

LoopNet, Inc.  
Form DEF 14A  
April 11, 2008

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
(RULE 14a-101)**

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-12

**LOOPNET, INC.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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April 11, 2008

Dear LoopNet Stockholder:

I am pleased to invite you to attend the 2008 Annual Meeting of Stockholders of LoopNet, Inc. to be held on Thursday, May 29, 2008 at 185 Berry Street, San Francisco, California 94107.

Details regarding the meeting and the business to be conducted are more fully described in the accompanying Notice of Annual Meeting and Proxy Statement.

Your vote is important. Whether or not you plan to attend the 2008 Annual Meeting, I hope you will vote as soon as possible. You may vote by mailing a proxy or in person at the annual meeting. Please review the instructions in the proxy statement and on the proxy card regarding your voting options.

Thank you for your ongoing support of and continued interest in LoopNet. We look forward to seeing you at our annual meeting.

Sincerely,

Richard J. Boyle, Jr.  
*Chief Executive Officer, and Chairman  
of the Board of Directors*

San Francisco, California

**YOUR VOTE IS IMPORTANT**

In order to ensure your representation at the meeting, whether or not you plan to attend the meeting, please complete, sign and date the enclosed proxy as promptly as possible and return it in the enclosed envelope (to which no postage need be affixed if mailed in the United States). You may also submit your proxy via the Internet or telephone as specified in the accompanying Internet and telephone voting instructions. Your participation will help to ensure the presence of a quorum at the meeting and save LoopNet the extra expense associated with additional solicitation. Sending your proxy card will not prevent you from attending the meeting, revoking your proxy, and voting your stock in person.

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**LOOPNET, INC.**

**185 Berry Street, Suite 4000,  
San Francisco, CA 94107,  
Tel: (415) 243-4200.**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

<b>DATE</b>	Thursday, May 29, 2008
<b>TIME</b>	10:00 a.m., Pacific Daylight Time
<b>PLACE</b>	185 Berry Street, San Francisco, CA 94107
<b>ITEMS OF BUSINESS</b>	<ol style="list-style-type: none"><li>1. To elect two Class II Directors to serve on the Board of Directors, each to serve until the 2011 Annual Meeting of Stockholders or until his successor is duly elected and qualified.</li><li>2. To ratify Ernst &amp; Young LLP as our independent registered public accounting firm for 2008.</li><li>3. To consider any other business as may properly come before the 2008 Annual Meeting or at any adjournment or postponement of the annual meeting.</li></ol>
<b>RECORD DATE</b>	You are entitled to vote at the 2008 Annual Meeting if you were a stockholder of record at the close of business on Wednesday, April 2, 2008.
<b>ANNUAL REPORT</b>	Our 2007 Annual Report, which is not a part of the proxy soliciting material, is enclosed.
<b>VOTING BY PROXY</b>	Please submit a proxy as soon as possible so that your shares can be voted at the 2008 Annual Meeting in accordance with your instructions. For specific instructions on voting, including instructions on how to vote by the Internet or telephone, please refer to the instructions on the proxy card.

**April 11, 2008**

By Order of the Board of Directors,  
Brent Stumme  
*Chief Financial Officer, Senior Vice  
President, Finance and Administration and  
Secretary*

**Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on  
May 29, 2008:**

**The Proxy Statement and our 2007 Annual Report are available on our Website at [www.loopnet.com](http://www.loopnet.com).**

*This notice of annual meeting of stockholders and proxy statement and accompanying proxy card are being distributed on or about April 11, 2008.*

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**QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS  
AND THE 2008 ANNUAL MEETING**

**Q: *Why am I receiving these materials?***

**A:** The Board of Directors (the Board) of LoopNet, Inc., a Delaware corporation (LoopNet or the Company), is providing these proxy materials for you in connection with LoopNet's 2008 Annual Meeting of Stockholders (the Annual Meeting). The Annual Meeting will take place at 10:00 a.m. Pacific Daylight Time on Thursday, May 29, 2008. You are invited to attend the Annual Meeting and are entitled to and requested to vote on the proposals described in this proxy statement. **Q: *What information is contained in these materials?*** **A:** The information included in this proxy statement relates to the proposals to be voted on at the Annual Meeting, the voting process, the compensation of our Directors and most highly paid Executive Officers, and certain other required information. **Q: *What am I voting on?*** **A:** We are asking you to vote on the following items:

(1) The election of two directors to serve for a three-year term; and

(2) The ratification of the appointment of Ernst & Young LLP as our independent registered public accountant for 2008. **Q: *What are the voting recommendations?*** **A:** The Board recommends a vote FOR the election of each of the Director nominees and FOR the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accountant. **Q: *Who can vote at the Annual Meeting?*** **A:** Stockholders who owned our common stock of record on April 2, 2008 (the Record Date) can vote at the Annual Meeting. As of April 2, 2008, there were 35,706,270 shares of our common stock issued and outstanding, each entitled to one vote. **Q: *How do I vote?*** **A:**

There are four ways you can vote:

(1) By Internet: You may submit a proxy or voting instructions over the Internet by following the instructions that accompany your proxy card. If you vote by Internet, you do not have to mail in your proxy card.

(2) By Telephone: You may submit a proxy or voting instructions by telephone by following the instructions that accompany your proxy card. If you vote by telephone, you do not have to mail in your proxy card. (3) By Mail: If you received your proxy materials via the U.S. mail, you may complete, sign and return the accompanying proxy and voting instruction card in the postage-paid envelope provided. (4) In Person: If you are a stockholder as of the Record Date, you may vote in person at the meeting. Submitting a proxy will not prevent a stockholder from attending the Annual Meeting, revoking their earlier-submitted proxy, and voting in person. **Q: *Can I change my vote?*** **A:** You may revoke your proxy and change your vote by notifying our Secretary, or returning a later-dated proxy card. You may also revoke your proxy and change your vote by voting in person at the meeting. **Q: *Who can help answer my questions?*** **A:** If you have any questions about the Annual Meeting or how to vote or revoke your proxy, you should contact:

LoopNet, Inc.  
Attn: Secretary  
185 Berry Street, Suite 4000  
San Francisco, CA 94107  
(415) 243-4200

If you need additional copies of this proxy statement or voting materials, please contact our Secretary as described above.



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**Q: *What does it mean if I receive more than one proxy card?***

**A:** It means that you hold shares registered in more than one account. Sign and return all proxies to ensure that all of your shares are voted.

**Q: *Who will serve as inspector of elections?***

**A:** The inspector of elections will be a representative of Computershare Trust Company, N.A., our transfer agent.

**Q: *How many shares must be present to hold the Annual Meeting?***

**A:** To hold the Annual Meeting and conduct business, a majority of the outstanding shares of our common stock entitled to vote must be present in person or by proxy at the meeting. This is called a quorum.

Shares are counted as present at the meeting if the stockholder either (1) is present and votes in person at the meeting, or (2) has properly submitted a proxy or voted by telephone or internet.

Both abstentions and non-votes are counted for the purposes of determining the presence of a quorum. Broker non-votes occur when shares held by a stockholder in street name are not voted with respect to a proposal because the broker has not received voting instructions from the stockholder and the broker lacks discretionary voting power to vote the shares.

**Q: *What vote is required to approve each proposal?***

**A:** Election of Directors will be determined by a plurality of the votes of the shares present, so the two nominees who receive the highest numbers of votes for election will be elected, even if that does not represent a majority. The other matters, including the ratification of our independent registered public accounting firm, will be approved if a majority of the shares present vote for approval.

**Q: *How are votes counted?***

**A:** You may vote either FOR each director nominee or WITHHOLD your vote from any one nominee. You may vote FOR or AGAINST or ABSTAIN from voting on the proposal to ratify Ernst & Young LLP as our independent registered public accounting firm. If you abstain from voting on this proposal, it will have the same effect as a vote AGAINST the proposal. Broker non-votes, although counted toward the quorum, will not count as votes cast with respect to the matter as to which the broker has expressly not voted.

**Q: *Who can attend the Annual Meeting?***

**A:** All stockholders as of the Record Date can attend. If you wish to vote your shares at the 2008 Annual Meeting and your shares are held of record by a broker, bank or other nominee, you must contact your broker, bank or other nominee to obtain the proper documentation and bring it with you to the 2008 Annual Meeting.

**Q: *What happens if additional matters are presented at the Annual Meeting?***

**A:** Other than the two items of business described in this proxy statement, we are not aware of any other business to be acted upon at the 2008 Annual Meeting. If you grant a proxy, the persons named as proxyholders, Richard J. Boyle, Jr., LoopNet's Chief Executive Officer and Chairman of the Board of Directors, and Brent Stumme,

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LoopNet's Chief Financial Officer and Senior Vice President, Finance and Administration, will have the discretion to vote your shares on any additional matters presented for a vote at the meeting. If for any unforeseen reason any of our nominees is not available as a candidate for Director, the persons named as proxyholders, Mr. Boyle and Mr. Stumme, will vote your proxy for such other candidate or candidates who may be nominated by the Board.

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**Q: *Where can I find the voting results of the meeting?***

**A:** We intend to announce preliminary voting results at the 2008 Annual Meeting and publish final results in our quarterly report on Form 10-Q for our second fiscal quarter of 2008.

**Q: *Who will bear the cost of soliciting votes for the Annual Meeting?***

**A:** We are paying for the distribution and solicitation of the proxies. As part of this process, we reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to our stockholders. Our employees may also solicit proxies on our behalf in person, by telephone, electronic transmission or facsimile, but they do not receive additional compensation for providing those services.

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We have a classified Board of Directors, with overlapping terms of office. The number of directors is currently seven, with two Class I directors, three Class II directors and two Class III directors. Immediately prior to the Annual Meeting, the size of our Board of Directors will be reduced from seven to six directors, and the number of Class II directors will be reduced to two, as one Class II director, Mr. Millichap, is not standing for reelection. Our Board of Directors has determined that each of its current members, except for Mr. Richard J. Boyle, is independent within the meaning of the Nasdaq Stock Market, Inc. independent director standards.

**Election of Two Class II Directors**

The Board of Directors nominees for election by the stockholders as Class II directors are Mr. Dennis Chookaszian and Mr. Noel J. Fenton. Messrs. Chookaszian and Fenton currently serve as Class II directors with terms of office expiring at the Annual Meeting. Our Corporate Governance and Nominating Committee has recommended these nominations. If elected, the two nominees will serve as directors until our 2011 annual meeting or until their successors are duly elected and qualified. If either of the nominees declines to serve, proxies may be voted for a substitute nominee as we may designate. We are not aware of any reason that either of the nominees would be unable or unwilling to serve.

As long as a quorum is present, the two nominees for Class II directors receiving the highest number of votes FOR will be elected as the Class II directors. The persons named in the enclosed proxy intend to vote the shares represented by those proxies FOR the election of these two nominees

**The Board of Directors recommends a vote for the election of Dennis Chookaszian and Noel J. Fenton as Class II directors.**

**NOMINEES AND CONTINUING DIRECTORS**

The following sets forth certain information concerning our directors, including the nominees for election at the Annual Meeting, our continuing directors and our director who will not stand for reelection at the Annual Meeting.

<b>Name</b>	<b>Age</b>	<b>Position with the Company</b>	<b>Director Since</b>
<b>Class II Director Nominees:</b>			
Dennis Chookaszian <sup>(1,3)</sup>	64	Director	2006
Noel J. Fenton <sup>(2,3)</sup>	69	Director	1998
<b>Class II Director Not Standing for Reelection</b>			
William A. Millichap <sup>(2,3)</sup>	64	Director	1999
<b>Class III Director Whose Term Expires at 2009 Annual Meeting:</b>			
Richard J. Boyle, Jr.	42	CEO and Chairman of the Board of Directors	2001
Scott Ingraham <sup>(1)</sup>	54	Director	2006

**Class I Director Whose Term  
Expires at 2010 Annual Meeting**

William Byrnes <sup>(1)</sup>	57	Director	2006
Thomas E. Unterman <sup>(2)</sup>	63	Director	2001

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Member of the Corporate Governance and Nominating Committee.

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**Dennis Chookaszian** has served as a Director since July 2006. He is currently Chairman of the Financial Accounting Standards Advisory Council (FASAC) which provides guidance to the FASB on accounting matters. He has served as an independent advisor and board member for various non-profit and for-profit organizations since February 2001. Prior to such time, Mr. Chookaszian was the chairman and chief executive officer of CNA Insurance Companies, a global insurance company. He is a director of Career Education Corp, a post secondary educational services provider, of the Chicago Mercantile Exchange Holdings Inc., a financial services company, and of Insweb, an Internet insurance provider. Mr. Chookaszian holds a B.S. in Chemical Engineering from Northwestern University, an M.B.A. from the University of Chicago and a M.S.c from the London School of Economics. He is also a Certified Public Accountant and a Chartered Property Casualty Underwriter.

**Noel J. Fenton** co-founded Trinity Ventures, a venture capital firm, in 1986, and has served as a Director since 1998. He also serves as a director of several private companies. Mr. Fenton holds a B.S. from Cornell University and an M.B.A. from the Stanford University Graduate School of Business.

**William A. Millichap** is the Chairman of Marcus & Millichap Real Estate Brokerage Company, a commercial real estate brokerage firm, and has served as a Director since 1999. He also serves as a director of Essex Property Trust, a real estate investment trust traded on the New York Stock Exchange, and of several private companies. Mr. Millichap holds a B.A. in Economics from the University of Maryland.

Mr. Millichap will not be standing for reelection at the Annual Meeting and his term as a director will end on the date of the Annual Meeting. We wish to acknowledge with gratitude the service of Mr. Millichap as a director for the past nine years.

**Richard J. Boyle, Jr.** has served as our Chief Executive Officer and a Director since July, 2001, and Chairman of the Board of Directors since February, 2006. Mr. Boyle also served as our President from July, 2001 through January, 2008. Prior to being named our President, Chief Executive Officer, and Director, Mr. Boyle was Vice President of LoopNet in charge of product and technology development and operations from December 1999 to July 2001. Prior to joining LoopNet, Mr. Boyle was Senior Vice President of Products & Technology at Risk Management Solutions. Mr. Boyle holds a B.S. in Electrical Engineering from Stanford University.

**Scott Ingraham** has served as a Director since July 2006. He co-founded and served as the Chief Executive Officer and Chairman of Rent.com, an Internet residential real estate listing site, from 1999 until its acquisition by eBay in February 2005. Prior to founding Rent.com, Mr. Ingraham was the CEO, president and co-founder of Oasis Residential, a NYSE-traded apartment REIT which merged into Camden Property Trust in 1998. Mr. Ingraham is on the Board of Trust Managers of Camden Property Trust, a real estate investment trust focused on the development and ownership of apartment properties. Mr. Ingraham also serves on the Board of Directors of Kilroy Realty Corporation, a real estate investment trust focused on the development and ownership of office and industrial properties. Mr. Ingraham graduated from the University of Texas at Austin with a BBA in Finance.

**William Byrnes** has been a private investor since January 2001 and has served as a Director since July 2006. In September 2006 he founded, and is the Managing Member of, Wolverine Partners LLC, which operates MutualDecision.com, a mutual fund information website. From June 1999 until September 2005, Mr. Byrnes served as chairman of Pulpfree, d/b/a BuzzMetrics, a consumer-generated media research and marketing firm. Prior to such time, Mr. Byrnes was an investment banker with Alex. Brown & Sons and served as a former head of real estate and financial services at such firm. Mr. Byrnes is a member of the board of directors of CapitalSource Inc., a specialized commercial finance company. He holds a B.S.B.A. from Georgetown University, an M.B.A. from the University of Michigan and a J.D. from Georgetown University Law Center. Mr. Byrnes is also a Chartered Financial Analyst.

**Thomas E. Unterman** is the Founder and Managing Partner of Rustic Canyon Partners, a sponsor of venture capital and private investment funds. He has served as a Director since 2001. From 1992 to 1999, he served in several executive positions at The Times Mirror Company, most recently as Executive Vice President

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and Chief Financial Officer. He also serves as a director of several private companies and community organizations. Mr. Unterman holds a B.A. from Princeton University and a J.D. from the University of Chicago.

## **CORPORATE GOVERNANCE**

Our Board of Directors held eight meetings during 2007. Each Director attended 75% or more of the aggregate of (i) the total number of Board meetings held during the period of such member's service and (ii) the total number of meetings of Committees of the Board on which such member served, during the period of such member's service at LoopNet. The Board encourages all directors to attend annual meetings of the stockholders of LoopNet. All of our directors attended the 2007 Annual Meeting. The Board holds regularly scheduled executive sessions with only non-employee directors present. Such meetings generally occur on at least a quarterly basis. During each such session, an independent director, generally Noel Fenton as Lead Independent Director, will be selected by the non-employee directors to assume the responsibility of chairing the executive session and bear such further responsibilities that the non-employee directors as a whole might designate from time to time.

### **Board Independence**

The Board of Directors has adopted standards concerning director independence which meet the independence standards of the Nasdaq Stock Market and, with respect to the Audit Committee, the rules of the Securities and Exchange Commission.

The Company's officers, Corporate Governance and Nominating Committee and Board of Directors, along with its outside legal counsel, are involved in the process for determining the independence of acting directors and director nominees. The Company solicits relevant information from directors and director nominees via a questionnaire, which covers material relationships, compensatory arrangements, employment and any affiliation with the Company, and which the directors complete and return. In addition to reviewing information provided in the questionnaire, the executive officers and directors are asked on an annual basis regarding their awareness of any existing or currently proposed transactions, arrangements or understandings involving the Company in which any director or director nominee has or will have a direct or indirect material interest. The Company and its outside legal counsel share their findings with the Corporate Governance and Nominating Committee and the Board of Directors regarding the Nasdaq Stock Market and SEC independence requirements and any information regarding the director or director nominee that suggest that such individual is not independent. The Board of Directors discusses the relevant issues, including consideration of any transactions, relationships or arrangements required to be disclosed under Item 404(a) of Regulation S-K as well as any transactions, relationships, arrangements or other business relationships not required to be disclosed under Item 404(a) of Regulation S-K, prior to making a determination with respect to the independence of each director. For example, one of our directors, Mr. Millichap, is Chairman of Marcus & Millichap Real Estate Brokerage Company, a commercial real estate company that purchases our products and services. In fiscal 2007, revenues from Marcus & Millichap, pursuant to agreements or arrangements negotiated on arm's-length terms, accounted for less than 0.001% of our revenue. We also receive payments from brokers affiliated with Marcus & Millichap who purchase our products and services, but which are not paid by Marcus & Millichap. Mr. Millichap will not be standing for reelection at the Annual Meeting and his term as a director will end on the date of the Annual Meeting.

Based on the review described above, the Board of Directors affirmatively determined that:

A majority of the directors are independent, and all members of the Audit, Compensation and Corporate Governance and Nominating Committees are independent, under the Nasdaq standard and, in the case of the Audit Committee, the SEC standard.



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All of the non-management directors of the Company are independent under the Nasdaq standard. The independent directors are: William Byrnes, Thomas E. Unterman, Noel J. Fenton, William A. Millichap, Dennis Chookaszian, and Scott Ingraham.

Richard J. Boyle is not independent by virtue of his position as Chief Executive Officer of the Company.

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Other than as described above, in 2007, there were no transactions, relationships or arrangements not disclosed as related person transactions that were considered by the Board of Directors in determining that the applicable independence standards were met by each of the directors

### **Board Committees**

Our Board has three standing Committees, each of which is chaired by an independent Director: (1) Audit (the Audit Committee ), (2) Compensation (the Compensation Committee ) and (3) Corporate Governance and Nominating (the Corporate Governance and Nominating Committee ). The membership during 2007 and the function of each Committee are described below.

#### ***Audit Committee***

Our Audit Committee oversees the accounting and financial reporting processes of the Company and audits of its financial statements and the effectiveness of the Company's internal control over financial reporting. In that regard, the Audit Committee assists the Board in monitoring (1) the integrity of the financial statements of the Company, (2) the independent auditor's qualifications and independence, and (3) the compliance by the Company with legal and regulatory requirements. Our management has primary responsibility for the financial statements and reporting process, including systems of internal controls. Our independent auditors are responsible for auditing our financial statements and expressing an opinion as to their conformity to accounting principles generally accepted in the United States.

During 2007, our Audit Committee met eight times. Messrs. Byrnes, Chookaszian and Unterman served on our Audit Committee until July 19th, at which point Mr. Unterman resigned in order to serve on our Compensation Committee, and was replaced by Mr. Ingraham. Our Audit Committee currently consists of Mr. Byrnes, as Chairman, Mr. Chookaszian and Mr. Ingraham. Our Board has determined that each of the members of our Audit Committee meets the requirements of independence within the meaning of the Securities and Exchange Commission and the Nasdaq Stock Market independent director standards. Our Board has also determined that Messrs. Byrnes, Chookaszian and Ingraham are each financial experts within the meaning of the Securities and Exchange Commission standard.

In the performance of its oversight function, our Audit Committee reviews and discusses with management and the independent auditors our audited financial statements. Our Audit Committee also discusses with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 and Auditing Standard No. 2 relating to communication with audit committees. In addition, our Audit Committee receives from the independent auditors the written disclosures and letter required by Independence Standards Board Standard No. 1 relating to independence discussions with audit committees. Our Audit Committee also discusses with the independent auditors their independence from our Company and our management, and considers whether the independent auditor's provision of non-audit services to our Company is compatible with maintaining the auditor's independence.

Our Audit Committee discusses with our independent auditors the overall scope and plans for their audits. Our Audit Committee meets with the independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of our internal controls and the overall quality of our financial reporting. In addition, our Audit Committee meets with our Chief Executive Officer and Chief Financial Officer to discuss the processes that they have undertaken to evaluate the accuracy and fair presentation of our financial statements and the effectiveness of our system of disclosure controls and procedures.

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Our Audit Committee has a written charter, which is available on our website at [www.loopnet.com](http://www.loopnet.com) under About Us / Investor Relations / Corporate Governance / Audit Committee . *The Company's web site address provided above is not intended to function as a hyperlink, and the information on the Company's web site is not and should not be considered part of this proxy statement and is not incorporated by reference herein.*

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### ***Compensation Committee***

Our Compensation Committee reviews, discusses with the full Board, and establishes the amount and form of compensation paid to the Company's Chief Executive Officer. The Compensation Committee also reviews, discusses with the full Board, and establishes the amount and form of compensation paid to the Company's executive officers, officers, employees, consultants and advisors. The Compensation Committee may delegate its authority on these matters with regard to non-officer employees and consultants of the Company to officers and other appropriate Company supervisory personnel. The Compensation Committee may also delegate its authority to a subcommittee of the Compensation Committee. Additionally, within certain limitations, the Compensation Committee may delegate to one or more officers of the Company the authority to grant stock options and other stock awards to employees of the Company.

During 2007, our Compensation Committee met five times. Messrs. Fenton, Millichap and Ingraham served on our Compensation Committee until July 19th, at which point Mr. Ingraham resigned in order to serve on our Audit Committee, and was replaced by Mr. Unterman. Our current Compensation Committee consists of Mr. Fenton, as Chairman, Mr. Millichap and Mr. Unterman. Mr. Millichap will not be standing for reelection at the Annual Meeting and his term as a director, and accordingly his membership on the Compensation Committee, will end on the date of the Annual Meeting. Immediately prior to the Annual Meeting, Mr. Unterman shall assume the role of Chairman of the Compensation Committee. The Board has determined that each of the members of our Compensation Committee meets the requirements of independence as set forth in the rules and regulations promulgated by the SEC and the Nasdaq Stock Market.

Our Compensation Committee has a written charter, which is available on our website at [www.loopnet.com](http://www.loopnet.com) under About Us / Investor Relations / Corporate Governance / Compensation Committee . *The Company's web site address provided above is not intended to function as a hyperlink, and the information on the Company's web site is not and should not be considered part of this proxy statement and is not incorporated by reference herein.*

### ***Corporate Governance and Nominating Committee***

Our Corporate Governance and Nominating Committee assists the Board by identifying prospective director nominees, developing and recommending to the Board governance principles applicable to the Company, providing oversight with respect to corporate governance and overseeing the periodic evaluations of the Board.

During 2007, our Corporate Governance and Nominating Committee met one time to review nominees for directors who were elected at our 2007 Annual Meeting. Our Corporate Governance and Nominating Committee currently consists of Mr. Millichap, as Chairman, Mr. Chookaszian and Mr. Fenton. Immediately prior to the Annual Meeting, Mr. Fenton shall assume the role of Chairman of the Nominating Committee. Our Board has determined that each of the members of our Corporate Governance and Nominating Committee meets the requirements of independence as set forth in the rules and regulations promulgated by the SEC and the Nasdaq Listing Standards.

The Corporate Governance and Nominating Committee charter is available on our website at [www.loopnet.com](http://www.loopnet.com) under About Us / Investor Relations / Corporate Governance / Corporate Governance and Nominating Committee . *The Company's web site address provided above is not intended to function as a hyperlink, and the information on the Company's web site is not and should not be considered part of this proxy statement and is not incorporated by reference herein.*

### **Director Nominations**

We have no stated minimum criteria for director nominees. The Corporate Governance and Nominating Committee does, however, seek nomination and appointment candidates with excellent decision-making ability, business experience, relevant expertise, personal integrity and reputation. The Corporate Governance and Nominating Committee may also consider other factors such as issues of character, judgment, independence, diversity, age, expertise, corporate experience, length of service and other commitments, and the general needs of the Board of Directors, in accordance with the charter of the Corporate Governance and Nominating

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Committee. The Corporate Governance and Nominating Committee believes it appropriate that at least one member of the Board of Directors meet the criteria for an audit committee financial expert as defined by the rules of the Securities and Exchange Commission, and that a majority of the members of the Board of Directors meet the independent director standard under rules of the Nasdaq Stock Market. The Corporate Governance and Nominating Committee also believes it may be appropriate for certain members of our management, in particular the Chief Executive Officer, to participate as a member of the Board of Directors.

The Corporate Governance and Nominating Committee identifies nominees for the class of directors being elected at each annual meeting of stockholders by first evaluating the current members of such class of directors willing to continue in service. Current members of the Board of Directors with skills and experience that are relevant to our business and who are willing to continue in service are considered for re-nomination, balancing the value of continuity of service by existing members of the Board of Directors with that of obtaining a new perspective. If any member of such class of directors does not wish to continue in service or if the Corporate Governance and Nominating Committee or the Board of Directors decides not to re-nominate a member of such class of directors for re-election, the Corporate Governance and Nominating Committee identifies the desired skills and experience of a new nominee in light of the criteria above, and may recommend a reduction in the size of the Board until a new nominee is identified. Members of the Corporate Governance and Nominating Committee and the Board of Directors are polled for suggestions as to individuals meeting the criteria for nomination. Research may also be performed to identify qualified individuals. This committee may, in its discretion, engage third party search firms to identify and assist in recruiting potential nominees to the Board of Directors. Candidates may also come to the attention of this committee through management, stockholders or other persons.

Pursuant to the requirements of its charter, the Corporate Governance and Nominating Committee will review any director candidates recommended by our stockholders who are entitled to vote in the election of directors, provided that the stockholder recommendations are timely submitted in writing to our Secretary, along with all required information, in compliance with the stockholder nomination provisions of our bylaws. Any candidates properly recommended in accordance with the foregoing requirements by stockholders will be considered in such manner as the members of our Corporate Governance and Nominating Committee deem appropriate.

## **Communications with Directors**

Stockholders may contact our Board of Directors, any Committee thereof, or any Director in particular, by writing to them, c/o LoopNet, Inc., 185 Berry Street, Suite 4000, San Francisco, CA 94107, Attn: Secretary. We will forward any correspondence sent in the foregoing manner to the appropriate addressee without review by management. Comments or questions regarding the Company's accounting, internal controls or auditing matters will be referred to the Chair of the Audit Committee. Comments or questions regarding the nomination of directors and other corporate governance matters will be referred to the Chair of the Corporate Governance and Nominating Committee.

## **Compensation of Directors**

The Company's Director Compensation Policy consists of the following: Our non-employee directors are entitled to equity compensation of an option to purchase 25,200 shares of our common stock upon first becoming a director and an option to purchase 10,500 shares of our common stock annually thereafter. Non-employee directors will also be paid an annual cash retainer of \$20,000 for serving on the Board of Directors, an additional annual cash retainer of \$10,000 for serving as the chair of our Audit Committee and \$5,000 for serving as the chair of each of our Compensation and Corporate Governance and Nominating committees. Non-employee directors will also be entitled to meeting fees ranging from \$500 to \$2,000 for board and committee meetings depending on the day held and whether they are in person or telephonic meetings.



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Directors who are employees of LoopNet, such as Mr. Boyle, have not received and will not receive any additional compensation for their services as directors.

Each of our non-employee directors received an annual stock option grant to purchase 10,500 shares of our common stock in connection with their annual service on the Board of Directors in May of 2007. Each option has an exercise price of \$19.06 per share which was equal to the closing price on the date of grant and the option becomes exercisable as to 100% of the shares subject to the award on the earlier of (i) the one year anniversary of the date of the grant of the award and (ii) the date immediately preceding the date of the Annual Meeting of the Company's stockholders for the year following the year of grant for the award, subject to the non-employee director's continued service to the Company through the vesting date.

The following table provides compensation information for our non-employee directors for 2007:

<b>Name</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Option Awards (\$)<sup>(1)</sup></b>	<b>Total (\$)</b>
Jeffrey Brody <sup>(2)</sup>	10,912.09	0.00	10,912.09
William Byrnes	39,944.44	52,837.00	92,781.44
Dennis Chookaszian	32,000.00	52,837.00	84,837.00
Noel Fenton	37,000.00	52,837.00	89,837.00
Scott Ingraham	32,000.00	52,837.00	84,837.00
William Millichap	37,000.00	52,837.00	89,837.00
Thomas E. Unterman	33,555.56	52,837.00	86,392.56

(1) These amounts reflect expense recognized by us in 2007 for financial statement reporting purposes in accordance with Statement of Financial Standards (SFAS) No. 123R, Share-Based Payment, (FAS 123(R)) for each of the options granted to our six current non-employee directors in May 2007. Information regarding the valuation assumptions used in the calculation of this amount are included in footnote 7 to the Company's audited financial statements for the fiscal year ended December 31, 2007 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 4, 2008. The aggregate grant date fair value of each such option computed in accordance with FAS 123(R) was \$87,110. Our non-employee directors held options to purchase the following number of shares of common stock as of December 31, 2007: Jeffrey Brody none; William Byrnes 35,700 shares; Dennis Chookaszian 35,700 shares; Noel Fenton 10,500 shares; Scott Ingraham 35,700 shares; William Millichap 10,500 shares, and Thomas E. Unterman 10,500 shares.

(2) Jeffrey Brody was a member of our Board of Directors prior to the 2007 Annual Meeting, at which time Mr. Brody did not stand for reelection, and his term as a director ended.



Table of Contents**PROPOSAL NO. 2****RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANT**

You are being asked to ratify the appointment of Ernst & Young LLP ( E&Y ) as our independent registered public accounting firm for our fiscal year ending December 31, 2008.

Our Audit Committee has selected E&Y as our independent registered public accounting firm for fiscal year 2008. E&Y has served as our independent registered public accounting firm since 2001. Representatives of E&Y are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions from you.

The approximate fees billed to us by E&Y for services rendered with respect to fiscal years 2006 and 2007 were as follows:

	<b>2006</b>	<b>2007</b>
Audit Fees <sup>(1)</sup>	\$ 302,075	\$ 369,928
Tax Fees	\$ 0	\$ 10,000
Total	\$ 302,075	\$ 379,928

- (1) Audit fees represent fees for professional services provided in connection with the audit of the Company's financial statements and review of the Company's quarterly financial statement and audit services provided in connection with other statutory or regulatory filings. Audit fees in 2006 include services rendered in connection with our initial public offering of \$126,408.

The Audit Committee has delegated to the Chair of the Audit Committee the authority to pre-approve audit-related and non-audit services not prohibited by law to be performed by the Company's independent auditors and associated fees up to a maximum of \$50,000, provided that the Chair shall report any decision to pre-approve such audit-related or non-audit services and fees to the full Audit Committee at its next regular meeting.

The Audit Committee pre-approved the services of Ernst & Young with respect to the Company's financial statements and other quarterly reviews and related SEC compliance services for 2007.

**The Board of Directors recommends a vote for the ratification of the appointment of Ernst & Young LLP as the Company's independent auditors for the fiscal year ending December 31, 2008.**

**Table of Contents****COMMON STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information regarding ownership of the Company's common stock as of April 2, 2008 or any indicated earlier date for information based on filings with the Securities and Exchange Commission by (a) each person known to the Company to own more than 5% of the outstanding shares of the Common Stock, (b) each director and nominee for Director of the Company, (c) the Company's Chief Executive Officer, Chief Financial Officer and each other executive officer named in the compensation tables appearing later in this Proxy Statement and (d) all directors and executive officers as a group. The information in this table is based solely on statements in filings with the Securities and Exchange Commission (the "SEC") or other reliable information.

Name and Address of Beneficial Owner <sup>(1)</sup>	Amount and Nature of Beneficial Ownership(#) <sup>(2)</sup>	Percent of Class (%)
<b>5% Stockholders:</b>		
FMR LLC <sup>(3)</sup>	5,829,129	16.3
Rustic Canyon Ventures, L.P. <sup>(4)</sup>	3,230,593	9.0
<b>Directors and Executive Officers:</b>		
Richard J. Boyle, Jr. <sup>(5)</sup>	1,398,710	3.9
Thomas P. Byrne <sup>(6)</sup>	296,766	*
Brent Stumme <sup>(7)</sup>	397,219	1.1
Jason Greenman <sup>(8)</sup>	508,998	1.4
Wayne Warthen <sup>(9)</sup>	450,438	1.3
Thomas E. Unterman <sup>(10)</sup>	3,241,093	9.1
William Byrnes <sup>(11)</sup>	33,900	*
Noel Fenton <sup>(12)</sup>	45,283	*
William Millichap <sup>(13)</sup>	41,856	*
Dennis Chookaszian <sup>(11)</sup>	18,900	*
Scott Ingraham <sup>(11)</sup>	22,500	*
All directors and executive officers as a group (eleven persons)	6,455,663	17.9

\* Less than 1%.

- (1) Unless otherwise indicated, the address of each of the named individuals is c/o 185 Berry Street, Suite 4000, San Francisco, CA 94107.
- (2) Beneficial ownership of shares is determined in accordance with the rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power, or of which a person has the right to acquire ownership within 60 days after April 2, 2008. Except as otherwise noted, each person or entity has sole voting and investment power with respect to the shares shown. Unless otherwise noted, none of the shares shown as beneficially owned on this table are subject to pledge.
- (3) Based solely on information reported on an amendment to Schedule 13G filed February 14, 2008 with the Securities and Exchange Commission. The shares are beneficially owned by the following direct or indirect

wholly-owned subsidiaries or affiliates of FMR LLC: (i) Fidelity Management & Research Company (5,719,029), (ii) Fidelity International Limited (88,600), (iii) Pyramis Global Advisors, LLC (18,600), (iv) Pyramis Global Advisors Trust Company (2,900). FMR LLC has sole dispositive power as to all of the shares reported and sole voting power as to 107,200 shares. The address for FMR LLC is 82 Devonshire Street, Boston, MA 02109.

- (4) Based on information reported on a Schedule 13G filed with the Securities and Exchange Commission on February 14, 2008. Thomas Unterman, Mark S. Menell, Renee E. Labran, Michael K. Kim, John C. Babcock and Michael I. Song, collectively serve as partners (the RCP Partners ) of Rustic Canyon Partners, LLC, the general partner of Rustic Canyon Ventures, L.P. The RCP Partners and Rustic Canyon Partners, LLC may be deemed to have shared power to vote and dispose of all of the shares reported. The address for Rustic Canyon Ventures, L.P. is 2425 Olympic Blvd., Suite 6050W, Santa Monica, CA 90404.
- (5) Includes (i) 14,590 shares of restricted stock subject to repurchase by the Company, (ii) 1,099,410 shares held by the Boyle Family Trust dated April 13, 2006, of which Mr. Boyle and Catherine M. Boyle are trustees and (iii) 165,662 shares issuable upon exercise of options that are exercisable within 60 days of April 2, 2008. 600,000 of the shares held by the Boyle Family Trust have been pledged as security for a personal loan from a third-party financial institution.
- (6) Includes (i) 25,864 shares of restricted stock subject to repurchase by the Company and (ii) 70,698 shares issuable upon exercise of options that are exercisable within 60 days of April 2, 2008.

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- (7) Includes (i) 27,264 shares of restricted stock subject to repurchase by the Company, (ii) 248,124 shares held by the Stumme Family Trust, of which Mr. Stumme is a trustee and (iii) 40,111 shares issuable upon exercise of options that are exercisable within 60 days of April 2, 2008.
- (8) Includes (i) 25,253 shares of restricted stock subject to repurchase by the Company and (ii) 28,524 shares issuable upon exercise of options that are exercisable within 60 days of April 2, 2008.
- (9) Includes (i) 14,027 shares of restricted stock subject to repurchase by the Company, (ii) 248,862 shares held by the Wayne B. Warthen and Monica L. Warthen Trust dated September 18, 1998, of which Mr. Warthen is a trustee and (iii) 32,514 shares issuable upon exercise of options that are exercisable within 60 days of April 2, 2008.
- (10) Includes (i) 3,230,593 shares held by Rustic Canyon Ventures, L.P., of which Mr. Unterman is the managing partner, and (ii) 10,500 shares issuable upon exercise of options that are exercisable within 60 days of April 2, 2008 . Mr. Unterman shares voting control and dispositive power over the shares held by Rustic Canyon Ventures, L.P. and disclaims beneficial ownership of these shares, except to the extent of his pecuniary interest therein. Mr. Unterman s business address is c/o Rustic Canyon Ventures, L.P., 2425 Olympic Blvd., Suite 6050W, Santa Monica, CA 90404.
- (11) Includes 18,900 shares issuable upon exercise of options that are exercisable within 60 days of April 2, 2008.
- (12) Includes 10,500 shares issuable upon exercise of options that are exercisable within 60 days of April 2, 2008. Mr. Fenton s business address is c/o Trinity Ventures, 3000 Sand Hill Road, Building 4, Suite 160, Menlo Park, CA 94025.
- (13) Includes 10,500 shares issuable upon exercise of options that are exercisable within 60 days of April 2, 2008. Mr. Millichap s business address is c/o Marcus & Millichap, 2626 Hanover Street, Palo Alto, CA 94304. Mr. Millichap will not be standing for reelection at the Annual Meeting and his term as a director will end on the date of the Annual Meeting.

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**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Compliance with Section 16(a) of the Securities Exchange Act of 1934 requires our Directors, executive officers and persons who own more than 10% of a registered class of our equity securities to file reports of holdings and transactions of LoopNet common stock and other equity securities with the SEC. Directors, executive officers and 10% or greater stockholders are required by SEC regulations to furnish us with copies of all of the Section 16(a) reports they file. Based solely upon a review of the copies of the forms furnished to us and the representations made by the reporting persons to us, we believe that during 2007 our Directors, executive officers and 10% or greater stockholders complied with all filing requirements under Section 16(a) of the Exchange Act, except as follows. Due to an administrative error, each of Mr. Boyle, Mr. Stumme and Mr. Warthen filed a late Form 4 on April 5, 2007, one day late, each covering 44 transactions for such reporting person occurring on April 2, 2007 under Rule 10b5-1 trading plans.

**SIGNIFICANT RELATIONSHIPS AND TRANSACTIONS WITH DIRECTORS, OFFICERS OR PRINCIPAL STOCKHOLDERS**

***Related Party Transactions***

Pursuant to our code of business conduct and ethics and its charter, our Audit Committee must review and approve any transaction that the Company proposes to enter into that would be required to be disclosed under Item 404(a) of Regulation S-K. Item 404(a) of Regulation S-K requires the company to disclose in its proxy statement any transaction involving more than \$120,000 in which the Company is a participant and in which any related person has or will have a direct or indirect material interest. A related person is any executive officer, director, nominee for director, or holder of 5% or more of the Company's common stock, or an immediate family member of any of those persons.

Since January 1, 2007, the Company has not been a participant in any transaction with a related person other than the indemnification agreements described below.

***Indemnification agreements with officers and directors***

Our amended and restated certificate of incorporation and our bylaws provide that we will indemnify each of our directors and officers to the fullest extent permitted by the Delaware General Corporation Law. Further, we have entered into indemnification agreements with each of our directors and executive officers.

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**EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis**

**Committee Composition and Responsibilities**

The Company's formal written charter for its Compensation Committee establishes procedures for determining the compensation of its executive officers, as described below.

Our Compensation Committee consists of Mr. Fenton, as Chairman, Mr. Millichap and Mr. Unterman. The Board has determined that each of the members of our Compensation Committee meets the requirements of independence as set forth in the rules and regulations promulgated by the SEC and the Nasdaq Stock Market.

Pursuant to its charter, the Compensation Committee is responsible for reviewing, discussing with the full Board, and establishing the compensation of the Company's Chief Executive Officer and for determining the various components of the Chief Executive Officer's compensation. It is also responsible for reviewing, discussing with the full Board, and establishing the compensation of the other executive officers. The Committee oversees and administers, either directly or by delegating its authority, the Company's 2006 Equity Incentive Plan, and addresses such other compensation matters as may from time to time be directed by the Board of Directors.

**Compensation Philosophy**

The Compensation Committee's compensation policy for executive officers is designed to attract, motivate, and retain talented executives responsible for the success of LoopNet and to promote the long-term interests of LoopNet and its stockholders. The Committee first establishes base salaries, and then approves target annual cash bonuses based on those base salaries, with a heavy emphasis on performance-based components, such as cash bonuses and equity incentives, the value of which could increase or decrease to reflect changes in corporate and individual performance. These incentive compensation policies are intended to reinforce management's objectives to enhance profitability and stockholder value.

**Factors Considered**

Within the context of the overall objectives of our compensation programs, the Compensation Committee determined the specific amounts of compensation to be paid to each of the Company's executive officers in 2007 based on a number of factors, including, its understanding of the amount of compensation generally paid by similarly situated companies to their executives with similar roles and responsibilities; the performance of the executive officers during 2007 in general and as measured against predetermined performance goals; the roles and responsibilities of the executive officers; the individual experience and skills of, and expected contributions from, the executive officers; the amounts of compensation being paid to the Company's other executives; the executive officers' historical compensation at the Company; and any contractual commitments the Company has made regarding its executives' compensation.

In late 2006, the Compensation Committee engaged an independent executive compensation consultant, Compensia, to aid the Compensation Committee in executive compensation matters. Compensia assisted the Compensation Committee in evaluating the Company's existing compensation plans, programs and guidelines and provided analysis and advice to the Compensation Committee during 2007 related to designing and implementing the elements of such a plan, as described further below.



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**Elements of Executive Compensation**

***Cash Compensation***

The cash compensation of the Company's senior management consists of base salary and an annual performance-based bonus determined by the Compensation Committee after discussion with the full Board. Cash compensation is paid to reward near term performance (i.e. no longer than the coming year) and to encourage executives to optimize current opportunities. Cash compensation rewards current contributions towards goals consistent with the Company's business strategy and enables the Company to attract and retain highly qualified executive officers and key employees.

**Base Salary.**

Our Compensation Committee generally looks to set base salaries for executive officers between approximately the 50th percentile and the 75th percentile compared to companies in the Company's peer group, adjusted to reflect each employee's overall responsibilities, professional qualifications and business experience. Compensia provided the Compensation Committee with an executive compensation study based on the Company's peer group, defined as comparable companies as identified by analysts covering the Company, and companies in the Company's geographic region that compete for management talent.

The Company's peer group for this analysis included: Audible, Inc.; Bankrate, Inc.; Costar Group, Inc.; Housevalues, Inc.; Imergent, Inc.; Ipass Inc.; J2 Global Communications, Inc.; Keynote Systems, Inc.; Liquidity Services, Inc.; Looksmart, Ltd.; Miva, Inc.; Move, Inc.; Opsware Inc.; Sonicwall, Inc.; The Knot, Inc.; Thestreet.com, Inc.; and Travelzoo Inc.

In 2007, the Compensation Committee increased Mr. Boyle's base salary to \$325,000. This represented an increase of approximately 24.5%, bringing Mr. Boyle's base salary to a level slightly below the 50th percentile of chief executive officers in the Company's peer group. The base salaries for the Company's other executive officers were increased between 5% and 15%, to the following levels: Mr. Byrne \$240,350, Mr. Stumme \$240,350, Mr. Greenman \$225,720 and Mr. Warthen \$215,460. These increases brought the executive officers' base salaries to levels between the 50th and 75th percentile for executives in corresponding roles in the Company's peer group.

In 2008, the Compensation Committee approved base salary increases of between 6% and 9% for executive officers, based on a continued target range of between the 50th and 75th percentile compared to the Company's peer group, as adjusted to reflect each individual officer's performance and value to the Company.

**Annual Incentive Pay.**

The Company has a cash bonus plan for employees exhibiting exceptional performance, and all of our named executive officers are eligible to participate in such plan.

The cash bonus plan is administered by the Compensation Committee, which has full authority to select participants, set bonus amounts and fix performance targets. The Compensation Committee sets a range of possible annual cash bonuses for each executive within a specified range of percentages of the executive's base salary. Actual amounts paid are based on the achievement of performance goals, such as the Company's revenue, adjusted EBITDA, net income and other key corporate goals, and are eligible for increase if revenue, adjusted EBITDA and net income exceed the plan performance targets. The Chief Executive Officer of the Company makes recommendations to the Compensation Committee as to the range of base salary to be targeted as bonus payments to each named executive officer of the Company other than himself, with the final determination of the bonus ranges and amounts made by the Compensation Committee.





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In 2007, each of our named executive officers was eligible to receive a bonus under the cash bonus plan if certain threshold financial targets were achieved and other objectives met. The executive officers were eligible for bonuses based on a range of percentages of their respective base salaries, as set forth below:

<b>Name</b>	<b>Minimum Bonus Percentage at Target (%)</b>	<b>Maximum Bonus Percentage (%)</b>
Rich Boyle	30	80
Thomas P. Byrne	30	80
Brent Stumme	30	60
Jason Greenman	25	50
Wayne Warthen	25	50

These bonus ranges were in line with the historical practice of the Company, as well as the Compensia executive compensation guidelines. The target bonus amounts were based on the Company achieving financial results at budget amounts as approved by the Board, with an opportunity to earn additional amounts for performance in excess of budget.

For 2007, cash bonuses were approved by the Compensation Committee in January 2008. Because the Company exceeded its financial and operational goals for 2007 and based on individual contributions and achievements, the Compensation Committee approved bonus payouts for fiscal year 2007 that were both consistent with bonus amounts in the past as well as within the market range of cash bonus amounts for officers in similar positions at similar companies based on the Compensia executive compensation study reviewed by the Compensation Committee. Based on these factors, Mr. Boyle's bonus percentage represented approximately 50.7% of his base salary for 2007, while bonus percentages for our other named executive officers represented between 34.8% and 66.6% of such officer's base salary. Bonus amounts earned for 2007 and paid in 2008 for our named executive officers were as follows:

<b>Name</b>	<b>Bonus Amount (\$)</b>
Rich Boyle	165,000
Thomas P. Byrne	160,000
Brent Stumme	140,000
Jason Greenman	110,000
Wayne Warthen	75,000

For 2008, the Compensation Committee recently approved a cash bonus plan substantially similar to the 2007 cash bonus plan.

Although these bonuses do not qualify as performance-based compensation for purposes of Section 162(m) of the Internal Revenue Code because our shareholders did not approve such bonus plan, we believe that they will still be fully deductible for tax purposes because of their amounts.

***Long Term Incentives***

The Company's primary method for providing executives officers and employees with long term incentives is through our 2006 Equity Incentive Plan. We believe that equity-based compensation aligns the interests of the Company's executive officers and employees with those of its stockholders and drives increases in the long-term value of the Company's common stock by making a portion of executive officers' total compensation over time directly dependent on the Company's performance.

The Compensation Committee worked with Compensia in 2007 to design an equity-based compensation plan tailored to the purpose described above. In designing this plan, the Compensation Committee reviewed equity models, prepared by Compensia, based on different assumptions as to the Company's future revenue growth and price/revenue multiples. Long-term equity-based compensation incentives for executive officers and other employees are effected through the Company's 2006 Equity Incentive Plan. Prior to the

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Company's initial public offering in 2006, long-term equity incentives for executive officers and other employees were effected through the Company's 2001 Stock Option Plan.

The number of shares subject to an equity-based compensation grant to an executive officer is determined by the Compensation Committee and is based on the executive officer's position, past performance, anticipated future contributions, and prior equity-based grants. In 2007, based on Compensia's executive compensation study, the Compensation Committee considered implementing grants of restricted stock units as a means of equity compensation for retention of employees. The use of restricted stock units in conjunction with stock options will provide the Company with the flexibility to manage both medium and long term retention of employees, while driving increases in the value of the Company's common stock by aligning employee and stockholder incentives. The Company began granting restricted stock units in February 2008. The Compensation Committee has delegated to Mr. Boyle and Mr. Stumme authority to approve stock option grants and restricted stock units to non-executive employees, within certain limitations.

The exercise price of all of our stock options has been equal to the fair market value (the closing price on Nasdaq) of the Company's common stock on the date of grant. Options granted pursuant to our equity incentive plan will provide a return to the employee only if he or she remains in the Company's service, and then only if the market price of the Company's common stock appreciates over the option term. Stock options granted to new employees pursuant to our equity incentive plan vest monthly over a four-year period with an initial one-year cliff. Restricted stock units vest one-quarter annually on the anniversary of the date of grant, for a period of four years. For non-executive officers, new hire stock options and restricted stock units may be granted by our Chief Executive Officer or our Chief Financial Officer on the first day of employment with the Company. Promotional and evergreen stock options granted to current employees pursuant to our equity incentive plans vest monthly over a four-year period. Annual equity awards are granted in the first quarter of each year to our named executive officers and other designated employees at a regularly scheduled meeting of the Compensation Committee. The exercise price of these grants is equal to the closing fair market value of our common stock as reported by Nasdaq on the date the Compensation Committee approves the grant unless the grant date is deferred to a date when all material non-public information will be disclosed, in which case the date of grant will be the date specified by the Compensation Committee and the exercise price will be equal to the closing fair market value of our common stock as reported by Nasdaq on such date.

In March 2007, the Compensation Committee approved evergreen stock option grants to the Company's Chief Executive Officer and other named executive officers. Based on the Compensia executive compensation study's survey of grants for similar executives at similar companies, the past and anticipated performance of individual officers, and prior grants to individual officers and vesting of such grants, the Compensation Committee granted evergreen options as follows:

<b>Name</b>	<b>2007 Option Award (# of shares of Common Stock)</b>
Rich Boyle	85,000
Thomas P. Byrne	55,000
Brent Stumme	45,000
Jason Greenman	45,000
Wayne Warthen	35,000

In January 2008, the Compensation Committee again reviewed past and anticipated performance of individual officers, prior grants to individual officers and vesting of such grants, in determining evergreen stock option grants.

The Compensation Committee granted Mr. Boyle an option to purchase 90,000 shares of Company common stock and granted an option to purchase between 60,000 and 65,000 shares of common stock to each other named executive officer. Additionally, in connection with his promotion to President and Chief Operating Officer in January of 2008, the Compensation Committee granted Mr. Byrne 85,000 restricted stock units and an option to purchase 315,000 shares of common stock. In making this determination, the Compensation Committee reviewed the Compensia study of compensation for officers at the President and Chief Operating Officer level in peer companies, as well prior grants and vesting of such grants to Mr. Byrne.

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### ***Benefits***

The named executive officers are entitled to participate in the Company's benefit programs which are available to all Company employees, including company-sponsored health and welfare plans. The Company also offers a voluntary 401(k) plan for all eligible employees, including management, pursuant to which the Company matches 100% of participants' contributions up to a maximum of 3% of their compensation and 50% of additional contributions for an additional 2% of the employees' compensation. The Company has no defined benefit or defined contribution pension plan for management.

### ***Post-termination protection and payments***

All of our employees, including our executive officers, are employed at will and do not have employment agreements or other agreements providing severance or other benefits in connection with termination of employment. However, our named executive officers are participants in equity incentive plans and are entitled to accelerated vesting of awards in certain circumstances in connection with a change in control of the Company, as discussed below.

Options and other awards granted pursuant to our 2006 Equity Incentive Plan will accelerate and become fully vested in connection with a change in control of the Company in the event the successor corporation in such change in control does not assume or substitute outstanding options or other awards in connection with the change in control. In addition, if the successor corporation does assume or substitute such options or other awards but a participant in our 2006 Equity Incentive Plan holding an assumed or substituted option or other award either (i) is not offered full-time employment with the successor corporation upon terms and conditions no less favorable than those in effect prior to the change in control, or (ii) is offered and accepts such employment, but such employment is terminated by the successor corporation within 12 months after the change in control without cause (as such term is defined in our 2006 Equity Incentive Plan), then any assumed or substituted option or other award held by the terminated participant at the time of termination shall accelerate and become exercisable as to 50% of the otherwise unvested shares as of the date of termination.

### ***Summary***

The Compensation Committee believes that the Company's compensation philosophy and programs are designed to foster a performance-oriented culture that aligns employees' interests with those of the Company's stockholders. The Compensation Committee believes that the compensation of the Company's executives is both appropriate and responsive to the goal of improving stockholder value.

*The following Report of the Compensation Committee and related disclosure shall not be deemed incorporated by reference by any general statement incorporating this proxy statement into any filing under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.*

### **Report of the Compensation Committee**

The Compensation Committee reviewed this Compensation Discussion and Analysis and discussed its contents with Company management. Based on the review and discussions, the Committee has recommended that this Compensation Discussion and Analysis be included in the proxy statement.

Respectfully submitted by the Compensation Committee.

Noel J. Fenton (Chair)

Thomas E. Unterman  
William A. Millichap

**Table of Contents****Executive Compensation Tables*****Summary Compensation Table***

The table below summarizes the total compensation paid or earned by our Chief Executive Officer (the CEO), our Chief Financial Officer (the CFO) and our next three most highly compensated executive officers for the fiscal years ended December 31, 2006 and 2007 (we refer to this group as our named executive officers). We have not entered into any employment agreements with any of the named executive officers.

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$) <sup>(1)</sup>	Option Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>(2)</sup>	All Other Compensation (\$) <sup>(3)</sup>	Total (\$)
Richard J. Boyle, Jr. CEO and Chairman of the Board of Directors <sup>(4)</sup>	2006	261,750	49,855	100,895	150,000	9,028	571,528
	2007	325,000	49,855	259,621	165,000	9,228	808,704
Thomas P. Byrne President and Chief Operating Officer <sup>(5)</sup>	2006	209,000	63,240	22,982	135,000	9,028	439,250
	2007	240,350	14,075	126,767	160,000	9,228	550,420
Brent Stumme Chief Financial Officer and Senior Vice President, Finance and Administration	2006	209,000	39,969	8,710	135,000	9,028	401,707
	2007	240,350	33,222	92,004	140,000	9,228	514,804
Wayne Warthen Chief Technology Officer and Senior Vice President, Information Technology	2006	205,200	35,206	14,832	52,000	9,028	316,266
	2007	215,460	23,961	77,808	75,000	9,228	401,457
Jason Greenman Chief Strategy Officer, and Senior Vice President, Corporate Development <sup>(6)</sup>	2006	209,000	22,620	16,755	85,000	9,028	342,403
	2007	225,720	22,620	103,022	110,000	9,228	470,590

(1) The amounts in this column reflect the dollar amounts, without any reduction for risk of forfeiture, recognized for financial statement reporting purposes for the fiscal years ended December 31, 2006 and 2007, in accordance with FAS 123(R) and thus include amounts from option awards granted in and prior to 2006 and 2007. Information regarding the valuation assumptions used in the calculation of the amounts shown for the fiscal years ended December 31, 2005, 2006 and 2007 are included in Note 7 to the Company's audited financial statements for the fiscal year ended December 31, 2007 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 4, 2008.

(2) Represents amounts earned for 2007 performance under our Cash Bonus Plan. These bonus amounts were reviewed and established by the Compensation Committee January 2008, after discussion with the full Board.



- (3) Represents (i) a match to employee contributions under the Company's 401(k) Plan, and (ii) a life insurance premium in the amount of \$228, paid by the Company, for each named executive officer.
- (4) Mr. Boyle also served as President from 2001 through January 2008.
- (5) Mr. Byrne served as Chief Marketing Officer and Senior Vice President, Marketing and Sales from 2002 through January 2008.
- (6) Mr. Greenman served as Chief Product Officer and Senior Vice President, Business and Product Development from 2005 through January 2008.

**Table of Contents****Grants of Plan-Based Awards Table**

The following table sets forth information regarding each grant of an award to our named executive officers in fiscal year 2007:

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$) <sup>(1)</sup>
		Threshold (\$)	Target (\$)	Maximum (\$)			
Richard J. Boyle	3/21/2007	0	97,500	260,000	85,000	16.07	610,878
Thomas P. Byrne	3/21/2007	0	72,105	192,280	55,000	16.07	395,274
Brent Stumme	3/21/2007	0	72,105	144,210	45,000	16.07	323,406
Wayne Warthen	3/21/2007	0	53,865	107,730	35,000	16.07	251,538
Jason Greenman	3/21/2007	0	56,430	112,860	45,000	16.07	323,406

(1) The value of the stock and option awards has been computed in accordance with FAS 123(R) which requires that we recognize as compensation expense the value of all stock-based awards granted to employees in exchange for services over the requisite service period. For more information, see Note 7 in the Notes to Financial Statements contained in our Annual Report on Form 10-K.

**Outstanding Equity Awards at Fiscal Year-End**

The following table sets forth information regarding outstanding equity awards held by our named executive officers at the end of fiscal 2007:

Number of Securities Underlying Unexercised Options (#)	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price	Option Expiration	Number of Shares or Units of Stock That	Market Value of Shares or Units of Stock That

<b>Name</b>	<b>Exercisable</b>	<b>Unexercisable<sup>(1)</sup></b>	<b>(\$/Sh)</b>	<b>Date</b>	<b>Have Not Vested (#)</b>	<b>Have Not Vested (\$)<sup>(2)</sup></b>
Richard Boyle	104,167	145,833	4.075	1/19/2016	43,684	613,760
	15,937	69,063	16.07	3/20/2014		
Thomas P. Byrne	20,319	57,261	4.075	1/19/2016	35,099	493,141
	10,312	44,688	16.07	3/20/2014		
Brent Stumme	16,178	35,592	4.075	1/19/2016	35,784	502,765
	8,437	36,563	16.07	3/20/2014		
Wayne Warthen	19,413	32,357	4.075	1/19/2016	19,422	272,879
	6,562	28,438	16.07	3/20/2014		
Jason Greenman	2,971	46,055	4.075	1/19/2016	40,098	563,377
	8,437	36,563	16.07	3/20/2014		

(1) All such options vest 1/48th per month for four years from the vesting commencement date, so long as the named executive officer remains an employee of the Company.

(2) Based upon the closing sale price for the common stock on the Nasdaq Global Market on December 31, 2007 of \$14.05 per share.

**Table of Contents*****Option Exercises and Stock Vested***

The following table sets forth information regarding shares of common stock acquired through vesting of restricted stock awards and exercises of stock options by our named executive officers during fiscal 2007:

Name	Option Awards		Stock Awards	
	Number of Shares	Value Realized	Number of Shares	Value Realized
	Acquired on Exercise (#)	on Exercise (\$)	Acquired on Vesting (#)	on Vesting (\$) <sup>(1)</sup>
Richard Boyle	0	0	78,514	1,447,345
Thomas P. Byrne	11,082	124,248	22,164	403,717
Brent Stumme	0	0	55,861	1,059,155
Wayne Warthen	0	0	41,280	775,822
Jason Greenman	22,284	240,333	35,627	661,684

(1) The value realized equals the market value of LoopNet common stock on the vesting date, multiplied by the number of shares that vested.

**COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

No interlocking relationship exists, or in the past fiscal year has existed, between any member of our Compensation Committee and any member of any other company's board of directors or compensation committee.

*The following Report of the Audit Committee and related disclosure shall not be deemed incorporated by reference by any general statement incorporating this proxy statement into any filing under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.*

**REPORT OF THE AUDIT COMMITTEE**

Under the guidance of a written charter adopted by the Board of Directors, the purpose of the Audit Committee is to oversee the accounting and financial reporting processes of the Company and audits of its financial statements. The responsibilities of the Audit Committee include appointing and providing for the compensation of the registered public accounting firm. Each of the members of the Audit Committee meets the independence requirements of the Nasdaq Stock Market.

Management has primary responsibility for the system of internal controls and the financial reporting process. The registered public accounting firm has the responsibility to express an opinion on the financial statements based on an audit conducted in accordance with generally accepted auditing standards.

In this context and in connection with the audited financial statements contained in the Company's Annual Report on Form 10-K, the Audit Committee:

reviewed and discussed the audited financial statements as of and for the fiscal year ended December 31, 2007 with the Company's management and the registered public accounting firm;

discussed with Ernst & Young LLP, the Company's registered public accounting firm, the matters required to be discussed by Statement of Auditing Standards No. 61, Communication with Audit Committees, as amended by Statement of Auditing Standards No. 90, Audit Committee Communications;

reviewed the written disclosures and the letter from Ernst & Young LLP required by the Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, discussed with the auditors their independence, and concluded that the non-audit services performed by Ernst & Young are compatible with maintaining their independence;

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based on the foregoing reviews and discussions, recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 filed with the Securities and Exchange Commission; and

instructed the registered public accounting firm that the Audit Committee expects to be advised if there are any subjects that require special attention.

AUDIT COMMITTEE  
William Byrnes (Chair)  
Scott Ingraham  
Dennis Chookaszian

**ADDITIONAL INFORMATION**

**Stockholder Proposals**

*Requirements for Stockholder Proposals to be Brought Before the Annual Meeting.* Our bylaws provide that, for recommendations of candidates for election to the Board of Directors or other proposals to be considered at an annual meeting of stockholders, the stockholder must have given written notice to our Secretary at 185 Berry Street, Suite 4000, San Francisco, CA 94107, not later than 90 days and not more than 120 days prior to the anniversary of the mailing date of the proxy materials for the previous year's annual meeting. However, the Bylaws also provide that in the event that no annual meeting was held in the previous year or the date of the annual meeting is advanced by more than 30 days or delayed by more than 30 days from the date contemplated at the time of the previous year's proxy statement, this advance notice must be received not earlier than the 90th day prior to such annual meeting and not later than the 10th day following the day on which public announcement of the date of such meeting is first made. In addition to these timing requirements, any stockholder proposal to be brought before the annual meeting must set forth: (a) a brief description of the business desired to be brought before the meeting, and the reasons for conducting such business at the meeting, (b) the name and address, as they appear on the Company's books, of the stockholder proposing such business, (c) the number of shares of the Company's common stock that are beneficially owned by the stockholder, (d) any material interest of such stockholder in such business, and (e) any additional information that is required to be provided by the stockholder pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "1934 Act").

*Requirements for Stockholder Proposals to be Considered for Inclusion in the Company's Proxy Materials.* In addition to the requirements stated above, our stockholders who wish to submit proposals for inclusion in our proxy materials must comply with Rule 14a-8 promulgated under the 1934 Act. For such proposals to be included in our proxy materials next year relating to our 2009 Annual Meeting of Stockholders, all applicable requirements of Rule 14a-8 must be satisfied and we must receive such proposals no later than December 16, 2008. Such proposals must be delivered to our Secretary, c/o LoopNet, Inc., 185 Berry Street, Suite 4000, San Francisco, CA 94107.

**Householding of Proxy Materials**

The SEC has adopted rules that permit companies and intermediaries such as brokers to satisfy delivery requirements for proxy statements with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as "householding," potentially provides extra convenience for stockholders and cost savings for companies. LoopNet and some brokers household proxy materials, delivering a single proxy statement to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker or us

that they or we will be householding materials to your address, householding will continue until you are notified otherwise or until you notify us, or your broker if your shares are held in a brokerage account, that you would prefer to receive separate materials. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement, or if you are receiving multiple copies of the proxy statement and wish to receive only one, please

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notify your broker if your shares are held in a brokerage account or us if you hold registered shares. You can notify us by sending a written request to Secretary, c/o LoopNet, Inc., 185 Berry Street, Suite 4000, San Francisco, CA 94107 tel: (415) 243-4200.

**Other Matters**

The Board of Directors knows of no other business to be presented at the Annual Meeting, but if other matters do properly come before the Annual Meeting, it is intended that the person named on the proxy card will vote on those matters in accordance with their best judgment.

BY ORDER OF THE BOARD OF DIRECTORS.

Brent Stumme  
*Chief Financial Officer, Senior Vice President,  
Finance and Administration and Secretary*

San Francisco, California  
April 11, 2008



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**Electronic Voting Instructions**

**You can vote by Internet or telephone!**

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.

**VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.**

**Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Pacific Daylight Time, on May 28, 2008.**

**Vote by Internet**

Log on to the Internet and go to

**www.investorvote.com**

Follow the steps outlined on the secured website.

**Vote by telephone**

Call toll free 1-800-652-VOTE (8683) within the United

States, Canada & Puerto Rico any time on a touch tone

telephone. There is **NO CHARGE** to you for the call.

Follow the instructions provided by the recorded message.

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas. X

**Annual Meeting Proxy Card**

**IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.**

**A Proposals The Board of Directors recommends a vote FOR all the nominees listed and FOR Proposal 2.**

1. Election of Directors

	For	Withhold		For	Withhold
01 - Dennis Chookaszian*	[ ]	[ ]	02 - Noel J. Fenton*	[ ]	[ ]

\* Each to serve for a three-year term that expires at the 2011 Annual Meeting or until their respective successors have been elected and qualified.

	For	Against	Abstain
2. To ratify the appointment of Ernst & Young as LoopNet, Inc.'s independent registered public accountant.	[ ]	[ ]	[ ]

**C Non-Voting Items**

**Change of Address** Please print your new address below.

**D Authorized Signatures** This section must be completed for your vote to be counted. **Date and Sign**

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) Please print date below.	Signature 1 - Please keep signature within the box	Signature 2 - Please keep signature within the box
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**Proxy LoopNet, Inc.**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The undersigned hereby appoints Richard J. Boyle, Jr., LoopNet's Chief Executive Officer and Chairman of the Board of Directors, and Brent Stumme, LoopNet's Chief Financial Officer and Senior Vice President of Finance and Administration, and each of them, as proxies, with full power of substitution, and hereby authorizes them to represent and vote, as designated below, all shares of the Common Stock of LoopNet, Inc., a Delaware corporation (the "*Company*"), held of record by the undersigned on April 2, 2008, at the 2008 Annual Meeting of Stockholders (the "*Annual Meeting*") to be held at 185 Berry Street, San Francisco, CA 94107 at 10:00 a.m., Pacific Daylight Time, on Thursday, May 29, 2007, or at any adjournment or postponement thereof, with all the powers that the undersigned would have if personally present at the meeting.

The undersigned hereby acknowledges receipt of the Notice of Annual Meeting and Proxy Statement, dated April 11, 2008, and a copy of LoopNet Inc.'s 2007 Annual Report on Form 10-K as filed with the Securities and Exchange Commission. The undersigned hereby expressly revokes any and all proxies heretofore given or executed by the undersigned with respect to the shares of stock represented by this proxy and, by filing this proxy with the Secretary of LoopNet Inc., gives notice of such revocation. This proxy when properly executed will be voted in accordance with the specifications made by the undersigned stockholder.

**IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES FOR DIRECTORS, FOR THE RATIFICATION OF ERNST & YOUNG LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTANT AND, AT THE DISCRETION OF THE PROXIES, ON ANY OTHER BUSINESS THAT MAY PROPERLY COME BEFORE THE ANNUAL MEETING. THIS PROXY MAY BE REVOKED AT ANY TIME PRIOR TO THE TIME IT IS VOTED.**

**PLEASE COMPLETE, DATE AND SIGN THIS PROXY AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.**