SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Support.com, Inc.

Form: 10-K

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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, 2020

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 No. 000-30901

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

Delaware	**94-3282005**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1521 Concord Pike (US 202), Suite 301, Wilmington, DE 19803
(Address of principal executive offices, including zip code)

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

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

Common Stock, par value $0.0001	**SPRT**	**The Nasdaq Stock Market LLC**
Title of each class	Trading symbol(s)	Name of each exchange on which registered

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 Section 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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

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 registrant’s common stock held by non-affiliates as of June 30, 2020, the end of the registrant’s second fiscal quarter, was approximately $26.9 million, based on a closing market price of $1.41 per share.

As of March 5, 2021, there were 19,656,591 shares of the registrant’s common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s definitive proxy statement to be filed subsequent to the date hereof with the Securities and Exchange Commission pursuant to Regulation 14A in connection with the registrant’s fiscal year 2021 annual meeting of stockholders are incorporated by reference into Part III of this report. Such definitive proxy statement will be filed with the Commission not later than 120 days after the end of the registrant’s fiscal year ended December 31, 2020.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including the following:

- certain statements, including possible or assumed future results of operations, in “Management’s Discussion and Analysis of Financial Condition and Results of Operations”;
- any statements regarding the prospects for our business or any of our services;
- any statements preceded by, followed by or that include the words “may,” “will,” “should,” “seeks,” “believes,” “expects,” “anticipates,” “intends,” “continue,” “estimate,” “plans,” “future,” “targets,” “predicts,” “budgeted,” “projections,” “outlooks,” “attempts,” “is scheduled,” or similar expressions; and
- other statements regarding matters that are not historical facts.

Our business and results of operations are subject to risks and uncertainties, many of which are beyond our ability to control or predict. Because of these risks and uncertainties, actual results may differ materially from those expressed or implied by forward-looking statements, and investors are cautioned not to place undue reliance on such statements. All forward-looking statements herein speak only as of the date hereof, and we undertake no obligation to update any such forward-looking statements. Important factors that could cause actual results to differ materially from our expectations and may adversely affect our business and results of operations include, but are not limited to, those items set forth in Item 1A. “Risk Factors” appearing in this Form 10-K.

SUPPORT.COM, INC.
FORM 10-K
FOR FISCAL YEAR ENDED DECEMBER 31, 2020
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PART I

ITEM 1 – BUSINESS

Business Overview

Support.com, Inc. ("Support.com," the "Company," "We" or "Our") provides customer and technical support solutions delivered by home-based employees. Our homesourcing model, which enables outsourced work to be delivered by people working from home, has been specifically designed for remote work, with attention to security, recruiting, training, delivery, and employee engagement.

Customer Support Solutions

We provide outsourced customer support and cloud-based technology platforms to companies in multiple industry verticals. We serve clients in verticals such as media and communication, healthcare, retail, and technology with omnichannel programs that include voice, chat, and self-service. We meet clients' needs through our network of home-based employees and cloud-based platforms. With our fully distributed team, we are able to flex staffing levels and skill sets to address client requirements, offering business process continuity. We custom-profile customer support professionals (called "experts") who meet the requirements for the work-from-home environment and for specific client criteria related to industry experience, and skill set.

Technical Support Programs

We offer technical support programs to our enterprise clients that are sold to the clients' end customers. These tailored programs can be bundled with complementary services or offered on stand-alone basis as a subscription or one-time purchase.

We also offer a subscription-based tech support service direct-to-consumers and small businesses that helps users solve a wide-range of technology problems with all computers, smartphones, and other connected devices, including device setup, troubleshooting, connectivity or interoperability problems, and malware and virus removal.

End-User Software

Our SUPERAntiSpyware® software is a malware protection and removal software product available for the Windows OS on personal computers and tablets. The software is licensed on an annual basis, and is sold direct to consumers and businesses, or through re-sellers.

Sales and Marketing

Customer Support Solutions

We sell our customer support solutions through a dedicated sales force with a consultative approach. We market these solutions to clients in a number of verticals, including media and communication, healthcare, retail and technology. Our direct sales efforts occur in response to our lead generation program, a request for proposal, a reference from an existing client, or otherwise. The sales cycle varies depending upon the type of client, the type of services, and the existence of an established relationship.

We also license Support.com's technology platform and/or applications separately from our outsourced customer support services. In such an arrangement, customers receive the right to use our cloud-based software in their own support organization, using a SaaS model under which customers pay us on a per-user or a per-session basis during the term of the arrangement. We also provide implementation services to customers, typically covering integration of our software with other customers' systems.

Technical Support Programs

We sell tech support subscription services and fully managed technical support programs to clients through our direct sales efforts. Typical clients may include communication providers (MSOs/ISPs), retailers, or OEMs, among others. Our clients may bundle our subscription-based tech support services with existing complementary services or offer them on a stand-alone basis to their end customers. Our tech support subscription services may be offered under the client's brand (white-labeled) or co-branded.

We also sell our tech support services direct to consumers and small businesses primarily through online marketing channels, including but not limited to search engine optimization (SEO), paid and earned social media, and content marketing.

End-User Software Product

We license SUPERAntiSpyware® directly to clients and through re-sellers or partners. To date, a majority of the end-user software revenue has come through direct sales to clients. A substantial percentage of SUPERAntiSpyware® software revenue arises from customers who download free trial versions of the software or free versions of the software with limited functionality before making a purchase decision.

Engineering and IT

Engineering and IT expense was $3.7 million and $4.1 million for the years ended December 31, 2020 and 2019, respectively.

We maintain dedicated engineering and IT teams to develop, maintain, and continue to improve proprietary, cloud-based technologies that are essential to our business. We focus our investment in engineering and IT across the following major areas: the creation and refinement of our Guided Paths® software and library; solutions for support interaction optimization; endpoint applications and other extensions to gather data to assist support interactions and allow remote support when necessary; business analytics and reporting; open application interfaces; and internal service delivery management tools.

Guided Paths® contains step-by-step self-support guides, with decision points along the way to help customers resolve problems. Our experts also leverage Guided Paths as instructional guides and knowledge base as part of customer support.

The service delivery management tools used by our experts for technology support services include our own Support.com cloud-based software capabilities and other contact center applications such as customer relationship management ("CRM"), ticketing, ordering, methods of payment, and telephony, which are all integrated into applications for our contact center specialists. The tools support all omnichannel services to include voice, email, chat, SMS and self-service.

For business analytics and reporting, we build and maintain a data warehouse that aggregates and restructures data from all of our applications to create a comprehensive view of the service delivery lifecycle, as well as data about the disposition of support interactions. This data set provides visibility into sales conversion effectiveness, service delivery efficiency, service level performance, subscription utilization, partner program performance and many other aspects of running and optimizing our business. Our partners also receive reports and analytic information from the warehouse for their programs on a regular basis via secure data feeds.

Open application interfaces of our Support.com Cloud enable integration with CRM, ticketing systems, and other contact center applications.

Intellectual Property

We own the trademarks SUPPORT.COM®, GUIDED PATHS®, PERSONAL TECHNOLOGY EXPERTS, BUSINESS TECHNOLOGY EXPERTS and NEXUS® in the United States for specified support services and software, and we have registrations and common law rights for several related trademarks in the U.S. and certain other countries. We own the domain name Support.com and additional other domain names. We have a pending trademark registration for Homesourcing™. We also retain exclusive rights to our proprietary services technology, and our end user software products. In addition, we hold non-exclusive rights to sell and distribute certain other software products.

We own two U.S. patents related to our business and have a number of pending patent applications covering certain advanced technology. Our issued patents include U.S. Patent No. 8,020,190 ("Enhanced Browser Security") and U.S. Patent No. 6,754,707 ("Secure Computer Support System"). However, we do not know if our current patent applications or any future patent application will result in a patent being issued with the scope of the claims we seek, if at all. Also, we do not know whether any patents we have or may receive will be challenged or invalidated. It is difficult to monitor unauthorized use of technology, particularly in foreign countries where the laws may not protect our proprietary rights as fully as they do in the United States, and our competitors may develop technology that competes with ours but nevertheless does not infringe our intellectual property rights.

We rely on a combination of copyright, trade secret, trademark and contractual protection to establish and protect our proprietary rights that are not protected by patents. We also enter into confidentiality agreements with our employees and consultants involved in product development. We generally require our employees, customers and potential business partners to enter into confidentiality agreements before we will disclose any sensitive aspects of our business. Also, we generally require employees and contractors to agree to assign and surrender to us any proprietary information, inventions or other intellectual property they generate while working for us in the scope of employment. These precautions, and our efforts to register and protect our intellectual property, may not prevent misappropriation or infringement of our intellectual property.

Competition

We are active in markets that are highly competitive and subject to rapid change. Although we do not believe there is one principal competitor for all aspects of our offerings, we do compete with a number of other vendors.

With regard to our customer support services, our competitors include large multi-national corporations and smaller, regional providers, and may vary by geography. We compete with in-house customer management operations as well as other companies that provide outsourced customer care including: Concentrix, Teleperformance, Sitel, TaskUs, Alorica and 24-7 Intouch, among others. The principal competitive factors include: technological innovation, operational performance and efficiencies, pricing, brand, and financial stability.

With respect to licensing of our Support.com technology platform and applications, our competitors include companies focused on service desk, knowledge management, remote support and IT process automation. We believe the principal competitive factors in our technology platform and applications include breadth and depth of functionality, including our remote security and employee monitoring features, ease of implementation, overall performance, scalability, pricing, financial resources, and customer support. We believe that our Support.com technology platform and applications offering provides an integrated solution that covers different areas of functionality required by customers.

With respect to partnerships for our technology support services, our competitors include companies focused on premium technology services, certain warranty providers, emerging Internet of Things ("IoT") technology support providers, global business process outsourcing providers or contact centers focused on technical support and other companies who offer technical support through partners. We believe the principal competitive factors in our services market include: pricing, breadth and depth of service offerings, quality of the customer experience, proprietary technology, time to market, account management, vendor reputation, scale, and financial resources.

With regard to our direct-to-consumer and small and medium-sized business ("SMB") technical support services, our competitors include device retailers, multiple system operators (MSOs)/internet service providers (ISPs), and smaller privately-held or local companies in the home installation, computer repair, or general tech support space. We believe the principal competitive factors in our premium tech support market include the breadth of service offering, value-based and flexible pricing, and customer experience and service levels.

In the market for our end-user software product, SUPERAntiSpyware®, we face direct competition from other anti-malware software vendors, anti-virus software vendors, operating system providers and other OEMs that may provide similar solutions and function in their products, and from individuals and groups who offer "free" and open source utilities online. We compete in this market on the basis of our value-based pricing.

The competitors in our markets for services and software can have some or all of the following competitive advantages: longer operating histories, greater economies of scale, greater financial resources, greater engineering and technical resources, greater sales and marketing resources, stronger strategic alliances and distribution channels, larger user bases, products with different functions and feature sets, and greater brand recognition than we have. We expect new competitors to continue to enter the markets in which we operate.

For additional information related to competition, see Item 1A, Risk Factors.

Employees

As of December 31, 2020 and 2019, we had 780 and 1,231 employees, respectively. As of December 31, 2020, we had 719 employees based in the United States, of whom 664 were work-from-home agents and 55 were corporate employees, and 61 employees based outside of the United States. In addition to our work-from-home employees, we also use contract labor. None of our employees are covered by collective bargaining agreements.

Securities and Exchange Commission ("SEC") Filings and Other Available Information

Our telephone number is 650-556-9440 and our website address is www.support.com. The information contained on our website does not form any part of this annual report on Form 10-K. However, we make available, free of charge through our website, our annual reports on Form 10-K, our quarterly reports on Form 10-Q and our current reports on Form 8-K filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file this material with, or furnish it to, the SEC. The reports filed with the SEC by us and by our officers, directors, and significant shareholders are also available for review on the SEC's website at www.sec.gov. In addition, we make available our Code of Ethics and Business Conduct for Employees, Officers and Directors on: https://www.support.com/about-us/investor-relations/corporate-governance/. This Code is also available in print without charge to any person who requests it emailing us at IR@support.com.

ITEM 1A. – RISK FACTORS

Risks Related to Our Operations, Customers and Strategy

Our financial condition and results of operations may vary from quarter to quarter, which may cause the price of our common shares to decline.

Our quarterly results of operations have fluctuated in the past and could do so in the future. Because our results of operations are difficult to predict, you should not rely on quarterly comparisons of our results of operations as an indication of our future performance. Fluctuations in our results of operations may be due to a number of factors, including, but not limited to, those listed below and those identified throughout this "Risk Factors" section:

- The performance of our partners, including the success of our partners in attracting end users of our products, which can impact the amount of revenue we derive;
- Change, or reduction in or discontinuance of our programs with clients and partners;
- Cancellations, rescheduling or deferrals of significant customer products or service programs;
- Our reliance on a small number of partners for a substantial majority of our revenue;
- Our ability to successfully license and grow revenue related to our SUPERAntiSpyware® software, Guided Paths®, Support.com Cloud and our service offerings;
- The timing of our sales to our clients and our partners' resale of our products to end users and our ability to enter into new sales with partners and renew existing programs with our clients and partners;
- The availability and cost-effectiveness of advertising placements for our software products and services and our ability to respond to changes in the advertising markets in which we participate;
- The efficiency and effectiveness of our technology specialists;

- Our ability to effectively match staffing levels with service volumes on a cost-effective basis;
- Our ability to manage contract labor;
- Our ability to hire, train, manage and retain our home-based customer support specialists and enhance the flexibility of our staffing model in a cost-effective fashion and in quantities sufficient to meet forecast requirements;
- Our ability to manage costs under our self-funded health insurance program;
- Usage rates on the subscriptions we offer;
- Our ability to maintain a competitive cost structure for our organization;
- The rate of expansion of our offerings and our investments therein;
- Changes in the markets for computers and other technology devices relating to unit volume, pricing and other factors, including changes driven by declines in sales of personal computers and the growing popularity of tablets, and other mobile devices and the introduction of new devices into the connected home;
- Our ability to adapt to our clients' needs in a market space defined by frequent technological change;
- Severe financial hardship or bankruptcy of one or more of our major clients;
- The amount and timing of operating costs and capital expenditures in our business;
- Failure to protect our intellectual property;
- Diversion of management's attention from other business concerns, incurrence of costs and disruption of our ongoing business activities as a result of acquisitions or divestitures by us;
- Costs related to the defense and settlement of litigation, which can also have an additional adverse impact on us because of negative publicity, diversion of management resources and other factors;
- Costs related to the defense and settlement of government investigations, requests for information and audits, which can also have an additional adverse impact on us because of negative publicity, diversion of management resources and other factors, including, without limitation, those audits, requests for information and investigations described in Part II. Item 1. Legal Proceedings of this report;
- Public health or safety concerns, medical epidemics or pandemics, such as COVID-19, and other natural- or man-made disasters;
- The effects of any acquisitions, divestitures or significant investments; and
- Potential losses on investments, or other losses from financial instruments we may hold that are exposed to market risk.

Due to fluctuations in our quarterly and annual results of operations and other factors, the price at which our common shares trades may be volatile. Accordingly, you may not be able to resell your common shares at or above the price you paid. In future periods, our stock price could decline if, amongst other factors, our revenue or operating results are below our estimates or the estimates or expectations of securities analysts and investors.

A substantial portion of our revenue is generated by a limited number of clients. The loss or reduction in business from any of these clients would adversely affect our business and results of operations.

We receive a significant amount of our revenue from a limited number of customers. For the year ended December 31, 2020, two customers accounted for over 80% of our total revenue.

In the past, sales to our largest customers have fluctuated significantly from period to period and year to year and will likely continue to fluctuate in the future. The loss of these or other significant relationships, the change of the terms or terminations of our arrangements with any of these customers, the reduction or discontinuance of programs or billable hours with any of these customers, or the failure of any of these customers to achieve their targets has in the past adversely affected and could in the future adversely affect our business. For example, our partners may decide to shorten our billable hours and use other vendors in the provision of their business and/or may periodically place these types of services out for bid. Our competitors, many of whom have significantly more resources than we do, may offer more favorable bids for the same business compared to what we offer; and as a result, we may lose, or face a decline in the business we do with these significant customers.

We may engage in the acquisition of other companies, investments, joint ventures and strategic alliances outside of our current line of business, which may have an adverse material effect on our existing business.

We may engage in the acquisition of other companies, investments, joint ventures and strategic alliances outside of our current line of business to design and develop new technologies and products, to strengthen competitiveness by scaling up and to expand our existing business line into new regions. Such transactions, especially in new lines of business, inherently involve risk due to the difficulties in integrating operations, technologies, products and personnel. Integration issues are complex, time-consuming and expensive and, without proper planning and implementation, may adversely affect our existing business. Furthermore, we may incur significant acquisition, administrative and other costs in connection with these transactions, including costs related to integration or restructuring of acquired businesses. In addition, we may make investments in companies outside our current line of business in an attempt to broaden our business opportunities. These investments may not provide a return or lead to an increase in our operating results, and we may not obtain the benefits of these investments that we intend to recognize when making them. There can be no assurance that these transactions will be beneficial to our business or financial condition. Even assuming these transactions are beneficial, there can be no assurance that we will be able to successfully integrate the new business lines acquired or achieve all or any of the initial objectives of these transactions.

We may make acquisitions that deplete our resources and do not prove successful.

We have made acquisitions in the past and may make additional acquisitions in the future. Our management may not be able to effectively implement our acquisition program and internal growth strategy simultaneously. The integration of acquisitions involves a number of risks and presents financial, managerial and operational challenges. We may have difficulty, and may incur unanticipated expenses related to, integrating management and personnel from these acquired entities with our management and personnel. Our failure to identify, consummate or integrate suitable acquisitions could adversely affect our business and results of operations. We cannot readily predict the timing, size or success of our future acquisitions. Even successful acquisitions could have the effect of reducing our cash balances.

We may pursue investments, joint ventures and dispositions, which could adversely affect our results of operations.

We may invest in businesses that offer complementary products, services and technologies, augment our market coverage, or enhance our technological capabilities. We may also enter into strategic alliances or joint ventures to achieve these goals. We may not be able to identify suitable investment, alliance, or joint venture opportunities, or to consummate any such transactions. In addition, our original estimates and assumptions used in assessing any transaction may be inaccurate and we may not realize the expected financial or strategic benefits of any such transaction.

We may also seek to divest or wind down portions of our business, either acquired or otherwise, each of which could materially affect our cash flows and results of operations. Any future dispositions we may make could involve risks and uncertainties, including our ability to sell such businesses on terms acceptable to us, or at all. In addition, any such dispositions could result in disruption to other parts of our business, potential loss of employees or customers, or exposure to unanticipated liabilities or ongoing obligations to us following any such dispositions. For example, in connection with such dispositions, we may agree to provide certain indemnities to the purchaser, which may result in additional expenses and may adversely affect our financial condition and results of operations. In addition, dispositions may include the transfer of technology and/or the licensing of certain IP rights to third-party purchasers, which could limit our ability to utilize such IP rights or assert these rights against such third-party purchasers or other third parties.

We have a history of losses, we may incur losses in the future and may not sustain profitability in the near term; and as a result, we may need to alter our business plans or change our business strategy.

Although we have recently been profitable in the last two fiscal years, our profitability declined in 2020 compared to 2019. Prior to becoming profitable in 2019, we had a history of losses. Our accumulated deficit as of December 31, 2020 amounted to $208.8 million. We may incur losses in the future and may not be able to sustain our profitability in the near term. As a result, we may elect or may be required to alter our business plans or change our business strategy. Any change to our business plans or strategy will present risks related to our ability to execute on these changes and may require us to make additional investments in our business, all of which could harm our operating results and cause our stock price to decline.

Our stock price is subject to volatility.

Our stock price has experienced substantial price volatility in the past and may continue to do so in the future. Further, our business, the technology industry and the stock market as a whole have experienced extreme stock price and volume fluctuations that have affected stock prices in ways that may have been unrelated to corporate operating performance. For example, in 2020 as a result of macroeconomic conditions and the related impact of Covid-19, the stock market experienced wide fluctuations. In the past year, our stock price has fluctuated from as low as $0.93 per share In March 2020 to a high of $2.57 in February 2021. This significant volatility may continue to occur in the future for reasons that are unrelated to our business or if our business experiences unexpected results. We believe our stock price should reflect expectations of future growth and profitability. If we fail to meet expectations related to future growth, profitability, potential future dividends or share repurchases, or other market expectations, our stock price may decline significantly, which could have a material adverse impact on the confidence of our investors and employee retention.

Our contracts generally do not contain minimum purchase requirements and can generally be terminated by our customers on short notice without penalty.

We enter into written agreements with each client for our services, and we generally seek multi-year terms for such agreements. However, these agreements generally permit our clients to terminate for convenience on relatively short notice. Moreover, these agreements generally allow clients to procure similar services from other vendors, do not penalize our clients for early termination, and do not contain minimum purchase requirements or volume commitments. Accordingly, we face the risk that our clients may cancel or renegotiate contracts we have with them, which may adversely affect our results. If a principal client canceled or did not renew its contract with us, our results would suffer. Clients can generally reduce the volume of services they outsource to us without any penalties, which would have an adverse effect on our revenue, results of operations and overall financial condition.

Our business is based on a relatively new and evolving business model.

We are executing a plan to grow our business by providing customer support services provided by experts who work from their homes, creating a robust, timely and innovative library of Guided Path® self-support tools, licensing our Support.com Cloud application, and providing end-user consumer software products. We may not be able to offer these services and software products successfully. Our customer support experts are generally home-based, which requires a high degree of coordination and quality control of employees working from diverse and remote locations. We expect to invest cash generated from our existing business to support our growth initiatives. Our investments, which typically are made in advance of revenue, may not yield increased revenue to offset these expenses. As a result of these factors, the future revenue and income potential of our business is uncertain. Any evaluation of our business and our prospects must be considered in light of these factors and the risks and uncertainties often encountered by companies in our stage of development. Some of these risks and uncertainties relate to our ability to do the following:

- Maintain our current relationships and service programs, and develop new relationships, with service partners, subscriptions, and licensees of our Support.com technical support offering on acceptable terms or at all;
- Reach prospective customers for our software products in a cost-effective fashion;
- Reduce our dependence on a limited number of partners for a substantial majority of our revenue;
- Successfully license and grow revenue related to our consumer software, Support.com technical support subscriptions, Guided Paths® and our technology support service offerings;
- Manage our employees and contract labor efficiently and effectively;
- Maintain gross and operating margins;
- Match staffing levels with demand for services and forecast requirements;
- Obtain bonuses and avoid penalties in contractual arrangements;
- Operate successfully in a time-based pricing model;
- Operate effectively in the SMB market;

- Successfully introduce new, and adapt our existing, services and products for consumers and businesses;
- Respond effectively to changes in the market for customer support services;
- Realize benefits of any acquisitions we make;
- Adapt to changes in the markets we serve;
- Adapt to changes in our industry, including consolidation;
- Adapt to changes in the market due to public health concerns, medical epidemics or pandemics, such as COVID-19, and other natural- or man-made disasters;
- Respond to government regulations relating to our current and future business;
- Manage and respond to present, threatened, and future litigation; and
- Manage and respond to present, threatened or future government investigations and audits, including, without limitation, those audits and investigations described in Part II. Item 1 Legal Proceedings of this report.

If we are unable to address these risks, our business, results of operations and prospects could suffer.

Changes in the market for computers and other consumer electronics and in the technology support services market could adversely affect our business.

Reductions in unit volumes of sales for computers and other devices we support, or in the prices of such equipment, could adversely affect our business. We offer both services that are attached to the sales of new computers and other devices, and services designed to fix existing computers and other devices. Declines in the unit volumes sold of these devices or declines in the pricing of such devices could adversely affect demand for our services or our revenue mix, either of which would harm our operating results. Further, we do not support all types of computers and devices, meaning that we must select and focus on certain operating systems and technology standards for computers, tablets, smart phones, and other devices. We may not be successful in supporting new devices in the connected home and "Internet of Things," and consumers and SMBs may prefer equipment we do not support, which may decrease the market for our services and products if customers migrate away from platforms we support. In addition, the structures and pricing models for programs in the technology support services market may change in ways that reduce our revenues and our margins.

Risks Related to COVID-19

The COVID-19 pandemic and the remedial measures taken by many countries to combat the pandemic may adversely impact the Company's business, results of operations, financial condition and stock price.

The global outbreak of the coronavirus disease 2019 ("COVID-19") was declared a pandemic by the World Health Organization and a national emergency by the U.S. Government in March 2020. The COVID-19 pandemic has negatively affected the U.S. and global economy, disrupted global supply chains, significantly restricted travel and transportation, resulted in mandated closures and orders to "shelter-in-place," and created significant disruption of the financial markets. The full extent of the COVID-19 impact on our operational and financial performance will depend on future developments, including the duration and spread of the pandemic and related actions taken by the U.S. government, state and local government officials, and international governments to prevent disease spread, all of which are uncertain, out of our control and cannot be predicted.

The full impact of the COVID-19 pandemic on our business is uncertain and impossible to predict, as such impact is largely dependent on the pandemic's impact upon our customers. This uncertainty makes it challenging for management to estimate the future performance of our businesses, although management believes that our home based employee model provides us with certain advantages over traditional "brick and mortar" competitors in the face of the pandemic.

The continued spread of COVID-19 has also led to disruption and volatility in the global capital markets, which, depending on future developments, could impact our capital resources and liquidity in the future. If we need to raise additional capital to support operations in the future, we may be unable to access capital markets and additional capital may only be available to us on terms that could be significantly detrimental to our existing stockholders and to our business as a result of COVID-19. We are also monitoring the impacts of COVID-19 on the fair value of our assets. While we do not currently anticipate any material impairments on our assets as a result of COVID-19, future changes in expectations for sales, earnings and cash flows related to intangible assets and goodwill below our current projections could cause these assets to be impaired.

Risks related to Regulatory Oversight, Litigation or Compliance with Laws

We have been, are currently and may be in the future the subject of governmental investigations relating to past products and services.

We have been, are currently and may in the future be the subject of governmental investigations relating to our past products and how those products were used by our third-party partners.

These governmental inquiries could harm our reputation with customers and negatively impact our ability to sell to existing customers or attract new customers. In addition to the ongoing costs to respond to these inquiries, we could be required to make additional payments to resolve these or other governmental proceedings that may be brought in the future. In some cases, we may not be the subject of an investigation, but we may be required to expend resources, including time from our management team, to address information requests or to indemnify individual current or former employees who may become involved in governmental proceedings or also be requested to provide information. These historical proceedings, our ongoing matters and any inquiries or proceedings that arise in the future could have a material adverse effect on our operations, financial results and our stock price.

We are a party to a Consent Order with the Federal Trade Commission which imposes ongoing obligations.

On November 6, 2018, we entered into a Stipulation to Entry of Order for Permanent Injunction and Monetary Judgment (the "Consent Order"), with the Federal Trade Commission ("FTC"), resolving a multi-year FTC investigation relating to PC Healthcheck, an obsolete software program that we developed on behalf of a third party for their use with their customers. As part of the Consent Order, we agreed to pay $10 million and to implement certain new procedures and enhance certain existing procedures. Any violation or alleged violation of the terms of the Consent Order could impose additional financial liability in the form of regulatory fines and/or legal fees, as well as harm our reputation with customers or prospective customers and have a material adverse effect on our operations, financial results and our stock price.

We have been named as a party to legal proceedings, including governmental proceedings, in the past and may be named in additional ones in the future, which could subject us to liability, require us to indemnify our customers or employees, require us to obtain or renew licenses, require us to stop selling our products, services and/or programs, or force us to redesign our products, services and/or programs.

We have been named as a party to several lawsuits, government inquiries or investigations and other legal proceedings (referred to as "litigation"), and we may be named in additional ones in the future. Any potential litigation also could force us to do one or more of the following:

- stop selling, offering for sale, making, having made or exporting products, services and/or programs;
- limit or restrict the type of work that employees involved in such litigation may perform for us;
- pay substantial damages and/or license fees and/or royalties to the party bringing the claim that could adversely impact our liquidity or operating results; and
- attempt to redesign those products, services and/or programs that contain the allegedly problematic component.

Under certain circumstances, we have contractual and other legal obligations to indemnify and to incur legal expenses for current and former directors and officers and/or customers. If we are required to make a significant payment under any of our indemnification obligations, including those to our customers and/or on behalf of our former or current employees, could have a material adverse effect on our business and the trading price for our securities. Litigation may be time consuming, expensive, and disruptive to normal business operations, and the outcome of litigation is difficult to predict. The ultimate outcome of litigation could have a material adverse effect on our business and the trading price for our securities. Furthermore, litigation, regardless of the outcome, may result in significant expenditures, diversion of our management's time and attention from the operation of our business and damage to our reputation or relationship with third parties, which could materially and adversely affect our business, financial condition, results of operations, cash flows and stock price.

We may face intellectual property infringement claims that could be costly to defend and result in our loss of significant rights.

Our business relies on the use and licensing of technology. Other parties may assert intellectual property infringement claims against us or our customers, and our products may infringe the intellectual property rights of third parties. For example, our products may infringe patents issued to third parties. In addition, as is increasingly common in the technology sector, we may be confronted with the aggressive enforcement of patents by companies whose primary business activity is to acquire patents for the purpose of offensively asserting them against other companies. From time to time, we have received allegations or claims of intellectual property infringement, and we may receive more claims in the future. We may also be required to pursue litigation to protect our intellectual property rights or defend against allegations of infringement. Intellectual property litigation is expensive and time-consuming and could divert management's attention from our business. The outcome of any litigation is uncertain and could significantly impact our financial results. If there is a successful claim of infringement, we may be required to develop non-infringing technology or enter into royalty or license agreements which may not be available on acceptable terms, if at all. Our failure to develop non-infringing technologies or license proprietary rights on a timely basis would harm our business.

If we are unable to protect or enforce our intellectual property rights, or we lose our ability to utilize the intellectual property of others, our business could be adversely affected.

Our success depends, in part, upon our ability to obtain intellectual property protection for our proprietary processes, software and other solutions. We rely upon confidentiality policies, nondisclosure and other contractual arrangements, and patent, trade secret, copyright and trademark laws to protect our intellectual property rights. These laws are subject to change at any time and could further limit our ability to obtain or maintain intellectual property protection. There is uncertainty concerning the scope of patent and other intellectual property protection for software and business methods, which are fields in which we rely on intellectual property laws to protect our rights. Even where we obtain intellectual property protection, our intellectual property rights may not prevent or deter competitors, former employees, or other third parties from reverse engineering our solutions or software. Further, the steps we take in this regard might not be adequate to prevent or deter infringement or other misappropriation of our intellectual property by competitors, former employees or other third parties, and we may not be able to detect unauthorized use of, or take appropriate and timely steps to enforce, our intellectual property rights. Enforcing our rights might also require considerable time, money and oversight, and we may not be successful. Further, we rely on third-party software in providing some of our services and solutions. If we lose our ability to continue using any such software for any reason, including because it is found to infringe the rights of others, we will need to obtain substitute software or find alternative means of obtaining the technology necessary to continue to provide our solutions. Our inability to replace such software, or to replace such software in a timely or cost-effective manner, could materially adversely affect our results of operations.

We may face class actions and similar claims that could be costly to defend or settle and result in negative publicity and diversion of management resources.

Our business involves direct sale and licensing of services and software to consumers and SMBs, and we typically include customary indemnification provisions in favor of our partners in our agreements for the distribution of our services and software. As a result, we can be subject to consumer litigation and legal proceedings related to our services and software, including putative class action claims and similar legal actions, including, but not limited to, consumer litigation and legal proceedings. We can also be subject to employee litigation and legal proceedings related to our employment practices attempted on a class or representative basis. Such litigation can be expensive and time-consuming regardless of the merits of any action and could divert management's attention from our business. The cost of defense can be large as can any settlement or judgment in an action. The outcome of any litigation is uncertain and could significantly impact our financial results. Regardless of outcome, litigation can have an adverse impact on us because of defense costs, negative publicity, diversion of management resources and other factors.

We must comply with a variety of existing and future laws and regulations that could impose substantial costs on us and may adversely impact our business.

We are subject to a variety of laws and regulations, which may differ among jurisdictions, affecting our operations in areas including, but not limited to: intellectual property ownership and infringement; tax; anti-corruption such as the Foreign Corrupt Practices Act and the UK Bribery Act; foreign exchange controls and cash repatriation restrictions; data privacy requirements such as the European Economic Area Privacy Regulation, the General Data Protection Regulation ("GDPR") and the California Consumer Privacy Act ("CCPA"); competition; Consent Order terms (for example, the recent Consent Order we entered into with the FTC); advertising; employment; product regulations; health and safety requirements; and consumer laws. If we fail to continue to comply with these regulations, we may be unable to provide products or services to certain customers, or we may incur penalties or fines. We are unable to predict the outcome or effects of any of these potential actions or any other legislative or regulatory proposals on our business. Any changes to the legal and regulatory framework applicable to our businesses could have an adverse impact on the results of our operations. Although our management systems are designed to maintain compliance, if we violate or fail to comply with any laws or regulations, applicable consent orders or decrees, a range of consequences could result, including fines, sales limitations, criminal and civil liabilities or other sanctions. The costs of complying with these laws (including the costs of any investigations, auditing and monitoring) could adversely affect our current or future business.

Risks related to our Products or Service Offerings

Our product and service offerings are in their early stages and failure to market, sell and develop the offerings effectively and competitively could result in a lack of growth.

A number of competitive offerings exist in the market, providing various features that may overlap with our Support.com offerings today or in the future. Some competitors in these markets far exceed our spending on sales and marketing activities and benefit from greater existing brand awareness, channel relationships and existing customer relationships. We may not be able to reach the market effectively and adequately or convey our differentiation as needed to grow our customer base. To reach our target market effectively, we may be required to continue to invest substantial resources in sales and marketing and engineering and IT activities, which could have a material adverse effect on our financial results. In addition, if we fail to develop and maintain competitive features, deliver high-quality products and satisfy existing customers, our Support.com offerings could fail to grow. Disruptions in infrastructure operations could impair our ability to deliver Support.com offerings to customers, thereby affecting our reputation with existing and prospective customers and possibly resulting in monetary penalties or financial losses.

Our end-user software revenues are dependent on online traffic patterns and the availability and cost of online advertising in certain key placements.

Some of our consumer end-user software revenue stream is obtained through advertising placements in certain key online media placements. From time to time a trend or a change in a key advertising placement will impact us, decreasing traffic or significantly increasing the cost or effectiveness of online advertising and therefore compromising our ability to purchase a desired volume and placement of advertisements at profitable rates. If such a change were to continue to occur, on several occasions in the past, we may be unable to attract desired amounts of traffic, our costs for advertising may further increase beyond our forecasts and our software revenues may further decrease. As a result, our operating results would be negatively impacted.

We operate in a highly competitive industry, with intense price competition, which may intensify as our competitors expand their operations.

The industry in which we operate is highly competitive and includes numerous small companies capable of competing effectively in our markets on a local basis, as well as several large companies that possess substantially greater financial resources than we do. Contracts are traditionally awarded on the basis of competitive bids or direct negotiations with customers.

The competitive factors in our markets include, amongst others, are product and service quality and availability, responsiveness, experience, technology, equipment quality, reputation for retaining highly skilled agents and price. The competitive environment has intensified as mergers among industry partners have reduced the number of available customers and mergers amongst our competitors have created larger companies for us to compete against. Some of our current and potential competitors have greater resources, longer histories, more customers, and/or greater brand recognition. They may secure better terms from vendors, adopt more aggressive pricing, and devote more resources to technology, infrastructure, fulfillment, and marketing.

Competition may intensify, including with the development of new business models and the entry of new and well-funded competitors, and as our competitors enter into business combinations or alliances and established companies in other markets expand to become competitive with our business. Furthermore, we cannot be sure that our competitors will not develop competing products, systems, services or technologies that gain market acceptance in advance of our products, systems, services or technologies, or that our competitors will not develop new products, systems, services or technologies that cause our existing products, systems, services or technologies to become non-competitive or obsolete, which may adversely affect our results of operations through the potential reduction of sales and profits.

Our business is highly dependent upon our brand recognition and reputation, and the failure to maintain or enhance our brand recognition or reputation would likely have a material adverse effect on our business.

Our brand recognition and reputation are critical aspects of our business. We believe that maintaining and further enhancing our brand as well as our reputation will be critical to retaining existing customers and attracting new customers. We also believe that the importance of our brand recognition and reputation will continue to increase as competition in our markets continues to develop. Our success in this area will be dependent on a wide range of factors, some of which are out of our control, including the following:

- the efficacy of our marketing efforts;
- our ability to retain existing and obtain new customers and strategic partners;
- the quality and perceived value of our services;
- actions of our competitors, our strategic partners, and other third parties;
- positive or negative publicity, including material on the Internet;
- regulatory and other governmental related developments; and
- litigation related developments.

If we implement new marketing and advertising strategies, we may utilize marketing and advertising channels with significantly higher costs than our current channels, which in turn could adversely affect our operating results. Implementing new marketing and advertising strategies also would increase the risk of devoting significant capital and other resources to endeavors that do not prove to be cost effective. Further, we also may incur marketing and advertising expenses significantly in advance of the time we anticipate recognizing revenue associated with such expenses, and our marketing and advertising expenditures may not generate sufficient levels of brand awareness or result in increased revenue. Even if our marketing and advertising expenses result in increased revenue, the increase might not offset our related expenditures. If we are unable to maintain our marketing and advertising channels on cost-effective terms or replace or supplement existing marketing and advertising channels with similarly or more effective channels, our marketing and advertising expenses could increase substantially, our customer base could be adversely affected, and our business, operating results, financial condition, and reputation could suffer.

Furthermore, negative publicity, whether or not justified, relating to events or activities attributed to us, our employees, our strategic partners, our affiliates, or others associated with any of these parties, may tarnish our reputation and reduce the value of our brands. Damage to our reputation and loss of brand equity may reduce demand for our products and services and have an adverse effect on our business, operating results, and financial condition. Moreover, any attempts to rebuild our reputation and restore the value of our brands may be costly and time consuming, and such efforts may not ultimately be successful.

Risks related to Employees

Our success depends upon our ability to attract, develop and retain highly qualified employees while also controlling our labor costs in a competitive labor market.

Our customers expect a high level of customer support and product knowledge from our employees. To meet the needs and expectations of our customers, we must attract, develop and retain a large number of highly qualified employees while at the same time control labor costs. Our ability to control labor costs is subject to numerous external factors, including prevailing wage rates and health and other insurance costs, as well as the impact of legislation or regulations governing labor relations, minimum wage, or healthcare benefits. An inability to provide wages and/or benefits that are competitive within the markets in which we operate could adversely affect our ability to retain and attract employees. Likewise, changes in market compensation rates may adversely affect our labor costs. In addition, we compete with other retail businesses for many of our employees in hourly positions, and we invest significant resources in training and motivating them to maintain a high level of job satisfaction. These positions have historically had high turnover rates, which can lead to increased training and retention costs, particularly in a competitive labor market. Effective succession planning is also important to our long-term success. Failure to ensure effective transfer of knowledge and smooth transitions involving key employees and executive management could hinder our strategic planning and execution. There is no assurance that we will be able to attract or retain highly qualified employees in the future. As such, our ability to develop and deliver successful products and services may be adversely affected.

Our business would be adversely affected by the departure of existing members of our senior management team.

Our business would be adversely affected by the departure of existing members of our senior management team. Our success depends, in large part, on the continued contributions of our senior management team. Effective succession planning is also important for our long-term success. Failure to ensure effective transfers of knowledge and smooth transitions involving senior management could hinder our strategic planning and execution. We do not currently maintain key person life insurance covering our senior management. The loss of any of our senior management could harm our ability to implement our business strategy and respond to the rapidly changing market conditions in which we operate.

If we fail to attract, train and manage our consumer support experts in a manner that meets forecast requirements and provides an adequate level of support for our customers, our reputation and financial performance could be harmed.

Our business depends in part on our ability to attract, manage and retain our customer support specialists and other support personnel. If we are unable to attract, train and manage in a cost-effective manner adequate numbers of competent specialists and other support personnel to be available as service volumes vary, particularly as we seek to expand the breadth and flexibility of our staffing model, our service levels could decline, which could harm our reputation, result in financial losses under contract terms, cause us to lose customers and partners, and otherwise adversely affect our financial performance. Our ability to meet our need for support personnel while controlling our labor costs is subject to numerous external factors, including the level of demand for our products and services, the availability of a sufficient number of qualified persons in the workforce, unemployment levels, prevailing wage rates, changing demographics, health and other insurance costs, including managing costs under our self-funded health insurance program which can vary substantially each reporting period, and the cost of compliance with labor and wage laws and regulations. In the case of programs with time-based pricing models, the impact of failing to attract, train and manage such personnel could directly and adversely affect our revenue and profitability. Although our service delivery and communications infrastructure enables us to monitor and manage customer support specialists remotely, because they are typically home-based and geographically dispersed, we could experience difficulties meeting services levels and effectively managing the costs, performance and compliance of these customer support specialists and other support personnel. Any problems we encounter in effectively attracting, managing and retaining our customer support specialists and other support personnel could seriously jeopardize our service delivery operations and our financial results.

Risks related to Data Security and Technology

Disruptions in our information technology and service delivery infrastructure and operations could impair the delivery of our services and harm our business.

We depend on the continuing operation of our information technology and communication systems and those of our third-party service providers. Any interruption or failure of our internal or external systems could prevent us or our service providers from accepting orders and delivering services, or cause company and consumer data to be unintentionally lost, destroyed or disclosed. Our continuing efforts to upgrade and enhance the security and reliability of our information technology and communications infrastructure could be very costly, and we may have to expend significant resources to remedy problems such as a security breach or service interruption. Interruptions in our services resulting from labor disputes, telephone or Internet failures, power or service outages, natural disasters or other events, or a security breach could reduce our revenue, increase our costs, cause customers and partners and licensees to fail to renew or to terminate their use of our offerings, and harm our reputation and our ability to attract new customers.

Costs related to software defects or other errors in our products could have a material adverse effect on us.

From time to time, we may experience software defects, bugs and other errors associated with the introduction and/or use of our complex software products. Despite our testing procedures, errors may occur in new products or releases after commencement of commercial deployments in the future. Such errors could result in:

- Loss of or delay in market acceptance of our products;
- Material recall and replacement costs;
- Delay in revenue recognition or loss of revenue;
- The diversion of the attention of our engineering personnel from product development efforts;
- Our having to defend against litigation related to defective products; and
- Damage to our reputation in the industry that could adversely affect our relationships with our customers.

In addition, the process of identifying a software error in software products that have been widely distributed may be lengthy and require significant resources. We may have difficulty identifying the end customers of the defective products in the field, which may cause us to incur significant replacement costs, contract damage claims from our customers and further reputational harm. Any of these problems could materially and adversely affect our results of operations. Despite our best efforts, security vulnerabilities may exist with respect to our products. Mitigation techniques designed to address such security vulnerabilities, including software and firmware updates or other preventative measures, may not operate as intended or effectively resolve such vulnerabilities. Software and firmware updates and/or other mitigation efforts may result in performance issues, system instability, data loss or corruption, unpredictable system behavior, or the theft of data by third parties, any of which could significantly harm our business and reputation.

Our systems collect, access, use, and store personal customer information and enable customer transactions, which poses security risks, requires us to invest significant resources to prevent or correct problems that may be caused by security breaches, and may harm our business.

A fundamental requirement for online communications, transactions and support is the secure collection, storage and transmission of confidential information. Our systems collect and store confidential and personal information of our individual customers as well as our partners and their customers' users, including personally identifiable information and payment card information, and our employees and contractors may access and use that information in the course of providing services. In addition, we collect and retain personal information of our employees in the ordinary course of our business. We and our third-party contractors use commercially available technologies to secure this information. Despite these measures, parties may attempt to breach the security of our data or that of our customers. In addition, errors in the storage or transmission of data could breach the security of that information. We may be liable to our customers for any breach in security and any breach could subject us to governmental or administrative proceedings or monetary penalties, damage our relationships with partners and harm our business and reputation. Also, computers are vulnerable to computer viruses, physical or electronic break-ins and similar disruptions, which could lead to interruptions, delays or loss of data. We may be required to expend significant capital and other resources to comply with mandatory privacy and security standards required by law, industry standard, or contract, and to further protect against security breaches or to correct problems caused by any security breach.

A breach of our security systems may have a material adverse effect on our business.

Our security systems are designed to maintain the physical security of our facilities and protect our customers' and employees' confidential information, as well as our own proprietary information. However, we are also dependent on a number of third-party cloud-based and other service providers of critical corporate infrastructure services relating to, among other things, human resources, electronic communication services and certain finance functions, and we are, of necessity, dependent on the security systems of these providers. Accidental or willful security breaches or other unauthorized access by third parties or our employees or contractors of our facilities, our information systems or the systems of our cloud-based or other service providers, or the existence of computer viruses or malware in our or their data or software could expose us to a risk of information loss and misappropriation of proprietary and confidential information, including information relating to our products or customers and the personal information of our employees. In addition, we have, from time to time, also been subject to unauthorized network intrusions and malware on our own IT networks. Any theft or misuse of confidential, personal or proprietary information as a result of such activities could result in, among other things, unfavorable publicity, damage to our reputation, loss of our trade secrets and other competitive information, difficulty in marketing our products, allegations by our customers that we have not performed our contractual obligations, litigation by affected parties and possible financial obligations for liabilities and damages related to the theft or misuse of such information, as well as fines and other sanctions resulting from any related breaches of data privacy regulations, any of which could have a material adverse effect on our reputation, business, profitability and financial condition. Since the techniques used to obtain unauthorized access or to sabotage systems change frequently and are often not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures.

Data privacy regulations are expanding and compliance with, and any violations of, these regulations may cause us to incur significant expenses.

Privacy legislation, enforcement and policy activity in this area are expanding rapidly in many jurisdictions and creating a complex regulatory compliance environment. Costs to comply with and implement these privacy-related and data protection measures could be significant. In addition, even our inadvertent failure to comply with federal, state or international privacy-related or data protection laws and regulations could result in proceedings against us by governmental entities or others, and substantial fines and damages. The theft, loss or misuse of personal data collected, used, stored or transferred by us to run our business could result in significantly increased business and security costs or costs related to defending legal claims.

We are exposed to risks associated with payment card and payment fraud and with payment card processing.

Certain of our customers use payment cards to pay for our services and products. We may suffer losses as a result of orders placed with fraudulent payment cards or other payment data. Our failure to detect or control payment fraud could have an adverse effect on our results of operations. We are also subject to payment card association operating standards and requirements, as in effect from time to time. Compliance with those standards requires us to invest in network and systems infrastructure and processes. Failure to comply with these rules or requirements may subject us to fines, potential contractual liabilities, and other costs, resulting in harm to our business and results of operations.

Privacy concerns and laws or other domestic or foreign regulations may require us to incur significant costs and may reduce the effectiveness of our solutions, and our failure to comply with those laws or regulations may harm our business and cause us to lose customers.

Our software and services contain features that allow our technology specialists and other personnel to access, control, monitor, and collect information from computers and other devices. Federal, state and foreign government bodies and agencies, however, have adopted or are considering adopting laws and regulations restricting or otherwise regulating the collection, use and disclosure of personal information obtained from consumers and individuals. Those regulations could require costly compliance measures, could reduce the efficiency of our operations, or could require us to modify or cease to provide our systems or services. Liability for violation of, costs of compliance with, and other burdens imposed by such laws and regulations may limit the use and adoption of our services and reduce overall demand for them. Even the perception of privacy concerns, whether or not valid, may harm our reputation and inhibit adoption of our solutions by current and future customers. In addition, we may face claims about invasion of privacy or inappropriate disclosure, use, storage, or loss of information obtained from our customers. Any imposition of liability could harm our reputation, cause us to lose customers and cause our operating results to suffer.

We rely on third-party technologies in providing certain of our software and services. Our inability to use, retain or integrate third-party technologies could delay service or software development and could harm our business.

We license technologies from third parties, which are integrated into our services, technology and end user software. Our use of commercial technologies licensed on a non-exclusive basis from third parties poses certain risks. Some of the third-party technologies we license may be provided under “open source” licenses, which may have terms that require us to make generally available our modifications or derivative works based on such open source code. Our inability to obtain or integrate third-party technologies with our own technology could delay service development until equivalent compatible technology can be identified, licensed and integrated. These third-party technologies may not continue to be available to us on commercially reasonable terms or at all. If our relationship with third parties were to deteriorate, or if such third parties were unable to develop innovative and saleable products, or component features of our products, we could be forced to identify a new developer and our future revenue could suffer. We may fail to successfully integrate any licensed technology into our services or software, or maintain it through our own development work, which would harm our business and operating results.

If our services are used to commit fraud or other similar intentional or illegal acts, we may incur significant liabilities, our services may be perceived as not secure and customers may curtail or stop using our services.

Certain software and services we provide, including our Support.com Cloud applications, enable remote access to and control of third-party computer systems and devices. We generally are not able to control how such access may be used or misused by licensees of our software offerings or our employees. If our software is used by our employees or others to commit fraud or other illegal acts, including, but not limited to, violating data privacy laws, proliferating computer files that contain a virus or other harmful elements, interfering or disrupting third-party networks, infringing any third party’s copyright, patent, trademark, trade secret or other rights, transmitting any unlawful, harassing, libelous, abusive, threatening, vulgar, obscene or otherwise objectionable material, or committing unauthorized access to computers, devices, or protected information, third parties may seek to hold us legally liable. As a result, defending such claims could be expensive and time-consuming regardless of the merits, and we could incur significant liability or be required to undertake expensive preventive or remedial actions. As a result, our operating results may suffer and our reputation may be damaged.

Risks Related to our Pending Merger with Greenidge

Our proposed merger with Greenidge is subject to a number of conditions beyond our control. Failure to complete the merger within the expected timeframe or at all could materially and adversely affect our future business, results of operations, financial condition and stock price.

On March 19, 2021, we entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Greenidge Generation Holdings, Inc., a Delaware corporation (“Greenidge”) and GGH Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Greenidge (“Merger Sub”). The Merger Agreement provides, subject to the terms of the Merger Agreement, for the merger of Merger Sub with and into the Company (the “Merger”), with the Company surviving the Merger as a wholly owned subsidiary of Greenidge. At the time the Merger is consummated, all outstanding shares of the Company’s common stock and all outstanding restricted stock units and options to purchase shares of the Company’s common stock will be cancelled and converted into the right to receive shares of Class A Common Stock of Greenidge (the “Greenidge Common Stock”). Please refer to the Form 8K filed on March 22, 2021 for further information.

The consummation of the Merger is subject to certain conditions, a number of which are beyond our control. These conditions that must be satisfied or waived include, without limitation, (i) the adoption of the Merger Agreement by a majority of the holders of the outstanding shares of Company’s common stock entitled to vote at a special stockholder meeting, (ii) no law or order enjoining or making illegal the consummation of the Merger being in effect, (iii) the receipt of all approvals and consents from any applicable governmental authority that are necessary for the consummation of the Merger, and the other transactions contemplated by the Merger Agreement and the Ancillary Agreements (as defined in the Merger Agreement), (iv) the effectiveness of a registration statement on Form S-4 to register the Greenidge Common Stock received pursuant to the Merger (the “Issued Stock”), (v) the listing of the Issued Stock on the Nasdaq Global Select Market or Nasdaq Capital Market, (vi) a requirement that we have at least $28,000,000 in unrestricted cash, cash equivalents, marketable securities and short-term investments, net of unpaid transaction expenses, as of the closing of the Merger and (vii) other conditions set forth in the Merger Agreement.

We cannot predict whether and when these conditions will be satisfied. If one or more of these conditions is not satisfied, and as a result, we do not complete the Merger, or in the event the proposed Merger is not completed or is delayed for any other reason, our business, results of operations, financial condition and stock price may be harmed because:

- management's and our employees' attention may be diverted from our day-to-day operations as they focus on matters related to preparing for integration of our operations with those of Greenidge.
- we could potentially lose customers, new customer contracts could be delayed or decreased and we may have difficulty hiring and retaining employees;
- we could potentially lose key employees if such employees experience uncertainty about their future roles with us and decide to pursue other opportunities in light of the proposed Merger;
- we have agreed to restrictions in the Merger Agreement that limit how we conduct our business prior to the consummation of the Merger, including, among other things, restrictions on our ability to make certain investments and acquisitions, sell, transfer or dispose of our assets, amend our organizational documents and incur indebtedness. These restrictions may not be in our best interests as an independent company, and may disrupt or otherwise adversely affect our business and our relationships with our customers, prevent us from pursuing otherwise attractive business opportunities, limit our ability to respond effectively to competitive pressures, industry developments and future opportunities, and otherwise harm our business, financial results and operations;
- we have incurred and expect to continue to incur expenses related to the Merger, such as legal financial advisory and accounting fees, and other expenses that are payable by us whether or not the proposed Merger is completed;
- we may be required to pay a termination fee to Greenidge if the Merger Agreement is terminated under certain circumstances, which would negatively affect our financial results and liquidity;
- activities related to the Merger and related uncertainties may lead to a loss of revenue and market position that we may not be able to regain if the proposed Merger does not occur; and
- the failure to, or delays in, consummating the Merger may result in a negative impression of us with customers, potential customers or the investment community.

The occurrence of these or other events individually or in combination could have a material adverse effect on our business, results of operations, financial condition and stock price.

In addition, our stock price may fluctuate significantly based on announcements by us, Greenidge or other third parties regarding the proposed Merger.

The Merger Agreement contains provisions that could discourage a potential competing acquiror.

The Merger Agreement contains “no-shop” restrictions on the Company’s ability to solicit, initiate or knowingly encourage third party proposals relating to alternative transactions or to provide information to, or engage in discussions with, a third party in relation to an alternative transaction, subject to certain exceptions to permit our Board of Directors to comply with its fiduciary duties. Before our Board Directors may change its recommendation to stockholders to adopt the Merger or terminate the Merger Agreement to accept a Superior Offer (as defined in the Merger Agreement), the Company must, among other things, provide Greenidge with four (4) business days’ notice and, if requested by Greenidge, engage in good faith negotiations with Greenidge to consider certain adjustments to the Merger Agreement so that the alternative acquisition proposal ceases to constitute a Superior Offer. Upon the termination of the Merger Agreement, including in connection with a Superior Offer, we may be required to pay $3.5 million as a termination fee.

These provisions could discourage a potential third party acquiror from considering or proposing an acquisition transaction, even if it were prepared to pay a higher per share price than what would be received in the Merger. These provisions might also result in a potential third party acquiror proposing to pay a lower price per share to our stockholders than it might otherwise have proposed to pay because of the added expense of the $3.5 million termination fee that may become payable.

If the Merger Agreement is terminated and we determine to seek another business combination, we may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the Merger Agreement.

Our executive officers and directors have interests in the Merger that may be different from, or in addition to, the interests of our stockholders generally.

Our executive officers and members of our Board of Directors may be deemed to have interests in the Merger that may be different from or in addition to those of our stockholders, generally. These interests may create potential conflicts of interest. Our Board of Directors was aware of these potentially differing interests and considered them, among other matters, in evaluating and negotiating the Merger Agreement and in reaching its decision to approve the Merger Agreement and the transactions thereunder. These interests relate to or arise from, among other things:

- the consideration to be received in respect of options to purchase shares of Company Common Stock and restricted stock unit awards held by our executive officers and members of our Board of Directors;
- the receipt of certain payments and benefits to which certain executive officers may become entitled pursuant to such executive officers’ respective employment agreements and in connection with the completion of the Merger; and
- the right to continued indemnification and insurance coverage for our directors and executive officers following the completion of the Merger.

We could become subject to lawsuits, including class actions, relating to the Merger, which could materially adversely affect our business, financial condition and operating results.

We, our directors and officers, Greenidge and Merger Sub could become subject to lawsuits, including class actions, brought by shareholders relating to the Merger. Such litigation is very common in connection with acquisitions of public companies, regardless of any merits related to the underlying acquisition. While we intend to defend against any actions vigorously, the costs of the defense of such lawsuits and other effects of such litigation could have an adverse effect on our business, financial condition and operating results.

One of the conditions to consummating the Merger is that no law or order issued by any governmental entity of competent jurisdiction enjoining or making illegal the consummation of the Merger is in effect. Consequently, if any of the plaintiffs in any such lawsuit is successful in obtaining an injunction preventing the parties from consummating the Merger, such injunction may prevent the Merger from being completed in the expected timeframe, or at all.

We have obligations under certain circumstances to hold harmless and indemnify our directors and officers against judgments, fines, settlements and expenses related to claims against such directors and officers and otherwise to the fullest extent permitted under Delaware law and our bylaws and certificate of incorporation. Such obligations may apply to the current lawsuits and any other potential litigation. However, an unfavorable outcome in any lawsuit related to the Merger could prevent or delay the consummation of the Merger and result in substantial costs to us.

We will incur significant costs in connection with the Merger, whether or not it is consummated.

We will incur substantial expenses related to the Merger, whether or not it is completed. Payment of these expenses by us as a standalone entity would adversely affect our operating results and financial condition and would likely adversely affect our stock price.

__General business risks__

Our indemnification obligations and limitations of our director and officer liability insurance may have a material adverse effect on our financial condition, results of operations and cash flows.

Under Delaware law, our Restated Certificate of Incorporation and Amended and Restated Bylaws and indemnification agreements to which we are a party, we have an obligation to indemnify, or we have otherwise agreed to indemnify, certain of our current and former directors, officers and/or employees with respect to past, current and future investigations and litigation. For example, we have incurred indemnification expenses in connection with the FTC investigation completed in March 2019. In such instances, we are required to, or we have otherwise agreed to, advance, and have advanced, legal fees and related expenses to certain of our current and former directors, officers and employees, and expect to continue to do so while these matters are pending. Indemnification obligations may not be "covered matters" under our directors' and officers' liability insurance, or there may be insufficient coverage available. Further, in the event the directors and officers are ultimately determined not to be entitled to indemnification, we may not be able to recover any amounts we previously advanced to them. We cannot provide any assurances that future indemnification claims, including the cost of fees, penalties or other expenses, will not exceed the limits of our insurance policies, that such claims are covered by the terms of our insurance policies or that our insurance carrier will be able to cover our claims. Additionally, to the extent there is coverage of these claims, the insurers also may seek to deny or limit coverage in some or all of these matters. Furthermore, the insurers could become insolvent and unable to fulfill their obligation to defend, pay or reimburse us for insured claims. Accordingly, we cannot be sure that claims will not arise that are in excess of the limits of our insurance or that are not covered by the terms of our insurance policy. Due to these coverage limitations, we may incur significant unreimbursed costs to satisfy our indemnification obligations, which may have a material adverse effect on our financial condition, results of operations or cash flows.

Our provision for income taxes is subject to volatility and could be adversely affected by a number of factors.

Our overall tax provisions and accruals are affected by a number of factors, including any potential reorganization or restructuring of our businesses, including tangible and intangible assets, the resulting tax effects of differing tax rates in different state jurisdictions, changes in transfer pricing rules or methods of applying these rules, and changes in tax laws in various jurisdictions. While we believe our tax estimates are reasonable, there is no assurance that the final determination of our income tax liability will not be materially different than what is reflected in our income tax provisions and accruals. Significant judgment is required to determine the recognition and measurement of tax liabilities prescribed in the relevant accounting guidance for uncertainty in income taxes. The accounting guidance for uncertainty in income taxes applies to all income tax positions, which, if resolved unfavorably, could adversely impact our provision for income taxes and our payment obligation with respect to any such taxes.

Our business operates in regulated industries.

Our current and anticipated service offerings operate in industries, such as home security, that are subject to various federal, state, provincial and local laws and regulations in the markets in which we operate. In certain jurisdictions, we may be required to obtain licenses or permits in order to comply with standards governing employee selection and training and to meet certain standards or licensing requirements in the conduct of our business. The loss of such licenses or permits or the imposition of conditions to the granting or retention of such licenses or permits could have a material adverse effect on us.

Changes in laws or regulations could require us to change the way we operate or to utilize resources to maintain compliance, which could increase costs or otherwise disrupt operations. In addition, failure to comply with any applicable laws or regulations could result in substantial fines or revocation of our operating permits and licenses for us or our partners. If laws and regulations were to change, or if we or our products and services were deemed not to comply with them, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

Delaware law and our certificate of incorporation and bylaws contain anti-takeover provisions, and our Board adopted a Section 382 Tax Benefits Preservation Plan, any of which could delay or discourage takeover attempts that some stockholders may consider favorable.

Delaware law and our certificate of incorporation and amended and restated bylaws contain certain provisions, any of which could render more difficult, or discourage a merger, tender offer, or assumption of control of the Company that is not approved by our Board that some stockholders may consider favorable. In addition, on August 21, 2019, our Board acted to preserve the potential benefits of our NOLs from being limited pursuant to Section 382 of the Code by adopting a Section 382 Tax Benefits Preservation Plan (the “Section 382 Tax Benefits Preservation Plan”). The principal reason our Board adopted the Section 382 Tax Benefits Preservation Plan is that we believe that the NOLs are a potentially valuable asset and the Board believes it is in the Company’s best interests to attempt to protect this asset by preventing the imposition of limitations on their use. While the Section 382 Tax Benefits Preservation Plan is not principally intended to prevent a takeover, it does have a potential anti-takeover effect because an “acquiring person” thereunder may be diluted upon the occurrence of a triggering event. Accordingly, the overall effects of the Section 382 Tax Benefits Preservation Plan may be to render more difficult, or discourage merger, tender offer, or assumption of control by a substantial holder of our securities.

Our ability to use net operating loss carryforwards to offset future taxable income for U.S. federal income tax purposes may be limited.

We have federal net operating loss (NOL) carryforwards that are available to offset future taxable income. We may recognize additional NOLs in the future. Section 382 of the Internal Revenue Code of 1986, as amended (the Code) imposes an annual limitation on the amount of taxable income that may be offset by a corporation's NOLs if the corporation experiences an “ownership change” as defined in Section 382 of the Code. An ownership change occurs when our “five-percent shareholders” (as defined in Section 382 of the Code) collectively increase their ownership in the Company by more than 50 percentage points (by value) over a rolling three-year period. Additionally, various states have similar limitations on the use of state NOLs following an ownership change.

If an ownership change occurs, the amount of the taxable income for any post-change year that may be offset by a pre-change loss is subject to an annual limitation that is cumulative to the extent it is not all utilized in a year. This limitation is derived by multiplying the fair market value of our stock as of the ownership change by the applicable federal long-term tax-exempt rate. To the extent that a company has a net unrealized built-in gain at the time of an ownership change, which is realized or deemed recognized during the five-year period following the ownership change, there is an increase in the annual limitation for each of the first five-years that is cumulative to the extent it is not all utilized in a year. If an ownership change should occur in the future, our ability to use the NOL to offset future taxable income will be subject to an annual limitation and will depend on the amount of taxable income generated by us in future periods. There is no assurance that we will be able to fully utilize the NOL and we may be required to record an additional valuation allowance related to the amount of the NOL that may not be realized, which could impact our result of operations.

As noted, we believe that these NOL carryforwards are a valuable asset for us. Consequently, we have a Section 382 Tax Benefits Preservation Plan in place, to protect our NOLs during the effective period of the rights plan. Although the Tax Benefits Preservation Plan is intended to reduce the likelihood of an “ownership change” that could adversely affect us, there is no assurance that the restrictions on transferability in the rights plan will prevent all transfers that could result in such an “ownership change”. The Tax Benefits Preservation Plan could make it more difficult for a third party to acquire, or could discourage a third party from acquiring, our Company or a large block of our common stock. A third party that acquires 4.9% or more of our common stock could suffer substantial dilution of its ownership interest under the terms of the Tax Benefits Preservation Plan through the issuance of common stock or common stock equivalents to all stockholders other than the acquiring person. The foregoing provisions may adversely affect the marketability of our common stock by discouraging potential investors from acquiring our stock. In addition, these provisions could delay or frustrate the removal of incumbent directors and could make more difficult a merger, tender offer or proxy contest involving us, or impede an attempt to acquire a significant or controlling interest in us, even if such events might be beneficial to us and our stockholders.

ITEM 1B. – UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2 – PROPERTIES

Administrative and engineering activities were conducted in Sunnyvale, California. On March 23, 2018, we entered into a two-year lease agreement with an effective date of April 1, 2018 for our Sunnyvale office facility, covering approximately 6,283 square feet with the monthly rent of $15,000. During 2020, we extended the lease, which is now scheduled to expire on March 31, 2021. We do not expect to extend the Sunnyvale lease.

We lease office facilities in Eugene, Oregon for which the lease agreement is scheduled to expire on December 31, 2021.

We lease office facilities in Louisville, Colorado for which the lease agreement is scheduled to expire on April 30, 2021.

In addition, we lease office space in Mandaluyong, Philippines for which the lease agreement is scheduled to expire on May 15, 2021.

ITEM 3 – LEGAL PROCEEDINGS

See Note 3 of the notes to the consolidated financial statements contained within this annual report on Form 10-K for a discussion of our legal proceedings.

ITEM 4 – MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5 – MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASE OF EQUITY SECURITIES

Market Information

The principal U.S. trading market for our common stock is the Nasdaq Capital Market. Our common stock is traded under the symbol "SPRT."

Holders

As of December 31, 2020, there were 81 stockholders of record of our common stock (not including beneficial holders of stock held in street name).

Dividends

Historically, we have not declared or paid any cash dividends on our capital stock. As a part of the board of directors' ongoing capital allocation review, on December 6, 2019, the board of directors authorized and declared a special cash distribution of $1.00 per share on each outstanding share of our common stock. The record date for this distribution was December 17, 2019 and the payment date was December 26, 2019. Accordingly, we paid $19.1 million to stockholders on December 26, 2019. No dividends were declared or paid during the year ended December 31, 2020.

We currently anticipate that all future earnings, if any, generated from operations will be retained by us to develop and expand our business. Any future determination with respect to the payment of dividends will be at the discretion of the board of directors and will depend on, among other things, our operating results, financial condition and capital requirements, the terms of then-existing indebtedness, general business conditions and such other factors as the board of directors deems relevant.

Securities Authorized for Issuance Under Equity Compensation Plans

Information regarding the securities authorized for issuance under our equity compensation plans can be found under Item 12 of Part III of this Report.

ITEM 6 – SELECTED FINANCIAL DATA

As a "smaller reporting company," as defined in Rule 12b-2 of the Exchange Act, we are not required to provide the information called for by this Item.

ITEM 7 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes included elsewhere in this Form 10-K. The following discussion includes forward-looking statements. Please see the section entitled *"Risk Factors"* in Item 1A of this Form 10-K for important information to consider when evaluating these statements.

Overview

We provide customer and technical support solutions delivered primarily solely through our home-based employee model. Our cloud-based technology platform is designed to deliver scalable and flexible solutions from a global, home-based workforce. With this ExpertAnywhere delivery capability, we meet client needs through a network of on-demand, custom-profiled experts.

We intend the following discussion of our financial condition and results of operations to provide information that will assist in understanding our consolidated financial statements, the changes in certain key items in those consolidated financial statements from year to year, and the primary factors that accounted for those changes, as well as how certain accounting principles, policies and estimates affect our consolidated financial statements.

Results of Operations

The following table presents certain consolidated statements of operations data for the periods indicated as a percentage of total revenue:

	Years Ended December 31,	
	2020	2019
Revenue:		
Services	95.9%	94.0%
Software and other	4.1	6.0
Total revenue	100.0	100.0
Cost of revenue:		
Cost of services	65.4	73.8
Cost of software and other	0.5	0.2
Total cost of revenue	65.9	74.0
Gross profit	34.1	26.0
Operating expenses:		
Engineering and IT	8.3	6.5
Sales and marketing	5.4	2.8
General and administrative	20.2	12.1
Total operating expenses	33.9	21.4
Income from operations	0.1	4.6
Interest and other income, net	1.1	1.7
Income from operations, before income taxes	1.2	6.3
Income tax provision	0.2	0.2
Net income	1.0%	6.1%

Years Ended December 31, 2020 and 2019:

Revenue

In thousands, except percentages	Years Ended December 31, 2020	2019	$ Change	% Change
Services	$ 42,079	$ 59,545	$ (17,466)	(29.3)%
Software and other	1,785	3,788	(2,003)	(52.9)
Total revenue	$ 43,864	$ 63,333	$ (19,469)	(30.7)%

Services. Services revenue consists primarily of fees for customer support services generated from our partners. We provide these services remotely, generally using service delivery personnel who utilize our proprietary technology or client systems as specified by the client to deliver the services. Services revenue is also comprised of licensing of our Support.com Cloud applications. Services revenue for the year ended December 31, 2020 decreased by $17.5 million, or 29.3%, from the same period in 2019. These decreases were primarily due to a decline in one line of business from one of our major customers due to a realignment of the customer's needs, which concluded in the second quarter of 2020. We intend to shift our focus from the direct-to-consumer market to the enterprise business market, and from primarily U.S. based delivery capabilities to global delivery capabilities. As with any market that is undergoing shifts, growth opportunities in our services programs are difficult to predict, but we are focused on delivering growth through these new strategic initiatives.

Software and other. Software and other revenue is comprised primarily of fees for end-user software products provided through direct customer downloads, and, to a lesser extent, through the sale of these software products via partners. Software and other revenue for the year ended December 31, 2020 decreased by $2.0 million, or 52.9%, from the same period in 2019 primarily due to the cancellation of a significant customer agreement.

Revenue Mix

The components of revenue, expressed as a percentage of total revenue were:

	Years Ended December 31, 2020	2019
Services	95.9%	94.0%
Software and other	4.1	6.0
Total revenue	100.0%	100.0%

For the years ended December 31, 2020 and 2019, our two largest customers accounted for 87% and 88% of our total revenue, respectively. No other customers accounted for 10% or more of our total revenue in any year presented. Revenue from customers outside the United States was immaterial during the years ended December 31, 2020 and 2019.

Cost of Revenue

In thousands, except percentages	Years Ended December 31, 2020	2019	$ Change	% Change
Cost of services	$ 28,697	$ 46,714	$ (18,017)	(38.6)%
Cost of software and other	224	151	73	48.3
Total cost of revenue	$ 28,921	$ 46,865	$ (17,944)	(38.3)%

Cost of services. Cost of services consists primarily of compensation costs and contractor expenses for people providing services, technology and telecommunication expenses related to the delivery of services and other personnel-related expenses in service delivery. The decrease of $18.0 million, or 38.6%, in cost of services for the year ended December 31, 2020 compared to the same period in 2019 was primarily due to lower personnel expenses due to a decrease in headcount as a result of the decreased business from one of our major customers, partially offset by one-time costs associated with the transition of our executive team and other transition related costs.

Cost of software and other. Cost of software and other consists primarily of third-party royalty fees for our end-user software products. Certain of these products were developed using third-party research and development resources, and the third party receives royalty payments on sales of products it developed.

Operating expenses

In thousands, except percentages	Years Ended December 31, 2020	2019	$ Change	% Change
Engineering and IT	$ 3,655	$ 4,078	$ (423)	(10.4)%
Sales and marketing	2,362	1,760	602	34.2
General and administrative	8,874	7,679	1,195	15.6
Total operating expenses	$ 14,891	$ 13,517	$ 1,374	10.2%

Engineering and IT. Engineering and IT expense consists primarily of compensation costs, third-party consulting expenses and related overhead costs for engineering and IT personnel and are expensed as they are incurred. Engineering and IT costs for the year ended December 31, 2020 decreased $0.4 million, or 10.4%, as compared to the same period in 2019 primarily due to reduced costs related to contractors providing services for direct-to-consumer related projects.

Sales and marketing. Sales and marketing expense consists primarily of compensation costs of business development, program management and marketing personnel, as well as expenses for lead generation and promotional activities, including public relations, website design, advertising and marketing. Sales and marketing costs for the year ended December 31, 2020 increased $0.6 million, or 34.2%, as compared to the same period in 2019 primarily due to costs related to marketing campaigns targeted to generate growth opportunities as well as one-time costs associated with the transition of our executive team and other transition related costs.

General and administrative. General and administrative expense consists primarily of compensation costs and related overhead costs for administrative personnel and professional fees for legal, accounting and other professional services. General and administrative costs for year ended December 31, 2020 increased $1.2 million, or 15.6%, as compared to the same period in 2019 primarily due to higher headcount related costs as well as one-time costs associated with the transition of our executive team and other transition related costs. Additionally, our indefinite-lived intangible asset was fully impaired during 2020.

Interest income and other, net

	Years Ended December 31,			
In thousands, except percentages	**2020**	**2019**	**$ Change**	**% Change**
Interest income and other, net	$ 496	$ 1,049	$ (553)	(52.7)%

Interest income and other, net. Interest income and other, net consists primarily of interest income on our cash, cash equivalents and short-term investments. Interest income and other, net for the year ended December 31, 2020 decreased $0.6 million, or 52.7%, as compared to the same period in 2019 primarily due to lower cash and cash equivalents and short-term investments after the $19.1 million cash dividend paid in December 2019, coupled with lower yields on investments.

Income tax provision

	Years Ended December 31,			
In thousands, except percentages	**2020**	**2019**	**$ Change**	**% Change**
Income tax provision	$ 102	$ 154	$ (52)	(33.8)%

Income tax provision. The income tax provision is comprised of estimates of current taxes due in domestic and foreign jurisdictions and changes in deferred tax balances. For the year ended December 31, 2020, the income tax provision consisted of a $93,000 provision for foreign taxes and a $9,000 provision for state income tax. For the year ended December 31, 2019, the income tax provision consisted of a $138,000 provision for foreign taxes and a $16,000 provision for state income tax.

Liquidity and Capital Resources

Total cash, cash equivalents and short-term investments at December 31, 2020 and 2019 was $30.0 million and $26.4 million, respectively. Cash equivalents and short-term investments are comprised of money market funds, certificates of deposit, corporate notes and bonds, and U.S. government agency securities. Certain amounts of our foreign subsidiary cash may be subject to taxes or other restrictions if we repatriate the cash to the United States. We have certain contractual operating leases and uncertain tax positions, including interest and penalties, which create contractual obligations.

Operating Activities

During the year ended December 31, 2020, our net cash provided by operating activities was $4.3 million as a result of net income, non-cash adjustments of $1.3 million, and a decrease in accounts receivable, partially offset by a decrease in deferred revenue.

During the year ended December 31, 2019, our net cash used in operating activities was $4.1 million as a result of decreases in accrued legal settlement and accrued compensation, partially offset by net income, non-cash adjustments of $0.7 million and decreases in accounts receivable and prepaid expenses and other current assets.

Investing Activities

During the year ended December 31, 2020, our net cash used in investing activities was $1.1 million as a result of maturities of investments, purchases of investments and purchases of property and equipment.

During the year ended December 31, 2019, our net cash provided by investing activities was $8.0 million as a result of sales and maturities of investments, purchases of investments and purchases of property and equipment.

Financing Activities

During the year ended December 31, 2020, our net cash provided by financing activities was $0.2 million, as a result of proceeds from the issuance of common stock under employee stock purchase plan and from the exercise of stock options.

During the year ended December 31, 2019, our net cash used in financing activities was $19.0 million, as a result of a dividend payment and proceeds from the issuance of common stock under employee stock purchase plans.

Working Capital and Capital Expenditure Requirements

At December 31, 2020, we had stockholders' equity of $34.4 million and working capital of $33.7 million. We believe that our cash and cash equivalents balances and our ongoing cash flow from operations will be sufficient to satisfy our cash requirements for at least the next 12 months.

If we require additional capital resources to grow our business internally or to acquire complementary technologies and businesses at any time in the future, we may seek to sell additional equity or debt securities. The sale of additional equity could result in more dilution to our stockholders.

Recent Accounting Pronouncements

See Note 1 – Organization and Summary of Significant Accounting Policies to the consolidated financial statements included in Part II, Item 8 of this annual report on Form 10-K for a summary of new accounting standards.

Critical Accounting Policies and Estimates

In preparing our consolidated financial statements in conformity with accounting principles generally accepted in the United States, management must undertake decisions that impact the reported amounts and related disclosures. Such decisions include the selection of the appropriate accounting principles to be applied and assumptions upon which accounting estimates are based. Management applies its best judgment based on its understanding and analysis of the relevant circumstances to reach these decisions. By their nature, these judgments are subject to an inherent degree of uncertainty. Accordingly, actual results may vary significantly from the estimates we have applied.

Please refer to Note 1 of the notes to the consolidated financial statements in our Form 10-K for the year ended December 31, 2020 for a complete description of our critical accounting policies and estimates.

ITEM 7A – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a "smaller reporting company," as defined in Rule 12b-2 of the Exchange Act, we are not required to provide the information called for by this Item.

ITEM 8 – FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

SUPPORT.COM, INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of Support.com, Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Support.com, Inc. (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the two year period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Emphasis of Matter - Subsequent Event

As discussed in Note 9 to the financial statements, on March 19, 2021 the Company and Greenidge Generation Holdings, Inc. (Greenidge) entered into an agreement and plan of merger which will result in Greenidge acquiring the Company.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that were communicated to the audit committee and that (1) relates to accounts of disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communication the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Income Taxes - Refer to Notes 1 and 7 to the financial statements

The Company's net deferred tax liability and uncertain tax position liability were $443,000 and $111,000, respectively, as of December 31, 2020 and the related total income tax expense was $102,000 for the year ended December 31, 2020. Deferred tax assets and liabilities are recognized for the future expected tax consequences of temporary differences between income tax and financial reporting and principally relate to differences in the tax basis of assets and liabilities and their reported amounts, using enacted tax rates in effect for the year in which differences are expected to reverse. Filing positions in all of the federal, state and foreign jurisdictions where the Company is required to file income tax returns are analyzed by the Company, as well as all open tax years in these jurisdictions, to determine whether the positions will be more likely than not be sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold are not recorded as a tax benefit or expense in the current year.

We identified income taxes and uncertain tax positions as a critical audit matter due to the multiple jurisdictions in which the Company operates including foreign jurisdictions and the complexity of tax laws and regulations. Performing audit procedures and evaluating audit evidence obtained related to these considerations required a high degree of judgement and effort.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures performed to address this critical audit matter included the following, among others:

- We obtained an understanding of management's process to identify and evaluate tax obligations and uncertain tax positions and evaluated the design of key controls used by management therein.
- We evaluated the completeness and accuracy of deferred income taxes and the income tax provision by agreement to material tax filings.
- We assessed the reasonableness of the key judgements and estimates inherent in management's assessment of their tax obligation and uncertain tax positions, including analysis over forecasts and tax elections.
- We involved our tax specialists with our evaluation of management's judgements related to recognition of current and deferred income taxes and identified uncertain tax positions by analyzing the related tax law, statutes, and regulations and their application to the company's positions.
- We evaluated the adequacy of the Company's disclosure in Notes 1 and 7 in relation to the income taxes.

/s/ Plante & Moran, PLLC

We have served as the Company's auditor since 2017.

Denver, Colorado

March 30, 2021

SUPPORT.COM, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands except per share amount)

	December 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 13,526	$ 10,087
Short-term investments	16,441	16,327
Accounts receivable, net	6,975	9,398
Prepaid expenses and other current assets	670	728
Total current assets	37,612	36,540
Property and equipment, net	1,115	533
Intangible assets	—	250
Right of use assets, net	61	68
Other assets	478	649
TOTAL ASSETS	$ 39,266	$ 38,040
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 366	$ 277
Accrued compensation	1,735	1,610
Other accrued liabilities	879	940
Short-term lease liability	58	61
Short-term deferred revenue	881	1,193
Total current liabilities	3,919	4,081
Other long-term liabilities	911	792
Total liabilities	4,830	4,873
Commitments and contingencies (Note 3)		
Stockholders' equity:		
Common stock; par value $0.0001, 50,000 shares authorized; 19,973 issued and 19,490 outstanding at December 31, 2020 and 19,537 issued and 19,054 outstanding at December 31, 2019	2	2
Additional paid-in capital	250,954	250,092
Treasury stock, at cost (483 shares at December 31, 2020 and 2019)	(5,297)	(5,297)
Accumulated other comprehensive loss	(2,419)	(2,380)
Accumulated deficit	(208,804)	(209,250)
Total stockholders' equity	34,436	33,167
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 39,266	$ 38,040

See accompanying notes.

SUPPORT.COM, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands except per share amounts)

	Years Ended December 31,	
	2020	2019
Revenue:		
Services	$ 42,079	$ 59,545
Software and other	1,785	3,788
Total revenue	43,864	63,333
Cost of revenue:		
Cost of services	28,697	46,714
Cost of software and other	224	151
Total cost of revenue	28,921	46,865
Gross profit	14,943	16,468
Operating expenses:		
Engineering and IT	3,655	4,078
Sales and marketing	2,362	1,760
General and administrative	8,874	7,679
Total operating expenses	14,891	13,517
Income from operations	52	2,951
Interest income and other, net	496	1,049
Income before income taxes	548	4,000
Income tax provision	102	154
Net income	$ 446	$ 3,846
Net income per share – basic and diluted	$ 0.02	$ 0.20
Weighted average common shares outstanding – basic	19,192	18,977
Weighted average common shares outstanding – diluted	19,369	19,026

See accompanying notes.

SUPPORT.COM, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Years Ended December 31,	
	2020	2019
Net income	$ 446	$ 3,846
Other comprehensive income (loss):		
Foreign currency translation adjustment	(44)	49
Net unrealized gain on investments	5	78
Other comprehensive income (loss)	(39)	127
Comprehensive income	$ 407	$ 3,973

See accompanying notes.

SUPPORT.COM, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)

	Common Stock						
	Shares	Amount	Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
Balances at December 31, 2018	18,955	$ 2	$ 268,794	$ (5,297)	$ (2,507)	$ (213,096)	$ 47,896
Net income	—	—	—	—	—	3,846	3,846
Dividend payout	—	—	(19,054)	—	—	—	(19,054)
Other comprehensive loss	—	—	—	—	127	—	127
Issuance of common stock upon exercise of stock options & RSU releases	73	—	—	—	—	—	—
Issuance of common stock under employee stock purchase plan	26	—	48	—	—	—	48
Stock-based compensation expense	—	—	304	—	—	—	304
Balances at December 31, 2019	19,054	$ 2	$ 250,092	$ (5,297)	$ (2,380)	$ (209,250)	$ 33,167
Net income	—	—	—	—	—	446	446
Other comprehensive loss	—	—	—	—	(39)	—	(39)
Issuance of common stock upon exercise of stock options & RSU releases	392	—	191	—	—	—	191
Issuance of common stock under employee stock purchase plan	44	—	37	—	—	—	37
Stock-based compensation expense	—	—	634	—	—	—	634
Balances at December 31, 2020	19,490	$ 2	$ 250,954	$ (5,297)	$ (2,419)	$ (208,804)	$ 34,436

See accompanying notes.

SUPPORT.COM, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended December 31,	
	2020	2019
Operating Activities:		
Net income	$ $446	$ $3,846
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	314	294
Amortization of premiums and discounts on investments	65	83
Stock-based compensation	634	304
Impairment of intangible asset	250	—
Changes in assets and liabilities:		
Accounts receivable, net	2,423	2,893
Prepaid expenses and other current assets	41	282
Other long-term assets	142	40
Accounts payable	87	(92)
Accrued compensation	120	(1,804)
Accrued legal settlement	—	(10,000)
Other accrued liabilities	(46)	26
Other long-term liabilities	104	18
Deferred revenue	(312)	58
Net cash provided by (used in) operating activities	4,268	(4,052)
Investing Activities:		
Purchases of property and equipment	(896)	(124)
Disposal of property and equipment	—	3
Purchase of investments	(13,375)	(34,898)
Proceeds from sale of investments	—	9,766
Maturities of investments	13,200	33,267
Net cash provided by (used in) investing activities	(1,071)	8,014
Financing Activities:		
Payment of dividend	—	(19,054)
Proceeds from exercise of stock options	191	—
Proceeds from employee stock purchase plan	37	48
Net cash provided by (used in) financing activities	228	(19,006)
Effect of exchange rate changes on cash and cash equivalents	14	(51)
Net increase (decrease) in cash and cash equivalents	3,439	(15,095)
Cash and cash equivalents at beginning of year	10,087	25,182
Cash and cash equivalents at end of year	$ 13,526	$ 10,087
Supplemental disclosure of cash flow information:		
Cash paid for income tax	$ 135	$ 98

See accompanying notes.

Note 1. Organization and Summary of Significant Accounting Policies

Nature of Operations

Support.com, Inc. (“Support.com,” “the Company,” “We” or “Our”) was incorporated in the state of Delaware on December 3, 1997. Our common stock trades on the Nasdaq Capital Market under the symbol “SPRT.”

We provide customer and technical support solutions delivered by home-based employees. Our homesourcing model, which enables outsourced work to be delivered by people working from home, has been specifically designed for remote work and optimized for security, recruiting, training, delivery and employee engagement.

We provide outsourced customer care and cloud-based technology platforms to companies in multiple industry verticals, helping them strengthen customer relationships and brand loyalty, increase revenue, and reduce costs. We serve clients in verticals such as healthcare, retail, communication services, and technology with omnichannel programs that include voice, chat, and self-service. We meet client needs through our scalable, global network of home-based employees and secure, proprietary, cloud-based platforms. With our fully distributed team, we are able to flex staffing levels and skill sets to address client requirements, offering business process continuity. We custom-profile customer care professionals (called “experts”) who meet the requirements for the work-from-home environment and for specific client criteria related to industry experience, skill set, etc.

We offer fully-managed premium technical support programs to our enterprise clients that are upsold to the clients’ end customers. These tailored programs can be bundled with complementary services or offered on a stand-alone basis as a subscription or one-time purchase. These tech support programs help clients drive incremental revenue, reduce costs, and increase customer satisfaction.

Basis of Presentation

The consolidated financial statements include the accounts of Support.com and its wholly-owned foreign subsidiaries. All intercompany transactions and balances have been eliminated.

Impact of Disease Outbreak

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus as a “pandemic.” First identified in late 2019 and known now as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the outbreak which have impacted global business operations. During 2020 and as of the financial statement date of issuance, our operations have not been significantly impacted; however, we continue to monitor the situation. With respect to the pandemic, no impairments were recorded as of the balance sheet date as no triggering events or changes in circumstances had occurred as of December 31, 2020; however, due to significant uncertainty surrounding the situation, management's judgment regarding this could change in the future. In addition, while our results of operations, cash flows and financial condition have not been significantly impacted to date, they could be negatively impacted in the future. The extent of the impact, if any, cannot be reasonably estimated at this time.

Foreign Currency Translation

The functional currency of our foreign subsidiaries is generally the local currency. Assets and liabilities of our wholly owned foreign subsidiaries are translated from their respective functional currencies at exchange rates in effect at the balance sheet date, and revenues and expenses are translated at average exchange rates prevailing during the year. Any material resulting translation adjustments are reflected as a separate component of stockholders’ equity in accumulated other comprehensive income. Realized foreign currency transaction gains (losses) were not material during the years ended December 31, 2020 and 2019.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The accounting estimates that require management's most significant, difficult and subjective judgments include accounting for revenue recognition, assumptions used to estimate self-insurance accruals, the valuation and recognition of investments, the assessment of recoverability of intangible assets and their estimated useful lives, the valuations and recognition of stock-based compensation and the recognition and measurement of current and deferred income tax assets and liabilities. Actual results could differ materially from these estimates.

Concentrations of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash equivalents, investments and trade accounts receivable. Periodically throughout the year, we have maintained balances in various operating accounts in excess of federally insured limits. Our investment portfolio consists of investment grade securities. Except for obligations of the United States government and securities issued by agencies of the United States government, we diversify our investments by limiting our holdings with any individual issuer. We are exposed to credit risks in the event of default by the issuers to the extent of the amount recorded on the consolidated balance sheets. The credit risk in our trade accounts receivable is substantially mitigated by our evaluation of the customers' financial conditions at the time we enter into business and reasonably short payment terms.

Cash, Cash Equivalents and Investments

All liquid instruments with an original maturity at the date of purchase of 90 days or less are classified as cash equivalents. Cash equivalents and short-term investments consist primarily of money market funds, certificates of deposit, commercial paper, corporate and municipal bonds. Our interest income on cash, cash equivalents and investments is recorded monthly and reported as interest income and other in our consolidated statements of operations.

Our cash equivalents and short-term investments are classified as investments and are reported at fair value with unrealized gains/losses included in accumulated other comprehensive loss within stockholders' equity on the consolidated balance sheets and in the consolidated statements of comprehensive income. We view this investment portfolio as available for use in our current operations, and therefore we present our marketable securities as short-term assets.

We monitor our investments for impairment on a quarterly basis and determine whether a decline in fair value is other-than-temporary by considering factors such as current economic and market conditions, the credit rating of the security's issuer, the length of time an investment's fair value has been below our carrying value, our intent to sell the security and our belief that we will not be required to sell the security before the recovery of its amortized cost. If an investment's decline in fair value is deemed to be other-than-temporary, we reduce its carrying value to its estimated fair value, as determined based on quoted market prices or liquidation values. Declines in value judged to be other-than-temporary, if any, are recorded in operations as incurred. At December 31, 2020, we evaluated unrealized losses on security investments and determined them to be temporary. We currently do not intend to sell securities with unrealized losses, and we concluded that we will not be required to sell these securities before the recovery of their amortized cost basis.

At December 31, 2020 and 2019, the estimated fair value of cash, cash equivalents and investments was $30.0 million and $26.4 million, respectively. At December 31, 2020 and 2019, the amount of our foreign subsidiary cash, cash equivalents and investments was $4.3 million and $4.2 million, respectively. The following is a summary of cash, cash equivalents and investments at December 31, 2020 and 2019 (in thousands):

As of December 31, 2020	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash	$ 10,918	$ —	$ —	$ 10,918
Money market funds	1,258	—	—	1,258
Certificates of deposit	492	—	—	492
Commercial paper	3,274	—	(1)	3,273
Corporate notes and bonds	9,423	4	—	9,427
U.S. government treasury	4,599	—	—	4,599
	$ 29,964	$ 4	$ (1)	$ 29,967
Classified as:				
Cash and cash equivalents	$ 13,526	$ —	$ —	$ 13,526
Short-term investments	16,438	4	(1)	16,441
	$ 29,964	$ 4	$ (1)	$ 29,967

As of December 31, 2019	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash	$ 7,814	$ —	$ —	$ 7,814
Money market funds	1,137	—	—	1,137
Certificates of deposit	475	—	—	475
Commercial paper	6,912	—	(1)	6,911
Corporate notes and bonds	7,922	15	(4)	7,933
U.S. government agency securities	2,145	—	(1)	2,144
	$ 26,405	$ 15	$ (6)	$ 26,414
Classified as:				
Cash and cash equivalents	$ 10,087	$ —	$ —	$ 10,087
Short-term investments	16,318	15	(6)	16,327
	$ 26,405	$ 15	$ (6)	$ 26,414

The following table summarizes the estimated fair value of our marketable securities classified by the stated maturity date of the security (in thousands):

	December 31,	
	2020	2019
Due within one year	$ 13,248	$ 12,754
Due within two years	3,193	3,573
	$ 16,441	$ 16,327

We determined that the gross unrealized losses on our security investments as of December 31, 2020 are temporary in nature. The fair value of our security investments at December 31, 2020 and 2019 reflects net unrealized gains of $3,000 and $9,000, respectively. There were net realized gains of $1,000 and $2,000 on security investments in the years ended December 31, 2020 and 2019, respectively. The cost of securities sold is based on the specific identification method.

The following table sets forth the unrealized gains/losses for security investments as of December 31, 2020 and 2019 (in thousands):

As of December 31, 2020	In Gain Position Less Than 12 Months		In Loss Position More Than 12 Months		Total in Gain Position	
Description	Fair Value	Unrealized Gain	Fair Value	Unrealized Loss	Fair Value	Unrealized Gain
Certificates of deposit	$ 492	$ —	$ —	$ —	$ 492	$ —
Corporate notes and bonds	9,502	5	3,195	(2)	12,697	3
U.S. government agency securities	4,599	—	—	—	4,599	—
Total	$ 14,593	$ 6	$ 3,195	$ (2)	$ 17,788	$ 3

As of December 31, 2019	In Gain Position Less Than 12 Months		In Loss Position More Than 12 Months		Total in Gain Position	
Description	Fair Value	Unrealized Gain	Fair Value	Unrealized Loss	Fair Value	Unrealized Gain
Certificates of deposit	$ 475	$ —	$ —	$ —	$ 475	$ —
Corporate notes and bonds	10,120	15	4,714	(5)	14,834	10
U.S. government agency securities	2,145	(1)	—	—	2,145	(1)
Total	$ 12,740	$ 14	$ 4,714	$ (5)	$ 17,454	$ 9

Trade Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable are recorded at the invoiced amount. We perform evaluations of our customers' financial condition and generally do not require collateral. We make judgments as to our ability to collect outstanding receivables and provide allowances for a portion of receivables when collection becomes doubtful. Our allowances are made based on a specific review of all significant outstanding invoices. For those invoices not specifically provided for, allowances are recorded at differing rates, based on the age of the receivable. In determining these rates, we analyze our historical collection experience and current payment trends. The determination of past-due accounts is based on contractual terms.

The following table summarizes the allowance for doubtful accounts as of December 31, 2020 and 2019 (in thousands):

	Amount
Balance, December 31, 2018	$ 13
Provision for doubtful accounts	40
Accounts written off	(25)
Balance, December 31, 2019	28
Provision for doubtful accounts	37
Accounts written off	(61)
Balance, December 31, 2020	$ 4

As of December 31, 2020 and 2019, our two largest customers accounted for approximately 90% and 92% of our total accounts receivable, respectively. No other customers accounted for 10% or more of our total accounts receivable as of December 31, 2020 and 2019.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization which is determined using the straight-line method over the estimated useful lives of two to five years for computer equipment and software, three years for furniture and fixtures, and the shorter of the estimated useful lives or the lease term for leasehold improvements. Repairs and maintenance costs are expensed as they are incurred.

Intangible Assets

In December 2006, we acquired the use of a toll-free telephone number for cash consideration of $250,000. This asset had an indefinite useful life. The intangible asset is tested for impairment annually or more often if events or changes in circumstances indicate that the carrying value may not be recoverable. During the year ended December 31, 2020, we determined this indefinite-lived intangible asset was fully impaired, and we recognized a non-cash impairment loss as an operating expense in our consolidated statement of operations.

Long-Lived Assets

We assess long-lived assets, which includes property and equipment and identifiable intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when the sum of the future net cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount. If our estimates regarding future cash flows derived from such assets were to change, we may record an impairment charge to the value of these assets. Such impairment loss would be measured as the difference between the carrying amount of the asset and its fair value.

Leases

We account for leases in accordance with Accounting Standards Codification ("ASC") 842. We recognize operating and finance lease liabilities and corresponding right-of-use ("ROU") assets on the consolidated balance sheets and provide enhanced disclosures surrounding the amount, timing and uncertainty of cash flows arising from leasing arrangements. We determine if an arrangement is a lease at inception. Operating leases are included in operating lease ROU assets and short- and long-term lease liabilities in our consolidated balance sheets. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities in our consolidated balance sheets.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The implicit rate is used when readily determinable. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. We account for the lease and non-lease components as a single lease component.

We have entered into various non-cancelable operating lease agreements for certain offices and certain equipment. The Louisville, Colorado and Sunnyvale, California office leases were both renewed during the year ended December 31, 2020, and will expire on April 30, 2021 and March 31, 2021, respectively.

Revenue Recognition

Disaggregation of Revenue

We generate revenue from the sale of services and sale of software fees for end-user software products provided through direct customer downloads and through the sale of these end-user software products via partners. Revenue is disaggregated by type as presented in the consolidated statements of operations and is consistent with how we evaluate our financial performance.

Under ASC 606, revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

We determine revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, we satisfy a performance obligation.

Services Revenue

Services revenue is primarily comprised of fees for customer support and technology support services. Our service programs are designed for enterprise clients, as well as the consumer and small and medium business ("SMB") markets, and include customer service, sales support, and technical support, including computer and mobile device set-up, security and support, virus and malware removal, wireless network set-up, and automation system onboarding and support.

We offer customer support, technical support, and technology services to large corporations, consumers and SMBs, directly and through our partners (which include communications providers, retailers, technology companies and others) and, to a lesser degree, directly through our website at www.support.com. We transact with customers via reseller programs, referral programs and direct transactions. In reseller programs, the partner generally executes the financial transactions with the customer and pays a fee to us which we recognize as revenue when the service is delivered. In referral programs, we transact with the customer directly and pay a referral fee to the referring party. In direct transactions, we sell directly to the customer at the retail price.

The services described above include four types of offerings:

- Hourly-Based Services – In connection with the provisions of certain services programs, fees are calculated based on contracted hourly rates with partners. For these programs, we recognize revenue as services are performed, based on billable hours of work delivered by our technology experts. These service programs also include performance standards, which may result in incentives or penalties, which are recognized as earned or incurred.
- Tier-Based Services – In connection with the provisions of certain services programs, fees are calculated on partner subscription tiers based on number of subscribers. For these programs, we recognize revenue as services are performed, and are billed based on the tier level of number of subscribers supported by our experts.
- Subscriptions – Customers purchase subscriptions or "service plans" under which certain services are provided over a fixed subscription period. Revenues for subscriptions are recognized ratably over the respective subscription periods.
- Incident-Based Services – Customers purchase a discrete, one-time service. Revenue recognition occurs at the time of service delivery. Fees paid for services sold but not yet delivered are recorded as deferred revenue and recognized at the time of service delivery.

In certain cases, we are paid for services that are sold but not yet delivered. We initially record such balances as deferred revenue, and recognize revenue when the service has been provided or, on the non-subscription portion of these balances, when the likelihood of the service being redeemed by the customer is remote ("services breakage"). Based on our historical redemption patterns for these relationships, we believe that the likelihood of a service being delivered more than 90 days after sale is remote. We therefore recognize non-subscription deferred revenue balances older than 90 days as services revenue. For the years ended December 31, 2020 and 2019, services breakage revenue accounted for less than 1% of total services revenue.

The following table represents deferred revenue activity for the years ended December 31, 2020 and 2019 (in thousands):

	Amount
Balance, December 31, 2018	$ 1,135
Deferred revenue	1,887
Recognition of unearned revenue	(1,829)
Balance, December 31, 2019	1,193
Deferred revenue	1,243
Recognition of unearned revenue	(1,555)
Balance, December 31, 2020	$ 881

Partners are generally invoiced monthly. Fees from customers via referral programs and direct transactions are generally paid with a credit card at the time of sale. Revenue is recognized net of any applicable sales tax.

Services revenue also includes fees from licensing of Support.com cloud-based software. In such arrangements, customers receive a right to use our Support.com Cloud applications in their own support organizations. We license our cloud-based software using a software-as-a-service (“SaaS”) model under which customers cannot take possession of the technology and pay us on a per-user or usage basis during the term of the arrangement. In addition, services revenue includes fees from implementation services of our cloud-based software. Currently, revenues from implementation services are recognized ratably over the customer life, which is estimated as the term of the arrangement once the Support.com Cloud services are made available to customers. We generally charge for these services on a time and material basis. For the years ended December 31, 2020 and 2019, revenue from implementation services was not material.

Software and Other Revenue

Software and other revenue is comprised primarily of fees for end-user software products provided through direct customer downloads and through the sale of these end-user software products via partners. Our software is sold to customers primarily on an annual subscription with automatic renewal. We provide regular, significant upgrades over the subscription period and therefore recognize revenue for these products ratably over the subscription period. Management has determined that these upgrades are not distinct, as the upgrades are an input into a combined output. In addition, management has determined that the frequency and timing of the software upgrades are unpredictable and therefore we recognize revenue consistent with the sale of the subscription. We generally control fulfillment, pricing, product requirements, and collection risk and therefore we record the gross amount of revenue. We provide a 30-day money back guarantee for the majority of our end-user software products.

We provide a limited amount of free technical support to customers. Since the cost of providing this free technical support is insignificant and free product enhancements are minimal and infrequent, we do not defer the recognition of revenue associated with sales of these products.

Other revenue consists primarily of revenue generated through partners advertising to our customer base in various forms, including toolbar advertising, email marketing, and free trial offers. We recognize other revenue in the period in which control transfers to our partners.

Engineering and IT Costs

Engineering and IT expenditures are charged to operations as they are incurred.

Software Development Costs

We expense software development costs before technological feasibility is reached. Based on our product development process, technological feasibility is established on the completion of a working model. We determined that technological feasibility is reached shortly before the product is ready for general release and therefore capitalized development costs incurred are immaterial during the periods presented.

Purchased Technology for Internal Use

We capitalize costs related to software that we license and incorporate into our product and service offerings or develop for internal use.

Advertising Costs

Advertising costs are recorded as sales and marketing expense in the period in which they are incurred. Advertising expense was $0.2 million and $24,000 for the years ended December 31, 2020 and 2019, respectively.

Earnings Per Share

Basic earnings per share is computed using our net income and the weighted-average number of common shares outstanding during the reporting period. Diluted earnings per share is computed using our net income and the weighted average number of common shares outstanding, including the effect of the potential issuance of common stock such as stock issuable pursuant to the exercise of stock options and warrants and vesting of RSUs using the treasury stock method when dilutive.

The following table sets forth the computation of basic and diluted net earnings per share (in thousands, except per share amounts):

	Years Ended December 31,	
	2020	2019
Net income	$ 446	$ 3,846
Basic:		
Weighted-average common shares outstanding	19,192	18,977
Basic earnings per share	$ 0.02	$ 0.20
Diluted		
Weighted-average common shares outstanding	19,192	18,977
Effect of dilutive securities:		
Stock options and restricted stock units	177	49
Diluted weighted-average commons shares outstanding	19,369	19,026
Diluted earnings per share	$ 0.02	$ 0.20

Accumulated Other Comprehensive Income

The components of accumulated other comprehensive loss relate entirely to accumulated foreign currency translation gain (losses) associated with our foreign subsidiaries and unrealized gains (losses) on investments.

Realized gains/losses on investments reclassified from accumulated other comprehensive loss are reported as interest income and other, net in our consolidated statements of operations.

The amounts noted in the consolidated statements of comprehensive income are shown before taking into account the related income tax impact. The income tax effect allocated to each component of other comprehensive income for each of the periods presented is not material.

Stock-Based Compensation

We apply the provisions of Accounting Standards Codification (“ASC”) 718, Compensation – Stock Compensation, which requires the measurement and recognition of compensation expense for all stock-based payment awards, including grants of restricted stock units (“RSUs”) and options to purchase stock, made to employees and directors based on estimated fair values.

In accordance with ASC 718, Compensation – Stock Compensation, we recognize stock-based compensation by measuring the cost of services to be rendered based on the grant date fair value of the equity award. We recognize stock-based compensation over the period an employee is required to provide service in exchange for the award, generally referred to as the requisite service period. For awards with market-based performance conditions, the cost of the awards is recognized as the requisite service is rendered by employees, regardless of when, if ever, the market-based performance conditions are satisfied.

The Black-Scholes option pricing model is used to estimate the fair value of service-based stock options and shares purchased under our Employee Stock Purchase Plan ("ESPP"). The determination of the fair value of options is affected by our stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. We use historical data for estimating the expected volatility. For certain stock options awards, we use historical data for estimating the expected life of stock options and for others, we use the simplified method for estimating the expected life. The simplified method was used during 2020 for "plain vanilla" (as defined by the SEC) stock option awards. The risk-free interest rate assumption is based on observed interest rates appropriate for the expected terms of the stock options.

The Monte-Carlo simulation model is used to estimate fair value of market-based performance stock options. The Monte-Carlo simulation model calculates multiple potential outcomes for an award and establishes a fair value based on the most likely outcome. Key assumptions for the Monte-Carlo simulation model include the risk-free rate, expected volatility, expected dividends and the correlation coefficient.

The fair value of restricted stock grants is based on the closing market price of our stock on the date of grant less the expected dividend yield.

Income Taxes

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be reversed or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statements of operations in the period that includes the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets, if it is more likely than not, that such assets will not be realized. Our deferred tax asset and related valuation allowance decreased by $2.6 million to $43 million. As the deferred tax asset is fully allowed for, this change had no impact on our financial position or results of operations.

Warranties and Indemnifications

We generally provide a refund period on sales, during which refunds may be granted to consumers under certain circumstances. During the years ended December 31, 2020 and 2019, any refunds granted to consumers were immaterial to the financial statements.

Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and enhances disclosures about fair value measurements. Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value according to ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value, which are the following:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table represents our fair value hierarchy for our financial assets (cash equivalents and investments) measured at fair value on a recurring basis as of December 31, 2020 and 2019 (in thousands):

As of December 31, 2020	Level 1	Level 2	Level 3	Total
Money market funds	$ 1,258	$ —	$ —	$ 1,258
Certificates of deposit	—	492	—	492
Commercial paper	—	3,273	—	3,273
Corporate notes and bonds	—	9,427	—	9,427
U.S. government agency securities	—	4,599	—	4,599
Total	$ 1,258	$ 17,791	$ —	$ 19,049

As of December 31, 2019	Level 1	Level 2	Level 3	Total
Money market funds	$ 1,137	$ —	$ —	$ 1,137
Certificates of deposit	—	475	—	475
Commercial paper	—	6,911	—	6,911
Corporate notes and bonds	—	7,933	—	7,933
U.S. government agency securities	—	2,144	—	2,144
Total	$ 1,137	$ 17,463	$ —	$ 18,600

For short-term investments, measured at fair value using Level 2 inputs, we review trading activity and pricing for these investments as of the measurement date. When sufficient quoted pricing for identical securities is not available, we use market pricing and other observable market inputs for similar securities obtained from various third-party data providers. These inputs either represent quoted prices for similar assets in active markets or have been derived from observable market data. Our policy is that the end of our quarterly reporting period determines when transfers of financial instruments between levels are recognized. No transfers were made between level 1, level 2 and level 3 for the years ended December 31, 2020 and 2019.

Segment Information

We report our operations as a single operating segment and has a single reporting unit. Our Chief Operating Decision Maker ("CODM"), our Chief Executive Officer, manages our operations on a consolidated basis for purposes of allocating resources. When evaluating performance and allocating resources, the CODM reviews financial information presented on a consolidated basis.

Revenue from customers located outside the United States was immaterial for the years ended December 31, 2020 and 2019.

For the years ended December 31, 2020 and 2019, our two largest customers accounted for 87% and 88% of our total revenue, respectively. There were no other customers that accounted for 10% or more of our total revenue in any of the periods presented.

Long-lived assets are attributed to the geographic location in which they are located. We include in long-lived assets all tangible assets. Long-lived assets by geographic areas are as follows (in thousands):

	December 31,	
	2020	2019
United States	$ 1,110	$ 532
Philippines	4	1
India	1	—
Total	$ 1,115	$ 533

Recent Accounting Pronouncements

Recently Adopted Accounting Standards

In August 2018, the FASB issued Accounting Standard Update ("ASU") No. 2018-13, *Changes to Disclosure Requirements for Fair Value Measurements (Topic 820)* (ASU 2018-13), which improved the effectiveness of disclosure requirements for recurring and nonrecurring fair value measurements. The standard removes, modifies, and adds certain disclosure requirements. We adopted the new standard effective January 1, 2020 and the standard did not have an impact on the consolidated financial statements.

New Accounting Standards to be adopted in Future Periods

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* (ASU 2019-12), which simplifies the accounting for income taxes. This guidance will be effective in the first quarter of 2021 on a prospective basis, and early adoption is permitted. We do not expect the new standard to have a material impact on the consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The standard's main goal is to improve financial reporting by requiring earlier recognition of credit losses on financing receivables and other financial assets in scope. The effective date for all public companies, except smaller reporting companies, is fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The effective date for all other entities is fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. We do not expect the new standard to have a material impact on the consolidated financial statements.

Note 2. Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation, and consist of the following as of December 31, 2020 and 2019 (in thousands):

	December 31,	
	2020	2019
Computer equipment and software	$ 8,114	$ 7,233
Furniture and office equipment	140	142
Leasehold improvements	348	348
Construction in progress	50	32
Accumulated depreciation	(7,537)	(7,222)
Total property and equipment, net	$ 1,115	$ 533

Depreciation expense was $0.3 million and $0.3 million for the years ended December 31, 2020 and 2019, respectively.

Note 3. Commitments and Contingencies

Legal contingencies

Federal Trade Commission Consent Order. As previously disclosed, on December 20, 2016 the Federal Trade Commission ("FTC") issued a confidential Civil Investigative Demand, or CID, requiring us to produce certain documents and materials and to answer certain interrogatories relating to PC Healthcheck, an obsolete software program that we developed on behalf of a third party for their use with their customers. The investigation relates to us providing software like PC Healthcheck to third parties for their use prior to December 31, 2016, when we were under management of the previous board and executive team. Since issuing the CID, the FTC has sought additional written and testimonial evidence. We have cooperated fully with the FTC's investigation and provided all requested information. In addition, we have not used PC Healthcheck nor provided it to any customers since December 2016.

On March 9, 2018, the FTC notified us that it was willing to engage in settlement discussions. On November 6, 2018, Support.com and the FTC entered into a proposed Stipulation to Entry of Order for Permanent Injunction and Monetary Judgment (the "Consent Order"). The Consent Order was approved by the Commission on March 26, 2019 and entered by the U.S. District Court for the Southern District of Florida on March 29, 2019. Entry of the Consent Order by the Court resolved the FTC's multi-year investigation of Support.com.

Pursuant to the Consent Order, under which we neither admitted nor denied the FTC's allegations (except as to the Court having jurisdiction over the matter), the FTC agreed to accept a payment of $10 million in settlement of the matter, subject to the factual accuracy of the information we provided as part of our financial representations. The $10 million payment was made on April 1, 2019 and was recognized in operating expenses within our consolidated statements of operations for the year ended December 31, 2018.

Additionally, pursuant to the Consent Order, we agreed to implement certain new procedures and enhance certain existing procedures. For example, the Consent Order necessitates that we cooperate with representatives of the Commission on associated investigations if needed; imposes requirements on Support.com regarding obtaining acknowledgements of the Consent Order and compliance certification, including record creation and maintenance; and prohibits us from making misrepresentations and misleading claims or providing the means for others to make such claims regarding, among other things, detection of security or performance issues on consumer's Electronic Devices. Electronic Devices include, but are not limited to, cell phones, tablets and computers. We continue to monitor the impact of the Consent Order regularly. If we are unable to comply with the Consent Order, then this could result in a material and adverse impact to the results of operations and financial condition.

Verizon Media. As previously disclosed, on March 22, 2010, the Company and AOL Fulfillment Services, who now does business as Verizon Media ("Verizon Media"), entered into a Fulfillment Services Promotion and Marketing Agreement ("Agreement"). The Agreement related to the development and sale of certain products and services. The Company sold software products to Verizon Media pursuant to the terms of the Agreement under two programs – SUPERAntiSpyware and Computer Check-Up. Verizon Media offered these software products to its end-customers. On May 24, 2019, the Company received a letter from Verizon Media providing notice that it wished to terminate the Agreement and work with the Company to wind-down all remaining subscriptions for both programs. The Company has wound-down all services under the Computer Check-Up program and the SUPERAntiSpyware program. In connection with the termination of the Computer Check-Up program, Verizon Media requested that the Company fund rebates to its end-customers who elect to accept a refund offer from Verizon Media. Although the Company made no agreement to fund such a program, Verizon Media commenced its rebate program.

On November 15, 2019, the Company received a letter from Verizon Media informing the Company that, to date, Verizon Media has issued rebates totaling $2.6 million and requesting reimbursement of this amount from the Company (the "Dispute"). Subsequently, the parties entered into negotiations toward a settlement of any potential claims, which culminated in the execution of a Confidential Settlement and Release Agreement dated September 29, 2020, pursuant to which the Company issued a one-time payment to Verizon Media in exchange for a full and complete release from any claims related to or arising out of the Dispute. The Company admitted no liability and incurred no financial impact from the settlement, as the payment was funded by the Company's insurance carrier.

Other Matters

We have received and may in the future receive additional requests for information, including subpoenas, from other governmental agencies relating to the subject matter of the Consent Order and the Civil Investigative Demands described above. We intend to cooperate with these information requests and is not aware of any other legal proceedings against us by governmental authorities at this time.

We are also subject to other routine legal proceedings, as well as demands, claims and threatened litigation, that arise in the normal course of business, potentially including assertions that we may be infringing patents or other intellectual property rights of others. We currently do not believe that the ultimate amount of liability, if any, for any pending claims of any type (alone or combined) will materially affect our financial position, results of operations or cash flows. The ultimate outcome of any litigation is uncertain; however, any unfavorable outcomes could have a material negative impact on our financial condition and operating results. Regardless of outcome, litigation can have an adverse impact on us because of defense costs, negative publicity, diversion of management resources and other factors.

Note 4. Other Accrued and Other Long-Term Liabilities

Other accrued liabilities consist of the following (in thousands):

	December 31, 2020	December 31, 2019
Accrued expenses	$ 369	$ 536
Self-insurance accruals	270	404
Payroll tax deferral	240	—
Total other accrued liabilities	$ 879	$ 940

Other long-term liabilities consist of the following (in thousands):

	December 31, 2020	December 31, 2019
Deferred tax liability, net	443	428
Long-term income tax payable	223	355
Payroll tax deferral	240	—
Other long-term liabilities	5	9
Total other long-term liabilities	$ 911	$ 792

Note 5. Stockholders' Equity

During the year ended December 31, 2020, 0.1 million shares of common stock were issued as a result of the exercise of stock options. During the year ended December 31, 2019, no shares of common stock were issued as a result of the exercise of stock options.

During the year ended December 31, 2020, 0.2 million shares of common stock were issued as a result of RSU releases. During the year ended December 31, 2019, 0.1 million shares of common stock were issued as a result of RSU releases.

During the year ended December 31, 2020, 44,000 shares of common stock were issued under the ESPP. During the year ended December 30, 2019, 26,000 shares of common stock were issued under the ESPP.

Stock Repurchase Program

On April 27, 2005, our Board of Directors ("Board") authorized the repurchase of up to 666,666 outstanding shares of our common stock. As of September 30, 2020, the maximum number of shares remaining that can be repurchased under this program was 602,467. No shares were repurchased during the year ended December 31, 2020. We do not intend to repurchase shares without further approval from the Board.

2019 Cash Dividend

As a part of the board of directors' ongoing capital allocation review, on December 6, 2019 the board of directors authorized and declared a special cash distribution of $1.00 per share on each outstanding share of our common stock. The record date for this distribution was December 17, 2019 and the payment date was December 26, 2019. Accordingly, we paid $19.1 million to shareholders on December 26, 2019. In connection with the special cash distribution of $1.00 per share, the exercise price on all outstanding options as of December 27, 2019 was reduced by $1.00 as permitted under the 2010 and 2014 Plans which includes an anti-dilution feature designed to equalize the fair value of options as a result of a transaction such as this special distribution. This adjustment did not affect the fair value, vesting conditions or classification of the outstanding options.

Stockholder Rights Agreement and Tax Benefits Preservation Plan

Our board adopted a Section 382 Tax Benefits Preservation Plan in an effort to diminish the risk that our ability to utilize net operating loss carryovers (collectively, the "NOLs") to reduce potential future federal income tax obligations may become substantially limited. Our stockholders approved the Section 382 Tax Benefits Preservation Plan at our annual meeting of stockholders held on June 5, 2020. Under the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder by the U.S. Treasury Department, these NOLs may be "carried forward" in certain circumstances to offset any current and future taxable income and thus reduce federal income tax liability, subject to certain requirements and restrictions. However, if we experience an "ownership change," within the meaning of Section 382 of the Code ("Section 382"), our ability to utilize the NOLs may be substantially limited, and the timing of the usage of the NOLs could be substantially delayed, which could therefore significantly impair the value of those assets. Section 382 and the Treasury regulations thereunder make our commercial risk from a Section 382 limitation triggering event particularly acute given the relative size of current cash on hand to market capitalization. As applied to our current cash position and current market capitalization, if we were to experience an ownership change, it would be subject to Section 382's "non-business asset" limitation, which would result in permanently losing all $145.6 million of our NOLs.

The Section 382 Tax Benefits Preservation Plan is intended to act as a deterrent to any person or group acquiring beneficial ownership of 4.99% or more of the outstanding Common Stock without the approval of the board (such person, an "Acquiring Person"). A person who acquires, without the approval of the board, beneficial ownership (other than as a result of repurchases of stock by the Company, dividends or distributions by the Company or certain inadvertent actions by stockholders) of 4.99% or more of the outstanding common stock (including any ownership interest held by that person's Affiliates and Associates as defined under the Section 382 Tax Benefits Preservation Plan) could be subject to significant dilution. Stockholders who beneficially own 4.99% or more of the outstanding common stock prior to the first public announcement by the Company of the board's adoption of the Section 382 Tax Benefits Preservation Plan will not trigger the Section 382 Tax Benefits Preservation Plan so long as they do not acquire beneficial ownership of additional shares of the Common Stock (other than pursuant to a dividend or distribution paid or made by the Company on the outstanding shares of Common Stock or pursuant to a split or subdivision of the outstanding shares of Common Stock) at a time when they still beneficially own 4.99% or more of such stock. In addition, the board retains the sole discretion to exempt any person or group from the penalties imposed by the Section 382 Tax Benefits Preservation Plan.

In the event that a person becomes an Acquiring Person, each holder of a Right, other than Rights that are or, under certain circumstances, were beneficially owned by the Acquiring Person (which will thereupon become void), will thereafter have the right to receive upon exercise of a Right and payment of the Purchase Price, and subject to the terms, provisions and conditions of the Section 382 Tax Benefits Preservation Plan, a number of shares of the Common Stock having a market value of two times the Purchase Price.

Note 6. Stock-Based Compensation

Equity Compensation Plan

We adopted the amended and restated 2010 Equity and Performance Incentive Plan (the “2010 Plan”), effective as of May 19, 2010. Under the 2010 Plan, the number of shares of Common Stock that may be issued will not exceed in the aggregate 1,666,666 shares of Common Stock plus the number of shares of common stock relating to prior awards under the 2000 Omnibus Equity Incentive Plan that expire, are forfeited or are cancelled after the adoption of the 2010 Plan, subject to adjustment as provided in the 2010 Plan. Pursuant to approval from our shareholders, the number of shares of common stock that may be issued under the 2010 Plan was increased by 750,000 shares of common stock in May 2013 and 333,333 shares in June 2016. No grants will be made under the 2010 Plan after the tenth anniversary of its effective date. At the 2020 Annual Meeting, our stockholders approved the amendment and restatement of the 2010 Plan (such plan, after the amendment and restatement is now the Third Amended and Restated 2010 Equity and Performance Incentive Plan, referred to herein as the “Restated Plan”). The purpose of amending the 2010 Plan was (i) to increase the number of shares of common stock available for issuance under the Restated Plan by 2,000,000 shares, (ii) to extend the term of the 2010 Plan, which otherwise would have expired on May 19, 2020, so that the Restated Plan will continue until terminated by the Board in its discretion, and (iii) to eliminate obsolete provisions while adding other provisions consistent with certain compensation and governance best practices. As of December 31, 2020, approximately 4.0 million shares remain available for grant under the Restated Plan.

We adopted the 2014 Inducement Award Plan (the “Inducement Plan”), effective as of May 13, 2014. Under the Inducement Plan, the number of shares of common stock that may be issued will not exceed in the aggregate 666,666 shares of common stock. As of December 31, 2020, approximately 0.2 million shares remain available for grant under the Inducement Plan.

Employee Stock Purchase Plan

Effective May 15, 2011, our Board and stockholders approved an ESPP and reserved 333,333 shares of our common stock for issuance. The ESPP was established to advance our interests and our stockholders' interests by providing an incentive to attract, retain and reward eligible employees and by motivating such persons to contribute to our growth and profitability. At the 2020 Annual Meeting of stockholders, our stockholders approved a proposal amending and restating the 2011 ESPP to (i) increase the maximum number of shares of common stock available for future issuance under the ESPP by 1,000,000 shares, (ii) extend the term, which otherwise would have expired on May 15, 2021, so that the ESPP will continue until terminated by the Board in its discretion, and (iii) make certain other administrative changes.

The ESPP consists of six-month offering periods during which employees may enroll in the plan. Shares of common stock may be purchased under the ESPP at a price established by the Compensation Committee of the Board of Directors, provided that the price may not be less than eighty-five percent (85%) of the lesser of (a) the fair market value of a share of stock on the offering date of the offering period or (b) the fair market value of a share of stock on the purchase date. As of December 31, 2020, approximately 1.1 million shares remain available for issuance under the ESPP.

Stock-Based Compensation

We recorded the following stock-based compensation expense of $0.6 million and $0.3 million, respectively, for the fiscal years ended December 31, 2020 and 2019 as follows (in thousands):

	Years Ended December 31,	
	2020	2019
Stock-based compensation expense related to grants of:		
Stock options	$ 224	$ 130
RSU	374	155
ESPP	36	19
Total	$ 634	$ 304
Stock-based compensation expense recognized in:		
Cost of service	$ 28	$ 40
Engineering and IT	25	25
Sales and marketing	38	38
General and administrative	543	201
Total	$ 634	$ 304

The fair value of our stock-based awards was estimated using the following weighted average assumptions for the years ended December 31, 2020 and 2019:

	2010 Plan/Restated Plan		Employee Stock Purchase Plan	
	2020	2019	2020	2019
Risk-free interest rate	0.4%	1.7%	0.2%	2.0%
Expected term (in years)	6.1	3.1	0.5	0.5
Volatility	42.5%	35.6%	74.4%	42.4%
Expected dividend	0.0%	0.0%	0.0%	0.0%
Weighted-average grant date fair value	$ 0.55	$ 0.52	$ 0.34	$ 0.43

Stock Options

The following tables represent stock option activity for the years ended December 31, 2020 and 2019:

	Number of shares	Weighted-average exercise price per share	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (in thousands)
Outstanding at December 31, 2018	803	$ 2.89	8.43	$ 54
Granted	90	0.94		
Exercised	—	—		
Forfeited	(77)	1.97		
Outstanding at December 31, 2019	816	$ 1.77	7.49	$ 16
Granted	2,394	1.56		
Exercised	(147)	1.30		116
Forfeited	(434)	1.58		
Outstanding at December 31, 2020	2,629	$ 1.64	8.79	$ 1,605
Exercisable at December 31, 2020	724	$ 1.74	6.77	$ 468

A summary of additional information related to the options outstanding as of December 31, 2020 under the 2010 and 2014 Plans are as follows:

Plan	Option plans ranges of exercise prices	Number of outstanding options	Weighted-average remaining contractual life	Weighted-average exercise price
2010 Plan/Restated Plan	$1.29 – $16.67	2,029,176	8.61	$ 1.86
Inducement Plan	$0.56 – $16.67	600,000	9.37	$ 1.33
		2,629,176		

As of December 31, 2020, $1.1 million of unrecognized compensation cost related to existing options was outstanding, which is expected to be recognized over a weighted average period of 3.0 years.

Restricted Stock Units

The following table represents RSU activity for the years ended December 31, 2020 and 2019:

	Number of shares	Weighted-average exercise price per share	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (in thousands)
Outstanding at December 31, 2018	96	$ 2.78	0.60	$ 227
Granted	243	1.39		
Vested	(73)	2.06		
Forfeited	(17)	2.75		
Outstanding at December 31, 2019	249	$ 1.62	0.60	$ 271
Granted	127	1.97		
Vested	(245)	1.57		
Forfeited	—	—		
Outstanding at December 31, 2020	131	$ 2.05	0.70	$ 287

As of December 31, 2020, $0.2 million of unrecognized compensation cost related to RSUs was outstanding, which is expected to be recognized within one year.

Note 7. Income Taxes

The components of our income before income taxes are as follows (in thousands):

	Years Ended December 31,	
	2020	2019
United States	$ 50	$ 3,634
Foreign	498	366
Total	$ 548	$ 4,000

The provision for income taxes from continuing operations consisted of the following (in thousands):

	Years Ended December 31,	
	2020	2019
Current:		
Federal	$ —	$ —
State	9	16
Foreign	45	118
Total current	$ 54	$ 134
Deferred:		
Federal	$ —	$ —
State	—	—
Foreign	48	20
Total deferred	$ 48	$ 20
Provision for income taxes	$ 102	$ 154

The reconciliation of the Federal statutory income tax rate to our effective income tax rate is as follows (in thousands):

	Years Ended December 31,	
	2020	2019
Provision of Federal statutory rate	$ 115	$ 835
State taxes	9	16
Permanent differences/other	1,825	(13)
Stock-based compensation	(23)	23
Federal valuation allowance used	(1,824)	(707)
Provision for income taxes	$ 102	$ 154

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of our deferred tax assets and liabilities are as follows (in thousands):

	Years Ended December 31, 2020	Years Ended December 31, 2019
Deferred tax assets		
Fixed assets	$ 13	$ 78
Accruals and reserves	122	92
Stock options	247	197
Net operating loss carryforwards	36,608	38,335
Federal and state credits	3,227	3,461
Foreign credits	163	159
Intangible assets	1,497	1,789
Research and development expense	1,487	1,858
Gross deferred tax assets	43,364	45,969
Valuation allowance	(43,238)	(45,846)
Total deferred tax assets	126	123
Deferred tax liabilities (1)	(569)	(551)
Net deferred liabilities	$ (443)	$ (428)

(1) Of this amount, $554,000 relates to the Indian subsidiaries unremitted earnings deferred tax liability. The net deferred income tax liabilities are recorded in other long-term liabilities in the accompanying balance sheet.

ASC 740, *Income Taxes*, provides for the recognition of deferred tax assets if realization of such assets is more likely than not to occur. Based on management's review of both the positive and negative evidence, which includes our historical operating performance, reported cumulative net losses since inception and difficulty in accurately forecasting results, we have concluded that it is not more likely than not that we will be able to realize all of our U.S. deferred tax assets. Therefore, we have provided a full valuation allowance against U.S. deferred tax assets.

Based on management's review of both positive and negative evidence, which includes the historical operating performance of our Canadian subsidiary, we have concluded that it is more likely than not that we will be able to realize a portion of the Canadian deferred tax assets. Therefore, we have a partial valuation allowance on Canadian deferred tax assets. There is no valuation allowance against our Indian deferred tax assets. We reassess the need for a valuation allowance on a quarterly basis.

Based on management's review discussed above, the realization of deferred tax assets is dependent on improvements over present levels of pre-tax income. Until we are consistently profitable in the U.S., we will not realize our deferred tax assets.

Beginning in 2018, the Tax Cuts and Jobs Act of 2017 ("Tax Act") provides a 100% deduction for dividends received from 10-percent owned foreign corporations by U.S. corporate shareholders, subject to a one-year holding period. Although dividend income is now exempt from U.S. federal tax in the hands of the U.S. corporate shareholders, companies must still apply the guidance of ASC 740-30-25-18 to account for the tax consequences of outside basis differences and other tax impacts of their investments in non-U.S. subsidiaries. Deferred income taxes have not been provided on the cumulative undistributed earnings of foreign subsidiaries except for a change in assertion at December 31, 2017 for Support.com India Private Ltd. The amount of cumulative undistributed Indian subsidiary's earnings at December 31, 2017 for which we are changing our assertion under ASC 740-30-25 was $2.67 million. Under the Tax Act, all foreign subsidiaries' accumulated earnings through December 31, 2020 has been included in U.S. taxable income. As such, the only tax related to the Indian subsidiary remittance would be a dividend distribution tax of $554,000 as of December 31, 2020.

The net valuation allowance decreased by approximately $2.6 million and $0.4 million during the years ended December 31, 2020 and 2019, respectively. As of December 31, 2020, we had Federal and state net operating loss carryforwards of approximately $145.6 million and $80.3 million, respectively. The Federal net operating loss and credit carryforwards will expire at various dates beginning in 2021 through 2040, if not utilized. Approximately $22.5 million of Federal net operating loss carryforward is expected to expire in 2021. The state net operating loss carryforwards will expire at various dates beginning in 2021 through 2040, if not utilized.

We also had Federal and state research and development credit carryforwards of approximately $2.8 million and $2.4 million, respectively. The federal credits expire in varying amounts between 2021 and 2031. The state research and development credit carryforwards do not have an expiration date.

Utilization of net operating loss carryforwards and credits may be subject to substantial annual limitation or could be lost due to the ownership change limitations provided by the Internal Revenue Code of 1986, as amended and similar state provisions. The annual limitation may result in the expiration of net operating losses and credits before utilization.

ASC 740-10 clarifies the accounting for uncertainties in income taxes by prescribing guidance for the recognition, de-recognition and measurement in financial statements of income tax positions taken in previously filed tax returns or tax positions expected to be taken in tax returns, including a decision whether to file or not to file in a particular jurisdiction. ASC 740-10 requires the disclosure of any liability created for unrecognized tax benefits. The application of ASC 740-10 may also affect the tax bases of assets and liabilities and therefore may change or create deferred tax liabilities or assets.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

	Years Ended December 31,	
	2020	2019
Balance, beginning of year	$ 2,121	$ 2,117
Increase related to prior year tax positions	3	4
Decrease related to prior year tax positions	(126)	—
Settlements with tax authorities	(78)	—
Balance, end of year	$ 1,920	$ 2,121

The total amount of unrecognized tax benefits that, if recognized, would affect our tax rate, are $0.1 million and $0.1 million as of December 31, 2020 and 2019, respectively.

Our policy is to include interest and penalties related to unrecognized tax benefits within the provision for (benefit from) income taxes. As of December 31, 2020 and 2019, we had $0.1 million and $0.1 million, respectively, accrued for payment of interest and penalties related to unrecognized tax benefits.

As of December 31, 2020, it is reasonably possible that the balance of unrecognized tax benefits could significantly change within the next twelve months. However, an estimate of the range of reasonably possible adjustments cannot be made at this time.

We file federal, state and foreign income tax returns in jurisdictions with varying statutes of limitations. Due to our net operating loss carryforwards, our income tax returns generally remain subject to examination by federal and most state authorities. In our foreign jurisdictions, the 2009 through 2020 tax years remain subject to examination by their respective tax authorities.

We are required to make periodic filings in the jurisdictions where we are deemed to have a presence for tax purposes. We have undergone audits in the past and have paid assessments arising from these audits. Our India entity was issued notices of income tax assessment pertaining to the 2004 – 2009 fiscal years. The notices claimed that the transfer price used in our inter-company agreements resulted in understated income in our Indian entity. During the fourth quarter of 2020, the Company re-evaluated the probability of its tax position and partially released the ASC 740-10 reserve related to India transfer pricing for several assessment years that were settled with the Indian tax authorities in November and December of 2020. As of December 31, 2020, the ASC 740-10 reserve for India transfer pricing totals $0.1 million. As a result of this settlement, the Company no longer records an ASC 740-10 reserve related to fiscal years 2004-2005 and 2005-2006.

We may be subject to other income tax assessments in the future. We evaluate estimated expenses that could arise from those assessments in accordance with ASC 740-10. We consider such factors as the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate on the amount of expenses. We record the estimated liability amount of those assessments that meet the definition of an uncertain tax position under ASC 740-10.

Note 8. Leases

We have entered into various non-cancelable operating lease agreements for certain of our offices, and certain equipment. Our leases have original lease periods expiring during 2021. As of December 31, 2020, the weighted average remaining lease term and weighted average discount rate for operating leases was 0.6 years and 4.5%, respectively.

Total operating lease expense was $0.3 million and $0.5 million for the years ended December 31, 2020 and 2019, respectively.

The following table provides a summary of leases by balance sheet location:

	Years Ended December 31,	
Operating leases	2020	2019
Right-of-use assets	$ 61	$ 68
Lease liabilities – short term	$ 58	$ 61
Lease liabilities – long-term	3	7
Total lease liabilities	$ 61	$ 68

The following represents maturities of operating lease liabilities as of December 31, 2020 (in thousands):

	Operating leases
2021	$ 59
2022	3
Total	$ 62
Less: imputed interest	(1)
Present value of lease liabilities	$ 61

For the year ended December 31, 2020, supplemental cash flow information related to leases are as follows (in thousands):

Operating cash flows from operating leases	$ 181
Right-of-use assets obtained in exchange for lease obligations	$ 169

As of December 31, 2020, minimum payments due under all non-cancelable lease agreements were as follows (in thousands):

Years Ending December 31,	Operating Leases
2021	$ 59
2022	3
Total minimum lease payments	$ 62

Note 9. Subsequent Events

On March 19, 2021, the Company and Greenidge Generation Holdings, Inc. ("Greenidge") entered into an Agreement and Plan of Merger (the "Merger Agreement") providing, among other things, that on the terms and subject to the conditions set forth therein, Greenidge will acquire the Company through a merger of a wholly owned subsidiary of Greenidge with and into the Company (the "Merger"). The Company will survive as a wholly owned subsidiary of Greenidge. The Merger is subject to customary closing conditions, including the approval of the shareholders of the Company. The Merger is expected to close during the third quarter of 2021. Effective as of the closing of the Merger, all outstanding shares of the Company's common stock and all outstanding restricted stock units and options to purchase shares of the Company's common stock will be cancelled and converted into the right to receive shares of Class A Common Stock of Greenidge (the "Greenidge Common Stock"). Following completion of the Merger, it is expected that the Company's stockholders and holders of stock options and restricted stock units collectively will own approximately 8% of the outstanding shares of the Greenidge Common Stock, and existing Greenidge stockholders are expected to own approximately 92% of the Greenidge Common Stock. If the Merger Agreement is terminated under certain circumstances, the Company will be required to pay a termination fee.

In connection with and as a condition to Greenidge's willingness to enter into the Merger Agreement, on March 19, 2021, the Company entered into a subscription agreement (the "Subscription Agreement") with 210 Capital, LLC ("210 Capital"), pursuant to which 210 Capital subscribed for and purchased, and the Company issued and sold, an aggregate of 3,909,871 shares of the Company's Common Stock for a purchase price of $1.85 per share, for aggregate gross proceeds to the Company of $7,233,261.35. Pursuant to and subject to the terms and conditions set forth in the Subscription Agreement, among other things, and only upon any termination of the Merger Agreement, the Company has agreed that, not later than the earlier of (i) thirty (30) days following the date of such termination and (ii) December 31, 2021, it will increase the size of the Company's board of directors in order to appoint two individuals designated by 210 Capital to the board of directors for a term expiring at the next succeeding annual meeting of the Company's stockholders.

ITEM 9 – CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A – CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of the Company's management, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act were effective as of December 31, 2020 to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and have been communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Inherent Limitations Over Internal Controls

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles ("GAAP"). The Company's internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that the Company's receipts and expenditures are being made only in accordance with authorizations of the Company's management and directors; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Management, including the Company's Chief Executive Officer and Chief Financial Officer, does not expect that the Company's internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of internal controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Also, any evaluation of the effectiveness of controls in future periods are subject to the risk that those internal controls may become inadequate because of changes in business conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management's Annual Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the criteria set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on the Company's assessment, management has concluded that its internal control over financial reporting was effective as of December 31, 2020 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2020, which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

This report does not include an auditors' report on the effectiveness of internal control over financial reporting due to SEC rules that exempt smaller reporting companies such as Support.com from providing such a report.

ITEM 9B – OTHER INFORMATION

None.

PART III

Certain information required by Part III of this report is omitted from this report pursuant to General Instruction G(3) of Form 10-K because we will file a definitive proxy statement pursuant to Regulation 14A for our 2021 annual meeting of stockholders (the “Proxy Statement”) not later than 120 days after the end of the fiscal year covered by this report, and the information included in the Proxy Statement that is required by Part III of this report is incorporated herein by reference.

ITEM 10 – DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Incorporated herein by reference to the information to be set forth in the Proxy Statement.

ITEM 11 – EXECUTIVE COMPENSATION

Incorporated herein by reference to the information to be set forth in the Proxy Statement.

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

Incorporated herein by reference to the information to be set forth in the Proxy Statement.

ITEM 13 – CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Incorporated herein by reference to the information to be set forth in the Proxy Statement.

ITEM 14 – PRINCIPAL ACCOUNTANT FEES AND SERVICES

Incorporated herein by reference to the information to be set forth in the Proxy Statement.

PART IV

ITEM 15 – EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report:

(1) Financial Statements—See Index to the Consolidated Financial Statements and Supplementary Data in Item 8 of this report.

(2) Financial Statement Schedules.

Schedule II—Valuation and qualifying accounts was omitted as the required disclosures are included in Note 1 to the Consolidated Financial Statements.

All other schedules are omitted since the information required is not applicable or is shown in the Consolidated Financial Statements or notes thereto.

(3) Exhibits—See in Item 15(b) of this report.

(b) Exhibits.

Exhibit	Description of Document
2.1	Agreement and Plan of Merger, dated March 19, 2021, by and among Greenidge Generation Holdings Inc., Support.com, Inc. and GGH Merger Sub, Inc. (incorporated by reference to Exhibit 2.1 of Support.com's current report on Form 8-K filed with the SEC on March 22, 2021)
3.1	Restated Certificate of Incorporation, as amended (incorporated by reference to Exhibit 3.1 of Support.com's annual report on Form 10-K for the year ended December 31, 2001)
3.2	Certificate of Amendment to Support.com's Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 of Support.com's current report on Form 8-K filed with the SEC on June 23, 2009)
3.3	Certificate of Designation of Series A Junior Participating Preferred Stock of Support.com (incorporated by reference to Exhibit 3.1 of Support.com's current report on Form 8-K filed with the SEC on October 14, 2015)
3.4	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 of Support.com's current report on Form 8-K filed with the SEC on February 5, 2016)
3.5	Certificate of Designation of Series B Junior Participating Preferred Stock, as filed with the Secretary of State of Delaware on April 21, 2016 (incorporated by reference to Exhibit 3.1 of Support.com's current report on Form 8-K filed with the SEC on April 21, 2016)
3.6	Certificate of Amendment to the Restated Certificate of Incorporation of the Company effective January 20, 2017, filed on January 13, 2017 (incorporated by reference to Exhibit 3.1 of Support.com's current report on Form 8-K filed with the SEC on January 13, 2017
3.7	Amended and Restated Certificate of Designation of Series B Junior Participating Preferred Stock of the Company (incorporated by reference to Exhibit 3.1 of Support.com's current report on Form 8-K filed with the SEC on August 22, 2019)
3.8	Amendment to the Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.1 of Support.com's current report on Form 8-K filed with the SEC on April 24, 2020)
4.1	Form of Common Stock Certificate (incorporated by reference to Exhibit 4.1 of Support.com's quarterly report on Form 10-Q for the quarter ended June 30, 2002)
4.2	Certificate of Elimination of the Series A Preferred Stock filed with the Secretary of State of the State of Delaware on April 21, 2016 (incorporated by reference to Exhibit 4.3 to Support.com's Form 8-A/A filed with the SEC on April 21, 2016)
4.3	Support.com, Inc. Second Amended and Restated 2010 Equity and Performance Incentive Plan (incorporated by reference to Appendix B of Support.com's proxy statement on Schedule 14a, filed with the SEC on May 12, 2016)
4.4	Section 382 Tax Benefits Preservation Plan, dated as of August 21, 2019, by and between Support.com, Inc. and Computershare Trust Company, N.A., as Rights Agent (incorporated by reference to Exhibit 4.1 of Support.com's current report on Form 8-K filed with the SEC on August 22, 2019)
10.1*	Support.com's amended and restated 2010 Equity and Incentive Compensation Plan (incorporated by reference to Exhibit 4.1 of Support.com's current report on Form 8-K filed with the SEC on May 21, 2010)
10.2*	Support.com's 2011 Employee Stock Purchase Plan (incorporated by reference to Annex A of Support.com's definitive proxy statement for Support.com's 2011 annual meeting of stockholders filed with the SEC on April 15, 2011)
10.3*	Support.com's 2014 Inducement Award Plan (incorporated by reference to Exhibit 10.2 of Support.com's current report on Form 8-K filed with the SEC on May 19, 2014)

10.4*	Form of Stock Option Grant Notification for Officers and Employees (incorporated by reference to Exhibit 10.1(a) of Support.com's quarterly report on Form 10-Q filed on November 5, 2009).
10.5	Sublease Agreement with TYCO Healthcare Group LP dated June 7, 2012 (incorporated by reference to Exhibit 10.1 of Support.com's quarterly report on form 10-Q filed with the SEC on August 8, 2012).
10.6	Master Services Agreement Call Handling Services between Comcast and Support.com, effective as of October 1, 2013 (incorporated by reference to Exhibit 10.19 of Support.com's annual report on Form 10-K filed with the SEC on March 7, 2014) (1)
10.7	Statement of Work Number 1 to Master Services Agreement Call Handling Services between Comcast and Support.com, effective as of October 1, 2013 (incorporated by reference to Exhibit 10.20 of Support.com's annual report on Form 10-K filed with the SEC on March 7, 2014) (1)
10.8	Change Management Form Number 1 under Statement of Work Number 1 to Master Services Agreement Call Handling Services between Comcast and Support.com, effective as of December 22, 2013 (incorporated by reference to Exhibit 10.24 of Support.com's annual report on Form 10-K filed with the SEC on March 7, 2014 (1)
10.9	Amendment Number 1 to Statement of Work Number 1 to Master Services Agreement Call Handling Services between Comcast and Support.com, effective as of December 31, 2013 (incorporated by reference to Exhibit 10.21 of Support.com's annual report on Form 10-K filed with the SEC on March 7, 2014)
10.10	Statement of Work Number 2 to Master Services Agreement Call Handling Services between Comcast and Support.com, effective as of December 31, 2013 (incorporated by reference to Exhibit 10.22 of Support.com's annual report on Form 10-K filed with the SEC on March 7, 2014) (1)
10.11	Statement of Work Number 3 to Master Services Agreement Call Handling Services between Comcast and Support.com, effective as of March 21, 2014 (incorporated by reference to Exhibit 10.3 of Support.com's quarterly report on Form 10-Q filed with the SEC on May 8, 2014) (1)
10.12	Change Management Form Number 2 under Statement of Work Number 1 to Master Services Agreement Call Handling Services between Comcast and Support.com, effective as of February 27, 2014 (incorporated by reference to Exhibit 10.1 of Support.com's quarterly report on Form 10-Q filed with the SEC on May 8, 2014) (1)
10.13	Change Management Form Number 3 under Statement of Work Number 1 to Master Services Agreement Call Handling Services between Comcast and Support.com, effective as of March 4, 2014 (incorporated by reference to Exhibit 10.2 of Support.com's quarterly report on Form 10-Q filed with the SEC on May 8, 2014) (1)
10.14	First Change Management Form to Statement of Work Number 3 to Master Services Agreement Call Handling Services between Comcast and Support.com, effective as of June 4, 2014 (incorporated by reference to Exhibit 10.1 of Support.com's current report on Form 8-K filed with the SEC on June 11, 2014)
10.15	Reseller Agreement between Comcast and Support.com, effective as of June 6, 2014 (incorporated by reference to Exhibit 10.1 of Support.com's current report on Form 8-K filed with the SEC on June 18, 2014) (1)

10.16	Change Management Form Number 4 under Statement of Work Number 1 to Master Services Agreement Call Handling Services between Comcast and Support.com, effective as of September 17, 2014 (incorporated by reference to Exhibit 10.1 of Support.com's current report on Form 8-K filed with the SEC on October 6, 2014) (1)
10.17	Change Management Form Number 5 under Statement of Work Number 1 to Master Services Agreement Call Handling Services between Comcast and Support.com, effective as of September 18, 2014 (incorporated by reference to Exhibit 10.2 of Support.com's current report on Form 8-K filed with the SEC on October 6, 2014) (1)
10.18	Statement of Work Number 4 to Master Services Agreement Call Handling Services between Comcast and Support.com, effective as of February 6, 2015 (incorporated by reference to Exhibit 10.1 of Support.com's current report on Form 8-K filed with the SEC on February 18, 2015) (1)
10.19	Change Management Form Number 6 under Statement of Work Number 3 to Master Services Agreement Call Handling Services between Comcast and Support.com, effective as of April 6, 2015 (incorporated by reference to Exhibit 10.2 of Support.com's current report on Form 8-K filed with the SEC on April 9, 2015) (1)
10.20	Amendment Number 1 to Statement of Work Number 3 to Master Services Agreement Call Handling Services between Comcast and Support.com, effective as of June 2, 2015 (incorporated by reference to Exhibit 10.2 of Support.com's current report on Form 8-K filed with the SEC on July 2, 2015) (1)
10.21	Change Management Form Number 6 under Statement of Work Number 1 to Master Services Agreement Call Handling Services between Comcast and Support.com, effective as of November 18, 2015 (incorporated by reference to Exhibit 10.1 of Support.com's current report on Form 8-K filed with the SEC on November 24, 2015) (1)
10.22	Change Management Form Number 7 under Statement of Work Number 3 to Master Services Agreement Call Handling Services between Comcast and Support.com, effective as of November 18, 2015 (incorporated by reference to Exhibit 10.2 of Support.com's current report on Form 8-K filed with the SEC on November 24, 2015) (1)
10.23	Form of Directors' and Officers' Indemnification Agreement (incorporated by reference to Exhibit 10.1 of Support.com's current report on Form 8-K filed with the SEC on December 10, 2015).
10.24	Change Management Form Number 1 to Master Services Agreement Call Handling Services between Comcast and Support.com, effective as of December 15, 2015 (incorporated by reference to Exhibit 10.1 of Support.com's current report on Form 8-K filed with the SEC on December 16, 2015) (1)
10.25	Amendment to Master Services Agreement Call Handling Services between Comcast and Support.com, Inc. effective as of May 23, 2016 (incorporated by reference to Exhibit 10.1 of Support.com's current report on Form 8-K filed with the SEC on May 26, 2016)
10.26	Change Management Form #8 to Statement of Work #1, between Comcast and Company, signed June 2, 2016 (incorporated by reference to Exhibit 10.1 of Support.com's current report on Form 8-K filed with the SEC on June 7, 2016) (1)
10.27	Change Management Form #8 to Statement of Work #3, between Comcast and Company, signed June 2, 2016 (incorporated by reference to Exhibit 10.2 of Support.com's current report on Form 8-K filed with the SEC on June 7, 2016) (1)
10.28	Change Management Form #9 to Statement of Work #3, between Comcast and Support.com, signed July 13, 2016 (incorporated by reference to Exhibit 10.1 of Support.com's current report on Form 8-K filed with the SEC on July 29, 2016) (1)
10.29	Change Management Form #7 to Statement of Work #1, between Comcast and Company, signed December 9, 2016 (incorporated by reference to Exhibit 10.1 of Support.com's current report on Form 8-K filed with the SEC on December 20, 2016) (1)

10.30	Change Management Form #10 to Statement of Work #3, between Comcast and Support.com, signed December 9, 2016 (incorporated by reference to Exhibit 10.2 of Support.com's current report on Form 8-K filed with the SEC on December 20, 2016) (1)
10.31	Lease Agreement between HCP LS Redwood City, LLC and the Company dated December 20, 2016 (incorporated by reference to Exhibit 10.36 of Support.com's annual report on Form 10-K filed with the SEC on March 7, 2017)
10.32	Change Management Form #11 to Statement of Work #3, between Comcast and Company, signed February 6, 2017 (incorporated by reference to Exhibit 10.1 of Support.com's Form 8-K filed with the SEC on February 10, 2017) (1)
10.33	Change Management Form #12 to Statement of Work #3, between Comcast and Company, signed March 7, 2017 (incorporated by reference to Exhibit 10.1 of Support.com's Form 8-K filed with the SEC on March 16, 2017) (1)
10.34	Change Management Form #9 to Statement of Work #1, between Comcast and Company, signed February 24, 2017 (incorporated by reference to Exhibit 10.2 of Support.com's Form 8-K filed with the SEC on March 16, 2017) (1)
10.35	Change Management Form #13 to Statement of Work #3, between Comcast and Company, signed February 24, 2017 (incorporated by reference to Exhibit 10.3 of Support.com's Form 8-K filed with the SEC on March 16, 2017) (1)
10.36	Change Management Form #14 to Statement of Work #3, between Comcast and Company, signed February 24, 2017 (incorporated by reference to Exhibit 10.4 of Support.com's Form 8-K filed with the SEC on March 16, 2017) (1)
10.37	Standard Sublease between the Company and NantMobile, LLC dated April 29, 2017 (incorporated by reference to Exhibit 10.1 of Support.com's Form 8-K filed with the SEC on May 3, 2017)
10.38	Change Management Form 15 to Statement of Work #3, between Comcast and Company, signed May 17, 2017 (incorporated by reference to Exhibit 10.1 of Support.com's Form 8-K filed with the SEC on May 23, 2017) (1)
10.39	Change Management Form to Statement of Work #3 between Comcast and Company, signed July 6, 2017 (incorporated by reference to Exhibit 10.1 of Support.com's Form 8-K filed with the SEC on July 13, 2017) (1)
10.40	Amendment #3 to Master Services Agreement Call Handling Services between Comcast and Company, entered into on July 24, 2017 (incorporated by reference to Exhibit 10.1 of Support.com's Form 8-K filed with the SEC on July 27, 2017)
10.41	Change Management Form to Statement of Work #1 and Statement of Work #3 between Comcast and Company, signed August 10, 2017 (incorporated by reference to Exhibit 10.1 of Support.com's Form 8-K filed with the SEC on August 23, 2017)
10.42	Change Management Form to Statement of Work #3 between Comcast and Company, signed August 10, 2017 (incorporated by reference to Exhibit 10.2 of Support.com's Form 8-K filed with the SEC on August 23, 2017) (1)
10.43	Settlement Agreement (Consent Order) between the U.S. Federal Trade Commission and Company entered into on November 6, 2018 (incorporated by reference to Support.com's current report on Form 8-K filed with the SEC on November 7, 2018)
10.44	Extension of Lease Agreement between the Company and Mariposa Building, LLC executed on February 21, 2019 (incorporated by reference to Exhibit 10.1 of Support.com's Form 8-K filed with the SEC on February 26, 2019)

10.45*	Support.com's Amended and Restated 2011 Employee Stock Purchase Plan (incorporated by reference to Annex B of Support.com's definitive proxy statement for Support.com's 2020 annual meeting of stockholders filed with the SEC on April 24, 2020)
10.46*	Support.com's Third Amended and Restated 2010 Equity and Performance Incentive Plan (incorporated by reference to Annex C of Support.com's definitive proxy statement for Support.com's 2020 annual meeting of stockholders filed with the SEC on April 24, 2020)
10.47*	Employment Offer Letter between Lance Rosenzweig and Support.com., dated August 10, 2020 (incorporated by reference to Exhibit 10.1 of Support.com's Form 8-K filed with the SEC on August 13, 2020)
10.48*	Separation and Release Agreement between Rick Bloom and Support.com, effective August 10, 2020 (incorporated by reference to Exhibit 10.2 of Support.com's Form 8-K filed with the SEC on August 13, 2020)
10.49*	Employment Offer Letter between Christine Kowalczyk and Support.com, dated August 27, 2020 (incorporated by reference to Exhibit 10.1 of Support.com's Form 8-K filed with the SEC on September 4, 2020)
10.50*	Employment Offer Letter between Caroline Rook and Support.com, dated October 5, 2020 (incorporated by reference to Exhibit 10.1 of Support.com's Form 8-K filed with the SEC on October 13, 2020)
10.51	Subscription Agreement, dated March 19, 2021, by and among Support.com, Inc. and 210 Capital, LLC (incorporated by reference to Exhibit 10.1 of Support.com's current report on Form 8-K filed with the SEC on March 22, 2021)
21.1	Subsidiaries of Support.com, Inc.
23.1	Consent of Independent Registered Public Accounting Firm
24.1	Power of Attorney (see the signature page of this Form 10-K)
31.1	Chief Executive Officer Section 302 Certification.
31.2	Chief Financial Officer Section 302 Certification.
32.1	Statement of the Chief Executive Officer under 18 U.S.C. § 1350(2)
32.2	Statement of the Chief Financial Officer under 18 U.S.C. § 1350(2)
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

* Denotes an executive or director compensation plan or arrangement.

(1) Confidential treatment has been requested for portions of this exhibit.

(2) The material contained in Exhibit 32.1 and 32.2 shall not be deemed "filed" with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof irrespective of any general incorporation language contained in such filing, except to the extent that the registrant specifically incorporates it by reference.

c) Financial Statement Schedules.

No schedules have been filed because the information required to be set forth therein is not applicable or is shown in the financial statements or related notes included as part of this report.

SIGNATURES

Pursuant to the requirements of the Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 30th day of March 2021.

SUPPORT.COM, INC.

By: /s/ LANCE ROSENZWEIG

Lance Rosenzweig

President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Lance Rosenzweig and each of them individually, as his or her attorney-in-fact, each with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorney-in-fact, or his or her substitute, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated:

Signature	Title	Date
/s/ LANCE ROSENZWEIG Lance Rosenzweig	President and Chief Executive Officer and Director (Principal Executive Officer)	March 30, 2021
/s/ CAROLINE ROOK Caroline Rook	Principal Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 30, 2021
/s/ JOSHUA E. SCHECHTER Joshua E. Schechter	Chairman of the Board of Directors	March 30, 2021
/s/ BRADLEY L. RADOFF Bradley L. Radoff	Director	March 30, 2021
/s/ BRIAN KELLEY Brian Kelley	Director	March 30, 2021
/s/ RICHARD A. BLOOM Richard A. Bloom	Director	March 30, 2021

Exhibit 21.1

Subsidiaries of Support.com, Inc.

Name of Subsidiary	**State or Jurisdiction in which Incorporated or Organized**
Foreign Subsidiaries	
SDC Services Canada Inc.	Canada
Support.com India Pvt Ltd	India
Support.com Philippines, Inc.	Philippines

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements (Form S-8 Nos. 333-242416, 333-106276, 333-116602, 333-48726, 333-96623, 333-65964, 333-127299, 333-136408, 333-141383, 333-158541, 333-172230, 333-173802, 333-194426, 333-196118, 333-208545, and 333-213505) of Support.com, Inc. of our report dated March 30, 2021, relating to the consolidated financial statements as of December 31, 2020 and 2019 and for the years ended December 31, 2020 and 2019, which appear in this form 10-K.

/s/ Plante & Moran, PLLC

Denver, Colorado
March 30, 2021

CHIEF EXECUTIVE OFFICER SECTION 302 CERTIFICATION

I, Lance Rosenzweig, certify that:

1. I have reviewed this Annual Report on Form 10-K of Support.com, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2021

By: /s/ Lance Rosenzweig

Lance Rosenzweig
President and Chief Executive Officer

EXHIBIT 31.2

CHIEF FINANCIAL OFFICER SECTION 302 CERTIFICATION

I, Caroline Rook, certify that:

1. I have reviewed this Annual Report on Form 10-K of Support.com, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2021

By: /s/ CAROLINE ROOK

Caroline Rook
Chief Financial Officer

EXHIBIT 32.1(1)

STATEMENT OF CHIEF EXECUTIVE OFFICER UNDER 18 U.S.C. § 1350

I, Lance Rosenzweig, the Chief Executive Officer of Support.com, Inc. (the "Company"), certify for the purposes of section 1350 of chapter 63 of title 18 of the United States Code that, to the best of my knowledge,

(i) the Annual Report of the Company on Form 10-K for the year ended December 31, 2020 (the "Report"), fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934, and

(ii) the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 30, 2021

/s/ LANCE ROSENZWEIG

Lance Rosenzweig
President and Chief Executive Officer

A signed original of this written statement required by 18 U.S.C. § 1350 has been provided to Support.com, Inc. and will be retained by Support.com, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

(1) The material contained in this Exhibit 32.1 is not deemed "filed" with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filing, except to the extent that the registrant specifically incorporates it by reference.

EXHIBIT 32.2(1)

STATEMENT OF CHIEF FINANCIAL OFFICER UNDER 18 U.S.C. § 1350

I, Caroline Rook, the Chief Financial Officer of Support.com, Inc. (the "Company"), certify for the purposes of section 1350 of chapter 63 of title 18 of the United States Code that, to the best of my knowledge,

(i) the Annual Report of the Company on Form 10-K for the year ended December 31, 2020 (the "Report"), fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934, and

(ii) the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 30, 2021

/s/ CAROLINE ROOK
Caroline Rook
Chief Financial Officer

A signed original of this written statement required by 18 U.S.C. § 1350 has been provided to Support.com, Inc. and will be retained by Support.com, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

(1) The material contained in this Exhibit 32.1 is not deemed "filed" with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filing, except to the extent that the registrant specifically incorporates it by reference.