common stock to Digipac, LLC and the extinguishing of the total of $5.8 million in debt issued by the Company and the approximately $281,236 in accrued and unpaid interest.

On November 13, 2013, the Company entered into a $2.5 million Term Loan Agreement, at 6.67% annual interest rate with a lender controlled by and in part owned by Mr. Kai-Shing Tao, the Company's Chairman and Chief Executive Officer. Mr. Tao has been a director of the Company since 2007. The Term Loan Agreement is secured pursuant to the November 2012 Note and April 2013 Note, as amended by Amendment No. 2 to that Term Loan Agreement, dated April 2, 2013. The principal and interest under the Term Loan Agreement is convertible into Common Stock of the Company at a rate of $3.75 per share, which is the closing price of the Company's common stock on the date of entrance into the agreement. The balance is due on November 13, 2015.

On January 29, 2014, Remark Media, Inc. (the "Company") issued a Senior Secured Convertible Term Note in the original principal amount of $3,500,000 (the "January 2014 Note") to Digipac, LLC ("Digipac") in exchange for $3,500,000 in cash. The January 2014 Note bears interest at a rate of 6.67% per annum for the first year and 8.67% per annum thereafter, with interest payable quarterly and all unpaid principal and any accrued but unpaid interest due and payable on the second anniversary of its issuance. The Company may prepay all or a portion of the January 2014 Note at any time upon at least 15 days' prior written notice to Digipac. The Company's issuance of the January 2014 Note was authorized and approved by the Audit Committee of the Company's Board of Directors (the "Board"), as well as by the full Board.

At the time of the issuance of the January 2014 Note, Digipac held 3,556,672 shares of the Company's common stock ("Common Stock") and approximately an additional 675,925 shares of the Common Stock were issuable upon the conversion of the unpaid principal and accrued but unpaid interest under a Senior Secured Convertible Term Note of the Company dated November 13, 2013 in the original principal amount of $2,500,000 held by Digipac. Kai-Shing Tao, the Company's Chairman of the Board and Chief Executive Officer, is the manager and a member of Digipac, and as a result has the power to vote and dispose of the securities held by Digipac. Douglas Osrow, the Company's Chief Financial Officer, also is a member of Digipac.

At any time, Digipac may elect to convert all or any portion of the outstanding principal amount and accrued but unpaid interest under the January 2014 Note into shares of Common Stock at a conversion price of $5.03 per share (the "Conversion Price"). The Company also may elect to convert all or any portion of the outstanding principal amount and accrued but unpaid interest under the January 2014 Note into Common Stock at the Conversion Price if the volume weighted average price of the Common Stock is equal to at least 150% of the Conversion Price for at least 30 of the 40 trading days immediately prior to the date of the Company's election. The January 2014 Note also provides that the Company and Digipac will negotiate and enter into a registration rights agreement providing Digipac with demand and piggyback registration rights with respect to the shares of Common Stock underlying the January 2014 Note.

The foregoing description of the January 2014 Note is not complete and is qualified in its entirety by reference to the full text of the January 2014 Note, which is filed herewith as Exhibit 4.1 and incorporated herein by reference.

On January 29, 2014, in connection with the issuance of the January 2014 Note, the Company and Digipac entered into Amendment Number Three to Security Agreement (the "Third Amendment"). The Third Amendment amends that certain Security Agreement dated as of November 23, 2012 by and between the Company and Digipac (the "Security Agreement") to include the Company's obligations under the January 2014 Note as obligations secured by the Security Agreement. The Security Agreement provides that the Company's obligations are secured by all assets of the Company other than the shares of common stock of Sharecare, Inc. owned by the Company.

Finally the Company has taken steps to reduce operating costs, primarily general and administrative expenses through the closing of the Atlanta and Miami offices and instituting a ceiling on cash compensation.

The Company intends to fund its future operations through revenue growth in its Brands segment, particularly its personal finance and young adult year old lifestyle properties. Additionally, the Company is actively engaged in evaluating future acquisitions to provide revenue growth and the sale of certain non-core assets to provide capital.

Absent any acquisitions of new businesses, the addition of new customers, or the material increase in revenue from its existing customers, current revenue growth may not be sufficient to sustain the Company's operations in the long term. As such, the Company may need to obtain additional equity financing and/or divest of certain assets or businesses, neither of which can be assured on commercially reasonable terms, if at all. In addition, any equity financing that might be obtained would substantially dilute existing stockholders. There is no certainty that the Company will be successful at raising capital, nor is there certainty around the amount of funds that may be raised. In addition, the success of the Company will be subject to performance of the markets and investor sentiment regarding the macro and micro economic conditions under which we operate including stock market volatility. There can be no assurance that the Company will be successful at generating more revenues or selling any of its assets. Any failure by the Company to successfully implement these plans would have a material adverse effect on the Company's business, including the possible inability to continue operations.

Based on the Company's current financial projections, the new Term Loan Agreements, conversion of the old Term Loan Agreements, and the reduction in expenses, all discussed above, the Company believes it has sufficient existing cash resources to fund operations through December 2014.

The table below summarizes the change in our statement of cash flows for the years ended December 31, 2013 and 2012:

	Year Ended December 31, 2013	Year Ended December 31, 2012
Net cash used in operating activities	$ (3,743,737)	$ (4,949,938)
Net cash used in investing activities	(2,778,262)	(824,238)
Net cash provided by financing activities	6,428,192	5,598,006
Net decrease in cash and cash equivalents	$ (93,807)	$ (176,170)

Cash flows used in operating activities

The net cash used in operating activities was $3.7 million for the year ended December 31, 2013 compared to $4.9 million for the year ended December 31, 2012. The decrease is principally due to increase in revenues and continued cost containment initiatives.

Cash used in investing activities

During the year ended December 31, 2013, the net cash used in investing activities was $2.8 million compared to $0.8 million for the year ended December 31, 2012. The increase in cash used in investing activities for 2013 is primarily due to the payment of the cash consideration of $2.4 million related to the Pop Factory acquisition consummated on March 29, 2013.

Cash flows from financing activities

For the year ended December 31, 2013, the net cash provided by financing activities was $6.4 million, which primarily consisted of the net cash proceeds of $6.5 million provided by the convertible note financing in April 2013 and November 2012 - both of which were converted in November 2013. For the year ended December 31, 2012, net cash used in financing activities was $3.9 million which was related to proceeds received from equity financing and $1.8 million in proceeds received from the convertible note financing in November 2012.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. We believe that our critical accounting policies, revenue recognition, stock-based compensation and long-lived assets including goodwill, equity investments, and other intangible assets may involve a higher degree of judgment and complexity.

Revenue Recognition

The Company generally recognizes revenue when persuasive evidence of an arrangement exists; services have been provided; fees are fixed or determinable; and collectability is reasonably assured.

The Company generally recognizes revenue from its network of domestic and international websites. Revenue is recognized as visitors are exposed to or react to advertisements on its websites, or purchase goods or services. Revenue from advertising is generated in the form of sponsored links and display ads. This includes both pay-per-performance ads and paid-for-impression advertising. In the pay-per-performance model, revenue is generally earned based on the number of clicks or other actions taken associated with such ads; in the paid-for-impression model, revenue is derived from the display of ads.

Stock-Based Compensation

Under the 2006 Equity Incentive Plan adopted April 13, 2006, and the 2010 Equity Plan adopted June 15, 2010, as modified on December 30, 2011 (the "Plans"), Remark Media authorized a total of 1,325,000 shares for grant as part of a long-term incentive plan to attract, retain and motivate its eligible executives, employees, officers, directors and consultants. Options to purchase common stock under the Plans have been granted to our officers and employees with an exercise price equal to the fair market value of the underlying shares on the date of grant. Additionally in 2009, 2010, 2011, 2012, and 2013 we granted restricted shares to certain members of our Board of Directors and executives. As of December 31, 2013, no options have been exercised under the Plan. We recognize expense based on the fair value of our stock-based compensation awards.

We have elected to use the Black-Scholes options pricing model to determine the grant date fair value of stock option awards. We measure stock-based compensation based on the fair values of all stock-based awards on the dates of grant, and recognize stock-based compensation expense using the straight-line method over the vesting periods. Stock-based compensation expense was $0.6 million and $0.8 million for the years ended December 31, 2013 and 2012, respectively.

Impairment of Property and Equipment

Property and equipment is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Such events include significant adverse changes in the business climate, the impact of significant customer losses, unanticipated current period operating or cash flow losses, forecasted continuing losses or a current expectation that an asset group will be disposed of before the end of its useful life. Recoverability of property and equipment is measured by a comparison of the carrying amounts to future net undiscounted cash flows the assets are expected to generate. For purposes of recognition and measurement of an impairment loss, property and equipment are grouped with other assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. In December 2012, the Company abandoned certain software development projects associated with its Content and Platform Services business. As a result, the Company recorded a $0.4 million impairment charge in the fourth quarter of 2012. No impairment charge has been recognized on our property and equipment as of December 31, 2013.

Impairment of Investments

Investments are reviewed to determine if events have occurred which would indicate that a decrease in value has occurred which is other than temporary. Evidence of a loss in value might include, but would not necessarily be limited to, absence of an ability to recover the carrying amount of the investment or inability of the investee to sustain an earnings capacity that would justify the carrying amount of the investment. We monitor our assets for potential impairment on an ongoing basis. No impairment charge has been recognized on our investment balances as of December 31, 2013 or 2012.

Goodwill and Indefinite-Lived Intangible Assets Impairment

In December 2013 and 2012, the Company performed a qualitative assessment of the carrying value of goodwill and indefinite-lived intangible assets under the Step Zero process. The Step Zero process determines whether it is more likely than not that the fair value is less than the carrying amount. After consideration of the Company's market capitalization and the fact that the majority of these assets are comprised of the Banks.com acquisition in June 2012 and Pop Factory acquisition in March 2013, and the fair value of the Company's position in Sharecare; the Company determined there were no impairment charges of goodwill or indefinite-lived intangibles in 2013.

Derivative Liability for Warrants to Purchase Common Stock

The Company's derivative liability for warrants represents the fair value of warrants issued in connection with the equity financing related to the Banks.com acquisition on February 27, 2012 ("Equity Financing"). These warrants are presented as liabilities based on certain exercise price reductions provisions. The liability, which is recorded at the fair value on the balance sheet, is calculated using the Monte Carlo simulation valuation method. The change in the fair value of these warrants is recognized as other income or expense in the consolidated statement of operations.

Recent Accounting Pronouncements

We are subject to recent accounting pronouncements, as described in detail in Note 2 to our consolidated financial statements included in Item 8 herein.

Off-Balance Sheet Arrangements

None.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CONSOLIDATED FINANCIAL STATEMENTS

Reports of Independent Registered Public Accounting Firm	29
Consolidated Balance Sheets	30
Consolidated Statements of Operations and Comprehensive Loss	31
Consolidated Statements of Stockholders' Equity	32
Consolidated Statements of Cash Flows	33
Notes to Consolidated Financial Statements	34

For supplemental quarterly financial information, see Note 14, Quarterly Financial Data (unaudited), of the Notes to Consolidated Financial Statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Remark Media, Inc.:

We have audited the accompanying consolidated balance sheets of Remark Media, Inc. and subsidiaries (the Company) as of December 31, 2013 and 2012, and the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Cherry Bekaert LLP

Atlanta, GA

March 31, 2014

REMARK MEDIA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

		December 31, 2013		December 31, 2012
Assets				
Current assets				
Cash and cash equivalents	$	1,260,723	$	1,355,332
Trade accounts receivable, net		100,583		101,865
Prepaid expenses and other current assets		358,264		503,256
Total current assets		1,719,570		1,960,453
Property and equipment, net		213,192		400,526
Investment in unconsolidated affiliate		229,929		452,636
Licenses to operate in China		100,000		100,000
Intangibles assets, net		3,502,411		1,754,108
Goodwill		1,823,048		1,584,976
Other long-term assets		133,605		106,476
Total assets	$	7,721,755	$	6,359,175
Liabilities and Stockholders' Equity				
Current liabilities				
Accounts payable	$	1,025,738	$	516,623
Advances from shareholder		85,745		85,745
Accrued expenses and other current liabilities		731,578		459,548
Derivative liability		769,284		277,646
Current portion of capital lease obligations		177,452		117,549
Total current liabilities		2,789,797		1,457,111
Long-term liabilities				
Deferred tax liabilities		25,000		25,000
Other long-term liabilities		-		282,791
Capital lease obligations, less current portion		151,029		294,214
Long-term debt with related party		2,500,000		1,800,000
Total liabilities		5,465,826		3,859,116
Commitments and contingencies (Note 13)				
Stockholders' equity				
Preferred stock, $0.001 par value; 1,000,000 shares authorized, none issued		-		-
Common stock, $0.001 par value; 20,000,000 shares authorized, 10,979,372 and 7,113,744 issued and outstanding at December 31, 2013 and December 31, 2012, respectively		10,979		7,114
Additional paid-in-capital		114,025,752		107,300,077
Accumulated other comprehensive income (loss)		(3,343)		5,370
Accumulated deficit		(111,777,459)		(104,812,502)
Total stockholders' equity		2,255,929		2,500,059
Total liabilities and stockholders' equity	$	7,721,755	$	6,359,175

The accompanying notes are an integral part of these consolidated financial statements.

REMARK MEDIA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Years Ended December 31, 2013	2012
Operating revenue		
Brands	$ 2,048,304	$ 500,890
Total revenue	2,048,304	500,890
Operating expenses		
Sales and marketing	388,361	91,467
Content, technology and development	566,883	75,720
General and administrative	6,312,880	6,150,269
Impairment loss	-	412,979
Depreciation and amortization expense	666,395	232,574
Total operating expenses	7,934,519	6,963,009
Operating loss	(5,886,615)	(6,462,119)
Other income (expense)		
(Loss) Gain on change in fair value of derivative liability	(491,638)	930,132
Interest expense	(364,332)	(64,838)
Other income (expense)	(66)	12,970
Total other income (expense)	(856,036)	878,264
Loss before gain (loss) from equity-method investments	(6,742,651)	(5,583,855)
Change of interest gain of equity-method investments	-	2,494,990
Proportional share in loss of equity-method investment	(222,707)	(2,948,206)
	(222,707)	(453,216)
Loss before income taxes	(6,965,358)	(6,037,071)
Income tax expense	-	(1,531)
Net loss	$ (6,965,358)	$ (6,038,602)
Net loss per share		
Net loss per share, basic and diluted	$ (0.90)	$ (0.91)
Basic and diluted weighted average shares outstanding	$ 7,732,748	6,605,563
Comprehensive loss		
Net loss	$ (6,965,358)	$ (6,038,602)
Cumulative translation adjustments	(8,713)	(11,511)
Total comprehensive loss	$ (6,974,071)	$ (6,050,113)

The accompanying notes are an integral part of these consolidated financial statements

REMARK MEDIA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Years Ended December 31, 2013 and 2012)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2011	5,422,295	5,422	101,444,780	16,881	(98,773,900)	2,693,183
Net loss	-	-	-	-	(6,038,602)	(6,038,602)
Foreign currency translation adjustments	-	-	-	(11,511)	-	(11,511)
Restricted stock	12,000	12	(12)	-	-	-
February 12, 2012 stock sale	944,777	945	2,642,328	-	-	2,643,273
Banks.com stock issuance	702,267	702	2,387,006	-	-	2,387,708
Stock-based compensation	-	-	826,008	-	-	826,008
Warrants exercised	32,405	33	(33)	-	-	-
Balance as of December 31, 2012	7,113,744	$ 7,114	$ 107,300,077	$ 5,370	$ (104,812,102)	$ 2,500,059
Net loss	-	-	-	-	(6,965,358)	(6,965,358)
Foreign currency translation adjustments	-	-	-	(8,713)	-	(8,713)
Conversion of notes	3,556,672	3,557	5,998,104	-	-	6,001,663
Restricted stock	308,956	308	(308)	-	-	-
Employee Stock-based compensation	-	-	704,615	-	-	704,615
Consulting Stock-based compensation	-	- -	23,264	-	- -	23,264
Balance as of December 31, 2013	10,979,372	$ 10,979	$ 114,025,752	$ (3,343)	$ (111,777,459)	$ 2,255,529

The accompanying notes are an integral part of these consolidated financial statements.

REMARK MEDIA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2013	**2012**
Cash Flows from operating activities:		
Net loss	$ (6,965,358)	$ (6,038,602)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss (Gain) on change in fair value of derivative liability	491,638	(930,132)
Depreciation and amortization	666,395	232,574
Impairment loss	-	412,979
Employee Stock-based compensation	704,615	826,008
Consulting Stock-based compensation	23,264	-
Deferred income taxes	-	-
Loss on exit activity	98,974	-
Loss in equity-method investments	222,707	453,216
(Gain)/loss on disposal of assets	114,339	-
Changes in operating assets and liabilities (net affect of acquisition):		
Accounts receivable	1,282	7,782
Accounts receivable from affiliates	-	302,129
Prepaid expenses and other assets	117,263	(14,691)
Accounts payable, accrued expenses and other liabilities	781,145	(201,201)
Net cash used in operating activities	(3,743,737)	(4,949,938)
Cash flows from investing activities:		
Purchases of property, equipment and software	(120,471)	(516,623)
Cash paid for acquisition	(2,375,000)	(317,503)
Other, net	(282,791)	9,888
Net cash used in investing activities	(2,778,262)	(824,238)
Cash flows from financing activities:		
Proceeds from issuance of stock and warrants	-	3,850,451
Proceeds from Convertible Note with related party	6,500,000	1,800,000
Payments of debt issue costs	-	-
Payments on capital leases	(71,808)	(52,445)
Net cash provided by financing activities	6,428,192	5,598,006
Net change in cash and cash equivalents	(93,807)	(176,170)
Impact of currency translation on cash	(802)	-
Cash and cash equivalents at beginning of year	1,355,332	1,531,502
Cash and cash equivalents at end of year	$ 1,260,723	$ 1,355,332
Supplemental disclosure of cash flow information:		
Other non-cash financing and investing activities:		
Stock issued for Banks.com acquisition	$ -	$ 2,387,708
Conversion of related party notes payable	5,998,104	-
Stock issuance costs in the form of warrants	-	133,567

The accompanying notes are an integral part of these consolidated financial statements.

1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS

Description of the Business

Remark Media, Inc. ("Remark Media" or the "Company") is a global digital media company focusing on the 18-to-34 year old demographic in primarily Asia and the United States with properties focused on Young Adult Lifestyle: Bikini.com; Personal Finance: Banks.com, US Tax Center at www.irs.com, TaxExtension.com, FileLater.com, and MyStockFund.com; and International: BoWenWang and ComoTudoFunciona. The Company was incorporated in Delaware in March 2006 and is headquartered in Las Vegas with operations in Beijing, China and São Paulo, Brazil. Remark Media is listed on The NASDAQ Capital Market under the symbol "MARK".

Brands

Our Brands segment consists of those digital media properties that we own and operate. It presently includes our translated and localized editions of HowStuffWorks.com in China and Brazil; our personal finance vertical, including Banks.com, US Tax Center at www.irs.com, FileLater.com, TaxExtension.com, and MyStockFund.com; and our new young 18-to-34 lifestyle vertical, including Bikini.com. We intend to expand our Brands segment in the coming year by continuing to acquire, develop and launch U.S.-based content, social and ecommerce websites targeted at the 18-to-34 year old lifestyle vertical.

HowStuffWorks International

ComoTudoFunciona (hsw.com.br) is Brazil's online source for credible, unbiased and easy-to-understand explanations of how the world actually works.

BoWenWang (www.bowenwang.cn) is an information and reference website that provides China with encyclopedic knowledge and easy-to-understand explanations of how the world works.

Personal Finance

Banks.com is an action-oriented resource for people interested in financial institutions and products.

US Tax Center (www.irs.com) offers information about tax matters effecting U.S. readers, and provides them with access to tax related information and services.

FileLater.com and *TaxExtension.com* are e-commerce business providing taxpayers with an online platform to file business and personal tax extensions with the IRS and receive acknowledgment of that filing from the IRS in a matter of minutes

MyStockFund Securities.com offers fractional share investing and a dollar cost averaging brokerage product that allows investors to build a diversified portfolio in stocks, index funds and bond funds without incurring the high fees and trading costs of traditional brokerage firms.

Young Adult Lifestyle

Bikini.com is a beach lifestyle brand including its flagship website at www.bikini.com, a branded merchandise, and mobile content online boutique offering premium swimwear and other merchandise, original lifestyle editorial content and related social media and mobile channels

Liquidity Considerations

As of December 31, 2013, the Company's total cash and cash equivalents balance was approximately $1.3 million.

The Company has incurred net losses and generated negative cash flow from operations in the year ended December 31, 2013 and in each fiscal year since its inception and has an accumulated deficit of $111.7 million. The Company's revenues were $2.0 million for the year ended December 31, 2013 generated principally from owning and operating its own digital media properties. The Company has been focused on building and acquiring wholly-owned digital media properties.

On November 13, 2013, the Company entered into a $2.5 million Term Loan Agreement, at 6.67% annual interest rate for the first year and 8.67% for the second year, with a lender controlled by and in part owned by Mr. Kai-Shing Tao, the Company's Chairman and Chief Executive Officer. The Term Loan Agreement is secured pursuant to the Term Loan Agreement detailed below, as amended by Amendment No. 2 to that Term Loan Agreement, dated April 2, 2013. The principal and accrued interest under the Term Loan Agreement is convertible into Common Stock of the Company at the rate of $3.75 per share, which was the closing price of the Company's common stock on the date of entrance into the agreement. The balance is due November 2015.

On January 29, 2014, the Company's total cash and cash equivalents balance was approximately $4.5 million. On January 29, 2014, the Company entered into a $3.5 million Term Loan Agreement ("January 2014 Note"), at 6.67% annual interest for the first year and 8.67% for the second year, with the lender controlled by and in part owned by Mr. Kai-Shing Tao, the Company's Chairman and Chief Executive Officer, and in part owned by Mr. Douglas Osrow, the Company's Chief Financial Officer. The principal and accrued interest under the Term Loan Agreement is convertible into Common Stock of the Company at a rate of $5.03 (the "Conversion Price") - which was the stock price immediately prior to the effective date of the agreement - if all or a portion of is elected by Digipac. The Company may also convert all or a portion of the principal and accrued interest of the January 2014 Note into Common Stock at the conversion price if the weighted average price of Common Stock is equal to at least the 150% of the conversion price for at least 30 to 40 trading days immediately prior to the date of the Company's election. The January 2014 Note provides that the Company and Digipac will negotiate and enter into a registration rights agreement providing Digipac with demand and piggyback rights with respect to the shares of Common Stock underlying the January 2014 Note.

The Company intends to fund its future operations through growth, particularly its young adult lifestyle and personal finance properties. Additionally, the Company is actively engaged in evaluating future acquisitions to provide revenue growth and the sale of certain non-core assets to provide capital. The Company has taken steps to reduce operating costs and will continue to evaluate other opportunities to streamline costs.

Absent any acquisitions of new businesses or the material increase in revenues from its existing customers, current revenue growth will not be sufficient to sustain the Company’s operations in the long term. As such, the Company will, in all likelihood, need to obtain additional equity or debt financing and/or divest of certain assets or businesses, neither of which can be assured on commercially reasonable terms, if at all. In addition, any equity financing that might be obtained may substantially dilute existing stockholders. There is no certainty that the Company will be successful at raising capital, nor is there certainty around the amount of funds that may be raised. In addition, the success of the Company will be subject to performance of the markets and investor sentiment regarding the macro and micro economic conditions under which we operate including stock market volatility. There can be no assurance that the Company will be successful at generating more revenues or selling any of its assets. Any failure by the Company to successfully implement these plans would have a material adverse effect on the Company’s business, including the possible inability to continue operations.

Based on the most recent cash flow projections from operations and financings, the Company believes it has sufficient existing cash and cash equivalents and cash resources as of January 29, 2014 to provide sufficient funds through December 31, 2014. However, the projecting operating results is inherently uncertain. Anticipated expenses can exceed those that are projected.

To the extent the Company’s available cash and cash equivalents are insufficient to satisfy its long-term operating requirements, the Company will need to seek additional sources of funds, from the sale of equity or debt securities or through a credit facility, or the Company will need to modify its current business plan. There can be no assurances that the Company will be able to obtain additional financing on commercially reasonable terms, if at all. The sale of additional equity or convertible debt securities would likely result in dilution to the Company’s current stockholders.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Remark Media and its subsidiaries (1) HSW Brasil – Tecnologia e Informação Ltda., (2) HSW (HK) Inc. Limited, (3) Bonet (Beijing) Technology Limited Liability Company, (4) BoWenWang Technology (Beijing) Limited Liability Company, (5) Banks.com, Inc., (6) My Stock Fund Securities, Inc., (7) Dotted Ventures, Inc. and (8) Pop Factory, LLC ("Pop Factory"). Banks.com, MyStockFund and DottedVentures are wholly-owned subsidiaries acquired through the Banks.com’s acquisition completed on June 28, 2012. Pop Factory is a wholly-owned subsidiary acquired through the Pop Factory acquisition completed on March 29, 2013. The equity of certain of these entities is partially or fully held by citizens of the country of incorporation to comply with local laws and regulations.

Equity investments in which the Company exercises significant influence but does not control and is not the primary beneficiary are accounted for using the equity method. In the event of a change in ownership, any gain or loss resulting from an investee share issuance is recorded in earnings. Investments in which the Company is not able to exercise significant influence over the investee are accounted for under the cost method. Controlling interest is determined by majority ownership interest and the ability to unilaterally direct or cause the direction of management and policies of an entity after considering any third-party participatory rights.

The Company uses qualitative analysis to determine whether or not it is the primary beneficiary of a variable interest entity ("VIE") in accordance with FASB ASC 810-10, "Consolidation Accounting for a Variable Interest Entity" ("FASB ASC 810"). The Company considers the rights and obligations conveyed by its implicit and explicit variable interest in each VIE and the relationship of these with the variable interests held by other parties to determine whether the variable interests will absorb a majority of a VIE's expected losses, receive a majority of its expected residual returns, or both. If the Company determines that its variable interests will absorb a majority of the VIE's expected losses, receive a majority of its expected residual returns, or both, it consolidates the VIE as the primary beneficiary, and if not, the Company does not consolidate.

The Company has determined that Bonet (Beijing) Technology Limited Liability Company is a variable interest entity as defined in FASB ASC 810. Remark Media is the primary beneficiary of this entity and accordingly, the results of this entity have been consolidated along with other subsidiaries.

All intercompany transactions have been eliminated in consolidation.

Revenue Recognition

The Company generally recognizes revenue when persuasive evidence of an arrangement exists; services have been provided; fees are fixed or determinable; and collectability is reasonably assured.

The Company generally recognizes revenue from its network of domestic and international websites. Revenue is recognized as visitors are exposed to or react to advertisements on its websites, or purchase goods or services. Revenue from advertising is generated in the form of sponsored links and display ads. This includes both pay-per-performance ads and paid-for-impression advertising. In the pay-per-performance model, revenue is generally earned based on the number of clicks or other actions taken associated with such ads; in the paid-for-impression model, revenue is derived from the display of ads.

Operating Expenses

General and administrative expenses include all legal, finance, accounting and administrative expenses such as professional fees and facilities costs. Depreciation and amortization include the depreciation of our acquired fixed assets and amortization of software and definite-lived intangible assets. All periods presented have been reclassified to conform to the new presentation.

Stock-Based Compensation

The Company measures stock-based compensation at the grant date based on the calculated fair value of the award. The Company recognizes the expense over the recipient's requisite service period, generally the vesting period of the award. The Company estimates the fair value of stock options at the grant date using the Black-Scholes option pricing model with weighted average assumptions for the activity under its stock plans. The fair value estimate is impacted by option pricing model input assumptions such as expected term, expected volatility and risk-free interest rate among others. These assumptions generally require significant analysis and use of judgment and estimates to develop. Options vest based on meeting a minimum service period or performance condition. Restricted stock grants are recorded using the fair value of the granted shares based on the market value at the grant date. In addition, the forfeiture rate impacts the amount of aggregate compensation. These assumptions are subjective and generally require significant analysis and judgment to develop.

The Company does not recognize a deferred tax asset for unrealized tax benefits associated with the tax deductions in excess of the compensation recorded (excess tax benefit). The Company applies the "with and without" approach for utilization of tax attributes upon realization of net operating losses in the future. This method allocates stock-based compensation benefits last among other tax benefits recognized. In addition, the Company applies the "direct only" method in calculating the amount of windfalls or shortfalls.

Concentration of Credit Risk and Accounts Receivable

Financial instruments that potentially subject Remark Media to a concentration of credit risk consist principally of cash and accounts receivable. At December 31, 2013, more than 99% of cash was denominated in U.S. dollars, and less than 1% was denominated in Brazilian Reais, Chinese Renminbi or Hong Kong dollars. The majority of the Company's cash and cash equivalents balances are in one financial institution, which is believed to have high credit quality. Cash is maintained in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and does not believe its cash is exposed to any significant credit risk. Cash held by non-U.S. subsidiaries is subject to foreign currency fluctuations against the U.S. dollar. However, the risk in foreign currency is somewhat mitigated at this time as U.S. funds are transferred to Brazil and China to fund that subsidiary's operating activity. If, however, the U.S. dollar is devalued significantly against the Brazilian Reais or the Chinese Renminbi, the cost to further develop the Company's websites in Brazil and China could exceed original estimates.

The Company regularly evaluates the collectability of trade receivable balances based on a combination of factors such as customer credit-worthiness, past transaction history with the customer, current economic industry trends and changes in customer payment patterns. If the Company determines that a customer will be unable to fully meet its financial obligation, such as in the case of a bankruptcy filing or other material events impacting its business, a specific reserve for bad debt will be recorded to reduce the related receivable to the amount expected to be recovered.

There were no significant concentrations of revenue or accounts receivable during 2013 or 2012.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. A large portion of the cash balance is maintained at one financial institution. Cash denominated in foreign currencies is translated to U.S dollars at the month-end rate of exchange. The impact of foreign currency on cash and cash equivalents is presented in the Company's statements of cash flows in accordance with accounting principles generally accepted in the United States ("GAAP").

The Company maintains cash accounts at three banks, and, at times, balances exceed federally insured limits. The Company has not experienced any losses related to these balances - $250,000 per depositor at each financial institution. At December 31, 2013, the Company's cash deposits exceeded federally insured limits by approximately $0.6 million. The Company believes that it's not exposed to any significant credit risk on cash and cash equivalent balances.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect amounts reported and disclosed in the consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates. On an ongoing basis, the Company evaluates its estimates, including those related to accounts receivable, intangible assets, useful lives of property and equipment, stock-based compensation, equity-method investments, and income taxes, among other things.

Income Taxes

Deferred income tax assets and liabilities are computed for differences between the financial statement and tax basis of assets and liabilities that could result in future taxable or deductible amounts, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The application of income tax law is inherently complex. Laws and regulations in this area are voluminous and are often ambiguous. As a result, the Company is required to make many subjective assumptions and judgments regarding income tax exposures, interpretations of, and guidance, surrounding income tax laws and regulations change over time. As a result, changes in the Company's assumptions and judgments can materially affect amounts recorded in the consolidated financial statements.

The Company classifies interest and penalties arising from unrecognized income tax positions in the statement of operations as general and administrative expenses if they occur. At December 31, 2013, and 2012, the Company had no accrued interest or penalties related to uncertain tax positions. The tax years 2007 through 2012 are not or have not been under examination but remain open to examination under the IRS statute.

Foreign Currency

The functional currency of the Company's international subsidiaries is the local currency, Reais in Brazil, Renminbi in China or Hong Kong dollars in Hong Kong. The financial statements of these subsidiaries are translated to U.S. dollars using month-end rates of exchange for assets and liabilities, and average rates of exchange for revenue, costs and expenses. Translation gains and losses are recorded in accumulated other comprehensive income (loss) as a component of stockholders' equity. Net gains and losses resulting from foreign exchange transactions are recorded in selling, general and administrative expenses. Currency translation gains and losses during 2013 and 2012 were immaterial to the Company's consolidated financial statements.

Purchase Price Allocations

Occasionally, the Company enters into material business combinations. The purchase price is allocated to the various assets acquired and liabilities assumed based on their estimated fair value. Fair values of assets acquired and liabilities assumed are based upon available information and may involve engaging an independent third party to perform an appraisal of tangible and intangible assets. Estimating fair values can be complex and subject to significant business judgment and most commonly impacts property, equipment, software, and definite- or indefinite-lived intangible assets.

Property, Equipment and Software

Property, equipment and software is stated at cost less accumulated depreciation. Depreciation is recorded within operating expenses in the consolidated statements of operations, using the straight-line method over the estimated useful lives of the assets, generally one to three years for computer equipment and software and three to five years for building improvements and office equipment. Leasehold improvements are depreciated over the shorter of their estimated useful life or lease term. Costs represent the purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Repairs and maintenance are expensed as incurred. Betterments and capital improvements are capitalized and depreciated over the remaining useful life of the related asset. Gains or losses from disposal of property and equipment are included in selling, general and administrative expenses.

Software Development Costs

The Company capitalizes qualifying costs of computer software and website development costs. Costs incurred during the application development stage as well as upgrades and enhancements that result in additional functionality are capitalized. The internally developed software costs capitalized were $0.6 million and $0.5 million at December 31, 2013 and 2012, respectively, and are included in "Property, equipment and software" in the consolidated balance sheet. Internally developed software and website development costs will be amortized utilizing the straight-line method over a period of three years, the expected period of the benefit. There was approximately $28 thousand and $10 thousand of amortization expense recorded for these costs as of December 31, 2013 and 2012, respectively.

Advertising Expenses

The Company expenses advertising costs in the year in which they are incurred. Advertising expenses for the years ended December 31, 2013 and 2012 were minimal.

Commitments and Contingencies

The Company records liabilities for loss contingencies arising from claims, assessments and litigation and other sources when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated. In the opinion of management, and after consultation with legal counsel, there were no material claims, assessments and litigation against the Company as of December 31, 2013.

Impairment of Property, Equipment and Software and Definite-Lived Intangible Assets

Property, equipment, software and definite-lived intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Such events include significant adverse changes in the business climate, the impact of significant customer losses, unanticipated current period operating or cash flow losses, forecasted continuing losses or a current expectation that an asset group will be disposed of before the end of its useful life. Recoverability of these assets is measured by a comparison of the carrying amounts to future net undiscounted cash flows the assets are expected to generate. For purposes of recognition and measurement of an impairment loss, property, equipment, software and definite-lived intangible assets are grouped with other assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets.

In December 2012, the Company abandoned certain software development projects associated with its Content and Platform Services business. As a result, the Company recorded $0.1 million and $0.4 million impairment charges in the fourth quarters of 2013 and 2012, respectively. No impairment charges were recorded for the property and equipment portfolio in 2013 or 2012.

Impairment of Investments

Investments are reviewed to determine if events have occurred which would indicate that a decrease in value has occurred which is other than temporary. Evidence of a loss in value include, but are not limited to, absence of an ability to recover the carrying amount of the investment or inability of the investee to sustain an earnings capacity that would justify the carrying amount of the investment. The Company monitors its assets for potential impairment on an ongoing basis. No impairment charge has been recognized related to investments as of December 31, 2013 or 2012.

Goodwill and Indefinite-Lived Intangible Assets Impairment

In December 2013 and 2012, the Company performed a qualitative assessment of the carrying value of goodwill and indefinite-lived intangible assets under the Step Zero process. The Step Zero process determines whether it is more likely than not that the fair value is less than the carrying amount. After consideration of the Company's market capitalization and the fact that the majority of these assets are comprised of the Banks.com merger in June 2012 and Pop Factory acquisition in March 2013, the Company determined there were no impairment charges of goodwill or indefinite-lived intangibles in 2013 or 2012.

Derivative Liability for Warrants to Purchase Common Stock

The Company's derivative liability for warrants represents the fair value of warrants issued in connection with equity financing related to the Banks.com acquisition on February 27, 2012 ("Equity Financing"). These warrants are presented as liabilities based on certain exercise price reductions provisions. The liability, which is recorded at the fair value on the balance sheet, is calculated using the Monte Carlo simulation valuation method. The change in the fair value of these warrants is recognized as other income or expense in the consolidated statement of operations.

Net Loss per Share

The Company computes basic loss per share by dividing net loss applicable to common stockholders by the weighted-average number of common shares outstanding during the period. The Company calculates diluted loss per share by dividing net loss by the weighted-average number of common shares and dilutive potential common shares, if any, outstanding during the period. Stock options and warrants are not included in the computation of diluted loss per share because their effects are anti-dilutive.

RECENT ACCOUNTING PRONOUNCEMENTS

In July 2013, the FASB issued ASC 2013-11, "Income Taxes — Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists*"* ("ASU 2013-11") which is part of Accounting Standards Codification ("ASC") 740: Income Taxes. The new guidance requires an entity to present an unrecognized tax benefit and an NOL carryforward, a similar tax loss, or a tax credit carryforward on a net basis as part of a deferred tax asset, unless the unrecognized tax benefit is not available to reduce the deferred tax asset component or
would not be utilized for that purpose, then a liability would be recognized. ASU 2013-11 is effective for annual and interim periods for fiscal years beginning after December 15, 2013. The Company is currently evaluating the impact of the July 1, 2014 adoption of this guidance on its consolidated financial statements.

In February 2013, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2013-02, *Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* ("ASU 2013-02"). ASU 2013-02 requires an entity to provide information about amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the financial statements or a single note, any significant amount reclassified out of accumulated other comprehensive income in the period in its entirety to net income, and the income statement line item affected by the reclassification. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under U.S. GAAP that provide additional detail about those amounts. We adopted this guidance as of January 1, 2013. The adoption of ASU 2013-02 impacted disclosure only and did not have any impact on our financial position or results of operations.

In October 2012, the FASB issued ASU 2012-04, "Technical Corrections and Improvements". The ASU prescribes technical corrections and improvements to the Accounting Standards Codification for source literature amendments, guidance clarification and reference correction, and relocated guidance within the Accounting Standards Codification. The ASU is effective for fiscal periods beginning after December 15, 2012. Adoption of this ASU did not have a material impact to the consolidated financial statements.

In July 2012, the FASB issued ASC update No. 2012-02, "Intangibles-Goodwill and Other (Topic 350), Testing Indefinite-Lived Intangible Assets for Impairment" (ASC 2012-02). Under the amendments in this update, a company has the option first to assess qualitative factors to determine whether the existence of events and circumstances indicates that it is more likely than not that the indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform the qualitative impairment test in accordance with Topic 350. The more likely than not threshold is defined as having a likely-hood of more than fifty percent. If after assessing the qualitative factors, a company determines it does not meet the more likely than not threshold, a company is required to perform the quantitative impairment test by calculating the fair value of an indefinite-lived intangible asset and comparing the fair value with the carrying amount of the asset. The amendments in this update are effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012 (early adoption permitted). The adoption of this update had no impact on the reported consolidated financial statements or results of operations.

3. TRANSACTIONS WITH SHARECARE

Until November 30, 2012, the Company accounted for its equity interest in Sharecare under the equity method of accounting. Under this method, the Company recorded its proportionate share of Sharecare's net income or loss based on Sharecare's financial results. As of December 1, 2012, the Company moved to the cost method of accounting due to a lower percentage of ownership (10.8% as of December 31, 2012), nonparticipation in policy-making processes, and limited existence of technology dependency by Sharecare on the Company. As of December 31, 2013, the Company owned 8.19% of the outstanding common stock of Sharecare, Inc.

The following table shows selected unaudited financial data of Sharecare including Remark Media's proportional share of net loss in Sharecare as reported under the equity method for the twelve months and eleven months ended December 31, 2013 and November 30 2012, respectively. During the first quarter of 2013, the Company recorded a $0.2 million change in its estimate of its proportional share in loss of equity-method investment related to the period from January 1, 2012 through November 30, 2012, based on information that was finalized and provided to the Company subsequent to the issuance of its December 31, 2012 financial statements:

	Twelve Months Ended December 31, 2013	Eleven Months Ended November 30, 2012
Revenues	$ -	$ 26,047,257
Gross profit	-	23,550,984
Loss from operations	-	(23,936,726)
Net loss	-	(24,413,627)
Proportionate share in loss of equity-method investment, including change in interest gain	(222,707)	(453,216)

4. FAIR MARKET VALUE OF FINANCIAL INSTRUMENTS

The Company measures certain financial assets and liabilities at fair value on a recurring basis. The common stock warrants which are classified as liabilities are recorded at their fair market value as of each reporting period.

The measurement of fair market value requires the use of techniques based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. The inputs create the following fair market value hierarchy:

- Level 1 - Quoted prices for identical instruments in active markets.
- Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations where inputs are observable or where significant value drivers are observable.
- Level 3 - Instruments where significant value drivers are unobservable to third parties.

The Company uses model-derived valuations where inputs are both observable and unobservable in active markets to determine the fair value of certain common stock warrants on a recurring basis. The lowest level of significant inputs are classified as Level 3; thus, the common stock warrants are classified as Level 3. The Company utilized a Monte Carlo simulation valuation model to fair value the warrants.

Assumptions used in calculating the fair value of these warrants were noted as follows (including assumptions used in calculating the transaction date fair value for the warrants issued in the February 2012 Equity Financing):

	December 31, 2013	December 31, 2012
Annual rate of quarterly dividend	0.00%	0.00%
Expected volatility	100.0%	110.0%
Risk free interest rate	1.10%	0.66%
Expected remaining term (in years)	1.16 - 3.66	2.16 - 4.65

In addition to the assumptions above, the Company takes into consideration whether or not it would participate in another round of equity financing and, if so, what the stock price would be for such a financing at that time.

At December 31, 2013 and 2012, the fair value of liability classified warrants were as follows:

	December 31, 2013	December 31, 2012
Derivative liabilities	$ 769,284	$ 277,646

The change in the fair value of the warrants accounted for as derivative liabilities is reflected below:

Balance at January 1, 2012	$ -
Fair value of warrants issued in February 2012	1,207,778
Decrease in fair value resulting in gain	(930,132)
Fair value at December 31, 2012	$ 277,646
Balance at January 1, 2013	$ 277,646
Increase in fair value resulting in loss	491,638
Fair value at December 31, 2013	$ 769,284

The Company will continue to adjust the warrant liability for changes in fair value until the earlier of the warrants exercise or expiration, at which time the liability will be reclassified to stockholders' equity.

5. ACQUISITIONS

On March 29, 2013, Remark Media acquired Pop Factory, LLC ("Pop Factory") a digital beach lifestyle brand providing websites, branded merchandise, and mobile content, for total cash consideration of $2,375,000. In connection with the purchase, the two founders, who had remained executives of Pop Factory, entered into one year employment agreements with Pop Factory and noncompetition agreements with the Company. In 2013, Remark Media introduced a refreshed Bikini.com brand and a new website at www.bikini.com, with a focus on providing sophisticated and informative content, social media and services for fun in the sun destinations, style, and health and fitness. In November 2013, Remark Media launched its e-commerce segment; however, the gross throughput of transactions for the period ended December 31, 2013 was immaterial to the consolidated financial statements.

The acquisition was accounted for under the purchase method and, accordingly, the purchase price was allocated to the assets and liabilities based on their estimated fair values on the date of the acquisition.

In the second quarter of 2013, the Company finalized the valuation of intangible assets related to this acquisition. Based on the valuation of the Pop Factory acquisition, the intangible assets on the acquisition date were $2.1 million. Of the total intangibles acquired, $2.1 million related to domain names and has an amortization period of 12 years.

The table below illustrates the final allocation of the purchase price over the identifiable assets and assumed liabilities on March 29, 2013.

Tangible assets	
Current assets	$ -
Fixed assets	5,282
Total tangible assets	**5,282**
Intangible assets	
Customer contracts	33,000
Domain names	2,100,000
Other intangible assets	5,715
Total intangible assets	**2,138,715**
Accounts payable	(7,068)
Total identifiable net assets	**2,136,929**
Goodwill	238,071
Total purchase price	**$ 2,375,000**

The acquisition transaction costs incurred for the period ended December 31, 2013 totaled $0.1 million and were all expensed as general and administrative expenses in the consolidated statements of operations for the year ended December 31, 2013. Pop Factory's revenue since the acquisition effective date through December 31, 2013 have been included in the consolidated statement of operations.

On June 28, 2012, Remark Media completed the merger (the “Merger”) contemplated by the Agreement and Plan of Merger dated as of February 26, 2012, among the Company, Banks.com and Remark Florida, Inc., a wholly-owned subsidiary of the Company (“Merger Sub”), pursuant to which Merger Sub merged with and into Banks.com and Banks.com survived the Merger as a wholly-owned subsidiary of Remark Media. At the effective time of the Merger, each share of the outstanding common stock of Banks.com was converted into the right to receive 0.0258 shares of Remark Media common stock, for an aggregate of 670,815 shares of Remark Media common stock. The outstanding shares of Banks.com preferred stock, including all accrued and unpaid dividends as of the date of closing of the Merger on such preferred stock, a Note and a Warrant, all of which are held by Daniel M. O’Donnell, President and Chief Executive Officer of Banks.com, and his affiliates, were converted into cash in the aggregate amount of $300,000 and the right to receive 31,452 shares of Remark Media common stock. In connection with the Merger, Banks.com issued an Amended and Restated Promissory Note in the principal amount of $125,000 to Mr. O’Donnell and his wife, which matured on June 28, 2012. The Company settled the cash consideration of $300,000 on the date of closing and $131,250 in settlement of the promissory note in the principal amount of $125,000 and related interest.

The application of purchase accounting requires that the total purchase price be allocated to the fair value of assets acquired and liabilities assumed based on their fair values at the acquisition date. The allocation process requires an analysis of acquired various assets and assumed liabilities such as contracts, customer relationships, contractual commitments and legal contingencies to identify and record the fair value of all assets acquired and liabilities assumed. In valuing acquired assets and assumed liabilities, fair values are based on, but are not limited to: available market data, future expected cash flows; current replacement cost for similar capacity for certain assets; and appropriate discount rates and growth rates.

Goodwill represents the excess of the purchase price over the fair value of the net assets of acquired businesses. Goodwill, which is not amortizable and not tax deductible, resulting from the acquisitions discussed below was assigned to the Brands segment.

Consideration:	
Shares of Remark stock issued to Banks.com shareholders	702,267
Remark common stock price	$ 3.40
Fair value of common stock issued	$ 2,387,708
Cash to shareholders	300,000
Cash acquired	(113,747)
Cash to debtholders	131,250
Cash, net of cash acquired	317,503
Total consideration	**$ 2,705,211**
Estimated fair value of liabilities assumed:	
Current liabilities	$ 559,411
Capital leases assumed	464,208
Amount attributable to liabilities assumed	$ 1,023,619
Total purchase price plus liabilities assumed	$ 3,728,830
Estimated fair value of assets acquired:	
Current assets	$ 229,496
Fixed assets	54,358
Customer relationships	680,000
Domain names	1,180,000
Amount attributable to assets acquired	**$ 2,143,854**
Goodwill	**$ 1,584,976**
Total	**$ 3,728,830**

The acquisition transaction costs incurred in the year ended December 31, 2012 were all expensed and totaled $0.2 million. These expenses are included under the general and administrative expenses in the consolidated statements of operations for the year ended December 31, 2012.

The following unaudited pro forma combined results of operations are provided for the years ended December 31, 2013 and December 31, 2012 as though the Banks.com acquisition and Pop Factory acquisitions had been completed as of January 1, 2012. The pro forma combined results of operations for the years ended December 31, 2013 and 2012 have been prepared by adjusting the historical results of the Company to include the historical results of Banks.com and Pop Factory ("recent acquisitions"). These supplemental pro forma results of operations are provided for illustrative purposes only and do not purport to be indicative of the actual results that would have been achieved by the combined company for the periods presented or that may be achieved by the combined company in the future. The pro forma results of operations do not include any cost savings or other synergies that resulted, or may result, from the recent acquisitions or any estimated costs that will be incurred to integrate the recent acquisitions.

Future results may vary significantly from the results reflected in this pro forma financial information because of future events and transactions, as well as other factors.

	Unaudited Pro Forma Results of Operations Results of Operations Twelve Months Ended December 31,	
	2013	**2012**
Revenues	$ 2,150,988	$ 824,662
Operating Loss	(6,510,934)	(6,513,928)
Net Loss	$ (7,098,039)	$ (6,090,411)

Banks.com's revenues since the acquisition effective date through the year ended December 31, 2012 were approximately $0.3 million and have been included in the Company's consolidated statements of operations for the year ended December 31, 2012.

Pop Factory's revenues since the acquisition effective date through the year ended December 31, 2013 were approximately $0.1 million and have been included in the Company's consolidated statement of operations for the year ended December 31, 2013.

6. SEGMENTS

Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. Because of Remark Media's integrated business structure, operating costs included in one segment can benefit other segments, and therefore these segments are not designed to measure operating income or loss directly related to the products included in each segment. Reconciling amounts include adjustments to conform with U.S. GAAP and corporate-level activity not specifically attributed to a segment. Corporate expenses include, among other items: corporate-level general and administration costs, content, design, technology costs and on-going maintenance charges; share-based compensation expense related to stock and stock option grants; depreciation and amortization expense; impairment loss, if any, and interest expense and income.

In December 2011, the Company service contract to provide platform services for Sharecare expired. The Company elected not to perform development services and re-focus on its brands segment. In 2013, the Company only has one significant reporting segment - Brands. The Company has reported two segments for the years ending December 31, 2012: Brands and Content and Platform Services. The Brands segment consists of the business related to the Banks.com acquisition completed on June 28, 2012 which generates revenues in the United States and the websites related to the operations in Brazil and China, which generate revenues from advertisers based in the respective countries. The Content and Platform Services segment consisted in 2012 of the services provided to Remark Media's affiliates, Sharecare and Discovery, Inc. ("Discovery"). These services are related to the design, development, hosting and related services necessary to launch and operate websites for Sharecare and Discovery through the Company's direct activities and management of third party vendors.

Operating results and asset information regarding reportable segments and geographical presence for the years ended December 31, 2013 and 2012 are presented in the following tables:

	Brands	Content and Platform Services	Corporate	Total
Year Ended December 31, 2013				
Revenue	$ 2,048,304	$ -	$ -	$ 2,048,304
Operating loss	(167,230)	-	(5,719,385)	(5,886,615)
Interest expense	-	-	(364,332)	(364,332)
Loss on change in fair value of derivative liability	-	-	(491,638)	(491,638)
Other income (expense)	(858)	(222,707)	792	(222,773)
Income tax expense	-	-	-	-
Net loss	$ (168,088)	$ (222,707)	$ (6,574,563)	$ (6,965,358)

	Brands	Content and Platform Services	Corporate	Total
Year Ended December 31, 2012				
Revenue	$ 500,890	$ -	$ -	$ 500,890
Operating loss	(469,808)	(420,168)	(5,572,143)	(6,462,119)
Interest expense	(20,372)	-	(44,466)	(64,838)
Gain on change in fair value of derivative liability	-	-	930,132	930,132
Other income (expense)	3,519	-	(443,765)	(440,246)
Income tax expense	-	-	(1,531)	(1,531)
Net loss	$ (486,661)	$ (420,168)	$ (5,131,773)	$ (6,038,602)

	December 31, 2013	December 31, 2012
Total assets:		
Brands	$ 5,587,314	$ 3,052,504
Content and platform services	-	-
Business segments	5,587,314	3,052,504
Corporate	2,134,441	3,306,671
Total assets	$ 7,721,755	$ 6,359,175

	December 31, 2013	December 31, 2012
Investment of unconsolidated entity:		
Business segments	$ -	$ -
Corporate	229,929	452,636
Total investment in unconsolidated entity	$ 229,929	$ 452,636

	December 31, 2013	December 31, 2012
Loss in investment of unconsolidated entity:		
Business segments	$ -	$ -
Corporate	(222,707)	(453,216)
Total loss in investment of unconsolidated entity	$ (222,707)	$ (453,216)

	December 31, 2013	December 31, 2012
Revenues		
United States	$ 2,038,025	$ 423,670
Brazil	9,368	73,884
China	911	3,336
Total	$ 2,048,304	$ 500,890

	December 31, 2013	December 31, 2012
Property and Equipment		
United States	$ 184,310	$ 350,717
Brazil	28,882	49,810
China	-	-
Total	$ 213,192	$ 400,526

7. PREPAID EXPENSES AND OTHER CURRENT ASSETS

As of December 31, 2013 and 2012, prepaid expenses and other current assets consisted of the following:

	December 31, 2013	December 31, 2012
Prepaid insurance	$ 165,397	$ 160,131
Deposits and other current assets	192,868	343,125
Total	$ 358,265	$ 503,256

8. GOODWILL AND INTANGIBLE ASSETS

Intangible assets consist of the following:

	Weighted Avg. Remaining Life	Life	Year Ended December 31, 2013	Year Ended December 31, 2012
Domain names	9.47 years	8 years	$ 3,296,429	$ 1,196,429
Customer relationships	5 years	7 years	680,000	680,000
License to operate in China	Indefinite	Indefinite	100,000	100,000
Non-compete agreement	1.42 years	2 years	33,000	-
Intangibles Other	1.42 years	2 years	5,715	-
			4,115,144	1,976,429
Accumlated amortization			(512,733)	(122,321)
			$ 3,602,411	$ 1,854,108

Estimated amortization expense related to intangible assets with definite lives for each of the five succeeding years and thereafter is as follows:

2014	$ 646,417
2015	390,411
2016	390,411
2017	390,411
Thereafter	1,684,761
Total	$ 3,502,411

Amortization expense was $0.6 million and $0.1 million for the years ended December 31, 2013 and 2012, respectively.

Changes in the carrying amount of goodwill for the year ended December 31, 2013 and 2012 are as follows:

	Year Ended December 31, 2013	Year Ended December 31, 2012
Beginning balance	$ 1,584,976	$ -
Goodwill acquired - Banks.com	-	1,584,976
Goodwill acquired - Pop Factory	238,072	-
Total	$ 1,823,048	$ 1,584,976

9. PROPERTY, EQUIPMENT AND SOFTWARE

As of December 31, 2013 and 2012, property, equipment and software consisted of the following:

	December 31, 2013	December 31, 2012
Computer equipment	$ 600,823	$ 617,234
Furniture and fixtures	102,435	192,099
Software	398,180	319,889
Capitalized software	151,556	153,987
Leasehold improvements	78,054	218,144
Total	1,331,048	1,501,353
Less accumulated depreciation and amortization	(1,117,856)	(1,100,827)
Property, equipment and software, net	$ 213,192	$ 400,526

Depreciation and amortization expense was $0.1 million and $0.1 million for the years ended December 31, 2013, and 2012, respectively.

10. INCOME TAXES

For the years ended December 31, 2013 and 2012, the benefit from income taxes is comprised of the following

	Year Ended December 31, 2013	Year Ended December 31, 2012
Current:	$	$
Federal	-	-
State	-	-
Foreign	-	(1,531)
Total	-	(1,531)
Deferred:		
Federal	-	-
State	-	-
Foreign	-	-
Total	-	-
Income tax (expense) benefit	$ -	$ (1,531)

The provision for income taxes for the years ended December 31, 2013 and 2012 differs from the amount computed by applying the U.S. income tax rate of 34% to loss before taxes as follows:

	Year Ended December 31,	
	2013	2012
Computed "expected" tax benefit	$ (2,370,485)	$ (2,052,604)
Loss from equity-method investment	75,720	154,093
State taxes, net of federal benefit	-	(213,558)
Tax effect of change in valuation allowance	(245,534)	2,836,371
Tax effect of losses and rates in non-US jurisdictions	2,592,762	20,221
Tax effect of other permanent items	13,026	(744,523)
Other	(65,489)	1,531
Total	$ -	$ 1,531

Loss before benefit from income taxes for the years ended December 31, 2013 and 2012, on a domestic versus foreign basis, consisted of the following:

	Year Ended December 31,	
	2013	2012
Domestic	$ (6,891,170)	$ (5,893,648)
Foreign	(74,188)	(143,423)
Total	$ (6,965,358)	$ (6,037,071)

Deferred income taxes reflect the tax consequences on future years of temporary differences between the tax basis of assets and liabilities and their financial reporting basis and are reflected as current or non-current depending on the classification of the asset or liability generating the deferred tax. The deferred tax provision for the periods shown represents the effect of changes in the amounts of temporary differences during those periods.

	Year Ended December 31,	
	2013	2012
Deferred tax assets:		
Net operating loss carryforwards	$ 18,735,824	$ 16,864,117
Amortization	-	(133)
Depreciation of fixed assets	53,178	-
Deferred income and reserves	2,853,995	(177,731)
Stock-based compensation expense	9,680,970	9,450,504
Differences related to stock basis in equity investment	421,203	336,664
Other	292,020	-
Less: valuation allowance	(32,236,042)	(29,607,423)
Total deferred tax assets	(198,851)	(3,134,003)
Deferred tax liabilities:		
Acquired intangibles	(25,000)	(25,000)
Depreciation of fixed assets	205,211	(26,019)
Amortization of Intangibles	0	3,166,382
Foreign exchange gain/loss	(6,360)	(6,360)
Total deferred tax liabilities	173,851	3,109,003
Net deferred tax liabilities	$ (25,000)	$ (25,000)

The following table represents a roll forward of the valuation allowance against deferred tax assets for fiscal 2013 and 2012:

	Year Ended December 31, 2013	Year Ended December 31, 2012
Balance at the beginning of year	$ 29,607,423	$ 23,209,679
Increase related to net operating loss and costs and expenses incurred in the current year	2,588,839	6,154,285
Change related to prior year true-ups	66,157	346,442
Effect of foreign exchange rate differences	(26,376)	(102,983)
Balance at end of year	$ 32,236,042	$ 29,607,423

The net operating losses available at December 31, 2013, to offset future taxable income in the U.S. federal, state, Hong Kong, China and Brazil jurisdictions are $46.4 million, $34.4 million, $0.5 million, $3.0 million and $6.6 million, respectively. The income tax rates for Hong Kong, China and Brazil are 16.5%, 25% and 15%, respectively.

The net operating losses in the U.S. include losses in the amount of $3.9 million related to the purchase of DailyStrength. The ability of the Company to utilize net operating loss ("NOL") carryforwards to reduce future federal taxable income and federal income tax is subject to various limitations under the Internal Revenue Code of 1986, as amended. The utilization of such carryforwards may be limited upon occurrence of certain ownership changes, including the issuance or exercise rights to acquire stock, the purchase or sale of stock by 5% stockholders, as defined in the Treasury regulations, and the offering of stock during any three-year period resulting in an aggregate change of more than 50% in beneficial ownership of the Company.

In the event of an ownership change (as defined for income tax purposes), Section 382 of the Code imposes an annual limitation on an amount of a corporation's taxable income that can be offset by these carryforwards. The limitation is generally equal to the product of (i) the fair market value of the equity of the company multiplied by (ii) a percentage approximately equivalent to the yield on the long-term tax exempt bonds during the month in which an ownership change occurs. In addition, the limitation is increased if there are recognized built-in gains during any post-change year, but only to the extent of any net unrealized built-in gains (as defined in the Code) inherent in the assets sold.

The federal net operating losses expire between the years 2024 and 2030. The state net operating losses expire between the years 2016 and 2030. The net operating losses generated in Hong Kong have no expiration date and carry forward indefinitely. The net operating losses generated in China have a five-year carryover period. The net operating losses generated in Brazil have no expiration date and up to 30% of the net operating loss may be utilized each year.

The Company has not recognized a deferred U.S. tax liability and associated tax expense for the undistributed earnings of its foreign subsidiaries which we consider indefinitely invested because those foreign earnings will remain permanently reinvested in those subsidiaries to fund ongoing operations and growth.

In assessing deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company considers the reversal of existing taxable temporary differences, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable losses, at December 31, 2013, the Company believes it is not more likely than not that Remark Media will realize the benefits of these deductible differences. Therefore, a full valuation allowance has been provided for all the net deferred tax assets.

The Company had no unrecognized tax benefits for the years ended December 31, 2013 and 2012 and does not expect its unrecognized tax benefits to change significantly over the next 12 months.

Remark Media files United States state and foreign income tax returns in jurisdictions with varying statutes of limitations. The 2005 through 2011 tax years generally remain subject to examination by federal and most state tax authorities with respect to net operating losses. In significant foreign jurisdictions, the 2008 through 2011 tax years generally remain subject to examination by their respective tax authorities.

The Company follows the provisions of FASB accounting guidance on accounting for uncertain income tax provisions. Accordingly liabilities are recognized for a tax position, where based solely on its technical merits, it is believed to be more likely than not fully sustainable upon examination. As of December 31, 2013 and 2012, the Company had no reserve for uncertain tax positions.

11. CAPITAL LEASES

On December 7, 2010, Banks.com entered into a sale-leaseback arrangement with Domain Capital, LLC, ("Domain Capital") consisting of an agreement to assign the domain name, *banks.com*, to Domain Capital in exchange for $ 0.6 million in cash and a Lease Agreement to lease back the domain name from Domain Capital for a five year term. Effective June 28, 2012, Banks.com became a wholly owned subsidiary of Remark Media and according to the Agreement and Plan of Merger, Remark Media assumed all outstanding liabilities on the effective date of close. As of December 31, 2013, total obligations under this agreement were $0.3 million, $0.2 million of which is included under the current portion of capital lease obligations and the remainder is included under capital lease obligations, net of current portion of the Company's consolidated balance sheets at December 31, 2013.
The following table represents the approximate future minimum capital lease payments due under this agreement as of December 31, 2013:

		Capital Lease Commitments
2014	$	177,452
2015		151,029
Total commitments		328,481
Interest on capital leases		(37,553)
Present value of minimum capital lease payments	$	290,928

12. LONG-TERM DEBT WITH RELATED PARTY

On November 23, 2012, the Company entered into a $1.8 million Term Loan Agreement, at a 6.67% annual interest rate with a lender controlled by and in part owned by Mr. Kai-Shing Tao, the Company's Chairman and Chief Executive Officer. Mr. Tao has been a director of the Company since 2007. The Term Loan is secured by substantially all the tangible and intangible assets of the Company, excluding its shares of common stock of Sharecare. The principal and accrued interest under the Term Loan Agreement is convertible into Common Stock of the Company at the rate of $1.30 per share, which represents an approximately 33% premium to the average closing prices of the Company's common stock for the ten days prior to entrance into the agreement and an approximately 53% premium to the closing price of the Company's common stock on the day of entrance into the agreement. On April 2, 2013, the Company entered into a $4.0 million Promissory Note with that same lender, at a 6.67% annual interest rate for the first year and 8.67% for the second year. The principal and accrued interest under the Promissory Note is convertible into Common Stock of the Company at the rate of $2.00 per share, which represents an approximately 11% premium to the average closing prices of the Company's common stock for the ten days prior to entrance into the agreement and an approximately 8% premium to the closing price of the Company's common stock on the day of entrance into the agreement.

On November 12, 2013, Digipac, LLC notified the Company that it wished to convert the entire principal amounts of both the November 2012 Note and the April 2013 Note, and all accrued and unpaid interest thereon, into shares of the Company's common stock, effective as of the same day. This conversion resulted in the issuance of 3,556,672 shares of the Company's common stock to the lender, and the extinguishing of a total of $5.8 million in debt issued by the Company and approximately $281,236 in accrued and unpaid interest.

On November 13, 2013, the Company entered into a $2.5 million Term Loan Agreement, at 6.67% annual interest rate for the first year and 8.67% for the second year, with a lender controlled by and in part owned by Mr. Kai-Shing Tao, the Company's Chairman and Chief Executive Officer, and in part owned by Mr. Douglas Osrow, the Company's Chief Financial Officer. The Term Loan Agreement is secured pursuant to the Term Loan Agreement detailed below, as amended by Amendment No. 2 to that Term Loan Agreement, dated April 2, 2013. The principal and accrued interest under the Term Loan Agreement is convertible into Common Stock of the Company at the rate of $3.75 per share, which was the closing price of the Company's common stock for the trading session immediately prior to entrance into the agreement. The balance is due November 2015.

The future maturity schedule of the long-term debt with related party was as follows as of December 31, 2013:

Year ending December 31,

2014		-
2015	$	2,500,000

13. COMMITMENTS AND CONTINGENCIES

Commitments

The Company has entered into operating leases for office space. The lease agreement associated with its headquarters required a security deposit and included an allowance, which was used against leasehold improvements. Rental expense for operating leases, which is recognized on a straight-line basis over the lease term, was $0.6 million and $0.3 million for the years ended December 31, 2013 and 2012, respectively.

The following table represents the approximate future minimum lease payments at December 31, 2013 due under non-cancellable operating lease agreements with terms in excess of a year:

	Operating Lease Commitments
2014	$ 240,000
2015	240,000
2016	40,000
Total commitments	$ 520,000

On November 13, 2012, the Company entered into a Service Agreement (the "Agreement") with The Street, Inc. ("The Street") effective as of November 15, 2012 and expiring on December 31, 2014. The Service Agreement was terminable at will by either party upon 60 days' notice commencing May 31, 2013. Under the Agreement, The Street was required to perform certain services for the Company's personal finance websites. In exchange for those services, the Company would share a portion of the personal finance sites' revenues and receive reimbursements of operating expenses up to a contractually specified amount.

On March 29, 2013, The Street sent a formal notice to exercise its right to terminate the Agreement effective May 31, 2013.

The Company originally accounted for the reimbursable expenses as contract receivables and for the revenue share as contractual liabilities pursuant to the terms of the Agreement. Over the term of the Agreement, the contract receivables and contractual liabilities gave rise to a net contract liability of $0.2 million. The Company believes that The Street wholly underperformed on the contract constituting a fundamental breach of contract. Thus, the breach pursuant to the respective state's contract law negates any payment obligation relating to the Agreement. As of December 31, 2013, the Company fully reserved the contract receivable and derecognized the contractual liability, resulting in a net impact of $0.2 million in the consolidated statement of operations.

On May 1, 2013, Remark Media entered into a sublease for its Concourse Six office space through the remainder of the lease term giving cause to an abandonment of lease analysis. Following the exit of the lease, Remark Media recognized an early termination liability of $0.3 million adjusted for sublease rental income, leasehold allowances, and the use of security deposits. The early termination liability principally represents the escalating lease payments inherent in the deferred rent as of the cease use date, net of the sub-lease income. The estimated fair value of the costs was based on the terms of the lease agreement and sub-lease agreement and, as such, represents the lease commitment over the next three years. The Company elected not to present value that obligation because the difference between the gross and discounted future cash flow settlements was immaterial to the financial statements.

On the cease use date, the Company recorded an early termination expense of $16 thousand - which was adjusted for the remaining deferred rent, use of security deposits, and future sublease income. These fees were included in the general and administrative expenses in the consolidated statement of operations and comprehensive loss.

On December 31, 2013, the Company entered into a Lease Termination Agreement with the landlord of its Concourse Five office space, waiving all rights to apply unpaid leasehold improvements. The termination penalty for abandoning the Concourse Five office space was $0.1 million which was recorded as an expense and included in the general and administrative expenses in the consolidated statement of operations and comprehensive loss.

The following depicts the remaining accrual balances for these early termination cost.

	Accrual at Cease-use Date	Charges or Reversals	Costs paid or Settled	Accrual at December 31, 2013
Lease termination, facility closure and other costs of Concourse 5	$ 312,491	-	$ (34,744)	$ 277,747
Lease termination, adjusted for escalating rents, leasehold improvements, and security deposits for Concourse 6	82,500	-	-	82,500
Total	**$ 394,991**	**-**	**$ (34,744)**	**$ 360,247**

The early termination liability of $0.4 million is recorded in accrued expenses and other current liabilities on the consolidated balance sheet.

Contingencies

On July 23, 2012, a complaint was filed by FOLIO*fn*, Inc. ("FOLIO*fn*") against the Company's subsidiary MyStockFund Securities, Inc. ("MyStockFund"), alleging that MyStockFund had infringed six U.S. Patents held by FOLIO*fn* relating to investment methods. The complaint seeks injunctive relief, damages, pre-judgment interest, and attorneys' fees. The Company has reached a settlement.

In addition, the Company is engaged from time to time in certain legal disputes arising in the ordinary course of business. The Company accrues liabilities for legal contingencies when it believes that it is both probable that a liability has been incurred and that it can reasonably estimate the amount of the loss. The Company will review these accruals and adjust them to reflect ongoing negotiations, settlements, rulings, advice of legal counsel, and other relevant information. To the extent new information is obtained, and the Company's views on the probable outcomes of claims, suits, assessments, investigations, or legal proceedings change, changes in the Company's accrued liabilities would be recorded in the period in which such determination is made. Management believes that the outcome of any such matters will not have a material impact on the consolidated financial statements.

14. STOCKHOLDERS' EQUITY

Issuance of Common Shares

In February 2012, the Company issued 944,777 common shares and warrants to acquire 236,194 common shares through a private placement in exchange of cash in the amount of $4.25 million. The warrants have a term of five years and six months and are not exercisable during the first six months after issuance. The exercise price of the warrants is $6.81 per share. In addition, the exercise price will be subject to weighted average anti-dilution provision, such that the exercise price will be adjusted downward (commonly referred to as a "down-round" provision) on a weighted average basis to the extent the Company issues common stock or common stock equivalents in a financing transaction at a price below the prevailing warrant exercise price. The Company also paid an additional $0.1 million for stock issuance costs, which was charged against additional paid in capital. The Company also paid a placement agent fee of 7% of the proceeds of the offering, approximately $0.3 million, and issued a three-year warrant to the placement agent to purchase up to an aggregate of 35,429 shares of Common Stock at an exercise price of $7.46 per share.

Under guidance in ASC 815-40, "Contracts in Entity's Own Stock", the down round provision contained in the warrants issued in connection with the Equity Financing requires derivative liability accounting treatment for the warrants. At December 31, 2013 and 2012, the fair value of the warrants were $0.8 million and $0.3 million, respectively. The fair value was calculated using the Monte Carlo simulation valuation model.

As discussed in Note 5 of the consolidated financial statements, on June 28, 2012, the Company issued 702,267 shares of common stock pursuant to the acquisition of Banks.com. The Company recorded the fair value of the common stock at $3.40 per share based on the closing price of Remark Media's common stock on the effective date of the acquisition.

On April 2, 2012, the Company issued 32,405 common shares in connection with the cashless exercise of the warrants to purchase 65,359 common shares issued in 2011 in connection with the debt agreement entered into with Theorem Capital, which expired in March 2012.

At December 31, 2013, the Company had additional outstanding warrants to acquire 30,000 shares of common stock which had exercise prices ranging from $35.00 to $98.90 and which will expire through 2017.

Stock-Based Compensation

Remark Media has authorized 800,000 shares under the 2006 Equity Incentive Plan adopted April 13, 2006 (the “2006 Plan”), and an additional 525,000 shares authorized under the 2010 Equity Incentive Plan adopted June 15, 2010, and modified on December 30, 2011 (the “2010 Plan”), for grants as part of long-term incentive plans to attract, retain and motivate its eligible executives, employees, officers, directors and consultants. Options to purchase common stock under the 2006 and 2010 Plans have been granted to its officers and employees with an exercise price equal to the fair market value of the underlying shares on the date of grant.

The Company uses the Black-Scholes options pricing model to value its options, using the assumptions in the following table for 2013 and 2012. Expected volatilities are based on the historical volatility of its stock. The expected term of options represents the period of time that the options granted are expected to be outstanding. The Company uses the midpoint method to estimate the expected term for options granted as sufficient historical data regarding exercise of options is not available nor information readily available regarding comparable plans sufficient to use as a basis to estimate the expected term value. The risk-free rate of periods during the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The dividend yield is based on expected dividends to be paid over the term of the options.

	2013	2012
Expected volatility	114.39%	113.12%
Expected life in years	7.00	6.00
Dividend yield	0	0
Risk free interest rate	1.7%	1.0%

Stock-based compensation cost is measured based on the fair value of the award on the date of the grant, and is recognized as an expense over the employee’s requisite service period. Stock-based compensation expense for the years ended December 31, 2013 and 2012 was $0.6 million and $0.8 million, respectively. Unrecognized compensation expense as of December 31, 2013, relating to non-vested stock options approximated $0.6 million and is expected to be recognized through 2013. At December 31, 2013, no options have been exercised under this plan. Stock options have a maximum term of 10 years from the grant date.

A summary of stock option activity and related information as of December 31, 2013, and changes during the year then ended, is presented below:

	Number of Options		Weighted Average Exercise Price	Weighted Average Remaining Contract Term (years)		Aggregate Intrinsic Value
Options						
Outstanding at January 1, 2012	893,833	$	41.80			
Granted	246,427		5.83			
Forfeited	(149,292)		20.72			
Exercised	-		-			
Total outstanding at December 31, 2012	990,968		38.61	6.1	$	-
Options exercisable at December 31, 2012	880,787	$	42.40	6.0	$	-
Options						
Outstanding at January 1, 2013	990,968	$	38.61			
Granted	324,601		4.24			
Forfeited	(651,697)		40.37			
Exercised	-		-			
Total outstanding at December 31, 2013	663,872		14.45	7.5	$	-
Options exercisable at December 31, 2013	443,328	$	4.55	6.6	$	-

The fair value of options vested during the years ended December 31, 2013 and 2012, were $0.3 million and $0.2 million, respectively. The grant-date fair value of options granted during the years 2013 and 2012 was $0.1 million and $0.7 million, respectively.

As of December 31, 2013, 279,329 are available for future issuance under the Equity Incentive Plan.

A summary of the non-vested options and changes for the years ended December 31, 2013 and 2012 is as follows:

		Number of shares		Weighted average grant date fair value
Shares				
Non-vested balance at January 1, 2012		326,520		3.16
Granted		241,927		4.60
Vested		(86,676)		2.96
Forfeited		(142,500)		3.17
Non-vested balance at December 31, 2012	$	339,271	$	4.30
Non-vested balance at January 1, 2013		339,271		4.30
Granted		324,601		2.58
Vested		(389,274)		3.41
Forfeited		(25,000)		2.51
Non-vested balance at December 31, 2013	$	249,598	$	4.31

The following table summarizes information about stock options outstanding by price range as of December 31, 2013:

	Options Outstanding			Options Exercisable	
Ranges of Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Average Exercise Price	Number of Shares	Weighted Average Average Exercise Price
$32.00 - $71.00	110,177	3.62	56.44	110,177	56.44
$5.00 - $6.08	301,334	9.10	5.25	56,736	5.10
$1.25 - $3.85	252,361	7.72	3.37	247,361	3.35
	663,872	7.05	$ 13.03	414,274	$ 17.71

A summary of restricted stock activity and related information as of December 31, 2013, and changes during the year then ended is presented below:

	Number of shares	Weighted average grant date fair value
Shares		
Non-vested balance at January 1, 2012	-	-
Granted	16,000	5.99
Vested	(12,000)	5.99
Forfeited	(4,000)	5.99
Non-vested balance at December 31, 2012	-	$ -
Non-vested balance at January 1, 2013	-	-
Granted	303,956	3.15
Vested	(50,000)	3.10
Forfeited	-	-
Non-vested balance at December 31, 2013	253,956	$ 3.16

The total fair value of restricted stock vested during the years ended December 31, 2013 and 2012 was approximately $0.8 million and $0.4 million, respectively.

As of December 31, 2013, there was $1.1 million unrecognized compensation expense related to non-vested restricted stock that cost is expected to be recognized over a weighted average period of 3.5 years.

In the aggregate, the total compensation expense recognized in connection with restricted stock grants was $0.4 million and $0.3 million during the years ended December 31, 2013 and 2012, respectively.

15. EARNINGS PER SHARE

The following is a reconciliation of the numerators and denominators of the Company's basic and diluted earnings per share computations:

	Years Ended December 31,	
	2013	2012
Loss per share:		
Net loss	$ (6,965,358)	$ (6,038,602)
Weighted average shares outstanding	$ 7,732,748	$ 6,605,563
Net loss per share, basic and diluted	$ (0.90)	$ (0.91)
Common shares and dilutive securities:		
Weighted average shares outstanding	7,732,748	6,605,563
Dilutive securities	$ -	$ -
Total common shares and dilutive securities	$ 7,732,748	$ 6,605,563

Stock options and warrants are not included in the diluted earnings per share calculation above as they are anti-dilutive. The number of anti-dilutive weighted average shares outstanding excluded from the calculation above was 813,169 and 990,868 for the years ended December 31, 2013 and 2012, respectively.

16. RELATED PARTY TRANSACTIONS

As discussed in Note 12, the Company entered into promissory note totaling $2.5 million with a lender controlled by and in part owned by Mr. Kai-Shing Tao, the Company's Chairman and Chief Executive Officer, and Digipac converted the entire principal and accrued interest of the November 2012 Note and April 2013 Note into shares of the Company's common stock. This conversion fully extinguished the $5.8 million debt.

The related party interest expense for the promissory notes was $0.3 million and $0.06 million for the year ended December 31, 2013 and 2012, respectively.

As of December 31, 2013, Remark Media owned approximately 8.19% of the outstanding common stock of Sharecare. Jeff Arnold, a former member of the Company's Board of Directors, is the Chairman and Chief Executive Officer and a significant stockholder of Sharecare. Additionally, Discovery Communications, Inc., formerly the Company's largest stockholder, is a significant stockholder of Sharecare.

17. SUBSEQUENT EVENTS

New Convertible Promissory Note

On January 29, 2014, the Company entered into a $3.5 million Term Loan Agreement ("January 2014 Note"), at 6.67% annual interest for the first year and 8.67% for the second year, with the lender controlled by and in part owned by Mr. Kai-Shing Tao, the Company's Chairman and Chief Executive Officer, and in part owned by Mr. Douglas Osrow, the Company's Chief Financial Officer. The principal and accrued interest under the Term Loan Agreement is convertible into Common Stock of the Company at a rate of $5.03 (the "Conversion Price") - which was the stock price immediately prior to the effective date of the agreement - if all or a portion of is elected by Digipac. The Company may also convert all or a portion of the principal and accrued interest of the January 2014 Note into Common Stock at the conversion price if the weighted average price of Common Stock is equal to at least the 150% of the conversion price for at least 30 to 40 trading days immediately prior to the date of the Company's election. The January 2014 Note provides that the Company and Digipac will negotiate and enter into a registration rights agreement providing Digipac with demand and piggyback rights with respect to the shares of Common Stock underlying the January 2014 Note.

On January 15, 2014, the Company's wholly owned subsidiary, Banks.com, completed an asset acquisition of domain names www.taxextension.com, www.taxextensions.com, and www.onlinetaxextension.com - which provide web-based tax extension services - for an aggregate purchase price of $450,000.

Loan Agreement to Bombo Sports & Entertainment, LLC

On February 11, 2014, the Company and Bombo Sports & Entertainment, LLC ("BSE") entered into a Loan Agreement pursuant to which the Company loaned BSE $1 million. The outstanding principal balance of the loan bears interest at 5% per annum, with principal and interest due and payable 10 days after the delivery of the written demand to BSE. If the loan is not paid in full at the end of the 10 day period, the outstanding principal will bear interest at 12% per annum until it is paid in full. BSE may prepay all or any portion of the loan at any time without premium or penalty.

BSE's obligation under the Loan Agreement are secured by (i) a membership interest pledge agreement pursuant to which Robert S. Potter, the manager and owner of 86% membership interest in BSE, pledged to the Company all of his right, title, and interest in and to such membership interest and (ii) a pledge by BSE to the Company of all BSE's assets.

Issuance of Restricted Shares of Common Stock to Pacific Star Management, LP

On February 17, 2014, the Compensation Committee (the "Committee") of the Board of Directors of the Company awarded 275,000 shares of the Company's common stock to Pacific Star Capital Management, LP, an entity controlled by Kai-Shing Tao, the Company's Chairman of the Board and Chief Executive Officer, as compensation for providing Mr. Tao's services as the Company's Chief Executive Officer from September 2012 to December 2013. The Company will recognize an expense of $1.7 million in the first quarter ending March 31, 2014.

Modification of 2013 Stock Options

On February 17, 2014, the Committee of the Board of Directors of the Company elected to modify the vesting terms of 380,000 stock options and restricted shares from a 3-to-5 years vesting period to a 1 year vesting period. The Company will recognize any additional stock-based compensation expense as a result of this modification in the quarter ending March 31, 2014.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Securities and Exchange Act of 1934, or the Exchange Act. Our disclosure controls and procedures are designed to ensure that material information relating to us is made known to our principal executive officer and principal financial officer by others within our organization. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of December 31, 2013 to ensure that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (a) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and (b) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2013 based on the framework in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets, provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures are being made in accordance with authorizations of our management and directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use or disposition of our assets that could have a material effect on our financial statements.

Based on this evaluation, our management concluded that we maintained effective internal control over financial reporting as of December 31, 2013.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal controls over disclosures and procedures (as defined in Rule 13a-15(f) under the Exchange Act) during the most recent fiscal quarter ended December 31, 2013 that materially affected, or are reasonably likely to materially affect, our internal controls over disclosures and procedures

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information contained in the Company's definitive Proxy Statement, which the Company will file with the Securities and Exchange Commission no later than 120 days after December 31, 2013, with respect to: the identity, background and Section 16 filings of directors and executive officers of the Company; the Audit Committee of the Board of Directors and the Committee's "audit committee financial expert", the Company's procedures by which security holders may recommend nominees to the Board of Directors; and the Company's code of ethics applicable to its chief executive, financial, and accounting officers is incorporated herein by reference to this item.

ITEM 11. EXECUTIVE COMPENSATION

The information contained in the Company's definitive Proxy Statement, which the Company will file with the Securities and Exchange Commission no later than 120 days after December 31, 2013, with respect to director and executive compensation, the Compensation Committee of the Board of Directors and the Compensation Committee Report, is incorporated herein by reference in response to this item.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information contained in the Company's definitive Proxy Statement, which the Company will file with the Securities and Exchange Commission no later than 120 days after December 31, 2013, with respect to the ownership of common stock by certain beneficial owners and management, and with respect to the Company's compensation plans under which our equity securities are authorized for issuance, is incorporated herein by reference to this item.

For purposes of determining the aggregate market value of the Company's voting and non-voting common stock held by non-affiliates, shares held by all directors and executive officers of the Company have been excluded. The exclusion of such shares is not intended to, and shall not, constitute a determination as to which persons or entities may be "affiliates" of the Company as defined by the Securities and Exchange Commission.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information contained in the Company's definitive Proxy Statement, which the Company will file with the Securities and Exchange Commission no later than 120 days after December 31, 2013, with respect to related party transactions and director independence, is incorporated herein by reference in response to this item.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Summary of Auditor Fees and Pre-Approval Policy

Our Audit Committee has adopted a policy that requires pre-approval of all audit and permitted non-audit services that may be performed by our independent registered public accounting firm. Under this policy, each year, at the time it engages the auditors, the Audit Committee pre-approves the audit engagement terms and fees and may also pre-approve detailed types of audit-related and permitted tax services, subject to certain dollar limits, to be performed during the year. All other permitted non-audit services are required to be pre-approved by the Audit Committee on an engagement-by-engagement basis. All of the auditor fees for the last two years, as detailed below, were pre-approved by the Audit Committee or the full Board of Directors. The Audit Committee may delegate its authority to pre-approve services to one or more of its members, whose activities are reported to the Audit Committee at each regularly scheduled meeting.

Cherry Bekaert LLP was engaged as our independent registered accounting firm.

The following table represents a summary of the fees billed for professional services rendered to Remark Media by Cherry Bekaert LLP for the annual audits of 2013 and 2012, and for the reviews of Remark Media's financial statements included in the quarterly reports on Form 10-Q for the years 2013 and 2012.

	2013	2012
Audit Fees	$ 180,000	$ 205,000
Audit-Related Fees	1,655	-
Tax Fees	123,873	34,450
Other Fees	2,000	-
Total	$ 307,528	$ 239,450

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

SIGNATURES

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

Remark Media, Inc.

Date: 3/31/2014 By: *<u>/s/ **Douglas Osrow**</u>*
Douglas Osrow
Chief Financial Officer
(Principal Accounting Officer
and Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in these capacities.

Name	Title	
/s/ Kai-Shing Tao Kai-Shing Tao	Chief Executive Officer & Chairman (Principal Executive Officer)	3/31/2014
/s/ Douglas Osrow Douglas Osrow	Chief Financial Officer (Principal Financial Officer Principal Accounting Officer)	3/31/2014
/s/ Theodore Botts Theodore Botts	Director (Chairman of Audit Committee)	3/31/2014
/s/ Robert Goldstein Robert Goldstein	Director	3/31/2014
/s/ William Grounds William Grounds	Director	3/31/2014
/s/ Jason E. Strauss Jason E. Strauss	Director	3/31/2014

EXHIBIT INDEX

Exhibit Number	Description of Document	Registrant's Form	Dated	Exhibit Number	Filed Herewith
2.1	Agreement and Plan of Merger, dated as of April 20, 2006, among HowStuffWorks, Inc., HSW International, Inc. (now known as Remark Media, Inc.), HSW International Merger Corporation and INTAC International, Inc.	S-4/A	7/10/2007	Annex A	
2.2	First Amendment to Agreement and Plan of Merger, dated January 29, 2007, among HowStuffWorks, Inc. (now known as Remark Media, Inc.), HSW International, Inc., HSW International Merger Corporation and INTAC International, Inc.	S-4/A	7/10/2007	Annex B	
2.3	Second Amendment to Agreement and Plan of Merger, dated August 23, 2007, among HowStuffWorks, Inc. (now known as Remark Media, Inc.), HSW International, Inc., HSW International Merger Corporation and INTAC International, Inc.	S-1/A	1/14/2008	2.3	
2.4	Share Purchase Agreement among INTAC International, Inc., China Trend Holdings Ltd. and Wei Zhou, dated February 15, 2008	8-K	2/20/2008	2.4	
2.5*	Agreement and Plan of Merger dated as of November 26, 2008, by and among HSW International, Inc. (now known as Remark Media, Inc.), DS Newco, Inc., DailyStrength, Inc. and Douglas J. Hirsch	8-K	12/3/2008	10.25	
2.6 (1)	Asset Purchase Agreement by and among HSW International, Inc. (now known as Remark Media, Inc.), DailyStrength, Inc., DS Acquisition, Inc. and Sharecare, Inc., dated as of October 30, 2009	10-Q	11/16/2009	10.28	
2.7 (1)	Agreement and Plan of Merger among Remark Media, Inc. Remark Florida, Inc. and Banks.com, Inc. dated February 26, 2012	8-K	2/28/2012	2.1	
2.8	Amendment No. 1 to Agreement and Plan of Merger among Remark Media, Inc., Remark Florida, Inc. and Banks.com, Inc. dated June 5, 2012	8-K	6/6/2012	2.1	
3.1	Second Restated Certificate of Incorporation of Remark Media, Inc.	10-K	3/23/2012	3.1	

3.2	Second Amended and Restated Bylaws of HSW International, Inc. (now known as Remark Media, Inc.)	8-K	12/18/2007	3.2
4.1	Specimen certificate of common stock of Remark Media, Inc.	10-K	3/23/2012	4.1
4.2	HSW International 2006 Equity Incentive Plan	S-8	11/5/2007	4.2
4.3	HSW International, Inc. 2010 Equity Plan	8-K	6/21/2010	10.34
4.4	Registration Rights Agreement among HSW International, Inc. (now known as Remark Media, Inc.) , HowStuffWorks, Inc. and Wei Zhou dated as of October 2, 2007	8-K	10/9/2007	10.6
4.5	Registration Rights Agreement among HSW International, Inc. (now known as Remark Media, Inc.) and American investors dated as of October 2, 2007	8-K	10/9/2007	10.5
4.6***	Affiliate Registration Rights Agreement dated as of October 2, 2007	8-K	10/9/2007	10.7
4.7	Common Stock Purchase Warrant dated March 4, 2011 issued to Theorem Capital LLC	8-K	3/10/2011	4.6
4.8	Form of Warrant to Purchase Common Stock dated February 27, 2012 issued to investors	8-K	2/28/2012	4.1
4.9	Warrant to Purchase Common Stock dated February 27, 2012 issued to Janney Montgomery Scott LLC	8-K	2/28/2012	4.2
4.1	Registration Agreement dated February 27, 2012, among Remark Media, Inc. and the investors named therein	8-K	2/28/2012	10.2
10.10	Amended and Restated Stockholders Agreement, dated as of January 29, 2007, among HowStuffWorks, Inc., HSW International, Inc. (now known as Remark Media, Inc.) and Wei Zhou	S-4/A	7/10/2007	Annex H
10.20	First Amendment to Amended and Restated Stockholders Agreement, dated as of December 17, 2007, among HowStuffWorks, Inc., HSW International and (now known as Remark Media, Inc.) Wei Zhou	S-1/A	1/14/2008	10.2

10.30	Contribution Agreement (PRC Territories) between HowStuffWorks, Inc. and HSW International, Inc. (now known as Remark Media, Inc.), dated as of October 2, 2007	8-K	10/9/2007	10.2
10.40	Contribution Agreement (Brazil) between HowStuffWorks, Inc. and HSW International, Inc. (now known as Remark Media, Inc.) dated as of October 2, 2007	8-K	10/9/2007	10.1
10.50	Update Agreement between HowStuffWorks, Inc. and HSW International, Inc. (now known as Remark Media, Inc.) dated as of October 2, 2007	8-K	10/9/2007	10.4
10.60	Stock Purchase Agreement dated as of January 29, 2007 between HSW International, Inc. (now known as Remark Media, Inc.) and Ashford Capital	S-4/A	7/10/2007	Annex I-c
10.70	First Amendment to Stock Purchase Agreement dated as of August 23, 2007 between HSW International, Inc. (now known as Remark Media, Inc.) and Ashford Capital	S-1/A	1/14/2008	10.11
10.80	Stock Purchase Agreement dated April 20, 2006 between HSW International (now known as Remark Media, Inc.) and Harvest 2004, LLC	S-4/A	7/10/2007	Annex K
10.90	First Amendment to Stock Purchase Agreement dated as of August 23, 2007 between HSW International (now known as Remark Media, Inc.) and Harvest 2004, LLC	S-4/A	7/10/2007	Annex L
10.10	Stock Purchase Agreement dated as of January 29, 2007 between HSW International, Inc. (now known as Remark Media, Inc.) and the Purchasers named therein	S-4/A	7/10/2007	Annex I-c
10.11	First Amendment to Stock Purchase Agreement dated as of August 23, 2007 between HSW International, Inc. (now known as Remark Media, Inc.) and the purchasers named therein	S-1/A	1/14/2008	10.11
10.12	Stock Purchase Agreement dated April 20, 2006 between HSW International, Inc. (now known as Remark Media, Inc.) and DWS Finanz-Service GmbH	S-4/A	7/10/2007	Annex K
10.13	First Amendment to Stock Purchase Agreement dated January 29, 2007 between HSW International, Inc. (now known as Remark Media, Inc.) and DWS Finanz-Service GmbH	S-4/A	7/10/2007	Annex L

10.14***	Amended and Restated Consulting Agreement dated August 23, 2006 between HSW International, Inc. (now known as Remark Media, Inc.) and Jeffrey T. Arnold	S-4	3/14/2007	10.11
10.14.1***	Amendment No. 1 to the Amended and Restated Consulting Agreement dated August 23, 2006 between HSW International, Inc. (now known as Remark Media, Inc.) and Jeffrey T. Arnold	8-K	9/23/2008	10.14
10.15	Amended and Restated Letter Agreement between HowStuffWorks, Inc. and HSW International, Inc. (now known as Remark Media, Inc.) related to certain rights in India and Russia dated as of December 17, 2007	S-1/A	1/14/2008	10.15
10.16	Amended and Restated Letter Agreement between HowStuffWorks, Inc. and HSW International, Inc. (now known as Remark Media, Inc.) related to certain trademark rights dated as of December 17, 2007	S-1/A	1/14/2008	10.16
10.17***	Employment Agreement dated October 16, 2001 between INTAC International, Inc. and Wei Zhou (filed by INTAC International, Inc., File No 000-32621)	8-K	10/30/2001	10.5
10.18	Share Purchase Agreement, dated January 29, 2007, among INTAC International, Inc., INTAC International Holdings Limited, INTAC (Tianjin) International Trading Company, Cyber Proof Investments Ltd. and Wei Zhou	S-4/A	7/10/2007	Annex R
10.19	First Amendment to Share Purchase Agreement dated as of August 23, 2007 among INTAC International, Inc., INTAC International Holdings Limited, INTAC (Tianjin) International Trading Company, Cyber Proof Investments Ltd. and Wei Zhou	S-1/A	1/14/2008	10.19
10.20	Termination Agreement by and between HSW International, Inc. (now known as Remark Media, Inc.) and HowStuffWorks, Inc., dated as of December 17, 2007	S-1/A	1/14/2008	10.2
10.21	Stock Purchase Agreement between HSW International, Inc. (now known as Remark Media, Inc.) and the investors named therein, dated February 15, 2008	8-K	2/20/2008	10.21
10.22***	Separation Agreement with J. David Darnell dated May 13, 2008	10-Q	5/15/2008	10.22
10.23* ***	2008 Executive Compensation Plan	8-K/A	1/16/2009	10.23

10.24*	Content License Agreement dated September 17, 2008 between HSW International, Inc. (now known as Remark Media, Inc.) and World Book, Inc. and Amendment	10-Q	11/14/2008	10.24
10.25	Form of Director and Officer Indemnification Agreement	8-K	1/16/2009	10.1
10.26***	Letter Agreement by and between HSW International, Inc. (now known as Remark Media, Inc.) and Gregory Swayne dated September 28, 2009	10-Q	11/16/2009	10.26
10.27***	Confidential Separation and Release Agreement dated as of September 28, 2009, by and between HSW International, Inc. (now known as Remark Media, Inc.) and Henry Adorno	10-Q	11/16/2009	10.27
10.29	Subscription Agreement by and between HSW International, Inc. (now known as Remark Media, Inc.) and Sharecare, Inc., dated as of October 30, 2009	10-Q	11/16/2009	10.29
10.30	Secured Promissory Note issued by HSW International, Inc. (now known as Remark Media, Inc.) to Sharecare, Inc., dated as of October 30, 2009	10-Q	11/16/2009	10.3
10.31*	Letter Agreement for Services Agreement by and between HSW International, Inc. (now known as Remark Media, Inc.) and Sharecare, Inc., dated as of October 30, 2009	10-Q/A	1/22/2010	10.31
10.31.1	First Amendment to the Letter Agreement for Services by and between Sharecare, Inc. and HSW International, Inc. (now known as Remark Media, Inc.) dated December 30, 2009	8-K	1/7/2010	10.31.1
10.31.2	Second Amendment to the Letter Agreement for Services by and between Sharecare Inc (now known as Remark Media, Inc.) and HSW International, Inc. dated June 30, 2010	10-Q	8/12/2010	10.35
10.32	License Agreement dated as of October 30, 2009, by and among HSW International, Inc. (now known as Remark Media, Inc.), Sharecare Inc. ZoCo 1, LLC, Discovery SC Investment, Inc., Oz Works, L.L.C., and Arnold Media Group, LLC	10-Q/A	1/22/2010	10.31

10.33	Sublease Agreement by and between HSW International, Inc. (now known as Remark Media, Inc.) and Sharecare, Inc. dated as of March 30, 2010	8-K	4/5/2010	10.33
10.34***	Letter Agreement by and between HSW International, Inc. (now known as Remark Media, Inc.) and Eric Orme	10-Q	5/14/2010	10.34
10.39*	Option to Purchase Shares of Common Stock between HSW International Inc. (now known as Remark Media, Inc.) and Sharecare Inc. dated November 17, 2010	10-K	3/29/2011	10.39
10.4	Services Agreement effective as of April 19, 2010, between HSW International, Inc. (now known as Remark Media, Inc.) and Discovery Communications, LLC.	10-K	3/29/2011	10.4
10.41***	Letter Agreement between HSW International, Inc. (now known as Remark Media, Inc.) and Carrie Ferman	10-K	3/23/2012	10.41
10.42***	Separation and Release Agreement and Independent Contractor Agreement dated February 14, 2012 between Remark Media, Inc. and Gregory M. Swayne	10-K	3/23/2012	10.42
10.43***	Separation and Release Agreement and Independent Contractor Agreement dated February 14, 2012 between Remark Media, Inc. and Shawn G. Meredith	10-K	3/23/2012	10.43
10.44(1)	Purchase Agreement dated February 27, 2012, among Remark Media, Inc. and the investors named therein	8-K	2/28/2012	10.1
10.45	Amended and Restated Promissory Note in the principal amount of $125,000 Kimberly and Daniel O'Donnell dated June 28, 2012	8-K	6/29/2012	10.1
10.46*	First Amendment to Letter Agreement for Employment between remark Media, Inc. and Carrie B. Ferman dated effective October 1, 2012	10-Q/A	11/27/2012	10.2
10.47*	Senior Secured Convertible Promissory Note dated November 23, 2012	8-K	11/23/2012	10.1
10.48	Security Agreement between Remark Media, Inc. and Digipac, LLC dated November 23, 2012	8-K	11/23/2012	10. 2
10.49	Sublease Agreement between Holland & Knight and Remark Media, Inc. dated February 28, 2013	8-K	3/6/2013	10.1

10.5	Membership Interest Purchase Agreement between Remark Media, Inc., Pop Factory LLC, Howard Sonnenschein and Gail Sonnenschein dated March 29, 2013	8-K	4/4/2013	2.1	
10.51	Senior Secured Convertible Promissory Note dated March 28, 2013	8-K	4/4/2013	10.1	
10.52	Amendment Number One to Security Agreement between remark Media, Inc. and Digipac, LLC dated March 28, 2013	8-K	4/4/2013	10.2	
10.53*	Services Agreement between Remark Media, Inc. and TheStreet, Inc. effective November 15, 2012	10-Q/A	3/25/2013	10.1	
10.54	Senior Secured Convertible	8-K	11/17/2013	10.1	
10.55	Amendment Number Two Security Agreement between Remark Media, Inc. and Digipac, LLC dated November 13, 2013	8-K	11/17/2013	10.2	
10.56	Confidential Agreement and Release Agreement between Remark Media, Inc. and Bradley Zimmer dated January 17, 2014	8-K	1/24/2014	10.1	
10.57	Senior Secured Convertible Promissory Note dated January 29, 2014	8-K	2/4/2014	4.1	
10.58	Amendment Number Three to Security Agreement between Remark Media, Inc. and Digipac, LLC dated 1/24/2014	8-K	2/4/2014	10.1	
10.59	Loan Agreement dated February 11, 2014 by Remark Media, Inc. and Bombo, Sports & Entertainment, LLC	8-K	2/18/2014	10.1	
21.1	Subsidiaries	10-K	3/23/2012	21.1	
23.1	Consent of Cherry Bekaert LLP				X
31.1	Certification by the Principal Executive Officer pursuant to Section 240.13a-14 or section 240.15d-14 of the Securities and Exchange Act of 1934, as amended				X
31.2	Certification by the Principal Financial Officer pursuant Section 302 of the Sarbanes Oxley Act of 2002				X

32.1**	Certification by the Principal Financial Officer and Principal Accounting Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X *
32.2**	Certification by the Principal Financial pursuant Section 906 of the Sarbanes-Oxley Act of 2002	X
101.INS**	XBRL Instance Document	X
101.SCH**	XBRL Taxonomy Extension Schema	X
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase	X
101.CAL**	XBRL Taxonomy Definition Linkbase	X
101.LAB**	XBRL Taxonomy Extension Label Linkbase	X
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase	X

(1) Schedules and exhibits have been omitted from the exhibits. A list of omitted schedules and exhibits is set forth immediately following the table of contents of the exhibit. Copies will be provided to the Commission upon request.

* The registrant has requested confidential treatment with respect to certain portions of this exhibit. Such portions have been omitted from this exhibit and have been filed separately with the United States Securities and Exchange Commission.

** These exhibits are furnished to the SEC as accompanying documents and are not to be deemed “filed” for purposes of Sections 11 and 12 of the Securities Act of 1933, as amended, and Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of these Sections nor shall they be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

***Executive Compensation Arrangement pursuant to 601(b)(10)(iii)(A) of Regulation S-K

(1) Schedules and exhibits have been omitted from the exhibits. A list of omitted schedules and exhibits is set forth immediately following the table of contents of the exhibit. Copies will be provided to the Commission upon request.

* The registrant has requested confidential treatment with respect to certain portions of this exhibit. Such portions have been omitted from this exhibit and have been filed separately with the United States Securities and Exchange Commission.

** These exhibits are furnished to the SEC as accompanying documents and are not to be deemed “filed” for purposes of Sections 11 and 12 of the Securities Act of 1933, as amended, and Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of these Sections nor shall they be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

***Executive Compensation Arrangement pursuant to 601(b)(10)(iii)(A) of Regulation S-K

EXHIBIT 21.1

SUBSIDIARIES

HSW Brasil - Tecnologia e Informacao Ltda
HSW (HK), Inc. Limited
Bonet (Bejing) Technology Limited Liability Company
BoWenWang Technology (Bejing) Limited Liability Company
Banks.com, Inc.
My Stock Fund Securities, Inc.
My Dotted Ventures, Inc.
Pop Factory, LLC

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in its Registration Statement (Form S-8 Nos. 333-147149 and 333-168800, and Form S-3 No. 333-180290) of Remark Media, Inc. of our report dated March 31, 2014 related to the consolidated financial statements as of December 31, 2013 and 2012, and for the years then ended, included in this Annual Report on Form 10-K.

/s/ Cherry Bekaert LLP

Atlanta, GA

March 31, 2014

Exhibit 31.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kai-Shing Tao, certify that:

1. I have reviewed this annual report on Form 10-K of Remark Media, Inc. for the year ended December 31, 2013;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2014

/s/ *Kai-Shing Tao*
Kai-Shing Tao
Chief Executive Officer and Chairman (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Douglas Osrow, certify that:

1. I have reviewed this annual report on Form 10-K of Remark Media, Inc. for the year ended December 31, 2013;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2014

/s/ *Douglas Osrow*
Douglas Osrow
Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 32.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Remark Media, Inc., (the "Company") on Form 10-K for the year ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kai-Shing Tao, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 31, 2014

By: */s/ Kai-Shing Tao*
Kai-Shing Tao
Chief Executive Officer and Chairman
(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Remark Media, Inc., (the "Company") on Form 10-K for the year ended December 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Douglas Osrow, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 31, 2014

By: */s/ Douglas Osrow*

Douglas Osrow
Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)