SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Support.com, Inc.

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

FORM 8-K

CURRENT REPORT

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

Date of Report: December 21, 2005
(Date of earliest event reported)

SUPPORTSOFT, INC.
(Exact name of registrant as specified in its charter)

Delaware	**0-30901**	**94-3282005**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

575 Broadway, Redwood City, California 94063
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(650) 556-9440**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (see General Instruction A.2. below):

❑ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

❑ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

❑ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

❑ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240-13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On December 22, 2005, SupportSoft, Inc. (the “Company”) announced the appointment of Ken Owyang, Vice President of Finance of the Company, to the position of Interim Chief Financial Officer, effective January 6, 2006.

In connection with the appointment of Mr. Owyang, the Company and Mr. Owyang amended Mr. Owyang’s original employment agreement, effective January 6, 2006 (the “Agreement”). The Agreement provides for an annual base salary for Mr. Owyang of $220,000. In addition, he is entitled to a target annual cash bonus equal to 40% of his annual base salary. The actual amount of any such cash bonus is based on individual and company performance. The Agreement also provides Mr. Owyang with a grant of 50,000 options, vesting monthly over twelve months. This grant is in addition to the 165,000 options he received upon his initial employment with the Company. The Agreement also provides that in the event of a termination of employment following a change of control of the Company, Mr. Owyang would be entitled to vest in 50% of any remaining unvested options from his initial stock option grant. Attached as Exhibit 10.1 is Mr. Owyang’s employment agreement as amended.

On December 21, 2005, the Board of Directors of the Company approved certain actions related to (i) reducing compensation expense associated with options by accelerating certain outstanding unvested employee stock options and (ii) new option grants to certain officers. These actions are described in Exhibit 10.2 to this report, which is incorporated herein by reference. In connection with the acceleration of outstanding unvested employee stock options, certain holders of stock options will be required to enter into Resale Restriction Agreements. The form of the Resale Restriction Agreement is attached as Exhibit 10.3, which is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

10.1 Ken Owyang’s employment agreement as amended.

10.2 Description of actions approved by the Board of Directors of SupportSoft, Inc. on December 21, 2005.

10.3 Form of Resale Restriction Agreement

SIGNATURE

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

Dated: December 28, 2005

SUPPORTSOFT, INC.

By: /S/ BRIAN M. BEATTIE

Brian M. Beattie
Executive Vice President of Finance and Administration and Chief Financial Officer
(Principal Financial Officer and Chief Accounting Officer)

EXHIBIT INDEX

Exhibit No.	Description
10.1	Ken Owyang’s employment agreement as amended.
10.2	Description of actions approved by the Board of Directors of SupportSoft, Inc. on December 21, 2005.
10.3	Form of Resale Restriction Agreement

Exhibit 10.1

November 15, 2004

Ken Owyang
Belmont, CA 94002

Dear Ken,

On behalf of the Company, we are pleased to offer you a position with SupportSoft Inc., a Delaware corporation (the "Company") as **Vice President of Finance,** effective November 16, 2004 reporting to the Chief Financial Officer or Company Designate.

The offer will include an annual equivalent base salary of **$180,000.00** and an MBO opportunity of up to **20%** for an annual equivalent On Target Earnings (OTE) of **$216,000.00**. MBO's will be determined within thirty days of hire or soon thereafter. The base salary will be paid semi-monthly in accordance with the Company's normal payroll procedures.

We will recommend to the Compensation Committee at the first meeting following your start date that you are granted **165,000 stock** options that will carry vesting and exercise provisions in accordance with the Company's standard policies. The exercise price per share will be set at the fair market value (defined as the closing price) of the common stock on the day the grant is approved. Considering your current contract employment status with the company we will commence vesting as of April 5, 2004.

As a Company employee, you will also be eligible to receive all employee benefits, which will take effect on your employment commencement include health care (medical, vision, prescription drug, dental, hospital) and life and disability insurance (life, accidental death and dismemberment, long term disability, short term disability), eligibility to participate in the company's Employee Stock Purchase Plan (ESPP), 401k program, vacation (paid time off) of 15 days per annum, FLEX125 program and 12 public holidays in accordance with the company's published schedule, etc. You should note that the Company reserves the right to modify compensation and benefits from time to time, as it deems necessary.

You should be aware that your employment with the Company is for no specified period and constitutes at will employment. As a result, you are free to resign at any time, for any reason or for no reason. Similarly, the Company is free to conclude its employment relationship with you at any time, with or without cause, and with or without notice.

You shall be provided with a **Change of Control Event Benefit**. This benefit will be granted under the following terms and conditions:

If the Company is acquired and your employment is terminated as a result, the Company will provide accelerated vesting as follows:

(i) If the change of control occurs on or before April 5, 2005, the Company will provide you with 25% of your total initial stock option grant (as defined above).

(ii) If the change of control occurs after April 5, 2005, the Company will provide you with 40% of the remaining unvested shares of your initial stock option grant (as defined above).

For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us during your Orientation period (schedule to be confirmed), or our employment relationship with you may be terminated.

You agree that, during the term of your employment with the Company, you will not actively engage in any other employment, occupation, consulting or other business directly or indirectly related to the business in which the Company is now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to the Company.

As a Company employee, you will be expected to abide by the Company's rules and regulations. You will be expected to sign and comply with an Employment, Confidential Information and Invention Assignment Agreement (the "Employee NDA") that requires, among other provisions, the assignment of patent rights to any invention made during your employment at the Company and non-disclosure of proprietary information. Your employment will be contingent upon and not be deemed effective until you have executed and returned the Employee NDA to the Company.

As provided in the Employee NDA, in the event of any dispute or claim relating to or arising out of our employment relationship, you and the Company agree that all such disputes shall be fully and finally resolved by binding arbitration conducted by the American Arbitration Association in San Mateo County, California (or some other mutually agreed upon location) under the National Rules for the Resolution of Employment Disputes. The Company agrees to pay the fees and costs of the arbitrator. However, as also provided in the Employee NDA, we agree that this arbitration provision shall not apply to any disputes or claims relating to or arising out of the misuse or misappropriation of the other party's trade secrets or proprietary information.

To indicate your acceptance of the Company's offer, please sign and date this letter before November 16, 2004 in the space provided below and return it to Brian Beattie. A duplicate original is enclosed for your records. This letter, along with the agreement relating to proprietary rights between you and the Company, sets forth the terms of your employment with the Company and supersedes any prior representations or agreements, whether written or oral. This letter may not be modified or amended except by a written agreement, signed by an officer of the Company and you.

We look forward to working with you.

Sincerely,

SupportSoft

/s/ Brian Beattie

Brian Beattie
Chief Financial Officer

By signing this Offer Letter, I hereby accept, acknowledge and agree to the terms and conditions as stated above.

On this day of Nov. 16, 2004

/s/ Ken Owyang

Name

11/23/04

Start Date

Enclosures: Duplicate Original Letter
Employment agreement amendment A
Employment, Confidential Information and
Invention Assignment Agreement (To be supplied)

Employment agreement amendment A

Ken Owyang

This agreement amendment provides clarifications and modifications to the employee's letter agreement.

Employee benefit package and insurance:

SupportSoft will provide an employee benefit package that will include the following items:

- Health Insurance (e.g. Aetna HMO and PPO).
  - a) Medical
  - b) Dental
  - c) Vision
  - d) Prescription Drug
- Life, AD&D and Disability Insurance (Long Term/Short Term)
- Flex Section 125 Program
- 401K program (currently no company contribution)
- Paid time off (PTO): 15 days per annum
- 12 Paid Holidays, typically as follows:

  New Year's Day
President's Day
Good Friday
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Thanksgiving Holiday
Christmas Eve Day
Christmas Day
New Years Eve Day
1 Floating Holiday - your choice

Employee Stock Purchase Plan

You are eligible to enroll in the next offering period of the Employee Stock Purchase Plan that begins on or after your reporting date. Offering periods begin February 1 and August 1 of each year.

December 28, 2005

Ken Owyang
Belmont, CA 94002

Dear Ken,

On behalf of the Company, we are pleased that you have accepted the position of Interim Chief Financial Officer of SupportSoft Inc., a Delaware corporation (the "Company"), effective January 6, 2005 ("Effective Date"), reporting to the Chief Executive Officer.

Please allow this letter to serve as an amendment ("Letter Amendment") to your original employment arrangement dated November 15, 2004 ("Original Arrangement"). The base salary described in the Original Arrangement will become $220,000 with an MBO opportunity of up to 40% of your annual base salary for an annual equivalent On Target Earnings (OTE) of $308,000, beginning on the Effective Date. In addition, the Board will award to you an additional 50,000 stock options that will vest monthly over a period of twelve months. Finally, the change of control benefit effective post April 5, 2005 will be increased from 40% to 50% and apply to all unvested options.

If this Letter Amendment properly memorializes the agreement between the parties to the Original Arrangement, please acknowledge acceptance of the terms in this Letter Amendment by signing below.

Very truly yours,

/s/ Radha R. Basu

Radha R. Basu
CEO

Accepted and agreed:

Ken Owyang:

By: /s/ Ken Owyang

Acceleration of Certain Unvested Stock Options

On December 21, 2005, upon recommendation of the Compensation Committee of the Board of Directors, the Board of Directors of SupportSoft, Inc. (the "Company") approved the acceleration of the vesting of certain unvested and "out-of-the-money" stock options that were outstanding on December 21, 2005 and had an exercise price per share equal to or greater than $5.00, all of which were previously granted under the Company's stock option plans and that were outstanding on December 21, 2005. Options to purchase approximately 3.2 million shares of common stock, or approximately 34% of the Company's total outstanding options on December 21, 2005, were eligible for acceleration. Holders of certain tax-qualified stock options issued to certain foreign employees have the opportunity to decline the accelerated vesting in order to prevent the loss of favorable tax treatment under applicable foreign law. The options accelerated excluded options previously granted to the Board of Directors of the Company and employees who have notified the Company or been notified of their termination. The options accelerated included the following unvested options held by reporting persons under Section 16 of the Securities Exchange Act of 1934 ("Officers"): 75,000 options at $5.31; 381,565 options at $5.93; 133,334 options at $7.32, and 168,016 options at $12.99. For all Officers and Vice Presidents (non-Officers), the acceleration is accompanied by restrictions imposed on any shares purchased through the exercise of accelerated options. Those restrictions will prevent the sale of any such shares prior to the date such shares would have originally vested had the optionee been employed on such date (whether or not the optionee is actually an employee at that time).

The purpose of the acceleration was to enable the Company to reduce compensation expense associated with options in future periods in its Consolidated Statements of Operations pursuant to Financial Accounting Standards Board Statement No. 123R. Under FAS No. 123R, the Company will apply the expense recognition provisions relating to stock options beginning in the first quarter of fiscal 2006. The acceleration of the vesting of these options will not result in a charge to the Company's expenses in the Consolidated Statements of Operations in 2005. In approving the acceleration, the Board considered its impact on future financial results, stockholder value and employee retention. The Company believes that the acceleration is in the best interest of stockholders as it will reduce the Company's reported compensation expense in future periods in light of these accounting regulations.

It is possible that changes in the interpretations of existing accounting standards or the adoption of new accounting standards could cause the ultimate accounting of the Company's options to vary from the Company's current expectations.

Option Grants to Executive Officers

On December 21, 2005, the Company, upon recommendation from the Compensation Committee of the Board of Directors, approved the following option grants for the Company's chief executive officer ("CEO") and other officers who are reporting persons under Section 16 of the Securities Exchange Act of 1934 ("Officers"). Twenty-five percent (25%) of each option grant will become exercisable on December 21, 2006, and 1/48th will become exercisable monthly thereafter, until fully vested, subject to continued employment. Each option granted has an exercise price equal to the fair market value of our common stock on December 21, 2005 ($4.34) and a term of seven (7) years.

Executive Officer Name	Title	Total Option Grants
Radha R. Basu	Chief Executive Officer, President and Chairman	50,000
Chris Grejtak	Senior Vice President, Marketing and Corporate Development, Chief Marketing Officer	50,000
Cadir B. Lee	Senior Vice President of Products and Technology and Chief Technology Officer	50,000
John Van Siclen	Senior Vice President of Worldwide Field Operations	50,000

Exhibit 10.3

RESALE RESTRICTION AGREEMENT

This RESALE RESTRICTION AGREEMENT (the "Agreement") with respect to certain stock option award agreements (the "Option Agreements") issued under the SupportSoft 2000 Omnibus Equity Incentive Plan (the "Plan") is made by and between SupportSoft, Inc., a Delaware corporation (the "Company"), and ____________ (the "Holder").

WHEREAS, the Holder has been granted one or more options (the "Options") to acquire shares of common stock of the Company pursuant to the Option Agreements;

WHEREAS, all unvested Options with an exercise price of $5 or more are fully vested and exercisable ("Accelerated Options") by reason of an action of the Company's Board of Directors effective December 21, 2005, which also imposed on Vice Presidents and Executive Officers certain resale restrictions on the common stock purchased through the exercise of the Accelerated Options ("Restricted Shares") as provided herein; and

WHEREAS, the parties wish to acknowledge the terms and conditions upon which the vesting of the Options was accelerated.

NOW, THEREFORE, it is agreed as follows:

1. The Holder acknowledges that he or she has reviewed this Agreement in full. The Holder further acknowledges the effect the acceleration of vesting of the Options may have on the status of the Holder's options as incentive stock options under the Internal Revenue Code.

2. The Holder acknowledges that the Holder may not to sell, contract to sell, grant any option to purchase, transfer the economic risk of ownership in, make any short sale of, pledge or otherwise transfer or dispose of any Restricted Shares (or any interest in any Restricted Shares) until the Restricted Shares have been released from the foregoing resale restrictions (hereinafter referred to as the "Resale Restrictions").

3. The Resale Restrictions shall be released from Resale Restrictions in accordance with the following schedule with respect to each grant referenced in Exhibit A, respectively:

If the Holder's original vesting commencement date for the Holder's first Option grant is less than one year before December 21, 2005, 25% of the total number of Restricted Shares shall be released upon the one year anniversary of the Holder's original vesting commencement date for the Option, and thereafter, 1/48th of the total number of Restricted Shares shall be released upon the monthly anniversary of the original vesting commencement date, or such earlier dates as of which the Restricted Shares would otherwise have vested (but for the Board's action to accelerate vesting) pursuant to the terms of an employment or similar agreement between the Holder and the Company.

If the Holder's original vesting commencement date for the Holder's first Option is greater than one year before December 21, 2005, 1/48th of the total number of Restricted Shares shall be released upon the monthly anniversary of the original vesting commencement date, or such earlier dates as of which the Restricted Shares would otherwise have vested (but for the Board's action to accelerate vesting) pursuant to the terms of an employment or similar agreement between the Holder and the Company.

In the event the Holder's employment or service with the Company is terminated for any reason, the Resale Restrictions shall not lapse except in accordance with the foregoing vesting schedule, which shall continue to apply without regard to the impact of cessation of employment or service on the continuation of vesting contained in any agreement.

5. This Agreement shall be effective as of December 21, 2005.

6. This Agreement, the Option Agreement and the Plan constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior understandings and agreements of the Company and the Holder with respect to the subject matter hereof, and may not be modified except by means of a writing signed by the Company and the Holder. This Agreement is to be construed in accordance with and governed by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties. Nothing in this Agreement (except as expressly provided herein) is intended to confer any rights or remedies on any persons other than the parties. Should any provision of this Agreement be determined to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

8. This Agreement shall be binding upon the Company and the Holder as well as the successors and assigns (if any) of the Company and the Holder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered on the date set forth beside such party's signature.

Dated: __________, 2005 SupportSoft, Inc.

By: ______________________________

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Dated: __________, 2005 Holder

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