

GrubHub Inc.
Form 10-K
March 05, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2014

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 1-36389

GRUBHUB INC.

(Exact name of Registrant as specified in its Charter)

Delaware (State or other jurisdiction of incorporation or organization)	46-2908664 (I.R.S. Employer Identification No.)
111 W. Washington Street, Suite 2100 Chicago, Illinois (Address of principal executive offices)	60602 (Zip Code)

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Registrant's telephone number, including area code: (877) 585-7878

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

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, \$0.0001 par value per share	New York Stock Exchange

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

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

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 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 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 NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) 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 the definition of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

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

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant, based on the closing price of the shares of common stock on The New York Stock Exchange on June 30, 2014, was

\$2,002,882,799.

The number of shares of Registrant's Common Stock outstanding as of February 27, 2015 was 83,643,213.

Portions of the Registrant's Definitive Proxy Statement relating to the Annual Meeting of Stockholders, scheduled to be held on May 20, 2015, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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The following should be read in conjunction with the audited consolidated financial statements and the notes thereto included elsewhere in this Annual Report on Form 10-K. Unless otherwise stated, the discussion below primarily reflects the historical condition and results of operations for (i) Seamless North America, LLC (“Seamless North America”) from January 1, 2012 through October 28, 2012, the date when Aramark Corporation (“Aramark”) completed the spin-off of its interest in the Seamless business, (ii) Seamless Holdings Corporation (“Seamless Holdings” and, together with Seamless North America, the “Seamless Platform”), an entity formed for the purpose of completing the spin-off and whose assets primarily consist of Aramark’s former interest in the Seamless business and its subsidiaries, from October 28, 2012 through December 31, 2012 and from January 1, 2013 through August 8, 2013 (the “Merger Date”), (iii) for both GrubHub Holdings Inc. (the “GrubHub Platform” and collectively with the Seamless Platform, the “platform”) and the Seamless Platform after the Merger Date through December 31, 2013 and (iv) GrubHub Inc. as of December 31, 2013 and 2014 and for the year ended December 31, 2014. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect the plans, estimates, and beliefs of the Company (as defined below). Actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Annual Report on Form 10-K, particularly in Part I, Item 1A, “Risk Factors”. The forward-looking statements in this Annual Report on Form 10-K are made as of the date of this Annual Report on Form 10-K, and the Company disclaims any intention or obligation to update or revise any forward-looking statements to reflect events or circumstances occurring after the date of this Annual Report on Form 10-K. See “Cautionary Statement Regarding Forward-Looking Statements” below for additional information.

PART I.

Item 1. Business

Company Overview

GrubHub Inc. and its wholly-owned subsidiaries (collectively referred to as the “Company,” “GrubHub,” “we,” “us,” and “our”) is the leading online and mobile platform for restaurant pick-up and delivery orders, which the Company refers to as takeout. The Company connects more than 30,000 local restaurants with hungry diners in more than 800 cities across the United States and is focused on transforming the takeout experience. For restaurants, GrubHub generates higher margin takeout orders at full menu prices. The GrubHub platform empowers diners with a “direct line” into the kitchen, avoiding the inefficiencies, inaccuracies and frustrations associated with paper menus and phone orders. The Company has a powerful two-sided network that creates additional value for both restaurants and diners as it grows.

The Company’s target market is primarily composed of independent restaurants. These independent restaurants remain local, highly fragmented and are mostly owner-operated family businesses. According to Euromonitor, Americans spent \$221 billion at these approximately 365,000 independent restaurants in 2013. Of that amount, the Company believes that Americans spent approximately \$70 billion on takeout at these independent restaurants in 2013.

For restaurants, takeout enables them to grow their business without adding seating capacity or wait staff. Advertising for takeout, typically done through the distribution of menus to local households or advertisements in local publications, is often inefficient and requires upfront payment with no certainty of success. In contrast, GrubHub provides restaurants on its platform with an efficient way to generate more takeout orders. GrubHub enables restaurants to access local diners at the moment when those diners are hungry and ready to purchase takeout. In addition, the Company does not charge the restaurants in its network any upfront or subscription fees, does not require any discounts from their full price menus and only gets paid for the orders the Company generates for them, providing restaurants with a low-risk, high-return solution. The Company charges restaurants a per-order commission that is primarily percentage-based.

For diners, the traditional takeout ordering process is often a frustrating experience—from using paper menus to communicating an order by phone to a busy restaurant employee. In contrast, ordering on GrubHub is enjoyable and a dramatic improvement over the “menu drawer.” The Company provides diners on the platform with an easy-to-use,

intuitive and personalized platform that helps them search for and discover local restaurants and then accurately and efficiently place an order from any Internet-connected device. GrubHub also provides diners with information and transparency about their orders and status and solves problems that may arise. In addition, the Company makes re-ordering convenient by storing previous orders, preferences and payment information, helping to promote diner frequency and drive strong repeat business.

The proliferation of mobile devices over the past few years has significantly increased the value of the GrubHub platform. The Company's powerful, easy-to-use mobile applications for iPhone, iPad and Android, enable diners to access GrubHub whenever and wherever they want takeout. The discovery and ordering capabilities that are available on the Company's consumer websites are also available through its mobile applications. GrubHub monetizes the orders placed through its mobile applications using the same rate as orders placed through its websites. The Company's mobile applications make ordering from GrubHub more accessible and personal, driving increased use of the platform by restaurants and diners. Orders placed on mobile devices increased from approximately 25% of consumer orders during the first quarter of 2012 to approximately 51% of consumer orders during the quarter ended December 31, 2014.

The Company generates revenues primarily when diners place an order on its platform. Restaurants pay a commission, typically a percentage of the transaction on orders that are processed through the Company's platform. Most of the restaurants on the Company's platform can choose their level of commission rate, at or above the minimum rate, to affect their relative priority in the Company's sorting algorithms, with restaurants paying higher commission rates generally appearing higher in the search order than restaurants paying lower commission rates. For most orders, diners use a credit card to pay the Company for their meal when the order is placed. For these transactions, the Company collects the total amount of the order from the diner and remits the net proceeds to the restaurant less commission. The Company generally accumulates funds and remits the net proceeds to the restaurants on at least a monthly basis. The Company also deducts commissions for other transactions that go through its platform, such as cash transactions for restaurants in the network, from the aggregate proceeds received.

Organization

The GrubHub Platform was founded in 2004 and the Seamless Platform was founded in 1999. The merger of the GrubHub Platform and the Seamless Platform (the "Merger") was completed on August 8, 2013. The Merger enabled the Company to expand its two-sided network, connecting customers in the geographies it serves with more restaurants. Through the combination of the GrubHub Platform and the Seamless Platform, the Company was able to eliminate duplicative expenses and take advantage of a complementary geographic footprint.

On April 4, 2014, the Company completed an initial public offering (the "IPO") and its common stock is listed on The New York Stock Exchange (the "NYSE") under the symbol "GRUB".

Reorganization and History

Overview of Reorganization

On August 8, 2013, GrubHub Inc. acquired, through a series of transactions, all of the equity interests of each of Seamless North America, Seamless Holdings and GrubHub Holdings Inc. pursuant to that certain Reorganization and Contribution Agreement, dated as of May 19, 2013, by and among GrubHub Inc., Seamless North America, Seamless Holdings, GrubHub Holdings Inc. and the other parties thereto (the "Reorganization Agreement"). Following this transaction, the Company concluded that Seamless Holdings was deemed the acquirer for financial reporting purposes (see Part II, Item 8, Note 3, "Acquisitions" of this Annual Report on Form 10-K). Accordingly, the acquisition of GrubHub Holdings Inc. has been accounted for as a business combination. The results of operations of GrubHub Holdings Inc. have been included in the Company's financial statements since August 9, 2013. In February 2014, GrubHub Seamless Inc. was renamed GrubHub Inc.

Prior to the Reorganization

Seamless North America was originally incorporated in Delaware in December 1999, and was converted to a Delaware limited liability company. Seamless North America was a single member LLC and wholly owned subsidiary of Aramark until June 6, 2011. In June 2011, Aramark sold an approximate 26% interest in Seamless North America in the form of convertible preferred stock to SLW Investors, LLC ("SLW Investors"), an entity controlled by a private equity firm.

On October 17, 2012, Aramark formed Seamless Holdings, as a wholly owned subsidiary for the purpose of completing a spin-off of its approximate 74% equity interest in Seamless North America. Prior to the spin-off, Aramark distributed all of the issued and outstanding shares of the common stock of Seamless Holdings to its parent company and sole shareholder, Aramark Intermediate Holdco Corporation ("Aramark Intermediate"). Thereafter, Aramark Intermediate distributed such shares to Aramark Holdings (the ultimate parent company of Aramark), which then distributed all of the shares of Seamless Holdings on a pro rata basis to the Aramark Holdings shareholders as of October 26, 2012, the record date. Each Aramark Holdings shareholder received one share of Seamless Holdings

common stock for each share of Aramark Holdings common stock owned as of the record date.

The financial position and results of operations of Seamless Holdings and Seamless North America have been included in the consolidated financial statements for all periods presented.

Growth Strategy

The Company strives to make GrubHub an integral part of everyday life for restaurants and diners through the following growth strategies:

- Grow the Two-Sided Network. The Company intends to continue to grow the number of restaurants in existing geographic markets by providing them with opportunities to generate more takeout orders. The Company intends to continue to grow the number of diners and orders placed on the network primarily through word-of-mouth referrals, marketing that encourages adoption of the Company's mobile applications and increased order frequency.
- Enhance the Platform. The Company plans to continue to invest in its websites and mobile products, develop new products and better leverage the significant amount of order data that the Company collects.

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- Deliver Excellent Customer Service. By meeting and exceeding the expectations of both restaurants and diners through customer service, the Company seeks to gain their loyalty and support for the platform.
- Pursue Strategic Acquisitions. The Company intends to continue to pursue expansion opportunities in existing and new markets, as well as in core and adjacent categories through strategic acquisitions.

Key Metrics

For a description of the Company's key metrics, including Active Diners, Daily Average Grubs and Gross Food Sales, see Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report on Form 10-K.

The GrubHub Solution

The Company focuses on providing value to both restaurants and diners through its two-sided network. GrubHub provides restaurants with more orders, helps them serve diners better and enables them to improve the efficiency of their takeout business. For diners, GrubHub makes takeout accessible, simple and enjoyable, enabling them to discover new restaurants and accurately and easily place their orders anytime and from anywhere.

Restaurant Benefits

With more than 30,000 restaurants in the Company's network as of December 31, 2014, management believes that GrubHub provides restaurants with the following key benefits:

- More Orders. Through GrubHub, restaurants in the network receive more orders at full menu prices.
- Targeted Reach. Restaurants in the network gain an online and mobile presence with the ability to reach their most valuable target audience—hungry diners in their area.
- Low Risk, High Return. GrubHub generates higher margin takeout orders for the restaurants in its network by enabling them to leverage their existing fixed costs.
- Efficiency. Restaurants in the network can receive and handle a larger volume of takeout orders more accurately, increasing their operational efficiency while providing their takeout diners with a high-quality experience.
- Insights. GrubHub provides restaurants with actionable insights based on the significant amount of order data the Company gathers, helping them to optimize their delivery footprints, menus, pricing and online profiles.
- Delivery. In certain markets, the Company provides delivery services to a small percentage of restaurants on its platform. By providing delivery services, the Company allows restaurants to focus on making great food while GrubHub handles the complexity of operating the delivery networks.

Diner Benefits

With 5.0 million Active Diners as of December 31, 2014 and more than 182,800 combined Daily Average Grubs during the year ended December 31, 2014, management believes that GrubHub provides diners with the following key benefits:

- Discovery. GrubHub aggregates menus and enables ordering from restaurants across more than 800 cities in the United States as of December 31, 2014, in most cases providing diners with more choices than the "menu drawer" and allowing them to discover hidden gems from local restaurants in the network.
- Convenience. Using GrubHub, diners do not need to place their orders over the phone. GrubHub provides diners with an easy-to-use, intuitive and personalized platform that makes ordering simple from any connected device.
- Control and Transparency. The GrubHub platform empowers diners with a "direct line" into the kitchen, without having to talk to a distracted order-taker in an already error-prone process.

·Service. For diners, GrubHub's role is similar to that of the waiter in a restaurant, providing a critical layer of customer service that is typically missing in takeout.

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Challenges

The Company faces several key challenges in continuing to grow its business and maintaining profitability. These challenges include that:

- the ability to realize the benefits of acquired businesses depends on the successful integration of the operations of the acquired businesses with those of the Company;
- long-term growth depends on the Company's ability to continue to expand its network of restaurants and diners in a cost-effective manner; and
- while the Company's primary competition remains the traditional offline takeout ordering method, new and existing online competitors could emerge or gain traction in the Company's primary markets. These competitors may have greater resources than GrubHub and could impact the Company's growth rates and ability to maintain profitability.

Factors Affecting Performance

- The Size of the Company's Two-Sided Network. GrubHub's growth has come, and is expected to continue to come, from the Company's ability to successfully expand its two-sided network, which occurs through the growth of the number of restaurants and diners on the platform. The Company believes that increases in the number of restaurants will make the platform more attractive to diners and increases in the number of diners will make the platform more attractive to restaurants. Furthermore, the number of popular restaurants in each local market is an important factor in making the platform more attractive to diners.
- Seasonality. In metropolitan markets, the Company generally experiences a relative increase in diner activity from September to April and a relative decrease in diner activity from May to August. In addition, the Company benefits from increased order volumes in campus markets when school is in session and experiences a decrease in order volumes when school is not in session (during summer breaks and other vacation periods).
- Weather. Diner activity can also be impacted by colder or more inclement weather, which typically increases order volumes, and warmer or sunny weather, which typically decreases order volumes.

Products and Services

The following is a list of the Company's primary products and services. The Company's primary revenues are the commissions earned from restaurants for consumer orders generated on its platform.

Products

GrubHub and Seamless Websites

Diners can access the platform through www.grubhub.com and www.seamless.com. To use the websites, diners either enter their delivery address or use geo-location within the mobile applications and are presented with local restaurants that provide takeout. Diners can further refine their search results using the search capability, enabling them to filter results across cuisine types, restaurant names, menu items, proximity, ratings and other criteria. Once diners have found what they are looking for, they place their orders using easy-to-use and intuitive menus, enabling them to discover food choices, select options and provide specific instructions on a dish-by-dish basis. Once an order is received, the Company transmits it to the restaurant, while saving the diners' preferences for future orders, thus providing diners with a convenient repeat order experience.

GrubHub and Seamless Mobile Apps and Mobile Website

The Company offers diners access to the network through its mobile applications designed for iPhone, iPad and Android devices. The mobile applications provide diners with the same functionality as the Company's websites, including restaurant discovery, search and ordering. Diners can also access the platform from their mobile devices through the mobile website using any mobile browser. For restaurants, all mobile orders are received in the same way as the website-based orders, and the Company charges the same commission for both.

Seamless Corporate Program

On the Seamless Platform, the Company provides a corporate program that helps businesses address inefficiencies in food ordering and associated billing. The corporate program offers employees a wide variety of food and ordering options, including options for individual meals, group ordering and catering, as well as proprietary tools that consolidate all food ordering into a single online account that enables companies to proactively manage food spend by automating the enforcement of budgets and rules. The corporate tools provide consolidated ordering and invoicing, eliminating the need for employee expense reports and therefore significantly reducing administrative overhead relating to office food ordering.

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Allmenus and MenuPages

Allmenus.com and MenuPages provide an aggregated database of approximately 310,000 menus from restaurants across all 50 U.S. states. The websites are searchable by cuisine type, restaurant name, menu items and other criteria. For those restaurants whose menus are posted on allmenus.com or MenuPages and which are also part of the Company's restaurant network, the sites provide a link from their menus to the Company's websites, through which diners can then place their orders, providing the Company with an efficient customer acquisition channel.

OrderHub and Boost

Restaurants have historically received orders from GrubHub through a facsimile or email and are required to confirm the order over the phone. Though most of the restaurants on the Company's platform still use this traditional method, several thousand restaurants use the tablet solutions, OrderHub and Boost. These tools can electronically receive and display orders at the restaurant, providing operators with the capability to acknowledge receipt of the order and update the estimated completion time and status with an easy-to-use application. OrderHub and Boost allow the Company to monitor orders through the takeout process (receipt, ready for pickup, on the way, etc.). In turn, GrubHub can make that information available to hungry diners who are waiting for their orders, thus providing greater transparency, reducing their frustration and making the takeout experience more enjoyable.

Restaurant Websites

The Company offers the restaurants in its network a turnkey website design and hosting service powered by template-driven technology, which provides the restaurants in the network with a simple yet effective online presence. GrubHub processes the orders placed through these websites through its platforms.

Delivery

In certain markets, the Company offers delivery services to a small percentage of restaurants on its platform. By providing delivery services, the Company is able to enhance the transparency, consistency and reliability of the diner experience. Delivery services benefit the restaurants by allowing them to focus on making great food while GrubHub handles the complexity of operating the delivery networks.

Customer Care

Restaurants

Customer service is an important component of GrubHub's value proposition for restaurants, enabling them to focus on food preparation and delivery. The Company provides restaurants with 24/7 service, where representatives are able to assist with problems that may arise. The Company tracks and manages restaurant performance on the platform, helping restaurants manage capacity issues while ensuring that diners receive the service they expect.

In addition to operations-related services, the Company offers restaurants actionable insights based on the significant amount of order data the Company gathers, helping restaurants optimize their delivery footprint, menus, pricing and online profiles.

Diners

The customer service the Company offers to diners is also an important component of GrubHub's value proposition, helping to generate diner satisfaction and positive word-of-mouth referrals. The Company believes that it is its responsibility to make diners happy. When diners call the 24/7 customer service line, the Company typically helps them add items to orders that have already been placed and informs them of the status of their orders. The Company

believes that its excellent customer service drives diner referrals, more frequent ordering and overall loyalty to the platform.

Acquisitions

In February 2015, the Company completed the acquisitions of restaurant delivery service providers, DiningIn and Restaurants on the Run, Inc. See Item 8, Note 15, "Subsequent Events," in this Annual Report on Form 10-K for additional details.

Geographic Markets

The Company's geographic reach includes more than 800 cities across the United States as of December 31, 2014. The Company's largest markets are: Boston, Chicago, Los Angeles, New York, Philadelphia, San Francisco and Washington, D.C. During the years ended December 31, 2014, 2013 and 2012, the Company also generated a nominal amount of foreign revenues through its U.K. subsidiary.

Sales and Marketing

The Company's sales team adds new restaurants to the network by emphasizing GrubHub's low risk, high return proposition: providing more orders, without charging any upfront payments or subscription fees or requiring any discounts from a restaurant's full price menus, and GrubHub only gets paid on orders it generates for them. Many of the leads for new restaurants are generated through the Company's allmenus.com and MenuPages websites, which provide insights into which restaurants are popular with diners and are not yet on the network. The Company then contacts those restaurants either through the inside sales team, based in the Chicago office, or through the local, "feet-on-the-street" sales force. Once restaurants have joined the network, GrubHub representatives continue to work with them to maintain quality control and to increase their order volume. The sales team also focuses on adding new corporate program clients by emphasizing GrubHub's value proposition: a wide variety of ordering options for employees and proprietary tools that provide rule-based ordering and consolidated reporting and invoicing for employers.

The Company believes that its online ordering platform, innovative products and excellent customer service are its best and most effective marketing tools, helping to generate strong word-of-mouth referrals, which have been the primary driver of the Company's diner growth. The Company's integrated marketing efforts are aimed at driving existing diners to engage more frequently with the platform and encouraging new diners to try the platform. The Company uses both online as well as offline advertising. The advertisements educate people about GrubHub in an amusing and sometimes irreverent way, generating awareness among potential diners and driving overall order growth.

Technology

The Company generally develops additional features for its platform in-house, focusing on quick release cycles and constant improvement. GrubHub's web and mobile properties are either hosted by a third-party provider of hosting services or stored on secure remote servers and software networks through a public cloud provider. The third-party hosting service providers are located in Illinois, New York and Utah. The platform includes a variety of encryption, antivirus, firewall and patch-management technology to protect and maintain the systems and computers across the business. The Company relies on third-party off-the-shelf technology as well as internally developed and proprietary products and systems to ensure rapid, high-quality customer service, software development, website integration, updates and maintenance. The Company leverages off-the-shelf hardware and software platforms in order to build and customize its hardware-based products such as the OrderHub tablet, which is based on the Android operating system.

Customers

As of December 31, 2014, the Company served approximately 5.0 million Active Diners and over 30,000 restaurants. For the years ended December 31, 2014, 2013 and 2012, none of these Active Diners or restaurants accounted for 1% or more of the Company's net revenues.

Competition

The Company primarily competes with the traditional offline ordering process used by the vast majority of restaurants and diners involving paper menus that restaurants distribute to diners, as well as advertising that restaurants place in local publications to attract diners. For diners, GrubHub competes with the traditional ordering process by aggregating restaurant and menu information in one place online so that it is easier and more convenient to find a desirable restaurant option and place a customized order without having to interact directly with the restaurants. For restaurants, the Company offers a more targeted marketing opportunity than the yellow pages, billboards or other local advertising mediums since diners typically access the Company's platform when they are looking to place a takeout order, and GrubHub captures the transaction right when a diner has made a decision.

The Company's online competition consists primarily of local service providers, point-of-sale module vendors that serve some independent restaurants who have their own standalone websites and the online interfaces of larger chain restaurants that also offer takeout. Compared to other online platforms, GrubHub offers diners choices, whereas many online platforms offer only one brand and menu, particularly the chain restaurants. The Company also competes for diners with these online competitors on the basis of convenience, control and customer service. For restaurants, GrubHub competes with other online platforms based on its ability to generate additional orders as well as on reach, targeted scale and the ability to help them improve their operational efficiency, with product innovations like OrderHub and Boost, and diner experience.

Management believes the Company competes favorably based on these factors for both restaurants and diners. Although paper menus are still the Company's biggest competition, based on available information regarding the number of diners and restaurants on the platform and the number of orders processed through the platform, management believes GrubHub is the largest online provider of takeout orders in the United States for independent restaurants.

Seasonality

The Company's business is dependent on diner behavior patterns. In metropolitan markets, the Company generally experiences a relative increase in diner activity from September to April and a relative decrease in diner activity from May to August. In addition, the Company benefits from increased order volume in its campus markets when school is in session and experiences a decrease in order volume when school is not in session, during summer breaks and other vacation periods. Diner activity can also be impacted by colder or more inclement weather, which typically increases order volume, and warmer or sunny weather, which typically decreases order volume. Seasonality may cause fluctuations in the Company's financial results on a quarterly basis.

Intellectual Property

The Company protects its intellectual property through a combination of trademarks, trade dress, domain name registrations, copyrights, trade secrets and patents applications, as well as contractual provisions and restrictions on access to and use of proprietary information.

As of December 31, 2014, the Company had nearly 40% of such control shares are approved at a shareholders' meeting and the acquirer becomes entitled to vote a majority of the shares of stock entitled to vote, all other shareholders may exercise appraisal rights.

Preference Stock Authorization. As noted above under the heading “Capital Stock”, the Charter gives our Board of Directors the authority to, without the approval of the holders of our common stock, issue our authorized preferred stock in one or more series and to classify and reclassify any class or series of our authorized but unissued capital stock. A series of preferred stock and any other shares of capital stock that the Board classifies or reclassifies may possess rights superior to the rights of the holders of our common stock. As a result, this “blank check” stock, while not intended as a defensive measure against takeovers, could be issued quickly and easily, could adversely affect the rights of holders of common stock and could be issued with terms calculated to delay or prevent a change of control of the Corporation or make removal of management more difficult.

Advance Notice Procedure for Director Nominations by Shareholders. Our Bylaws allow shareholders to submit director nominations. For nominations to properly come before the meeting, however, the nominating shareholder must have given timely written notice of the nomination to either the Chairman of the Board or the President of the Corporation. To be timely, a nomination must be given not less than 150 days nor more than 180 days prior to the date of the meeting of shareholders called for the election of directors which, for purposes of this requirement, is deemed to be on the same day and month as the annual meeting of shareholders for the preceding year. The notice must contain the following information to the extent known by the notifying shareholder:

- the name and address of each proposed nominee;

- the principal occupation of each proposed nominee;

- the number of shares of our capital stock owned by each proposed nominee;

- the name and residence address of the notifying shareholder;

- the number of shares of our capital stock owned by the notifying shareholder;

- the consent in writing of the proposed nominee as to the proposed nominee’s name being placed in nomination for director; and

all information relating to the proposed nominee that would be required to be disclosed by Regulation 14A under the Securities Exchange Act of 1934, as amended, and Rule 14a-11 promulgated thereunder, assuming such provisions would be applicable to the solicitation of proxies for the proposed nominee.

Classified Board; Removal of Directors. Our Charter provides that the members of our Board of Directors are divided into three classes as nearly equal as possible. Each class is elected for a three-year term. At each annual meeting of shareholders, approximately one-third of the members of the Board are elected for a three-year term and the other

directors remain in office until their three-year terms expire. Our Charter and Bylaws provide that no director may be removed without cause, which term is defined as a final unappealable felony conviction, unsound mind, adjudication of bankruptcy, or action that causes material injury to the Corporation. Any removal for cause requires either the affirmative vote of the entire Board or the affirmative vote of the holders of at least a majority of our outstanding voting stock. Further, shareholders may attempt to remove a director for cause after service of specific charges, adequate notice and a full opportunity to refute the charges. Thus, control of our Board of Directors cannot be changed in one year without removing the directors for cause as described above; rather, at least two annual meetings must be held before a majority of the members of the Board could be changed. An amendment or repeal of these provisions requires the approval of at least two-thirds of the outstanding voting power of the Corporation entitled to vote on the matter.

INDEMNIFICATION OF OUR DIRECTORS AND OFFICERS

Our Charter provides that no director or officer of the Corporation will be personally liable for monetary damages except: (1) to the extent that the person actually received an improper benefit or profit in money, property, or services; or (2) to the extent that a judgment or other final adjudication adverse to the person is entered in a proceeding based on a finding that the person's action, or failure to act, was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding. An amendment or repeal of this Charter provision requires the approval of at least two-thirds of the outstanding voting power of the Corporation entitled to vote on the matter. This provision may have the practical effect in certain cases of eliminating the ability of our shareholders to collect monetary damages from directors and executive officers. We believe that this provision is necessary to attract and retain qualified persons as directors and executive officers.

Our Bylaws obligate us to indemnify and advance expenses to a director or an officer in connection with a proceeding to the fullest extent permitted by and in accordance with MGCL Section 2-418. However, we may not indemnify a director or an officer in connection with a proceeding commenced by such director or officer against the Corporation or one of its directors or officers unless the board authorized the proceeding. We may indemnify and advance expenses to employees and agents, other than directors and officers, as determined by and in the discretion of the Board, in connection with a proceeding to the extent permitted by and in accordance with MGCL Section 2-418.

MGCL Section 2-418 permits us to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that the person was a director, officer, employee or agent of First United if he or she (1) acted in good faith, (2) reasonably believed her actions to be in or not opposed to the best interests of First United, (3) did not actually receive an improper personal benefit in money, property, or services, and (4) in a criminal proceeding, had no reasonable cause to believe her conduct was unlawful.

Under MGCL Section 2-418, indemnification may be against judgments, penalties, fines, settlements, and reasonable expenses actually incurred by the director in connection with the proceeding. Indemnification may not be made unless authorized for a specific proceeding after a determination has been made that the director has met the applicable standard of conduct. This determination is required to be made: (1) by the board of directors; (2) by special legal counsel selected by the board of directors or a committee of the board by vote; or (3) by the shareholders.

We may pay, before final disposition, the expenses, including attorneys' fees, incurred by a director, officer, employee or agent in defending a proceeding when the director or officer gives and undertaking to the Corporation to repay the amounts advanced if it is ultimately determined that he or she is not entitled to indemnification. We are required to indemnify any director who has been successful on the merits or otherwise, in defense of a proceeding for reasonable expenses incurred in connection with the proceeding.

These indemnification and advancement of expenses provisions are not exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of shareholders, vote of directors or otherwise.

EXPERTS

The consolidated statements of financial condition as of December 31, 2011 and 2010, and the consolidated statements of operations, changes in shareholders' equity, and cash flows for each of the two years in the period ended December 31, 2011, incorporated by reference into this prospectus, have been included herein in reliance on the report of ParenteBeard LLC, independent public accountants, given on the authority of that firm as experts in auditing and

accounting.

LEGAL MATTERS

The validity of the securities offered pursuant to this prospectus has been passed upon for us by Gordon Feinblatt LLC, Baltimore, Maryland. If legal matters in connection with offerings made pursuant to this prospectus are passed upon by counsel for the underwriters, dealers or agents, if any, such counsel will be named in the prospectus supplement relating to such offering.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-3, as amended by a Pre-Effective Amendment No. 1 to Form S-3 and a Post-Effective Amendment No. 1 to Form S-3 on Form S-1, with the SEC covering the securities that may be sold under this prospectus. This prospectus is only a part of that registration statement and does not contain all the information in the registration statement. Because this prospectus may not contain all the information that you may find important, and because references to our contracts and other documents made in this prospectus are only summaries of those contracts and other documents, you should review the full text of the registration statement, as amended from time to time, and the exhibits that are a part of the registration statement. We have included copies of these contracts and other documents as exhibits to the registration statement that contains this prospectus.

We are subject to the information requirements of the Exchange Act, which means we are required to file annual reports, quarterly reports, current reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC at the SEC's public reference room in Washington, D.C., located at 100 F Street, N.E., Washington D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public from the SEC's Internet site at <http://www.sec.gov> and from our Internet site at <http://www.mybank4.com>. However, information found on, or otherwise accessible through, these Internet sites is not incorporated into, and does not constitute a part of, this prospectus or any other document we file or furnish to the SEC. You should not rely on any of this information in deciding whether to purchase the securities.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC's rules allow us to incorporate information into this prospectus by reference to documents that we have filed with the SEC. This means that we can disclose information to you by referring you to those documents. Any information incorporated by reference is an important part of this prospectus, and you should review that information so that you understand the nature of any investment by you in the securities. We are incorporating by reference the documents listed below (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

Annual Report on Form 10-K for the year ended December 31, 2011 filed on March 14, 2012 (which includes (i) certain information contained in our definitive proxy statement on Schedule 14A for the 2012 Annual Meeting of Shareholders, filed on March 15, 2012, and incorporated therein by reference); and

(ii) Description of our common stock which appears in our Registration Statement on Form 8-A filed on February 19, 1986, or any description of the common stock that appears in any prospectus forming a part of any subsequent registration statement of the Corporation or in any registration statement filed pursuant to Section 12 of the Exchange Act, including any amendments or reports filed for the purpose of updating such description.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus shall be deemed to be modified or superseded to the extent that a statement contained in this prospectus modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We will promptly provide without charge to each person to whom this prospectus is delivered a copy of any or all information that has been incorporated herein by reference (not including exhibits to the information that is incorporated by reference unless such exhibits are specifically incorporated by reference into such information) upon the written or oral request of such person. Written requests should be directed to: First United Corporation, Corporate Secretary, 19 South Second Street, Oakland, Maryland 21550. Telephone requests should be directed to the Corporate Secretary at (888) 692-2654. You may also access these

You also may access the documents that have been incorporated by reference into this prospectus on our website, www.mybank4.com, under the heading "SEC Filings" found under the "Investors" section of the "My Community" tab, or at: <http://www.corporatewindow.com/fl/func/func-sec.html>.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table itemizes the expenses incurred by First United Corporation (the “Corporation”) in connection with the offering of the securities being registered hereby. All amounts shown are estimates.

Registration Fee - Securities and Exchange Commission	\$ 1,356
Accounting Fees and Expenses	11,100
Legal Fees and Expenses	30,000
Printing Fees and Expenses	2,500
Miscellaneous	2,000
Total	\$ 46,956

Item 14. Indemnification of Directors and Officers.

The Maryland General Corporation Law (the “MGCL”) permits a Maryland corporation to indemnify its present and former directors, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made a party by reason of their services in those capacities, unless it is established that:

- (1) the act or omission of the director was material to the matter giving rise to such proceeding and
 - (A) was committed in bad faith or
 - (B) was the result of active and deliberate dishonesty;
- (2) the director actually received an improper personal benefit in money, property, or services; or

(3) in the case of any criminal proceeding, the director had reasonable cause to believe that the act or omission was unlawful.

Maryland law permits a Maryland corporation to indemnify a present and former officer to the same extent as a director.

In addition to the foregoing, a court of appropriate jurisdiction: (1) shall order indemnification of reasonable expenses incurred by a director who has been successful, on the merits or otherwise, in the defense of any proceeding identified above, or in the defense of any claim, issue or matter in the proceeding; and (2) may under certain circumstances order indemnification of a director or an officer who the court determines is fairly and reasonably entitled to indemnification in view of all of the relevant circumstances, whether or not the director or officer has met the standards of conduct set forth in the preceding paragraph or has been declared liable on the basis that a personal benefit improperly received in a proceeding charging improper personal benefit to the director or the officer, provided, however, that if the proceeding was an action by or in the right of the corporation or involved a determination that the director or officer received an improper personal benefit, no indemnification may be made if the director or officer is adjudged liable to the corporation, except to the extent of expenses approved by a court of appropriate jurisdiction.

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The MGCL also permits a Maryland corporation to pay or reimburse, in advance of the final disposition of a proceeding, reasonable expenses incurred by a present or former director or officer made a party to the proceeding by reason of his or her service in that capacity, provided that the corporation shall have received:

- (1) a written affirmation by the director or officer of his good faith belief that he has met the standard of conduct necessary for indemnification by the corporation; and
- (2) a written undertaking by or on behalf of the director to repay the amount paid or reimbursed by the corporation if it shall ultimately be determined that the standard of conduct was not met.

The Corporation has provided for indemnification of directors and officers in ARTICLE VIII of its Amended and Restated Bylaws, as amended (the “Bylaws”). The relevant provisions of the Bylaws read as follows:

“SECTION 1. As used in this Article VIII, any word or words that are defined in Section 2-418 of the Corporations and Associations Article of the Annotated Code of Maryland (the ‘Indemnification Section’), as amended from time to time, shall have the same meaning as provided in the Indemnification Section.

SECTION 2. Indemnification of Directors and Officers. The Corporation shall indemnify and advance expenses to a director or officer of the Corporation in connection with a proceeding to the fullest extent permitted by and in accordance with the Indemnification Section. Notwithstanding the foregoing, the Corporation shall be required to indemnify a director or officer in connection with a proceeding commenced by such director or officer against the Corporation or its directors or officers only if the proceeding was authorized by the Board of Directors.”

The MGCL authorizes a Maryland corporation to limit by provision in its Articles of Incorporation the liability of directors and officers to the corporation or to its shareholders for money damages except to the extent:

- (1) the director or officer actually receives an improper benefit or profit in money, property, or services, for the amount of the benefit or profit actually received, or
- (2) a judgment or other final adjudication adverse to the director or officer is entered in a proceeding based on a finding in the proceeding that the director’s or officer’s action, or failure to act, was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding.

The Corporation has limited the liability of its directors and officers for money damages in Article NINTH of its Charter. This provision reads as follows:

“NINTH: No Director or officer of the Corporation shall be liable to the Corporation or to its shareholders for money damages except (i) to the extent that it is proved that such Director or officer actually received an improper benefit or profit in money, property or services, for the amount of the benefit or profit in money, property or services actually received, or (ii) to the extent that a judgment or other final adjudication adverse to such Director or officer is entered in a proceeding based on a finding in the proceeding that such Director’s or officer’s action, or failure to act, was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding. No amendment of these Articles of Incorporation or repeal of any of its provisions shall limit or eliminate the benefits provided to directors and officers under this provision with respect to any act or omission which occurred prior to such amendment.”

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As permitted under Section 2-418(k) of the MGCL, the Corporation has purchased and maintains insurance on behalf of its directors and officers against any liability asserted against such directors and officers in their capacities as such, whether or not the Corporation would have the power to indemnify such persons under the provisions of Maryland law governing indemnification.

Section 8(k) of the Federal Deposit Insurance Act (the “FDI Act”) provides that the Federal Deposit Insurance Corporation (the “FDIC”) may prohibit or limit, by regulation or order, payments by any insured depository institution or its holding company for the benefit of directors and officers of the insured depository institution, or others who are or were “institution-affiliated parties,” as defined under the FDI Act, to pay or reimburse such person for any liability or legal expense sustained with regard to any administrative or civil enforcement action which results in a final order against the person. The FDIC has adopted regulations prohibiting, subject to certain exceptions, insured depository institutions, their subsidiaries and affiliated holding companies from indemnifying officers, directors or employees for any civil money penalty or judgment resulting from an administrative or civil enforcement action commenced by any federal banking agency, or for that portion of the costs sustained with regard to such an action that results in a final order or settlement that is adverse to the director, officer or employee.

Item 15. Recent Sales of Unregistered Securities

The following information relates to all securities issued or sold by First United Corporation within the past three years and not registered under the Securities Act. There were no underwriters employed in connection with any of the transactions described in this Item 15. The securities described below were issued to accredited investors in reliance on the exemption from the registration requirements of the Securities Act, as set forth in Section 4(2) of the Securities Act and the rules and regulations promulgated thereunder.

On January 30, 2009, the Corporation sold to the United States Department of the Treasury (the “Treasury”) (i) 30,000 shares of Fixed Rate Cumulative Perpetual Preferred Stock, Series A, liquidation preference \$1,000 per share (the “Series A Preferred Stock”) and (ii) a warrant to purchase 326,323 shares of the Corporation’s common stock, par value \$.01 per share, at an exercise price of \$13.79 per share (the “Warrant”). The Series A Preferred Stock and the Warrant were sold for an aggregate purchase price of \$30,000,000 as part of the Corporation’s participation in the Treasury’s Troubled Asset Relief Program Capital Purchase Program.

On December 30, 2009, the Corporation sold \$7.192 million in 9.875% junior subordinated debentures, due March 15, 2040, to its trust subsidiary, First United Statutory Trust III (the “Trust”), in connection with the Trust’s sale of (i) \$6.975 million aggregate liquidation amount of 9.875% cumulative trust preferred securities to accredited investors for cash, and (ii) \$217,000 aggregate liquidation amount of 9.875% cumulative trust common securities to the Corporation.

On January 29, 2010, the Corporation sold an additional \$3.609 million in 9.875% junior subordinated debentures, due March 15, 2040, to the Trust in connection with the Trust's sale of (i) \$3.5 million aggregate liquidation amount of 9.875% cumulative trust preferred securities to accredited investors for cash, and (ii) \$109,000 aggregate liquidation amount of 9.875% cumulative trust common securities to the Corporation.

Item 16. Exhibits and Financial Statement Schedules

The exhibits filed with this registration statement are listed in the Exhibit Index that immediately follows the signatures hereto, which Exhibit Index is incorporated herein by reference.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) N/A.

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(5) That, for the purpose of determining liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(6) N/A.

(b)-(g) N/A.

(h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(i)-(l) N/A.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oakland, State of Maryland, on April 2, 2012.

FIRST UNITED CORPORATION:

By: /s/ William B. Grant
William B. Grant

Chairman, CEO & President

(Principal Executive Officer)

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints William B. Grant and Carissa L. Rodeheaver, and each of them (with full power to each of them to act alone), his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to this registration statement, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on April 2, 2012.

/s/ William B. Grant
William B. Grant, Director, Chairman, CEO
& President
(Principal Executive Officer)

/s/ David J. Beachy
David J. Beachy, Director

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/s/ M. Kathryn Burkey
M. Kathryn Burkey, Director

/s/ Paul Cox, Jr.
Paul Cox, Jr., Director

/s/ Robert W. Kurtz
Robert W. Kurtz, Director

/s/ John W. McCullough
John W. McCullough, Director

/s/ Donald E. Moran
Donald E. Moran, Director

/s/ Elaine L. McDonald
Elaine L. McDonald, Director

/s/ Gary R. Ruddell
Gary R. Ruddell, Director

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/s/ I. Robert Rudy
I. Robert Rudy, Director

/s/ Richard G. Stanton
Richard G. Stanton, Director

Robert G. Stuck, Director

/s/ H. Andrew Walls, III
H. Andrew Walls, III, Director

/s/ Carissa L. Rodeheaver
Carissa L. Rodeheaver, Exec. Vice President
& Chief Financial Officer
(Principal Accounting Officer)

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
3.1(i)	Amended and Restated Articles of Incorporation (incorporated by reference to Exhibit 3.1 of the Corporation's Quarterly Report on Form 10-Q for the period ended June 30, 1998)
3.2(i)	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2(i) of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2007)
3.2(ii)	First Amendment to Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2(ii) of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2007)
3.2(iii)	Second Amendment to Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 of the Corporation's Current Report on Form 8-K filed on February 9, 2009)
4.1	Letter Agreement, including the related Securities Purchase Agreement – Standard Terms, dated January 30, 2009 by and between the Corporation and the U.S. Department of Treasury (incorporated by reference to Exhibit 10.1 of the Corporation's Form 8-K filed on February 2, 2009)
4.2	Certificate of Notice, including the Certificate of Designations incorporated therein, relating to the Fixed Rate Cumulative Perpetual Preferred Stock, Series A (incorporated by reference Exhibit 4.1 of the Corporation's Form 8-K filed on February 2, 2009)
4.3	Sample Stock Certificate for Series A Preferred Stock for the Series A Preferred Stock (incorporated by reference Exhibit 4.3 of the Corporation's Form 8-K filed on February 2, 2009)
4.4	Common Stock Purchase Warrant dated January 30, 2009 issued to the U.S. Department of Treasury (incorporated by reference to Exhibit 4.2 of the Corporation's Form 8-K filed on February 2, 2009)
4.5	Amended and Restated Declaration of Trust, dated as of December 30, 2009 (incorporated by reference to Exhibit 4.1 of the Corporation's Current Report on Form 8-K filed on December 30, 2009)

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4.6 Indenture, dated as of December 30, 2009 (incorporated by reference to Exhibit 4.2 of the Corporation's Current Report on Form 8-K filed on December 30, 2009)

4.7 Preferred Securities Guarantee Agreement, dated as of December 30, 2009 (incorporated by reference to Exhibit 4.3 of the Corporation's Current Report on Form 8-K filed on December 30, 2009)

4.8 Form of Preferred Security Certificate of First United Statutory Trust III (included as Exhibit C of Exhibit 4.5)

4.9 Form of Common Security Certificate of First United Statutory Trust III (included as Exhibit B of Exhibit 4.5)

4.10 Form of Junior Subordinated Debenture of First United Corporation (included as Exhibit A of Exhibit 4.6)

5.1 Opinion of Gordon Feinblatt LLC (previously filed)

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- 10.1 First United Bank & Trust Amended and Restated Supplemental Executive Retirement Plan (“SERP”) (incorporated by reference to Exhibit 10.4 of the Corporation’s Current Report on Form 8-K filed on February 21, 2007)
- 10.2 Second Amended and Restated Participation Agreement, dated as of August 12, 2011, under the SERP between First United Bank & Trust and William B. Grant (incorporated by reference to Exhibit 10.1 of the Corporation’s Quarterly Report on Form 10-Q for the period ended September 30, 2011)
- 10.3 Form of Second Amended and Restated Participation Agreement, dated as of August 12, 2011, under the SERP between First United Bank & Trust and executive officers other than William B. Grant (incorporated by reference to Exhibit 10.2 of the Corporation’s Quarterly Report on Form 10-Q for the period ended September 30, 2011)
- 10.4 Form of Endorsement Split Dollar Agreement between the Bank and each of William B. Grant, Robert W. Kurtz, Jeannette R. Fitzwater, Phillip D. Frantz, Eugene D. Helbig, Jr., Steven M. Lantz, Robin M. Murray, Carissa L. Rodeheaver, and Frederick A. Thayer, IV (incorporated by reference to Exhibit 10.3 of the Corporation’s Quarterly Report on Form 10-Q for the period ended September 30, 2003)
- 10.5 Amended and Restated First United Corporation Executive and Director Deferred Compensation Plan (incorporated by reference to Exhibit 10.1 of the Corporation’s Current Report on Form 8-K filed on November 24, 2008)
- 10.6 Amended and Restated First United Corporation Change in Control Severance Plan (incorporated by reference to Exhibit 10.5 of the Corporation’s Current Report on Form 8-K filed on June 23, 2008)
- 10.7 Form of Change in Control Severance Plan Agreement with executive officers other than William B. Grant (incorporated by reference to Exhibit 10.3 of the Corporation’s Current Report on Form 8-K filed on February 21, 2007)
- 10.8 First United Corporation Omnibus Equity Compensation Plan (incorporated by reference to Appendix B to the Corporation’s 2007 definitive proxy statement filed on March 23, 2007)
- 10.9 First United Corporation Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 of the Corporation’s Current Report on Form 8-K filed on June 23, 2008)
- 10.10 Restricted Stock Agreement for William B. Grant (incorporated by reference to Exhibit 10.2 of the Corporation’s Current Report on Form 8-K filed on June 23, 2008)

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Form of Restricted Stock Agreement for Executive Officers other than the Chief Executive Officer
10.11 (incorporated by reference to Exhibit 10.3 of the Corporation's Current Report on Form 8-K filed on June 23, 2008)

10.12 First United Corporation Executive Pay for Performance Plan (incorporated by reference to Exhibit 10.4 of the Corporation's Current Report on Form 8-K filed on June 23, 2008)

Consulting Agreement, dated as of December 7, 2009, among First United Corporation, First United Bank &
10.13 Trust and Robert W. Kurtz (incorporated by reference to Exhibit 10.1 of the Corporation's Current Report on Form 8-K filed on December 7, 2009)

21 Subsidiaries of the Corporation (incorporated by reference to Exhibit 21 of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2011)

23.1 Consent of ParenteBeard LLC, Independent Registered Public Accounting Firm (filed herewith)

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23.2 Consent of Gordon Feinblatt LLC (contained in Exhibit 5.1)

24.1 Power of Attorney (included in the signature page to this Registration Statement)

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