SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB

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

For the Fiscal Year Ended December 31, 1999
Commission File Number: 1-15169

PERFICIENT, INC.
(Name of Small Business Issuer in its Charter)

DELAWARE	74-2853258
(State or Other Jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

7600B North Capital of Texas Highway, Suite 220 Austin, Texas	78731
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (908) 688-4445

Securities registered pursuant to Section 12(b) of the Exchange Act of 1934:

Title of Class	Name of each exchange on which registered:
Common Stock, $.001 par value	Boston Stock Exchange

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

NONE
(Title of Class)

(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days: Yes /X/ No / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in a definitive proxy or information statement incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. / /

The Registrant's revenues for its most recent fiscal year were $3,154,936

State the aggregate market value of the voting stock held by non-affiliates of the registrant. (The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock as of a specified date within 60 days prior to the date of filing.)

$44,379,720 AS OF MARCH 27, 2000

Number of shares of common stock outstanding as of MARCH 27, 2000: 4,065,047

Transitional Small Business Disclosure Format: Yes |_| No |X|

PORTIONS OF THE FOLLOWING DOCUMENTS HAVE BEEN INCORPORATED BY REFERENCE INTO THIS ANNUAL REPORT ON FORM 10-KSB: None

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PART I

ITEM 1. DESCRIPTION OF BUSINESS

OVERVIEW

We provide virtual professional services organizations to Internet software companies. A virtual professional services organization is a dedicated team of information technology professionals that plans, manages and executes the installation, or implementation, of complex software products. This allows the Internet software companies we work with to focus on their core business of improving and selling their software by outsourcing services delivery to expert, highly scalable Perficient teams that function as an extension of their organization. We believe this enables our partners to bring products to market faster and respond more quickly to their end-user customer needs, which helps them achieve success in the marketplace.

We refer to the Internet software companies with which we work as "partners." Our partners license their Internet software products to their end-user customers. We then deploy a team that implements the licensed software products by

- analyzing end-user customer goals and requirements,
- defining the scope of the implementation project,
- designing a project plan, and
- installing, configuring, implementing and integrating our partner's Internet software products.

We established our first partner relationship with Vignette Corporation, an Internet relationship management software company, in February 1998. In addition to Vignette, we have established partner relationships with Motive Communications, Inc., a support chain automation software company and Plumtree Software, the founder and leader of the corporate portal market.

INDUSTRY BACKGROUND AND LIMITATIONS OF TRADITIONAL APPROACHES

Increasing numbers of individuals and businesses now use the Internet to search for information, communicate with others, conduct business and seek entertainment. With the recent explosion of Internet activity, an industry of Internet software companies has emerged. These companies develop software to perform or support Web-enabled interaction, whether between businesses or between businesses and consumers. We focus on the Internet software market because we believe that Internet software exhibits the high-growth, intense competition and short product lifecycles that create a demand for our services.

Internet software includes software designed to facilitate, among others, the following tasks:

- CUSTOMER RELATIONSHIP MANAGEMENT-manages the relationship that a consumer has with a business over the Internet.

- ELECTRONIC COMMERCE-allows people to purchase goods and services over the Internet.

- SITE VALUE ANALYSIS-collects and analyzes customer interactions with the Internet in order to customize the behavior of the Web-site the next time the customer visits.

- MARKETING AUTOMATION-enables marketing campaigns over the Internet (or through e-mail) to attract or retain potential customers to a Web site.

- PROCESS KNOWLEDGE MANAGEMENT-manages and presents business knowledge to Internet users.

- CUSTOMER SUPPORT-allows Internet users to support themselves and resolve their own issues by presenting knowledge and information to them in text, video and audio.

- e-MAIL MANAGEMENT-manages high volume e-mail traffic.

- ELECTRONIC BILLING MANAGEMENT-presents bills to customers through the Internet, thereby decreasing billing costs and improving cash management.

Internet software requires substantial configuration in order for the user to realize its full benefits because each business user has its own unique requirements, infrastructure and business processes. Emerging Internet software companies which are focused on product innovation may not be inclined or able to devote resources to integrate and implement their software with a customer's existing computer systems and software. To address the need to have their products properly implemented, software companies have tried several alternatives:

- hire and maintain an in-house professional services organization;

- employ various individual independent contractors; and

- engage large consulting firms.

These alternatives present a variety of problems. Hiring and maintaining an in-house staff of information technology professionals requires a significant investment of time and money. It also increases a company's fixed personnel costs so that any downturn in the software company's business will result in greater losses because these costs cannot be reduced to match revenues in the short term. Managing a group of independent contractors also requires a significant amount of time and results may be unpredictable. Large consulting firms may be expensive and it is our belief that these firms may only find it attractive to provide services when technology has become

widely used. Furthermore, we believe that large consulting firms may work with several competing software companies, raising concerns over loyalty and confidentiality.

OUR SOLUTION

We believe that the growing markets for Internet software combined with the limitations of these alternatives combine to create a significant market opportunity. Our virtual professional services organizations provide the following advantages to our partners:

- REDUCED COSTS. Each of our partners may save money by minimizing the size of its in-house professional services organization. We expect to be able to manage fluctuations in services demand associated with any one partner if we can develop a portfolio of Internet software partners. We can reallocate its information technology professionals as our partners' needs change.

- ALIGNED INCENTIVES. We intend to invest a significant amount of time in each of our partners and, by virtue of our assignments being likely to increase if their business grows, we will have a vested interest in their success. We have agreed in the past and may agree in the future to not work for our partners' competitors.

- DEDICATED INFORMATION TECHNOLOGY PROFESSIONALS. We intend to dedicate a team of information technology professionals to master each particular partner's software products, enabling them to provide higher quality of service to our partners and their end-user customers. If we can provide services across a spectrum of software customers, we can harvest best practices knowledge, build development frameworks to increase productivity, generate a project delivery methodology and create a learning organization in a way that a group of unaffiliated independent contractors cannot.

- FOCUS ON CORE BUSINESS. Our partners can remain focused on their core business of developing and selling high-quality software, while leveraging a small, focused internal services organization across more customers with better success than building and maintaining a large internal full-time staff.

OUR STRATEGY

Our objective is to become the leading provider of virtual professional service organizations to rapidly growing Internet software companies. To achieve this objective, our strategy is to:

FOCUS ON HIGH-GROWTH, SERVICE-INTENSIVE SEGMENTS OF THE INTERNET SOFTWARE MARKET

We view Internet software as the most attractive sector of the software industry. Within the Internet software market, we will try to identify segments that we believe will grow rapidly and will require significant services. We focus on Internet software so that we can more readily acquire leading-edge specialized skills that are in high demand in the marketplace. We intend to

leverage our accumulated technical talent and stay current on the best methodology for solving problems that are consistently encountered in the Internet software arena.

ESTABLISH PARTNER RELATIONSHIPS WITH EMERGING LEADERS IN IDENTIFIED HIGH-GROWTH SEGMENTS

Once we identify an attractive segment of the Internet software market, we will focus on establishing a partner relationship with an emerging leader in that segment. We will initially identify potential partners before their products are accepted as mainstream. If any partner's products meet with widespread success, we will have the benefit of a pre-existing dedicated team, established working relationship and strong track record of success. We believe these factors will allow us to compete effectively with larger consulting firms.

BUILD A NATIONAL INFRASTRUCTURE TO LEVERAGE ECONOMIES OF SCALE

Each virtual professional services organization will utilize the services of the centralized corporate support structure. This will allow our information technology professionals to remain focused on generating revenue. These economies of scale include centrally-provided services such as business development programs, partner support assistance, human resources, financial reporting and budgeting, performance appraisals and a standardized program to design, build and share institutional knowledge regarding the best practices for various applications.

BUILD AND ACQUIRE A PORTFOLIO OF HIGH-GROWTH, LOW OVERHEAD DEDICATED BOUTIQUE VIRTUAL PROFESSIONAL SERVICES ORGANIZATIONS

Our strategy is to build, through both internal growth and acquisitions, a portfolio of boutique virtual professional services organizations, each dedicated to deploying the products of a particular Internet software partner. We believe that we may improve the performance of any acquired companies by relieving them of many of the administrative burdens of running their business, such as human resources, financial reporting and budgeting, performance appraisals and knowledge sharing.

Our success will depend in part on our ability to identify suitable acquisition candidates, acquire those companies on acceptable terms and integrate their operations successfully. Acquisitions would involve a number of potential additional risks to us, including: adverse effects on operating results from increased goodwill amortization, acquired in-process research and development, stock compensation expense and increased compensation expense attributable to newly hired employees; diversion of management attention from other aspects of our business; failure to retain acquired personnel; harm to our reputation if an acquired company performs poorly; and assumption of liabilities of acquired companies, including potentially hidden liabilities.

SERVICES AND SUPPORT

Our partners license their Internet software products to their end-user customers. We then deploy a team that analyzes the end-user customer goals and requirements, defines the scope of the implementation project, designs a project plan and installs, configures, implements and integrates

its partner's Internet software products. In connection with providing our services, we may perform the following activities:

- PROJECT SCOPING-define end-user customer's broad goals for the software.

- PROJECT DEFINITION-document in detail the specific business requirements.

- GAP ANALYSIS-determine the gap between what the partner's software product does when installed and the end-user customer's specific business requirements.

- PROJECT PLANNING-create a detailed work plan that defines specific tasks, timelines, human resources, costs and contingencies.

- IMPLEMENTATION-configure the partner's software and write new software programs to adapt its partner's software to the end-user customer's needs.

- COMPONENT TESTING-test the installed software at the individual component level.

- INTEGRATION-write new software programs to allow the partner's software to communicate with the end-user customer's existing information system.

- SYSTEM TESTING-test the installed software on a system-wide level.

- TRAINING-teach the end-user customer's personnel how to operate the partner's software.

- MONITORING-monitor the performance of the software over the initial period following deployment.

In addition to implementation and integration services, we also provide formal feedback to our partners. This enables them to improve their products so they may be deployed more rapidly and with higher quality.

OUR PARTNERS

We established our first partner relationship with Vignette in April 1998. Vignette is a leading provider of Internet relationship management software designed to enable businesses to create interactive Web sites. When retained by Vignette, we adapt Vignette's software to its end-user customer's needs. Vignette works with a variety of partners worldwide in the areas of systems integration, consulting, reselling and technology integration. During 1999, Vignette accounted for 96% of our revenue.

Our arrangement with Vignette allows Vignette to issue assignment orders to us, but they are not committed to use our services. We are paid for time and materials and are reimbursed for expenses. The agreement may be terminated by Vignette or us at any time upon minimal notice. Upon termination, we remain obligated to complete any unfinished assignments. The agreement

also provides that we will not work for Vignette's competitors and neither party may hire the other party's employees. Our Chairman of the Board, Steven G. Papermaster, sits on the Board of Directors of Vignette.

In addition to Vignette, we have added active relationships with Motive Software, a provider of support chain automation; Ventix, a provider of knowledge support software, and Plumtree Software, the founder and leader of the corporate portal market. Total 1999 revenues from partners other than Vignette totaled approximately $102,000. Our contracts with each of these companies is similar to its contract with Vignette, and none of these companies is obligated to use our services.

Many of our potential partners that are in the early stages of development may be unable to retain our services because of financial constraints. In addition, our existing partners can generally reduce the scope of or cancel their use of our services without penalty and with little or no notice. If a partner defers, modifies or cancels an engagement or chooses not to retain us for additional projects, we must be able to rapidly redeploy our employees to other engagements in order to minimize under-utilization of employees and the resulting harm to its operating results.

Our long-term success will depend on our ability to achieve satisfactory results for our partners and their end-user customers and to form long-term relationships with our partners. We have not been in operation long enough to judge whether our partners will perceive our work as benefiting their businesses or desire to form any long-term business relationships. Accordingly, we cannot assure our stockholders that our partners will call upon us again in the future. Because of our limited operating history, it is difficult to evaluate whether it will succeed in forming long-term relationships with we partners.

Our operating expenses are relatively fixed and cannot be reduced on short notice to compensate for unanticipated variations in the number or size of engagements in progress. These factors make it difficult for us to predict its revenues and operating results. Therefore, any sudden losses of customers could result in unusually severe harm to our business.

SALES AND MARKETING

Since our partners sell their software and our services to their end-user customers, our sales and marketing consists of soliciting new partners and expanding its relationships with existing partners. Our senior management identifies attractive segments of the Internet software market and evaluates the emerging companies competing in that segment. Once we have identified a company that we believe will become a market leader within that segment, our senior management attempts to establish a partner relationship. Once a partner relationship is established, we assign a Relationship Director to interact with that partner. A Relationship Director is responsible for coordinating projects on behalf of a partner and convincing a partner to use our services more often.

We typically encounter sales cycles ranging from two to six months from our initial meeting with a prospective partner. We also market our services by establishing informal relationships with venture capital firms, accounting firms, law firms and other service providers

that work with emerging Internet software companies. These relationships help us identify and form partner relationships with emerging companies.

COMPETITION

We compete in the Internet professional services market which is relatively new and intensely competitive. We expect competition to intensify as the market further develops and evolves. The principal competitive factors in our market include quality of service, speed of implementation, price and reputation. We believe that our competitors fall into several categories, including:

- Systems integrators, such as Cambridge Technology Partners, Sapient Corporation, Scient Corporation and Viant Corporation;

- Large consulting firms, such as Andersen Consulting and the consulting arms of the large accounting firms;

- Outsourcing firms, such as Computer Sciences Corporation, Electronic Data Systems and Perot Systems;

- Information technology staffing firms, such as Keane, Inc. and Renaissance Worldwide;

- Internet service firms, such as Proxicom, Inc. and USWeb Corporation; and

- In-house information technology and professional services and support departments of current and potential Perficient partners.

In addition, there are relatively low barriers to entry into this market and we expect to face additional competition from new entrants.

Most of our competitors have longer operating histories, larger client bases, greater name recognition and possess significantly greater financial, technical and marketing resources than we do. As a result, our competitors may be able to better attract Internet software companies to which we market our services and adapt more quickly to new technologies or evolving customer requirements. Many competitive factors are outside of our control, such as the ability of our competitors to hire, retain and motivate qualified information technology professionals.

EMPLOYEES

Our most important assets are our information technology professionals that perform services for our partners' end-customers. We are dedicated to hiring, developing and retaining these individuals. Because our partners tend to be emerging leaders, our information technology professionals have an opportunity to work with the latest in cutting-edge information technology. We believe that this helps us recruit superior professionals, who actively seek these types of assignments. We foster professional development by training our information technology

professionals in the skills critical to successful consulting engagements such as implementation methodology and project management. We hire information technology professionals based upon their skills and abilities, as opposed to proximity to end-user customers. We only require that our professionals live close to major metropolitan airports. This allows us to hire talented people from smaller markets and gives them project opportunities that their home city may not provide.

Our business is labor intensive. Accordingly, our success depends in large part upon our ability to attract, train, retain, motivate and manage highly skilled information technology professionals. Because of the recent rapid growth of the Internet, we have found that individuals who can perform the services it offers are scarce and it believes they are likely to remain a limited resource for the foreseeable future. Furthermore, there is a high rate of attrition among such personnel. Any inability to attract, train and retain highly skilled information technology professionals would impair our ability to adequately manage and staff our existing projects and to bid for or obtain new projects, which in turn would adversely affect our operating results.

As of February 29, 2000, we had 58 full-time employees. Of our total employees, 43 were information technology professionals and 15 were involved in sales, general administration and marketing. Our employees are not represented by any collective bargaining unit, and we have never experienced a work stoppage. We believe our employee relations are good.

RECENT DEVELOPMENTS

ACQUISITION OF LOREDATA, INC. On January 3, 2000, we consummated the acquisition by way of merger of LoreData, Inc., a Connecticut corporation, with and into our wholly-owned subsidiary, Perficient Acquisition Corp., a Delaware corporation. Perficient Acquisition Corp. was the surviving corporation to the merger and continues its existence under the name, "Perficient LoreData, Inc." LoreData, Inc. was a 17 person Internet professional services firm based in New London, Connecticut. We acquired LoreData for an aggregate purchase price of (i) $385,000 in cash that was paid at closing, (ii) 30,005 shares of our common stock, par value $0.001 per share, also paid at closing, and (iii) 131,709 shares of Perficient common stock that are being held in escrow for disposition by the escrow agent in accordance with an Escrow Agreement dated as of January 3, 2000. We utilized proceeds from our initial public offering of common stock to fund the cash portion of the purchase price of LoreData.

PRIVATE PLACEMENT. On February 7, 2000, we completed an $8.1 million private placement of common stock. We intend to use the proceeds from the private placement to further accelerate our previously announced acquisition program and for other corporate purposes. A total of 400,000 shares of common stock were issued and sold by us, resulting in gross proceeds to us of $5.6 million. John T. McDonald and Bryan R. Menell, each an officer and a director of Perficient, and David S. Lundeen, a director of Perficient, sold the remaining 180,000 shares of common stock in the private placement. The private placement was priced at $14 per share. Gilford Securities Incorporated acted as placement agent in connection with the private placement. In addition, the Company entered into a Registration Rights Agreements with each of the purchasers pursuant to which the Company agreed to file a registration statement with the Securities and Exchange Commission covering the shares of common stock sold in the private placement by no later than April 30, 2000.

ACQUISITION OF COMPETE INC. On February 16, 2000, we entered into an Agreement and Plan of Merger with Compete Inc. ("Compete"), an Illinois corporation, our wholly-owned subsidiary, Perficient Compete, Inc., a Delaware Corporation, and the Shareholders of Compete (the "Merger Agreement"). Under the Merger Agreement, Compete will merge with and into Perficient Compete, Inc., which will be the surviving corporation to the merger. Compete is an internet consulting firm that employs over fifty professionals from four locations in the United States and abroad.

The consideration for the merger consists of (i) $3,500,000 in cash, (ii) $2,527,500 in promissory notes to be repaid within six months following the closing, and (iii) 2,200,000 shares of common stock, of which 1,100,000 shares are subject to adjustment or forfeiture and which will be held in escrow for disposition by the escrow agent in accordance with an escrow agreement to be executed at closing. In addition, options to purchase up to 448,349 shares of Compete common stock will be converted into options to purchase up to approximately 393,415 shares of common stock of Perficient (assuming a price per share for Perficient common stock of $21.50). The shares of Perficient common stock held by Perficient stockholders immediately prior to the merger will remain unchanged by the merger. If the merger is completed, former Compete stockholders will hold a significant number of shares of Perficient common stock and several Compete officers will assume management positions with Perficient.

We expect to close the merger with Compete by July 1, 2000. The closing of the merger, however, is conditioned upon, among other things, obtaining the consent of Perficient's stockholders. Accordingly, there can be no assurance that the acquisition will be completed.

RISK FACTORS

An investment in shares of our Common Stock involves a high degree of risk and should not be made by persons who cannot afford the loss of their entire investment. Prospective investors, prior to making an investment decision, should consider carefully, in addition to the other information contained in this Report on Form 10-KSB and the documents and filings incorporated by reference into this Report (including the financial statements and notes thereto), the following factors. This Report contains, in addition to historical information, forward-looking statements that involve risks and uncertainties. Our actual results could differ materially. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below, as well as those discussed elsewhere in this Report.

WE HAVE LOST MONEY DURING MOST OF THE QUARTERS DURING WHICH WE HAVE BEEN IN BUSINESS AND WE EXPECT TO LOSE MONEY IN THE FUTURE.

We have incurred operating losses in most of the quarters during which we have been in business. We cannot assure you of any operating results and we will likely experience large variations in quarterly operating results. In future quarters, our operating results may not meet public market analysts' and investors' expectations. If that happens, the price of our common stock may fall.

We expect to incur net losses at least through the end of 2000. We plan to increase our expenditure on sales and marketing, infrastructure development, personnel and general and administrative in connection with our efforts to expand our business. As a result, we will need to generate significant revenues to achieve profitability. Even if we achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis in the future. Although our revenues have grown in recent quarters, you should not view our historical growth rates as indicative of our future revenues.

OUR LIMITED OPERATING HISTORY MAKES EVALUATING OUR BUSINESS DIFFICULT.

We began our business in September 1997. We only began providing services on any significant basis in mid-1998 and primarily to only one partner. As a result, we have a limited operating history upon which you may evaluate our business and prospects. Companies in an early stage of development frequently encounter greater risks and unexpected expenses and difficulties. Our success will depend on our ability to rapidly expand the number of partners and teams of information technology professionals. However, we may not grow as planned or at all. Many of our current and potential competitors have longer operating histories, more established reputations and potential partner relationships and greater financial, technical, industry and marketing resources than we do. If we do not experience substantial growth, this would place us at a disadvantage to our competitors.

THE LOSS OF SALES TO VIGNETTE CORPORATION WOULD SERIOUSLY HARM OUR BUSINESS.

Vignette Corporation accounted for 91% of our revenue during 1998 and 96% of our revenue during 1999. Any termination of our relationship with Vignette would have a material adverse effect on our operating results and financial condition. Vignette only retains our services on a case-by-case basis and may choose at any time to use any other firm or to provide the services that we perform for itself. Therefore, any downturn in Vignette's business or any shift in its decisions to continue to use our services could also result in substantially reduced sales by us.

OUR PARTNERS ARE NOT OBLIGATED TO USE OUR SERVICES.

Our contracts with our partners do not obligate them to use our services. A partner may choose at any time to use another consulting firm or to perform the services we provide through an internal services organization. Any termination of a relationship with a partner, or a partner's decision to employ other consulting firms or perform services in-house, could seriously harm our business.

WE MAY ALIGN OURSELF WITH PARTNERS THAT FAIL.

In selecting our partners, we seek to identify Internet software companies that we believe will develop into market leaders. However, our partners compete in new and rapidly changing markets. In certain of these markets, only a few companies will survive. If we align ourselves with companies that fail to become market leaders, our business may suffer because our partners will not have significant demand for our services. We invest substantial resources to train our

information technology professionals regarding the use and features of our partners' software, and we will lose this investment if our partners fail.

WE HAVE HAS AGREED NOT TO PERFORM SERVICES FOR COMPETITORS OF OUR PARTNERS, WHICH LIMITS OUR POTENTIAL MARKET.

We have generally agreed with our partners not to perform services for their competitors. These non-compete agreements substantially reduce the number of our prospective partners. In addition, these agreements increase the importance of our partner selection process, because many of our partners compete in markets where only a limited number of companies gain significant market share. If we agree not to perform services for a particular partner's competitors and its partner fails to gain meaningful market share, we are unlikely to receive future material revenues in that particular market.

OUR SUCCESS WILL DEPEND ON RETAINING OUR SENIOR MANAGEMENT TEAM AND KEY TECHNICAL PERSONNEL.

We believe that our success will depend on retaining our senior management team, key technical personnel and our Chief Executive Officer, John T. McDonald. This dependence is particularly important in our business, because personal relationships are a critical element of obtaining and maintaining our partners. If any of these people stop working for us, our level of management, technical, marketing and sales expertise could significantly diminish. These people would be difficult to replace, and losing them could seriously harm our business.

OUR QUARTERLY OPERATING RESULTS WILL BE VOLATILE AND MAY CAUSE OUR STOCK PRICE TO FLUCTUATE.

Our quarterly revenue, expenses and operating results have varied significantly in the past and are likely to vary significantly in the future. Although we have limited historical financial data, we expect that we will experience seasonal fluctuations in revenues. We expect that revenues in the quarter ending December 31 will typically be lower than in other quarters because there are fewer billable days in this quarter due to vacations and holidays. This seasonal trend may materially affect our quarter-to-quarter operating results.

WE FOCUS SOLELY ON COMPANIES IN THE MARKET FOR INTERNET SOFTWARE AND COULD BE DAMAGED BY ANY DOWNTURN IN THIS INDUSTRY.

Our business is dependent upon continued growth in the use of the Internet to fuel the growth in the amount of Internet software sold by our partners and prospective partners and used by their end-user customers. If use of the Internet does not continue to grow, or grows more slowly than expected, our growth would decline and our business would be seriously harmed. Any downturn in the market for Internet software would harm our business, financial condition and operating results.

WE ARE, AND WILL CONTINUE TO BE, CONTROLLED BY OUR OFFICERS AND DIRECTORS, WHICH COULD RESULT IN US TAKING ACTIONS THAT OTHER STOCKHOLDERS DO NOT APPROVE.

Our executive officers, directors and existing 5% and greater stockholders beneficially own or control approximately 68% of the voting power of our common stock. After our merger with Compete is completed, our executive officers, directors and 5% and greater stockholders will own or control approximately 46.3% of the voting power of our common stock. These persons, if they were to act together, are in a position to elect and remove directors and control the outcome of most matters submitted to stockholders for a vote. Additionally, these persons are able to significantly influence any proposed amendment to our charter, a merger proposal, a proposed sale of assets or other major corporate transaction or a non-negotiated takeover attempt. This concentration of ownership may discourage a potential acquirer from making an offer to buy us, which, in turn, could adversely affect the market price of our common stock.

OUR COMMON STOCK COULD BE DELISTED FROM THE NASDAQ SMALLCAP MARKET AND THE BOSTON STOCK EXCHANGE, WHICH WOULD MAKE TRADING IN OUR STOCK MORE DIFFICULT.

Our shares are listed on the Nasdaq SmallCap Market and the Boston Stock Exchange. However, our shares could be subsequently delisted, which would force us to list our shares on the OTC Bulletin Board or some other quotation medium, such as "pink sheets," depending upon our ability to meet the specific listing requirements of those quotation systems. As a result, an investor would find it more difficult to dispose of, or to obtain accurate quotations for, the price of our shares. Delisting may also reduce the visibility, liquidity and price of our common stock.

If our common stock is delisted from the Nasdaq SmallCap Market and does not trade on another national securities exchange, we may become subject to "penny stock" regulations that impose additional sales practice disclosure and market making requirements on broker-dealers who sell or make a market in our stock. In such instance, the rules of the Securities and Exchange Commission would generally define "penny stock" to be common stock that has a market price of less than $5.00 per share. If our stock becomes subject to penny stock regulations, it would adversely affect the ability and willingness of broker-dealers who sell or make a market in our common stock and of investors to sell our stock in the secondary market.

ITEM 2. PROPERTIES

We lease approximately 2,700 square feet of office space in Austin, Texas from Powershift Ventures, LLC, under a month to month lease. The rent is currently $4,500 per month. Our Chairman of the Board, Steven G. Papermaster, is the president and a beneficial owner of Powershift Ventures, LLC. Mr. Papermaster also controls Powershift Ventures, L.P., one of our principal stockholders. In addition, we lease approximately 800 square feet of office space in New London, Connecticut under a lease with Thamesview West, Inc. which terminates on December 14, 2000. The rent is currently $795 per month.

ITEM 3. LEGAL PROCEEDINGS

We are not currently a party to any material legal proceedings.

We received a demand letter from a company claiming that our Web Site induces patent infringement by others and requesting that we enter into a license agreement with the company that could require us to pay up to $150,000. We believe the claim is without merit and intend to vigorously defend the claim.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION: Since the effective date of our registration statement on July 28, 1999, shares of our common stock have been listed on the Nasdaq SmallCap market under the symbol "PRFT" and on the Boston Stock Exchange under the symbol "PRF".

The table below sets forth, for the calendar quarters indicated, the reported high and low closing prices of our common stock as reported on the Nasdaq SmallCap Market.

1999	MARKET PRICE	
	HIGH	LOW
Third Quarter	12.00	6.25
Fourth Quarter	17.88	6.50

HOLDERS: As of March 27, 2000, we believe that there were in excess of 400 beneficial owners of our common stock.

DIVIDENDS: We have not declared any dividends on our common stock during any period covered by the above table and we do not intend to pay dividends in the foreseeable future. We intend to retain future earnings, if any, to fund the development and growth of our business. Future dividends, if any, will be determined by our Board of Directors.

CHANGES IN SECURITIES AND USE OF PROCEEDS

The effective date of the registration statement for our initial public offering, filed on Form SB-2 under the Securities Act of 1933, as amended (File No. 333-78337), was July 28, 1999. The class of securities offered and sold pursuant to the registration statement was common stock. The offering commenced on July 29, 1999 and the proceeds therefrom were received August 3, 1999. The managing underwriter for the offering was Gilford Securities Incorporated.

In the offering we sold 1,000,000 shares of our common stock for an aggregate offering price of $8.0 million. We incurred expenses of approximately $1.7 million, of which approximately $1.0 million represented underwriting discount and a non-accountable expense allowance payable to the underwriter and approximately $.7 million represented other expenses related to the offering. The net offering proceeds to us after total expenses was approximately $6.3 million. During the fiscal year ended December 31, 1999, we used approximately $725,000 of the proceeds for recruiting, training and equipping information professionals, expanding our technology infrastructure, sales and marketing expenses, expanding our physical facilities, repayment of accounts payable, and general corporate purposes, including working capital. A portion of the proceeds in the future may also be used for the acquisition of businesses that our complimentary to ours. Pending such uses, we have invested the net proceeds of the offering in investment grade, interest-bearing securities.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and notes thereto and the other financial information included elsewhere in this filing. In addition to historical information, this management's discussion and analysis of financial condition and results of operations and other parts of this filing contain forward-looking information that involve risks and uncertainties. Our actual results could differ materially from those anticipated by such forward-looking information as a result of certain factors, including but not limited to, those set forth under "Risk Factors" and elsewhere in this filing.

We were incorporated in September 1997 and began generating revenue in February 1998. We generate revenues from professional services performed for end-user customers of our partners and associated reimbursable out-of-pocket expenses. We refer to the Internet companies with which we work as our "partners." To date, our limited number of partners have consisted of Internet software companies and we expect that Internet software companies will comprise our partners for the foreseeable future. Our contractual relationships are with our partners rather than their end-user customers. We perform services on a time-and-materials basis and are reimbursed for expenses. We recognize revenue for fees as services are performed and reimbursable expenses as incurred.

We established our first partner relationship with Vignette Corporation, an Internet relationship management software company, in February 1998. During 1999, we established partner relationships with four additional internet software companies. Most of our revenues for the near future are expected to be derived from Vignette with smaller portions derived from these newer partner relationships. In December, 1999, we began providing services to Plumtree, Inc. Total revenue during 1999 from partners other than Vignette were approximately $102,000. As a result, our revenues and operating results are subject to substantial variations based on Vignette's sales and the frequency with which we are chosen to perform services for Vignette's end-user customers. Our agreement with Vignette may be terminated at any time by Vignette or by us. The agreement does not obligate Vignette to use our services for any minimum amount or at all, and Vignette may use the services of our competitors. Nevertheless, we are restricted, for as long as the agreement is in place, from performing services for Vignette's competitors.

Our plan is to establish additional partner relationships with Internet software companies and increase our number of information technology professionals. In connection with our planned expansion, we expect to incur substantial expenses in anticipation of identifying and being retained by new partners. Therefore, we expect that we will continue to incur losses during 2000. We plan to spend significant amounts on:

- Recruiting, training and equipping information technology professionals;

- Expanding our management and technology infrastructure;

- Expanding our physical facilities;

- Sales and marketing expenses; and

- Working capital and general corporate purposes, including potential acquisitions.

The number of information technology professionals who have agreed to perform services for the Company has increased from zero at December 31, 1997 to 8 at December 31, 1998 and to 43 at December 31, 1999. We expect our number of information technology professionals to grow significantly during the next 12 months. Our personnel costs represent a high percentage of our operating expenses and are relatively fixed in advance of each quarter. Accordingly, if revenues do not increase at a rate equal to expenses, we will incur continuing losses and our business, financial condition, operating results and liquidity will be materially and adversely affected.

Results Of Operations

FISCAL YEAR ENDED DECEMBER 31, 1998 COMPARED TO DECEMBER 31, 1999

Consulting Revenues. Revenues increased from $826,000 for the twelve months ended December 31, 1998 to $3,155,000 for the twelve months ended December 31, 1999. The increase in revenues reflected the increase in the number of projects performed and in the number of information technology professionals employed. Our revenues for the twelve months ended December 31, 1998 and 1999 consisted of $694,000 and $2,648,000, respectively, in fees generated by our information technology professionals and $132,000 and $507,000, respectively, of reimbursable expenses. During the twelve month period ended December 31, 1999, 96% of our revenues came from Vignette.

Cost of Consulting Revenues. Cost of revenues, consisting of direct costs, primarily salaries and benefits for information technology professionals assigned to projects and of reimbursable expenses, increased from $401,000 for the twelve months ended December 31, 1998 to $1,541,000 for the twelve months ended December 31, 1999. The number of information technology professionals who have agreed to perform services for the Company increased from 8 for the twelve months ended December 31, 1998 to 43 for the twelve months ended December 31, 1999.

Gross Margin. Gross margin increased from $425,000 for the twelve months ended December 31, 1998 to $1,614,000 for the twelve months ended December 31, 1999. Gross margin as a percentage of consulting revenues was 51% and the gross margin of consulting fees over direct costs of consulting fees, without respect to reimbursable expenses, was 61% for the twelve months ended December 31, 1998 and 1999.

Selling, general and administrative expenses. Selling, general and administrative expenses consist primarily of marketing activities to solicit partners, salaries and benefits, travel costs and non-reimbursable expenses. Selling, general and administrative expenses increased from $357,000 for the twelve months ended December 31, 1998 to $2,197,560 for the twelve months ended December 31, 1999. The increase in selling, general and administrative expenses was related to our increased marketing activities to solicit additional partners and to increases in overhead costs necessary to support the growth in our workforce. We expect these expenses to increase in absolute dollar amounts in connection with our planned expansion.

Stock Compensation. Stock compensation expense consists of non-cash compensation arising from certain sales of stock and option grants to officers, directors or other affiliated persons. We have recognized $880,000 in non-cash compensation in connection with the sale of stock that occurred in January 1999. In addition, we have recorded in stockholders' equity on our balance sheet aggregate deferred stock compensation totaling $228,000 in connection with stock options that were granted in January 1999. Stock option expense will be recognized to the extent of approximately $19,000 per quarter over a three year period ending January 2002, which is the end of the vesting period for the related options. We have recognized approximately $76,000 in non-cash compensation expense during the twelve month period ended December 31, 1999 relating to the vesting of these options. Total non-cash compensation expense for the twelve month period ended December 31, 1999 was $956,000.

Liquidity And Capital Resources

We received approximately $6.3 million in July 1999 from an initial public offering of 1,000,000 shares of our common stock, net of underwriting discounts, commissions and expenses. The primary purposes of the initial public offering were to obtain additional equity capital, create a public market for our common stock and facilitate future access to public markets. Pending the use of proceeds, we have invested the net proceeds of the offering in investment grade, interest-bearing securities. Prior to the offering, we financed our operations primarily through equity financing and bank borrowings. Through June 30, 1999, we had raised $400,000 from private sales of our common stock.

We have a factoring agreement with Silicon Valley Bank, which allows us to borrow up to $1,000,000 against our qualifying accounts receivables. Borrowings under this agreement, which expires July 1, 2000, bear interest at the bank's prime rate. In connection with this bank agreement, we issued warrants to the Bank to acquire up to 3,750 shares of our common stock at $8 per share. As of December 31, 1999, there were no borrowings under this loan agreement.

Cash used in operations for the twelve months ended December 31, 1998 was $55,000 and cash used in operations for the twelve months ended December 31, 1999 was $6,171,264.

As of December 31, 1999, we had $5,819,000 in cash and working capital of $6,028,000. On August 3, 1999, our initial public offering was completed and our cash increased by approximately $6.3 million. The timing and amount of our capital requirements will depend on a number of factors, including demand for our services, the need to develop new partner relationships, competitive pressures and the availability of complementary businesses that we may wish to acquire.

On February 7, 2000, we sold 400,000 shares of Perficient common stock at $14 per share in a private placement. We intend to use the proceeds of approximately $5,500,000 from the private placement to fund the cash portion of the purchase price of the anticipated merger with Compete, for our operations and general corporate purposes, and to pay the promissory note payable six months from the Compete closing.

In connection with the anticipated acquisition of Compete, we have agreed to pay to the shareholders and vested option holders of Compete $3,500,000 in cash and we will agree to pay $2,527,500 six months from the date of the closing of the merger. We intend to use the proceeds of the private placement to fund the initial cash payment and expect that we will fund the repayment of the notes from working capital. We expect to close the merger with Compete by July 1, 2000. The closing of the merger, however, is conditioned upon, among other things, obtaining the consent of Perficient's stockholders. Accordingly, there can be no assurances that the acquisition will be completed.

If our capital is insufficient to fund our activities in either the short or long term, we may need to raise additional funds. If we raise additional funds through the issuance of equity securities, our existing stockholders' percentage ownership will be diluted. These equity securities may also have rights superior to our common stock. Additional debt or equity financing may not be available when needed or on satisfactory terms. If adequate funds are not available on acceptable terms, we may be unable to expand our services, respond to competition, pursue acquisition opportunities or continue our operations.

Recent Developments

As of January 3, 2000, we acquired by merger Loredata, Inc. In addition, on February 14, 2000 we agreed to acquire by merger, Compete, Inc. See Item 1- Business - "Recent Developments" for more information with respect to these two acquisitions. The following unaudited pro forma data gives effect to the acquisition of LoreData, Inc. and the proposed merger with Compete Inc. as if all such transactions had been consummated on December 31, 1999 in the case of balance sheet data and January 1, 1999 with respect to financial data and operations data. The pro forma information gives effect to these transactions under the purchase method of accounting. The pro forma combined condensed financial statements are based on the historical financial statements of Perficient, LoreData and Compete and their related notes thereto previously filed by us with the Securities and Exchange Commission on Form 8-K on March 17, 2000. This pro forma information is presented for informational purposes only and may not necessarily be indicative of the results that actually would have occurred had the merger been consummated at the dates indicated, nor are they necessarily indicative of future operating results or financial position.

PERFICIENT INC
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
As of December 31, 1999

	Pro Forma
Assets	
Current assets:	
Cash	$ 6,700,452
Accounts receivable, net	1,840,696
Other assets	142,422
Income tax receivable	10,916
Total current assets	8,694,486
Property and equipment	439,430
Accumulated depreciation	(33,813)
Goodwill, net	60,906,298
Other assets	11,453
Total assets	$70,017,854
Liabilities and stockholders' equity	
Liabilities	
Current liabilities:	
Accounts payable	$ 363,013
Short term borrowings	2,971,276
Other current liabilities	383,814
Total current liabilities	3,718,103
Note payable to related party, less current portion	48,968
Capital lease obligation	119,515
Total liabilities	3,886,586
Stockholders' equity:	
Common Stock	6,282
Additional paid-in capital	67,653,790
Unearned stock compensation	(152,000)
Retained earnings (deficit)	(1,376,804)
Total stockholders' equity	66,131,269
Total liabilities and stockholders' equity	$70,017,855

See notes to unaudited pro forma condensed consolidated balance sheet.

PERFICIENT, INC.
UNAUDITED PRO FORMA CONDENSED STATEMENTS OF OPERATIONS
For the year ended December 31, 1999

	Pro Forma
Statement of Operations Data:	
Consulting revenues	$11,146,993
Cost of consulting revenues	6,597,036
Gross margin	4,549,957
Selling, general and administrative	4,826,433
Stock compensation	956,000
Intangibles amortization	20,247,829
Income (loss) from operations	(21,480,305)
Interest income (expense)	83,179
Income (loss) before income taxes	(21,397,126)
Other expense	30,000
Provision (benefit) for income taxes	(17,777)
Net Income (loss)	($21,409,349)

See notes to unaudited pro forma condensed consolidated statement of operations.

Supplemental Data:	
Net income (loss) per share: Basic and diluted (1)	($4.14)
Shares used in computing net income (loss) per share (2)	5,166,138
Diluted supplemental weighted average shares outstanding	5,577,380

Supplemental Data:	
Net Income (Loss) as reported	($21,409,349)
Non-cash charges (3)	21,414,330
Provision (benefit) for income taxes (4)	(20,912)
Supplemental net income before non-cash charges	$ 25,893
Supplemental net income before non-cash charges per share - basic	$ 0.01
Supplemental net income before non-cash charges per share - diluted	$ 0.00

(1) The computation of net loss and diluted supplemental net loss per share excludes Perficient Common Stock issuable upon exercise of certain employee stock options, as their effect is antidilutive.
(2) Pro Forma diluted supplemental shares outstanding include estimate of 1,231,709 shares for contingent consideration issuable to certain selling shareholders under the terms of the merger agreements.
(3) Non-cash charges include stock compensation, amortization of intangible assets, including Goodwill, and depreciation expense
(4) Supplemental net income and supplemental income per share data include a tax provision at an assumed effective rate of 37% for all periods presented.

This information is not necessarily indicative of the results we would have obtained had we owned and operated these businesses as of the beginning of the period discussed. We have based these supplemental adjustments on estimates, available information we deem appropriate.

Recent Accounting Pronouncements

In June 1998 and 1999, the FASB issued SFAS No. 133, "Accounting for Derivatives and Hedging Activities" and SFAS No. 137, "Accounting for Derivatives and Hedging Activities - Deferral of the Effective Date of SFAS No. 133" ("SFAS 133"), respectively. SFAS 133 is effective for all fiscal quarters beginning with the quarter ending June 30, 2000. SFAS 133 establishes accounting and reporting standards of derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. We will adopt SFAS 133 in our quarter ending June 30, 2000 and do not expect such adoption to have an impact on our reported results of operations, financial position or cash flows.

ITEM 7. FINANCIAL STATEMENTS

The Financial Statements required by this item appear under the caption "Index to Financial Statements" and are included elsewhere herein commencing on page F-1.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS, AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

DIRECTORS AND EXECUTIVE OFFICERS

Our directors and executive officers and their ages as of March 27, 2000 are as follows:

NAME	AGE	POSITION WITH THE COMPANY
EXECUTIVE OFFICERS AND DIRECTORS		
John T. McDonald	36	Chief Executive Officer and Director
Bryan R. Menell	34	Founder, President and Director
John A. Hinners	43	Chief Financial Officer and Vice President
Steven G. Papermaster	41	Chairman of the Board
David S. Lundeen	38	Director
Dr. W. Frank King(1)	60	Director
Philip J. Rosenbaum(1)	50	Director
CERTAIN KEY EMPLOYEES		
Barry Demak	34	Vice President of Business Development
Andrew J. Roehr	35	Chief Technology Officer

(1) Indicates that the individual is a member of the compensation and audit committees.

EXECUTIVE OFFICERS AND DIRECTORS

JOHN T. MCDONALD joined Perficient in April 1999 as our Chief Executive Officer. Since October 1998, Mr. McDonald has been the president of Beekman Ventures, Inc., a New York-based firm specializing in private equity investments in technology companies. From April 1996 to October 1998, Mr. McDonald was president of VideoSite, Inc., a multimedia software company that is currently a subsidiary of GTECH Corporation. GTECH acquired VideoSite in October 1997, 18 months after Mr. McDonald became VideoSite's president. From May 1995 to April 1996, Mr. McDonald was a Principal with Zilkha & Co., a New York-based merchant banking firm. From June 1993 to April 1996, Mr. McDonald served in various positions at Blockbuster Entertainment Group, including Director of Corporate Development and Vice President, Strategic Planning and Corporate Development of NewLeaf Entertainment Corporation, a joint venture between Blockbuster and International Business Machines Corporation. From 1987 to 1993, Mr. McDonald was an attorney with Skadden, Arps, Slate, Meagher & Flom in New York

focusing on mergers and acquisitions and corporate finance. Mr. McDonald received a B.A. in Economics from Fordham University in 1984 and a J.D. from Fordham Law School in 1987.

BRYAN R. MENELL founded Perficient in September 1997 and has served as our President since inception. In 1991, Mr. Menell founded Exact Systems, Inc., a similar business providing services to customer management software vendors. Exact was acquired by BSG Corporation, a systems integrator specializing in emerging technologies, in January 1996. Mr. Menell continued to operate Exact's business as a subsidiary of BSG until July 1997. Prior to founding Exact, Mr. Menell worked as an independent consultant and as a consultant for Andersen Consulting. Mr. Menell studied Business and Management Information Systems at California State University at Chico.

JOHN A. HINNERS joined Perficient in April 1999 as Chief Financial Officer and Vice President. From March 1998 until joining Perficient, Mr. Hinners independently provided financial consulting services primarily to start-up software companies. From October 1994 to February 1998, he was Managing Director-Finance and Administration of BSG Alliance/IT, Inc., a subsidiary of BSG. During this period, Mr. Hinners was responsible for operational and financial management of international subsidiaries and joint ventures, as well as financial review and management of acquisitions and large transactions. From August 1988 through September 1994, he served as Chief Financial Officer of such subsidiary. Mr. Hinners received a B.B.A. in Finance in 1979 and an M.B.A. in Accounting in 1981 from the University of Texas at Austin.

STEVEN G. PAPERMASTER joined Perficient in April 1998 as a director and became Chairman in May 1999. He is also the Chairman of Powershift Group, an Austin-based technology venture development firm, and the general partner of Powershift Ventures, L.P., one of our principal stockholders. Mr. Papermaster is also a co-founder and the Chief Executive Officer of Agillion.com, Inc., an Internet business service provider. He currently serves as a member of the Board of Directors of Vignette and various privately-held companies. From 1987 to December 1997, Mr. Papermaster was the founder, chairman and Chief Executive Officer of BSG. Mr. Papermaster received a B.A. in Finance from the University of Texas at Austin in 1981 and began his career as a consultant with Arthur Andersen & Co. in the Management Information Consulting Division.

DAVID S. LUNDEEN joined Perficient in April 1998 as a director. Since March 1999, Mr. Lundeen has been a partner with Watershed Capital, a venture capital firm in Mountain View, California. From June 1997 to February 1999, Mr. Lundeen was self-employed, managed his personal investments and acted as a consultant and advisor to various businesses including Powershift Group. From June 1995 to June 1997, he served as the chief financial officer and chief operating officer of BSG. Prior to that period, Mr. Lundeen served as president of Blockbuster Technology and as vice president of finance of Blockbuster Video. Mr. Lundeen received a B.S. in Engineering from the University of Michigan in 1984 and an M.B.A. from the University of Chicago in 1988.

DR. W. FRANK KING became a member of our Board of Directors in June 1999. He has served as a Director of PSW Technologies, Inc., a publicly-traded consulting services company, since October 1996. From 1992 to August 1998, Dr. King served as President and Chief Executive

Officer of PSW. From 1988 to 1992, Dr. King was Senior Vice President of the Software Business group of Lotus, a software publishing company. Prior to joining Lotus, Dr. King was with IBM, a technology company, for 19 years, where his last position was Vice President of Development for the Personal Computing Division. Dr. King currently serves on the boards of directors of Auspex Systems, Inc., Eon Communications, Inc., Excalibur Technologies Corporation and Natural Microsystems Corporation. Dr. King earned a Ph.D. in electrical engineering from Princeton University, an M.S. in electrical engineering from Stanford University, and a B.S. in electrical engineering from the University of Florida.

PHILIP J. ROSENBAUM became a member of our Board of Directors in June 1999. Since May 1995, Mr. Rosenbaum has been a self-employed developer of new businesses, investor and consultant. From February 1993 to May 1995, Mr. Rosenbaum was Vice President of International Operations of Unify Corporation, a software development tool supplier. Mr. Rosenbaum also serves on the board of directors of a privately held software company. Mr. Rosenbaum received a B.S. from Rutgers in 1972.

CERTAIN KEY EMPLOYEES

BARRY DEMAK joined Perficient in July 1998 as the Vice President of Business Development. From May 1996 until joining Perficient, Mr. Demak was Manager, Worldwide Sales Operations at Cadence Design Systems, Inc., a provider of design and consulting services and technology to electronics companies. From August 1995 to May 1996, Mr. Demak was a manager in KPMG's Strategic Sales Automation practice. Before joining KPMG and since May 1992, Mr. Demak was responsible for sales and marketing for Metropolis Software. Mr. Demak received a B.B.A. in Marketing and Finance from the University of Michigan.

ANDREW J. ROEHR became Chief Technology Officer of Perficient in May 1999. Prior to that time, Mr. Roehr had served as a consultant and advisor on technology matters to us since August 1998. Since May 1986, Mr. Roehr has provided consultative business and technology strategy services. From August 1998 to April 1999, Mr. Roehr served as Senior Technical Advisor to Powershift Group, an Austin-based technology venture development firm. From May 1991 to July 1998, Mr. Roehr was Director-Strategic Technology Services of BSG Alliance IT, Inc., a subsidiary of BSG Corporation. Mr. Roehr received a B.A. from Tufts University in 1987.

We have hired during the last year, many of our current executive officers to establish a team to manage our operations. These newly hired officers include our Chief Executive Officer, hired in April 1999, our Chief Financial Officer, hired in April 1999, and our Chief Technology Officer, hired in May 1999. These individuals have not worked together previously and are in the process of integrating as a management team. Their failure to work together effectively would seriously harm our ability to carry out our business plan.

COMPLIANCE WITH SECTION 16(a)

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the our executive officers and directors, and persons who beneficially own more than ten percent of a registered class of our equity securities to file reports of ownership and changes in ownership with

the Securities and Exchange Commission and Nasdaq SmallCap Market. Based solely on a review of the copies of reports furnished to us and written representations form our executive officers, directors and persons who beneficially own more than ten percent of our equity securities, we believe that during the preceding year, all filing requirements applicable to our officers, directors and ten percent beneficial owners under Section 16(a) were satisfied, except that David S. Lundeen, one of our directors, filed one Form 4 covering one transaction late and Bryan R. Menell, a one of our directors and our President, filed one Form 4 covering one transaction late.

ITEM 10. EXECUTIVE COMPENSATION

The following table sets forth information concerning the annual and long-term compensation earned by the individuals who served as our Chief Executive Officer during fiscal years 1998 and 1999 for services rendered in all capacities during those years. Bryan R. Menell served as Perficient's Chief Executive Officer from Perficient's inception until April 1999. Currently Mr. Menell serves as Perficient's President. John T. McDonald joined Perficient in April 1999 and assumed the duties of Chief Executive Officer. Barry Demak joined Perficient in 1999 and serves as a Vice President of Perficient. No other individual employed by Perficient received a salary and bonus in excess of $100,000 during 1999.

		ANNUAL COMPENSATION		LONG-TERM COMPENSATION
NAME AND PRINCIPAL POSITION	YEAR	SALARY ($)	BONUS ($)	SECURITIES UNDERLYING OPTIONS (#)
John T. McDonald, Chief Executive Officer and Director	1999	50,000	--	--
	1998	--	--	--
Bryan R. Menell, President	1999	96,667	--	--
	1998	80,000	--	--
Barry Demak, Vice President	1999	110,400	22,000	--
	1998	45,000	--	150,000

EMPLOYMENT ARRANGEMENTS

Mr. McDonald and Mr. Menell have employment agreements that each extend for a one-year term. Mr. McDonald's employment agreement provides for a monthly salary of $11,250 and three months' severance pay if we terminate him without cause following a change in control. Mr. Menell's employment agreement provides for a monthly salary of $10,000 and three months' severance pay if we terminate him without cause following a change in control. Additionally, Mr. McDonald and Mr. Menell have agreed to refrain from competing with us for a period of two years following the termination of their employment.

We have a letter agreement with John A. Hinners, Chief Financial Officer and Vice President, concerning his employment. Under this agreement, following a change in control of Perficient, if Mr. Hinners is terminated or his job responsibilities are significantly reduced or if he is required to relocate or if our then current chief executive officer is terminated or not offered the

chief executive officer position in the surviving company, Mr. Hinners' stock options to purchase 60,000 shares of Perficient common stock at an exercise price of $0.50 per share, 20,000 of which have vested and the remainder of which vest at a rate of 5,000 shares at the end of each three month period following January 1, 2000 will become fully vested within six months after the change-in-control event. Mr. Hinners will receive six months' severance pay for any termination without cause.

401(k) PROFIT SHARING PLAN

We have adopted a 401(k) Profit Sharing Plan. Our 401(k) plan is available to all employees who have attained age 21. An employee may contribute, on a pre-tax basis, up to 20% of his or her wages, subject to limitations specified under the Internal Revenue Code. Under the terms of our 401(k) plan, we may make a discretionary matching contribution equal to a percentage of the employee's contribution to our 401(k) plan and a discretionary amount determined annually by us and divided among eligible participants based upon an employee's annual compensation in relation to the aggregate annual compensation of all eligible participants. Contributions are allocated to each employee's individual account and are, at the employee's election, invested in one, all or some combination of the investment funds available under our 401(k) plan. Employee contributions are fully vested and non-forfeitable. Any matching or discretionary contributions vest 25% for each year of service. To date, we have not made any matching contributions under our 401(k) plan.

OPTION GRANTS IN LAST FISCAL YEAR TO NAMED EXECUTIVE OFFICERS

None of the named executive officers were granted stock options during fiscal year ended December 31, 1999. However, John T. McDonald was granted options to purchase 50,000 shares of Perficient Common Stock at $14.688 per share in January, 2000.

OPTION EXERCISES AND FISCAL YEAR END VALUES

None of the named executive officers exercised stock options during the fiscal year ended December 31, 1999.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of Perficient common stock as of March 27, 2000 for (i) each person or entity who is known by us to own beneficially more than five percent of our common stock; (ii) each named executive officer listed in the Summary Compensation table below; (iii) each director of Perficient; and (iv) all directors and executive officers as a group.

NAME AND ADDRESS OF BENEFICIAL OWNER(1)	AMOUNT AND NATURE OF SHARES BENEFICIALLY OWNED	PERCENT OF CLASS(2)
Powershift Ventures, L.P.	633,750	15.6%
Beekman Ventures, Inc. 850 Third Avenue New York, NY 10022	512,892	12.6
Bryan R. Menell (3)	492,000	12.1
John T. McDonald(4) 525 East 72nd Street New York, NY 10021	669,392	15.9
John A. Hinners (5) (6)	75,000	1.8
Steven G. Papermaster(7)	828,750	20.4
David S. Lundeen	325,750	8.0
Dr. W. Frank King(8)	20,000	*
Philip J. Rosenbaum(8)	20,000	*
Directors and executive officers as a group (7 persons).....	2,280,892	55.2%

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* Indicates less than 1% of the outstanding shares of Perficient common stock.

(1) Unless otherwise indicated, the address of each person or entity is 7600-B N. Capital of Texas Highway, Austin, Texas 78731.

(2) Beneficial ownership is determined in accordance with the rules and regulations of the Securities and Exchange Commission. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options held by that person that are currently exercisable or exercisable within 60 days of March 27, 2000 are deemed outstanding. Such shares, however, are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Except as indicated in the footnotes to this table and pursuant to applicable community property laws, each stockholder named in the table has sole voting and investment power with respect to the shares set forth opposite such stockholder's name.

(3) Includes an aggregate of 200,000 shares of Perficient Common Stock that are subject to options granted by Mr. Menell to certain employees and officers of Perficient.

(4) Includes 512,892 shares owned by Beekman Ventures, Inc., of which Mr. McDonald is president and sole stockholder. Mr. McDonald is deemed to be the beneficial owner of such shares. Also includes 150,000 shares of Perficient Common Stock that may be acquired from Mr. Menell upon the exercise of a stock option granted to Mr. McDonald by Mr. Menell. Does not include options to purchase 50,000 shares of Perficient Common Stock that are not exercisable within 60 days of March 27, 2000.

(5) Includes 5,000 shares held in the name of the Aubry Smith Hinners Section 2503(c) Trust.

(6) Includes options to purchase 25,000 shares of Perficient Common Stock exercisable within 60 days of March 27, 2000. Does not include options to purchase 85,000 shares of Perficient Common Stock that are not exercisable within 60 days of March 27, 2000 or 20,000 shares of Perficient Common Stock that may be acquired from Mr. Menell upon the exercise of a stock option granted to Mr. Hinners by Mr. Menell but that is not exercisable within 60 days of March 27, 2000.

(7) Includes 633,750 shares owned by Powershift Ventures, L.P., of which Mr. Papermaster is the sole general partner. Mr. Papermaster is deemed to be the beneficial owner of such shares. Does not include 16,250 shares held in various family trusts over which Mr. Papermaster has neither voting nor dispositive power.

(8) Includes options for 20,000 shares exercisable within 60 days of January 29, 2000.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

SALES OF SECURITIES

Within the last two years, we have made the following sales of our common stock in transactions that were not registered under the Securities Act of 1933:

- On April 15, 1998, we sold 221,000 shares to Powershift Ventures, LLC for an aggregate purchase price of $22,100 and 119,000 shares to Mr. Lundeen, a director, for an aggregate purchase price of $11,900. Mr. Papermaster, our Chairman of the Board, is the president of Powershift Ventures, LLC and a general partner of Powershift Ventures, L.P. Mr. Papermaster became a director and Powershift Ventures, LLC became a 5% stockholder in connection with this April 1998 stock purchase. Mr. Lundeen became a director and 5% stockholder in connection with his April 1998 stock purchase.

- On June 10, 1998, we sold 214,500 shares to Powershift Ventures, LLC for an aggregate purchase price of $21,450 and 115,500 shares to Mr. Lundeen for an aggregate purchase price of $11,550.

- On July 15, 1998, we sold 214,500 shares to Powershift Ventures, LLC for an aggregate purchase price of $21,450 and 115,500 shares to Mr. Lundeen for an aggregate purchase price of $11,550.

- On January 12, 1999, we sold 350,000 shares to Beekman Ventures, Inc., a 5% stockholder, for an aggregate purchase price of $175,000, 50,000 shares to Mr. Hinners, now our Chief Financial Officer, for an aggregate purchase price of $25,000 and 40,000 shares to Mr. Lundeen for an aggregate purchase price of $20,000. Mr. McDonald, our Chief Executive Officer and a director, is the

president and sole stockholder of Beekman Ventures. However, Mr. McDonald did not become an officer and director until April 1999. Mr. Hinners did not become our Chief Financial Officer until April 1999.

- On January 3, 2000, we consummated the acquisition by way of merger of LoreData, Inc., a Connecticut corporation, with and into our wholly-owned subsidiary, Perficient Acquisition Corp., a Delaware corporation. As part of the merger consideration, we issued 30,005 shares of our common stock, par value $0.001 per share, to the shareholders of LoreData, Inc. at closing. Additionally, we issued 131,709 shares of our common stock that are being held in escrow for disposition by the escrow agent in accordance with an Escrow Agreement dated as of January 3, 2000.

- On February 7, 2000, we completed an $8.1 million private placement of our common stock. We issued and sold a total of 400,000 shares of common stock resulting in gross proceeds of $5.6 million. John T. McDonald and Bryan R. Menell, each an officer and a director of the Company, and David S. Lundeen, a director of the Company, sold the remaining 180,000 shares of common stock in the private placement. The private placement was priced at $14.00 per share. Gilford Securities Incorporated acted as placement agent in connection with the private placement. The company granted certain registration rights to the purchasers of all of the shares.

These sales were conducted in reliance upon exemptions from registration under Section 4(2) of the Securities Act of 1933, as transactions not involving a public offering.

POWERSHIFT SUBLEASE

Since April 1998, we have subleased office space on a month-to-month basis from Powershift Ventures, LLC, of which Mr. Papermaster is president and a beneficial owner. Since August 1999, we have paid rent of $4,500 a month, which we believe is consistent with prevailing market rates. The currently monthly rental amounts were arrived at by arms' length negotiations.

VIGNETTE RELATIONSHIP

Mr. Papermaster, the Chairman of our Board, has served on the board of directors of Vignette Corporation, our largest partner, since September 1998. During 1999, Vignette accounted for 96% of our revenue.

BEEKMAN VENTURE LOAN

In June 1999, Beekman Ventures loaned us $100,000 to cover certain working capital requirements. This loan was subsequently repaid at a market rate of interest.

FUTURE TRANSACTIONS

All future transactions, including loans, if any, between the Company and its officers, directors, principal stockholders and their affiliates, are required by the board to be approved by a majority of the board, including a majority of the independent and disinterested outside directors on the board, and will be on terms no less favorable to us than could be obtained from unaffiliated third parties.

ITEM 13. EXHIBITS, LIST AND REPORTS ON FORM 8-K

(a) Exhibits

EXHIBIT NO.	DESCRIPTION
3.1 +	Certificate of Incorporation of Registrant.
3.2 +	Bylaws of Registrant.
4.1 +	Specimen Certificate for shares of common stock.
4.2 +	Representative's Warrant.
10.1 +	Sublease Agreement, dated April 1, 1999, between Registrant, as Lessee, and Powershift Venture, LLC, as Lessor.
10.2 +	1999 Stock Option/Stock Issuance Plan.
10.3 +	Employment Agreement between Registrant and John T. McDonald.
10.4 +	Employment Agreement between Registrant and Bryan R. Menell.
10.5 +	Employment Agreement between Registrant and John A. Hinners.
10.6 +	Form of Indemnity Agreement between Registrant and its directors and officers
10.7 +	Contractor Service Agreement, dated December 31, 1998, between Registrant and Vignette Corporation.
10.8 +	Accounts Receivable Purchase Agreement, dated January 12, 1999, between the Registrant and Silicon Valley Financial Services.
10.9 +	Accounts Receivable Purchase Modification Agreement, dated July 12, 1999 between Registrant and Silicon Valley Bank.
10.10 +	Motive Communications, Inc. Consulting Services Subcontract Agreement dated February 27, 1999.
10.11 +	Subcontract Agreement, dated March 15, 1999, between Registrant and Ventix Systems, Inc.
10.12 +	Agreement for Subcontracting Services, dated April 23, 1999, between Registrant and Interwoven, Inc.
10.13 *	Agreement and Plan of Merger, dated as of December 10, 1999, by and among the Registrant, Perficient Acquisition Corp., LoreData, Inc. and John Gillespie.
10.14 *	Amendment to Agreement and Plan of Merger dated as of January 3, 2000 by and among the Registrant, Perficient Acquisition Corp, LoreData, Inc. and John Gillespie.

10.15 **	Agreement and Plan of Merger, dated as of February 16, 2000 by and among the Registrant, Perficient Compete, Inc., Compete Inc., and the Shareholders of Compete, Inc.
10.16	Registration Rights Agreement, dated as of January 3, 2000 between the Registrant and John Gillespie.
10.17	Form of Registration Rights Agreement between the Registrant and certain purchasers of common stock.
10.18	Subcontract Agreement, dated as of November 4, 1999 between the Registrant and Plumtree, Inc.
21	Subsidiaries
27	Financial Data Schedule for the year ended December 31, 1999.

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+ Previously filed with the Securities and Exchange Commission as an Exhibit to the Company's Registration Statement on Form SB-2 (File No. 333-78337) declared effective by the Securities and Exchange Commission and incorporated herein by reference.

* Previously filed with the Securities and Exchange Commission as an Exhibit to the Company's Current Report on Form 8-K filed on January 14, 2000 and incorporated herein by reference.

** Previously filed with the Securities and Exchange Commission as an Exhibit to the Company's Preliminary Proxy Statement filed on March 16, 2000 and incorporated herein by reference.

(b) During the last quarter of the period covered by this report and through March 27, 2000, we filed the following reports on Form 8-K:

(1) We filed a Form 8-K with the Securities and Exchange Commission (the "Commission") on January 14, 2000 to report the acquisition by way of merger of LoreData, Inc. a Connecticut corporation, with and into our newly-formed, wholly owned subsidiary, Perficient Acquisition Corp, a Delaware Corporation. Financial statements of the business acquired and pro forma financial information were not included in the report but were to be filed by amendment within sixty (60) days after the date that the Form 8-K was required to be filed.

(2) We filed a Form 8-K with the Commission on March 1 ,2000 to report the completion on February 7, 2000 of an $8.1 million private placement of our common stock.

(3) We filed a Form 8-K/A with the Commission on March 17, 2000 to amend and supplement the Form 8-K dated January 3, 2000 filed with the Commission on January 14, 2000 relating to our acquisition of LoreData, Inc. The Form 8-K/A contains the financial statements of the business acquired and the pro forma information required by Item 7 of Form 8-K. However, because we entered into a definitive Agreement and Plan of Merger with Compete Inc., Perficient Compete, Inc. and the Shareholders of Compete subsequent to the initial filing of

the Form 8-K, the pro forma information contained in the Form 8-K/A give effect to the acquisition of LoreData as well as the proposed merger with Compete. The Form 8-K/A also contains audited information of Compete.

INDEX TO FINANCIAL STATEMENTS

Contents

FINANCIAL STATEMENTS FOR PERFICIENT, INC.

REPORT OF INDEPENDENT AUDITORS

The Board of Directors
Perficient, Inc.

We have audited the accompanying balance sheets of Perficient, Inc. (the "Company"), as of December 31, 1998 and 1999, and the related statements of operations, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Perficient, Inc. at December 31, 1998 and 1999, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Austin, Texas
February 21, 2000

Ernst & Young, LLP

PERFICIENT, INC.

BALANCE SHEETS

	DECEMBER 31, 1998	DECEMBER 31, 1999
ASSETS		
Current assets:		
Cash	$ 22,996	$ 5,818,918
Accounts receivable	164,961	563,334
Other assets	-	142,422
Income tax receivable	-	10,916
Total current assets	187,957	6,535,590
Computer equipment:		
Hardware	46,442	69,442
Software	6,471	41,783
Furniture and fixtures	-	3,415
	52,913	114,640
Accumulated depreciation	(10,863)	(33,813)
Net property and equipment	42,050	80,827
Total assets	$ 230,007	$ 6,616,417
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 18,640	$ 165,176
Income tax payable	19,219	-
Accrued liabilities	12,639	199,150
Total current liabilities	50,498	364,326
Deferred income tax	1,350	-
Total liabilities	51,848	364,326
Commitments and contingencies		
Stockholders' equity:		
Common Stock, $0.001 par value; 20,000,000 shares authorized; 2,000,000 and 3,503,333 shares issued and outstanding atvDecember 31, 1998 and 1999, respectively	2,000	3,503
Additional paid-in capital	148,000	7,777,392
Unearned stock compensation, net of $76,000 in amortization for the year ended December 31, 1999	-	(152,000)
Retained earnings (deficit)	28,159	(1,376,804)
Total stockholders' equity	178,159	6,252,091
Total liabilities and stockholders' equity	$ 230,007	$ 6,616,417

SEE ACCOMPANYING NOTES.

PERFICIENT, INC.

STATEMENTS OF OPERATIONS

	YEAR ENDED DECEMBER 31, 1998	1999
Consulting revenue	$ 825,800	$ 3,154,936
Cost of consulting revenue	400,977	1,541,389
Gross margin	424,823	1,613,547
Selling, general and administrative	357,014	2,197,560
Stock compensation	-	956,000
Interest expense	-	13,380
Interest income	-	(127,518)
Income (loss) before income tax	67,809	(1,425,875)
Income tax benefit (expense)	(27,581)	20,912
Net income (loss)	$ 40,228	$ (1,404,963)
Net income (loss) per share - basic and diluted	$ 0.02	$ (0.47)

SEE ACCOMPANYING NOTES.

Perficient, Inc.

Statements of Stockholders' Equity

	COMMON STOCK		ADDITIONAL PAID-IN	UNEARNED STOCK	RETAINED EARNINGS	TOTAL STOCKHOLDERS'
	SHARES	AMOUNT	CAPITAL	COMPENSATION	(DEFICIT)	EQUITY
Issuance of common stock at inception	1,000,000	$1,000	$ 49,000	$ -	$ -	$ 50,000
Net loss	-	-	-	-	(12,069)	(12,069)
Balance at December 31, 1997	1,000,000	1,000	49,000	-	(12,069)	37,931
Issuance of common stock	1,000,000	1,000	99,000	-	-	100,000
Net income	-	-	-	-	40,228	40,228
Balance at December 31, 1998	2,000,000	2,000	148,000	-	28,159	178,159
Issuance of common stock	1,503,333	1,503	7,401,392	-	-	7,402,895
Unearned compensation	-	-	228,000	(228,000)	-	-
Amortization of unearned compensation	-	-	-	76,000	-	76,000
Net loss	-	-	-	-	(1,404,963)	(1,404,963)
Balance at December 31, 1999	3,503,333	$3,503	$7,777,392	$(152,000)	$(1,376,804)	$ 6,252,091

SEE ACCOMPANYING NOTES.

Perficient, Inc.

Statements of Cash Flows

	YEAR ENDED DECEMBER 31, 1998	1999
OPERATING ACTIVITIES		
Net income (loss)	$ 40,228	$ (1,404,963)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	10,530	22,950
Non-cash stock compensation	-	956,000
Gain from disposal of fixed assets	(822)	-
Deferred income taxes	8,362	(1,350)
Changes in operating assets and liabilities:		
Accounts receivable	(164,961)	(398,373)
Other assets	911	(142,422)
Income tax receivable	-	(10,916)
Accounts payable	18,640	146,536
Income tax payable	19,219	(19,219)
Accrued liabilities	12,639	186,511
Net cash used in operating activities	(55,254)	(665,246)
INVESTING ACTIVITIES		
Purchase of property and equipment	(47,870)	(61,727)
Proceeds from disposal of fixed assets	5,596	-
Net cash used in investing activities	(42,274)	(61,727)
FINANCING ACTIVITIES		
Proceeds from line of credit	35,000	802,673
Payments on line of credit	(35,000)	(802,673)
Proceeds from stock issuances	100,000	6,522,895
Net cash provided by financing activities	100,000	6,522,895
Increase in cash	2,472	5,795,922
Cash at beginning of year	20,524	22,996
Cash at end of year	$ 22,996	$ 5,818,918
Supplemental noncash financing activities:		
January 12, 1999 issuance of 500,000 common shares in exchange for shareholder receivable	$ -	$ 250,000

SEE ACCOMPANYING NOTES.

Perficient, Inc.

Notes to Financial Statements

December 31, 1999
(Information subsequent to December 31, 1999 is unaudited)

1. BUSINESS OVERVIEW

Perficient, Inc. (the "Company") works with Internet software companies by providing them a professional services organization to implement and integrate the software products. The Company effectively operates as an internal services organization. The Company was incorporated on September 17, 1997 in Texas. The Company began operations in 1997 and is structured as a "C" corporation. On May 3, 1999 the Company reincorporated in Delaware.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

REVENUE RECOGNITION

Consulting revenues are comprised of revenue from consulting fees recognized on a time and material basis as performed.

ADVERTISING EXPENSE

The cost of advertising is expensed as incurred. Advertising cost for the years ended December 31, 1998 and December 31, 1999 were immaterial to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation on property and equipment is computed using the straight-line method over the estimated useful lives, which is three years.

SEGMENTS

The Company considers its business activities as a single segment.

STOCK BASED COMPENSATION

Financial Accounting Standards Board Statement No. 123, ACCOUNTING FOR STOCK BASED COMPENSATION (FAS 123), prescribed accounting and reporting standards for all stock-based compensation plans, including employee stock options. As allowed by FAS 123, the Company has elected to account for its employee stock-based compensation in accordance with Accounting Principles Board Opinion No. 25, ACCOUNTING FOR STOCK ISSUED TO EMPLOYEES, (APB 25).

RECENTLY ISSUED ACCOUNTING STANDARDS

In June 1998, the FASB issued FAS 133, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES, as amended by FAS 137 which is effective for fiscal years beginning after June 15, 2000. This statement requires companies to record derivatives on the balance sheet as assets or liabilities measured at fair value. Gains or losses resulting from changes in the values of those derivatives would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. FAS 133 will be effective for the Company's year ended December 31, 2001. Management believes that this statement will not have a material impact on the Company's financial position or results of operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In December 1999, the Securities and Exchange Commission staff released Staff Accounting Bulletin No. 101, REVENUE RECOGNITION IN FINANCIAL STATEMENTS (SAB 101), which provides guidance on the recognition, presentation and disclosure of revenue in financial statements. The application of SAB 101 did not have a material impact on the financial statements of the Company.

In March 1999, the FASB issued an exposure draft entitled "Accounting for Certain Transactions involving Stock Compensation," which is a proposed interpretation of APB 25. However, the exposure draft has not been finalized. Once finalized and issued, the current accounting practices for transactions involving stock compensation may need to change and such changes could affect the Company's future operating results.

3. NET INCOME (LOSS) PER SHARE

The Company follows the provisions of SFAS No. 128, EARNINGS PER SHARE. Basic net income (loss) per share is computed by dividing net income (loss) available to common stockholders by the weighted-average number of common shares outstanding during the period. Net income per share, assuming dilution, includes the effect of dilutive potential common stock issuable upon exercise of stock options using the treasury stock method.

Diluted net loss per share has not been presented for the year ended December 31, 1999, as the effect of the assumed exercise of stock options and warrants is antidilutive due to the Company's net loss. Total common stock equivalents not included in diluted net loss per share amounted to 251,750 common stock equivalents.

3. NET INCOME (LOSS) PER SHARE (CONTINUED)

Computations of the net income (loss) per share for the year ended December 31, 1999 are as follows:

	YEAR ENDED DECEMBER 31, 1998	1999
Numerator:		
Income (loss) from continuing operations - numerator for basic earnings per share	$ 40,228	$ (1,404,963)
Denominator:		
Denominator for basic earnings per share - weighted-average shares	1,750,000	3,000,556
Effect of dilutive securities:		
Stock options	124,000	-
Denominator for diluted earnings per share - adjusted weighted-average shares and assumed conversions	1,874,000	3,000,556
Basic earnings per share	$ 0.02	$ (0.47)
Diluted earnings per share	$ 0.02	$ (0.47)

4. CONCENTRATION OF CREDIT RISK AND SIGNIFICANT CUSTOMERS

Cash and accounts receivable potentially expose the Company to concentrations of credit risk. Excess cash is placed with highly rated financial institutions. The Company provides credit, in the normal course of business, to its customers. The Company performs ongoing credit evaluations of its customers and maintains allowances for potential credit losses. The Company generally requires certain up-front payments from customers, and customers can be denied access to services in the event of non-payment. One customer accounted for approximately 100% and 97% of accounts receivable and 91% and 96% of revenues at December 31, 1998 and 1999, and for the years then ended, respectively.

5. EMPLOYEE BENEFIT PLAN

The Company has a qualified 401(k) profit sharing plan available to full-time employees who meet the plan's eligibility requirements. This defined contribution plan permits employees to make contributions up to maximum limits allowed by Internal Revenue Code. The Company, at its discretion, matches a portion of the employee's contribution under a predetermined formula based on the level of contribution and years of vesting services. No contributions were made to the plan in 1998 or 1999. The Company's related costs for the plan during 1998 and 1999 were $1,750 and $1,564, respectively.

6. STOCK OPTIONS

Pro forma information regarding net income is required by SFAS 123, ACCOUNTING FOR STOCK BASED COMPENSATION, which also requires that the information be determined as if the Company had accounted for its employee stock options granted under the fair value method prescribed by SFAS 123. The fair value for these options was estimated at the date of grant using the Black-Scholes pricing model with the following weighted-average assumptions:

FOR THE YEAR ENDED DECEMBER 31	1998	1999
Risk-free interest rate	6.00%	6.00%
Dividend yield	0.00%	0.00%
Weighted-average expected life of options	5 years	5 years
Expected volatility	.65	.622

The Company has granted stock options to various employees under the terms of the respective employee agreements. The stock options generally vest over three years. The term of each option is ten years from the date of grant.

At December 31, 1998 the Company did not reserve common stock for future issuance and no options were designated as being available for future grants. At December 31, 1999, 2,150,000 shares of common stock were reserved for future issuance and 1,651,666 options were available for future grants.

6. STOCK OPTIONS (CONTINUED)

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The Company's pro forma compensation expense and net income (loss) is as follows:

	YEAR ENDED DECEMBER 31, 1998	1999
Pro forma compensation expense	$ 7,266	$ 63,748
Pro forma net income (loss)	$ 32,962	$ (1,468,711)
Pro forma earnings per share - basic and diluted	$ 0.02	$ (0.49)

A summary of changes in common stock options during 1998 and 1999 is as follows:

	SHARES	RANGE OF EXERCISE PRICES	WEIGHTED-AVERAGE EXERCISE PRICE
Options outstanding at December 31, 1997	80,000	$0.05 - 0.60	$ 0.53
Options vested, December 31, 1997	556	0.05 - 0.60	0.53
Options granted	249,000	0.05 - 0.50	0.40
Options exercised	-	-	-
Options canceled	(56,667)	0.60	0.40
Options outstanding at December 31, 1998	272,334	0.05 - 0.60	0.40
Options vested, December 31, 1998	50,222	0.05 - 0.60	0.38
Options granted	272,000	0.05 - 8.12	4.25
Options exercised	(3,333)	0.20	0.20
Options canceled	(42,667)	0.20 - 8.12	3.74
Options outstanding at December 31, 1999	498,334	0.05 - 8.12	2.22
Options vested, December 31, 1999	197,667	$0.05 - 8.12	1.95

6. STOCK OPTIONS (CONTINUED)

The following summarizes information related to stock options outstanding at December 31, 1999:

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICES	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
$0.05 - $0.60	372,334	$0.44	8.69 Years	157,667	$0.42
3.50	16,000	3.50	9.25 Years	-	-
7.50 - 8.12	110,000	8.06	9.68 Years	40,000	8.00
$0.05 - $8.125	498,334	$2.22	8.92 Years	197,667	$1.95

At December 31, 1998 and 1999, the weighted-average remaining contractual life of outstanding options was 9.54 years and 8.92 years, respectively.

The weighted-average grant-date fair value of options granted is as follows:

	YEAR ENDED DECEMBER 31, 1998	1999
Granted at market prices	$ 0.40	$ 1.60
Granted at below market prices	$ -	$ 5.40

7. LINE OF CREDIT

On July 1, 1999, the Company entered into an agreement with a bank to borrow up to $1,000,000 against qualified accounts receivables with full recourse. Under the contract, the bank shall purchase the accounts receivable under the following terms: 80% of the balance is remitted at the sale date, the rest is remitted upon receipt of the balance due from the customer less finance and administrative fees charged by the bank. The agreement has a one-year term and borrowings under the agreement bear interest at the banks' prime rate. In connection with this agreement, the Company issued warrants to the bank to purchase 3,750 shares at the initial public offering price of $8 per share. As the effect of the warrants are not material to the financial statements, the Company has not discounted the line of credit to separately account for the warrants.

8. INCOME TAXES

As of December 31, 1999, the Company had tax net operating loss carryforwards of approximately $274,000 that will begin to expire in 2019 if not utilized.

Utilization of net operating losses may be subject to an annual limitation due to the "change in ownership" provisions of the Internal Revenue Code of 1986. The annual limitation may result in the expiration of net operating losses before utilization.

Significant components of the provision for income taxes attributable to continuing operations are as follows:

	1998	1999
Current:		
Federal	$17,661	$(17,661)
State	1,558	(1,558)
Total current	19,219	(19,219)
Deferred:		
Federal	7,684	(1,583)
State	678	(110)
Total deferred	8,362	(1,693)
	$27,581	$(20,912)

8. INCOME TAXES (CONTINUED)

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 the Company's deferred taxes as of December 31, 1998 and 1999 are as follows:

	1998	1999
Deferred tax liabilities:		
Depreciable assets	$(6,292)	$ (9,985)
Total deferred tax liabilities	(6,292)	(9,985)
Deferred tax assets:		
Tax carryforwards	-	101,265
Bad debt	-	25,181
Stock Compensation	-	28,121
Accrued liabilities and other	4,942	17,364
Total deferred tax assets	4,942	171,931
Valuation allowance for deferred tax assets	-	(161,946)
Net deferred tax assets	4,942	9,985
Net deferred taxes	$(1,350)	$ -

The Company has established a valuation allowance equal to the net deferred tax assets due to uncertainties regarding the realization of deferred tax assets based on the Company's lack of earnings history. The valuation allowance increased by approximately $162,000 during 1999.

8. INCOME TAXES (CONTINUED)

The Company's provision for income taxes differs from the expected tax expense (benefit) amount computed by applying the statutory federal income tax rate of 34% to income before income taxes as a result of the following:

	1998	1999
Tax at statutory rate of 34%	$23,057	$(472,897)
State taxes, net of federal benefit	1,653	(14,798)
Stock based compensation	-	299,200
Permanent items	2,288	5,638
Change in valuation allowance	-	161,945
Other	583	-
	$27,581	$ (20,912)

9. COMMITMENTS AND CONTINGENCIES

The Company leases equipment under an operating lease that expires in 2000. Future lease commitments are as follows:

2000	$ 84,606
2001	116,208
2002	70,878
Total	$ 271,692

In addition, the Company has entered into a sublease with a related party for office rent. The agreement is month-to-month. For the years ended December 31, 1998 and 1999, the Company recorded rent expense of $16,707 and $88,666, respectively.

10. SUBSEQUENT EVENTS

On January 3, 2000, the Company acquired LoreData, Inc., a Connecticut corporation, and merged LoreData, Inc. into a wholly-owned subsidiary, Perficient Acquisition Corp., a Delaware corporation. Perficient Acquisition Corp. is the surviving corporation to the merger and will continue under the name, "Perficient LoreData, Inc." LoreData, Inc. was a 17 person internet professional services firm based in New London, CT. The Company acquired LoreData for an aggregate purchase price of (i) $385,000 in cash that was paid at closing, (ii) 30,005 shares of common stock, also paid at closing, and (iii) 131,709 shares of common stock that are being held in escrow for disposition by the escrow agent in accordance with an Escrow Agreement dated as of January 3, 2000.

On January 14, 2000 the Board of Directors authorized an additional 1,100,000 shares of Common Stock to be available under the Company's Stock Option/Stock Issuance Plan. An additional 50,000 shares of Common Stock were authorized and added to the Plan on February 14, 2000.

10. SUBSEQUENT EVENTS (CONTINUED)

On February 7, 2000, the Company completed an $8.1 million private placement of common stock. The Company intends to use the proceeds from the private placement to further accelerate its previously announced acquisition program and for other corporate purposes. A total of 400,000 shares of common stock were issued and sold by the Company, resulting in gross proceeds to the Company of $5.6 million. The private placement was priced at $14 per share. Gilford Securities Incorporated acted as placement agent in connection with the private placement.

On February 16, 2000, the Company entered into an Agreement and Plan of Merger with Compete Inc. ("Compete"), Perficient Compete, Inc., and the shareholders of Compete. The aggregate purchase price of Compete consists of (i) $3,500,000 in cash, (ii) $2,527,500 in promissory notes to be repaid within six months following the closing, (iii) 2,200,000 shares of common stock, of which 1,100,000 shares are subject to adjustment and (iv) the assumption of Compete, Inc.'s outstanding employee options. The closing of the acquisition of Compete is conditioned upon, among other things, obtaining the consent of Perficient's stockholders. Accordingly, there can be no assurance that the acquisition will be completed.

SIGNATURES

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

PERFICIENT, INC.

Dated: March 27, 2000

/s/ John T. McDonald

John T. McDonald
Chief Executive Officer
(Principal Executive Officer)

In accordance with the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Dated: March 27, 2000

/s/ John T. McDonald

John T. McDonald
Director

Dated: March 27, 2000

/s/ John A. Hinners

John A. Hinners
Chief Financial Officer
(Principal Financial and Accounting Officer)

Dated: March 27, 2000

/s/ Bryan R. Menell

Bryan R. Menell
President and Director

Dated: March 27, 2000

/s/ Steven G. Papermaster

Steven G. Papermaster
Director

Dated: March 27, 2000

/s/ David S. Lundeen

David S. Lundeen
Director

Dated: March 27, 2000

/s/ W. Frank King

Dr. W. Frank King
Director

Dated: March 27, 2000

/s/ Philip J. Rosenbaum

Philip J. Rosenbaum
Director

EXHIBIT 10.16

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT made as of January 3, 2000, between Perficient, Inc., a Delaware corporation (the "Company"), and the individual listed on the signature page hereto (the "Holder").

WHEREAS, the Company, the Holder, Perficient Acquisition Corp. and LoreData, Inc. are parties to that certain Agreement and Plan of Merger dated as of December 10, 1999, as amended by Amendment to Agreement and Plan of Merger dated as of January 3, 2000 (collectively, the "Merger Agreement"); and

WHEREAS, as a condition to the consummation of the transactions contemplated by the Merger Agreement, the Company has agreed to register 20% of the shares of its common stock, par value $0.001 per share ("Common Stock"), issued by the Company to the Holder in accordance with the terms and subject to the conditions of the Merger Agreement.

NOW, THEREFORE, the parties have agreed as follows:

1. DEFINITIONS.

(a) The term "Commission" means the Securities and Exchange Commission.

(b) The term "Other Securities" means at any time those shares of Common Stock which do not constitute Primary Securities or Registrable Securities.

(c) The term "Person" means a holder of Registrable Securities whenever such Person has the right to acquire such Registrable Securities (by conversion or otherwise, but disregarding any legal or other restrictions upon the exercise of such right), whether or not such acquisition has actually been effected.

(d) The term "Primary Securities" means at any time the authorized but unissued shares of Common Stock or shares of Common Stock held by the Company in its treasury.

(e) The term "Registrable Securities" means 20% of the Common Stock issued to Holder pursuant to the Merger Agreement. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (a) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (b) such securities may be distributed by the Holder to the public pursuant to Rule 144 (or any successor provision) under the Securities Act, (c) such securities shall have been otherwise transferred, new certificates for such securities not bearing a legend restricting

further transfer shall have been delivered by the Company and subsequent disposition of such securities shall not require registration or qualification of such securities under the Securities Act or any similar state law then in force, or (d) such securities shall have ceased to be outstanding.

(f) The term "Registration Expenses" means all expenses incident to the Company's performance of or compliance with this Agreement, including, without limitation, all registration, filing and NASD fees, all stock exchange listing fees, all fees and expenses of complying with securities or blue sky laws, all word processing, duplicating and printing expenses, messenger and delivery expenses, the fees and disbursements of counsel for the Company and of its independent public accountants, including the expenses of any special audits or "cold comfort letters" required by or incident to such performance and compliance, premiums and other costs of policies of insurance against liabilities arising out of the public offering of the Registrable Securities being registered and any fees and disbursements of underwriters customarily paid by issuers or sellers of securities, but excluding underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of the Holder's Registrable Securities pursuant to the shelf registration statement and the expenses of any separate fees for counsel for the Holder, PROVIDED THAT, in any case where Registration Expenses are not to be borne by the Company, such expenses shall not include salaries of the Company's personnel or general overhead expenses of the Company, premiums or other expenses relating to liability insurance required by underwriters of the Company or other expenses for the preparation of financial statements or other data normally prepared by the Company in the ordinary course of its business or which the Company would have incurred in any event.

(g) The term "Securities Act" means the Securities Act of 1933, as amended, or any successor law.

(h) Unless otherwise stated, other capitalized terms contained herein have the meanings set forth in the Merger Agreement.

2. REGISTRATION UNDER SECURITIES ACT.

(a) FILING OF SHELF REGISTRATION STATEMENT. The Company shall cause to be filed no later than August 3, 2000 (the first anniversary of the Company's initial public offering of Common Stock) a shelf registration statement under the Securities Act providing for the registration of the sale of the Registrable Securities on a continuous basis on Form S-3 or any successor thereto providing for the sale by the Holder of all of their Registrable Securities and will use its best efforts to have such shelf registration statement declared effective by the Commission as soon thereafter as practicable.

(b) EXPENSES. The Company shall pay all Registration Expenses in connection with the registration pursuant to this Agreement.

3. REGISTRATION PROCEDURES.

(a) When the Company is required to effect the registration of the Registrable Securities under the Securities Act as provided in Section 2, the Company shall, as expeditiously as possible (and in all events subject to Section 2):

(i) prepare and file with the Commission the requisite registration statement to effect such registration (including such audited financial statements as may be required by the Securities Act or the rules and regulations promulgated thereunder) and thereafter cause such registration statement to become and remain effective, PROVIDED, HOWEVER, that before filing such registration statement or any amendments thereto, the Company will furnish to the Holder copies of all such documents proposed to be filed, which documents will be subject to its review and approval in accordance with Section 3(b), PROVIDED, HOWEVER, that the Company shall not be liable for any delay in filing the registration statement or any amendment thereto as a result of the review and approval by the Holder of the contents of such registration statement or amendment;

(ii) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until the sooner of (i) such time as all of such Registrable Securities have been disposed of in accordance with the intended methods of disposition by the Holder set forth in such registration statement or (ii) six months from the date of effectiveness of the registration statement;

(iii) furnish to the Holder (or underwriter, if any, of the securities being sold by the Holder) such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus contained in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, and such other documents as, the Holder (and each such underwriter, if any) may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities;

(iv) use its best efforts to register or qualify all Registrable Securities and other securities covered by such registration statement under such other securities laws or blue sky laws of such jurisdictions as the Holder (and any underwriter of the Registrable Securities being sold) shall reasonably request, to keep such registrations or qualifications in effect for so long as such registration statement remains in effect, and take any other action which may be necessary or advisable to enable the Holder (and underwriter, if any) to consummate the disposition in such jurisdictions of the Registrable Securities except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it would not but for the requirements of this

subdivision (iv) be obligated to be so qualified or to consent to general service of process in any such jurisdiction;

(v) use its best efforts to cause all Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the Holder to consummate the disposition of such Registrable Securities;

(vi) notify the Holder (and the managing underwriter or underwriters, if any) promptly and confirm such advice in writing promptly thereafter:

(A) when the registration statement, the prospectus or any prospectus supplement related thereto or post-effective amendment to the registration statement has been filed, and, with respect to the registration statement or any post-effective amendment thereto, when the same has become effective:

(B) of any request by the Commission for amendments or supplements to the registration statement or the prospectus or for additional information;

(C) of the issuance by the Commission of any stop order suspending the effectiveness of the registration statement or the initiation of any proceedings by any Person for that purpose;

(D) if at any time the representations and warranties of the Company cease to be true and correct;

(E) of the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the securities or blue sky laws of any jurisdiction or the initiation or threat of any proceeding for such purpose;

(vii) notify the Holder, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing, and at the request of the Holder promptly prepare and furnish to the Holder (and each underwriter, if any) a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(viii) make every reasonable effort to obtain the withdrawal of any order suspending the effectiveness of the registration statement;

(ix) otherwise use reasonable efforts to comply with all applicable rules and regulations of the Commission and will furnish to the Holder at least five business days prior to the filing thereof a copy of any amendment or supplement to such registration statement or prospectus and shall not file any thereof to which the Holder shall have reasonably objected on the grounds that such amendment or supplement does not comply in all material respects with the requirements of the Securities Act or of the rules or regulations thereunder;

(x) make available for inspection by the Holder, any underwriter participating in any disposition pursuant to the registration statement and any attorney or accountant retained by the Holder or such underwriter (each, an "Inspector"), all financial and other records, pertinent corporate documents and properties of the Company (the "Records"), and cause the Company's officers, directors and employees to supply all information reasonably requested by any such Inspector in connection with such registration in order to permit a reasonable investigation within the meaning of Section 11 of the Securities Act;

(xi) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by such registration statement from and after a date not later than the effective date of such registration statement;

(xii) enter into such agreements and take such other actions as the Holder shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities;

(xiii) use its best efforts to list all Registrable Securities covered by such registration statement on any securities exchange on which any of the securities of the same class as the Registrable Securities are then listed; and

(xiv) use its best efforts to provide a CUSIP number for the Registrable Securities, not later than the effective date of the registration statement.

(b) The Holder agrees that, upon receipt of any notice from the Company of the occurrence of any event of the kind described in subdivision (vii) of this Section, the Holder will forthwith discontinue disposition of Registrable Securities pursuant to the registration statement relating to such Registrable Securities until the Holder's receipt of the copies of the supplemented or amended prospectus contemplated by subdivision (vii) of this Section.

(c) Notwithstanding anything to the contrary in this Agreement, the Holder agrees that in the event of a private or public offering of Common Stock, the Holder shall be subject to the same restrictions on transferability or lock-up of shares of Common Stock as the underwriter of any such offering or any officer of the Company shall require of the executive officers of the Company.

4. INDEMNIFICATION BY THE COMPANY.

(a) GENERAL RIGHTS.

(i) In the event of any registration of any securities of the Company under the Securities Act, the Company will, and hereby does agree to, indemnify and hold harmless in the case of any registration statement of the Company, the Holder and any underwriter including the respective directors, officers, agents and controlling persons (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), if any, of the Holder and such underwriters against any losses, claims, damages, liabilities or expense, joint or several, to which the Holder (or any underwriter) or any such director, officer, agent or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages, liabilities or expenses (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company will reimburse the Holder (or any underwriter) and each such director, officer, agent and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability, action or proceeding, PROVIDED THAT the Company shall not be liable in such case to the extent that any such loss, claim, damage, liability or action or proceeding in respect thereof or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement exclusively in reliance upon and in conformity with information furnished to the Company through an instrument duly executed by the Holder, specifically stating that it is for use in the preparation thereof. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Holder (or underwriter, if any) or any such director, officer, agent or controlling person and shall survive the transfer of such securities by the Holder.

(ii) The Holder will, and hereby does agree to indemnify and hold harmless the Company and the directors, officers, agents and controlling persons, if any, of the Company against any losses, claims, damages, liabilities or expense to which the Company and the directors, officers, agents and controlling persons, if any, of the Company may become subject under the Securities Act insofar as such losses, claims, damages, liabilities or expense arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which the Registrable Securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent (and only to the extent) that such loss, claim, damage, liability or expense occurs in exclusive reliance upon and in conformity

with written information furnished by the Holder expressly for use in connection with such registration; provided that the Holder shall be liable under this paragraph for only that amount of losses, claims, damages, liabilities or expense as does not exceed the proceeds to the Holder as a result of the sale of Registrable Securities pursuant to such registration. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any such director, officer, agent or controlling person.

(b) NOTICES OF CLAIMS, ETC. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding subdivisions of this Section, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action, PROVIDED THAT the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding subdivisions of this Section, except to the extent that the indemnifying party is actually prejudiced in a material manner by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified, to the extent that the indemnifying party may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement of any such action which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability, or a covenant not to sue, in respect to such claim or litigation. No indemnified party shall consent to entry of any judgment or enter into any settlement of any such action the defense of which has been assumed by an indemnifying party without the consent of such indemnifying party.

(c) OTHER INDEMNIFICATION. Indemnification similar to that specified in the preceding subdivisions of this Section (with appropriate modifications) shall be given by the Company and the Holder with respect to any required registration or other qualification of securities under any Federal or state law or regulation of any governmental authority, other than the Securities Act.

(d) INDEMNIFICATION PAYMENTS. The indemnification required by this Section shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred.

(e) CONTRIBUTION. If the indemnification provided for in the preceding subdivisions of this Section is unavailable to an indemnified party in respect of any loss, claim, damage, liability or expense referred to therein, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such

indemnified party as a result of such loss, claim, damage, liability or expense (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Holder or underwriter, as the case may be, on the other from the distribution of the Registrable Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the Holder or underwriter, as the case may be, on the other in connection with the statements or omissions which resulted in such loss, claim, damage, liability or expense, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and of the Holder or underwriter, as the case may be, on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission to state a material fact relates to information supplied by the Company, by the Holder or by the underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission, PROVIDED THAT the foregoing contribution agreement shall not inure to the benefit of any indemnified party if indemnification would be unavailable to such indemnified party by reason of the provisions contained in the first sentence of subdivision (a) of this Section and in no event shall the obligation of any indemnifying party to contribute under this subdivision (e) exceed the amount that such indemnifying party would have been obligated to pay by way of indemnification if the indemnification provided for under subdivisions (a) or (b) of this Section had been available under the circumstances. Notwithstanding the provisions of this subdivision (e), neither the Holder nor the underwriter shall be required to contribute any amount in excess of the amount by which (i) in the case of the Holder, the net proceeds received by the Holder from the sale of Registrable Securities or (ii) in the case of an underwriter, the total price at which the Registrable Securities purchased by it and distributed to the public were offered by the public exceeds, in either such case, the amount of any damages that the Holder or underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11 the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

5. CERTAIN RIGHTS OF THE HOLDER.

The Company will not file any registration statement under the Securities Act, unless it shall first have given to the Holder, at least 30 days prior written notice thereof. If any such registration statement refers to the Holder by name or otherwise as the holder of any securities of the Company, then the Holder shall have the right within such 30 day period to require (a) the insertion therein of language, in form and substance satisfactory to the Holder to the effect that the holding by the Holder of such securities does not necessarily make the Holder a "controlling person" of the Company within the meaning of the Securities Act and is not to be construed as a recommendation by the Holder of the investment quality of the Company's debt or equity securities covered thereby and that the Holder will assist in meeting any future financial requirements of the Company or (b) in the event that such reference to the Holder by name or otherwise is not required by the Securities Act or any rules and regulations promulgated thereunder, the deletion of the reference to the Holder. If the Holder does not respond within such 30 day period, the Company may proceed with the filing.

6. MISCELLANEOUS.

(a) NO INCONSISTENT AGREEMENTS. The Company will not hereafter enter into any agreement with respect to its securities which is inconsistent with the rights granted to the Holder of Registrable Securities in this Agreement.

(b) ADJUSTMENTS AFFECTING REGISTRABLE SECURITIES. The Company will not take any action, or permit any change to occur, with respect to its securities which would adversely affect the ability of the Holder to include Registrable Securities in a registration statement undertaken pursuant to this Agreement or which would adversely affect the ability of the Holder to sell such Registrable Securities in any such registration (including, without limitation, effecting a stock split or a combination of shares).

(c) AMENDMENTS AND WAIVERS. Except as otherwise provided herein, the provisions of this Agreement may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if and only if the Company has obtained the written consent of the Holder.

(d) SUCCESSORS AND ASSIGNS. This Agreement may not be assigned by the Holder. All covenants and agreements in this Agreement by or on behalf of any of the parties hereto will bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not. In addition, whether or not any express assignment has been made, the provisions of this Agreement which are for the benefit of purchasers or holders of Registrable Securities are also for the benefit of, and enforceable by, any subsequent holder of Registrable Securities.

(e) JURISDICTION AND GOVERNING LAW. The Company and the Holder each hereby consent to personal jurisdiction in any action brought with respect to this Agreement and the transactions contemplated hereunder in any federal or state court within the State of New York. This Agreement shall be governed by and construed in accordance with the law of the State of New York without giving effect to conflicts of law principles thereof.

(f) CONSTRUCTION. Section headings of this Agreement are for reference purposes only and are to be given no effect in the construction or interpretation of this Agreement.

(g) SEVERABILITY. In the event that any provision hereof would, under applicable law, be invalid or enforceable in any respect, such provision shall be construed by modifying or limiting it so as to be valid and enforceable to the maximum extent compatible with, and permissible under, applicable law. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement which shall remain in full force and effect.

(h) JOINT AGREEMENT. The provisions of this Agreement and each document delivered pursuant hereto shall be deemed to be the joint effort of each of the parties hereto and shall not be construed more severely or strictly against any one or more parties.

(i) NOTICES. Except as otherwise provided in this Agreement, all notices, requests and other communications shall be in writing and shall be given to the Holder addressed to it in the manner set forth in the Merger Agreement or at such other address as the Holder shall have furnished to the Company in writing, and to the Company, to the attention of its Chief Executive Officer, or at such other address, or to the attention of such other officer, as the Company shall have furnished to the Holder. Each such notice, request or other communication shall be effective (i) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (ii) if given by any other means (including, without limitation, by air courier), when delivered at the address specified above, PROVIDED that any such notice, request or communication shall not be effective until received.

(j) COUNTERPARTS. This Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

(k) UNDERWRITER HOLDBACK. The Holder agrees that if the Company proposes to offer securities pursuant to a Registration Statement under the Securities Act pursuant to a firm commitment underwritten public offering, then the Holder will, if requested by the Underwriter of such proposed public offering, enter into such agreement that may be requested, agreeing not to sell, pledge, hypothecate or otherwise dispose of any Registrable Securities for the same period of time that is requested of officers, directors and principal stockholders of the Company.

(1) SPECIFIC PERFORMANCE. The parties hereto acknowledge that there would be no adequate remedy at law if any party fails to perform any of its other obligations hereunder, and accordingly agree that each party, in addition to any other remedy to which it may be entitled at law or in equity, shall be entitled to compel specific performance of the obligations of any other party under this Agreement in accordance with the terms and conditions of this Agreement in any court of the United States or any State thereof having jurisdiction. Any remedy hereunder is subject to certain equitable defenses and to the discretion of the court before which any proceedings therefor may be brought.

(m) ENTIRE AGREEMENT. This Agreement embodies the entire agreement between the parties and understanding between the Company and the Holder relating to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

PERFICIENT, INC.

By: /s/ John T. McDonald

Name: John T. McDonald
Title: Chief Executive Officer

HOLDER

/s/ John Gillespie

John Gillespie, individually

EXHIBIT 10.17

FORM OF REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT made as of February __, 2000, between Perficient, Inc., a Delaware corporation (the "Company), and the individuals listed on the signature page hereto (each, a "Holder" and, collectively, the "Holders").

WHEREAS, the Holders have agreed to purchase shares of common stock, par value $0.001 per share ("Common Stock"), of the Company pursuant to Subscription Agreements (the "Subscription Agreements") and under the Confidential Private Placement Memorandum dated January 27, 2000 (the "Memorandum"); and

WHEREAS, as a condition to the consummation of private placement, the Company has agreed to grant the Holders the rights provided hereunder with respect to the shares of Common Stock.

NOW, THEREFORE, the parties have agreed as follows:

1. DEFINITIONS.

(a) The term "Commission" means the Securities and Exchange Commission.

(b) The term "Other Securities" means at any time those shares of Common Stock which do not constitute Primary Securities or Registrable Securities.

(c) The term "Person" means a holder of Registrable Securities whenever such Person has the right to acquire such Registrable Securities (by conversion or otherwise, but disregarding any legal or other restrictions upon the exercise of such right), whether or not such acquisition has actually been effected.

(d) The term "Primary Securities" means at any time the authorized but unissued shares of Common Stock or shares of Common Stock held by the Company in its treasury.

(e) The term "Registrable Securities" means the Common Stock issued to Holders under the Memorandum. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (a) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (b) such securities may be distributed by a Holder to the public pursuant to Rule 144(k) (or any successor provision) under the Securities Act, (c) such securities shall have been otherwise transferred, new certificates for such securities not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent disposition of such securities shall not require registration or qualification of such securities under the Securities Act or any similar state law then in force, or (d) such securities shall have ceased to be outstanding.

(f) The term "Registration Expenses" means all expenses incident to the Company's performance of or compliance with this Agreement, including, without limitation, all registration, filing and NASD fees, all stock exchange listing fees, all fees and expenses of complying with securities or blue sky laws, all word processing, duplicating and printing expenses, messenger and delivery expenses, the fees and disbursements of counsel for the Company and of its independent public accountants, including the expenses of any special audits or "cold comfort letters" required by or incident to such performance and compliance, premiums and other costs of policies of insurance against liabilities arising out of the public offering of the Registrable Securities being registered and any fees and disbursements of underwriters customarily paid by issuers or sellers of securities, but excluding underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of any Holder's Registrable Securities pursuant to the shelf registration statement and the expenses of any separate fees for counsel for such Holder, PROVIDED THAT, in any case where Registration Expenses are not to be borne by the Company, such expenses shall not include salaries of the Company's personnel or general overhead expenses of the Company, premiums or other expenses relating to liability insurance required by underwriters of the Company or other expenses for the preparation of financial statements or other data normally prepared by the Company in the ordinary course of its business or which the Company would have incurred in any event.

(g) The term "Securities Act" means the Securities Act of 1933, as amended, or any successor law.

(h) Unless otherwise stated, other capitalized terms contained herein have the meanings set forth in the Memorandum.

2. CERTAIN RIGHTS OF THE HOLDERS.

(a) As soon as practicable following the Closing Date of the private placement of shares of Common Stock offered under the Memorandum (the "Closing Date") and in no event later than April 30, 2000, the Company shall cause to be filed a registration statement under the Securities Act to register the Registrable Securities and shall use its best efforts to cause the registration statement to be declared effective by the Commission as soon as possible thereafter; PROVIDED, HOWEVER, that the Company shall not be required to maintain the effectiveness of any such registration for any period following the earlier of the occurrence of (i) the sale of all Registrable Securities or (ii) such time as Rule 144(k) is available for the sale of the Registrable Securities. The Company will not file any registration statement under the Securities Act, unless it shall first have given to each Holder, at least 10 days prior written notice thereof. If any such registration statement refers to any Holder by name or otherwise as the holder of any securities of the Company, then such Holder shall have the right within such 10 day period to require (i) the insertion therein of language, in form and substance satisfactory to such Holder to the effect that the holding by the Holder of such securities does not necessarily make the Holder a "controlling person" of the Company within the meaning of the Securities Act and is not to be construed as a recommendation by such Holder of the investment quality of the Company's debt or equity securities covered thereby and that the Holder will assist in meeting any future financial requirements of the Company or (ii) in the event that such reference to such

Holder by name or otherwise is not required by the Securities Act or any rules and regulations promulgated thereunder, the deletion of the reference to the Holder. If such Holder does not respond within such 10 day period, the Company may proceed with the filing.

(b) PIGGYBACK REGISTRATION. (i) If, at any time following the Closing Date and ending on the ten-year anniversary of such Closing Date, the Company proposes to prepare and file one or more registration statements or post-effective amendments thereto covering equity or debt securities of the Company, or any such securities of the Company held by its shareholders (in any such case, other than in connection with a merger, acquisition or pursuant to Form S-8 or successor form) (for purposes of this Section, collectively, the "Registration Statement"), it will give written notice of its intention to do so by registered mail ("Notice"), at least thirty (30) business days prior to the filing of each such Registration Statement, to the Holders. Upon the written request of any Holder (a "Requesting Holder"), made within twenty (20) business days after receipt of the Notice, that the Company include any of the Requesting Holder's Registrable Securities in the proposed Registration Statement, the Company shall use its best efforts to effect the registration under the Act of the Registrable Securities which it has been so requested to register ("Piggyback Registration"), at the Company's sole cost and expense and at no cost or expense to the Requesting Holder provided, however, that if, in the written opinion of the Company's managing underwriter, if any, for such offering, the inclusion of all or a portion of the Registrable Securities requested to be registered, when added to the securities being registered by the Company or the selling shareholder(s), will exceed the maximum amount of the Company's securities which can be marketed (i) at a price reasonably related to their then current market value, or (ii) without otherwise materially adversely affecting the entire offering, then the Company may exclude from such offering all or a portion of the Registrable Securities which it has been requested to register.

(ii) If securities are proposed to be offered for sale pursuant to such Registration Statement by other security holders of the Company and the total number of securities to be offered by the Requesting Holder and such other selling security holders is required to be reduced pursuant to a request from the managing underwriter (which request shall be made only for the reasons and in the manner set forth above) the aggregate number of Registrable Securities to be offered by the Requesting Holder pursuant to such Registration Statement shall equal the number which bears the same ratio to the maximum number of securities that the underwriter believes may be included for all the selling security holders (including the Requesting Holder) as the original number of Registrable Securities proposed to be sold by the Requesting Holder bears to the total original number of securities proposed to be offered by the Requesting Holder and the other selling security holders.

(iii) If any Registrable Securities requested to be included in a Piggyback Registration are not so included because of the operation of the proviso of the first paragraph of this Section 2(b), then the holders of such excluded Registrable Securities shall have the right to require the Company, at its expense, to prepare and file another Registration Statement under the Act covering such Registrable Securities, provided that, if the underwriter so requests, such Registrable Securities shall not be sold until the expiration of 90 days from the effective date of the offering that gave rise to the piggyback registration rights that are the

subject of this Section 2(b). Nothing contained in the foregoing sentence shall require the Company to undergo an audit, other than in the ordinary course of business.

(iv) Notwithstanding the provisions of this Section 2(b), the Company shall have the right at any time after it shall have given written notice pursuant to this Section 2(b) (irrespective of whether any written request for inclusion of such securities shall have already been made) to elect not to file any such proposed Registration Statement, or to withdraw the same after the filing but prior to the effective date thereof.

(c) DEMAND REGISTRATION. At any time during a period of ten years from the Closing Date, Holders owning more than 50% of the aggregate Registrable Securities outstanding shall have the right (which right is in addition to the piggyback registration rights provided for under Section 2(b) hereof), exercisable by written notice to the Company (the "Demand Registration Request"), to have the Company prepare and file with the Securities and Exchange Commission (the "Commission") no more than on one occasion, a Registration Statement and such other documents, including a prospectus, as may be necessary (in the opinion of both counsel for the Company and counsel for such Holders), in order to comply with the provisions of the Securities Act, so as to permit a public offering and sale of the Registrable Securities by the Holder PROVIDED, HOWEVER, that the Company shall not be required to effect a Registration pursuant to this Section 2(b) unless at least 250,000 shares of the Registrable Securities are proposed to be sold in such registration (as adjusted for any stock split, stock dividend or similar change in the Common Stock). The Company shall not be required to maintain the effectiveness of any such registration for greater than nine months. The form on which such registration shall be filed shall be determined by the Company from among the forms then available to it under the Securities Act for such registration.

(d) Notwithstanding the foregoing, the Company may delay filing a registration statement and may withhold efforts to cause the registration statement to become or remain effective, if the Company determines in good faith that such registration might (i) interfere with or affect the negotiation or completion of any transaction that is being contemplated by the Company at the time the right to delay is exercised, or (ii) involve initial or continuing disclosure obligations that might not be in the best interest of the Company's shareholders. Notwithstanding the foregoing, (A) the Company shall not be entitled to exercise its right to defer filing or effectiveness of a registration pursuant to a Demand Registration Request for more than ninety (90) consecutive days, and (B) the Company may not exercise the foregoing right more than two times in any 365-day period, with not less than ninety (90) days between the end of one suspension period and the beginning of the next one.

3. REGISTRATION PROCEDURES.

(a) If the Company is required to effect the registration of the Registrable Securities under the Securities Act as provided in Section 2, the Company shall, as expeditiously as possible (and in all events subject to Section 2):

(i) prepare and file with the Commission the requisite registration statement to effect such registration (including such audited financial statements as may be

required by the Securities Act or the rules and regulations promulgated thereunder) and thereafter cause such registration statement to become and remain effective, PROVIDED, HOWEVER, that before filing such registration statement or any amendments thereto, the Company will furnish to each Holder copies of all such documents proposed to be filed, which documents will be subject to its review in accordance with Section 3(b);

(ii) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until such time as all of such Registrable Securities have been disposed of in accordance with the intended methods of disposition by each Holder set forth in such registration statement;

(iii) furnish to each Holder (or underwriter, if any, of the securities being sold by such Holder) such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus contained in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, and such other documents as, such Holder (and each such underwriter, if any) may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities;

(iv) use its best efforts to register or qualify all Registrable Securities and other securities covered by such registration statement under such other securities laws or blue sky laws of such jurisdictions as any Holder (and any underwriter of the Registrable Securities being sold) shall reasonably request, to keep such registrations or qualifications in effect for so long as such registration statement remains in effect, and take any other action which may be necessary or advisable to enable such Holder (and underwriter, if any) to consummate the disposition in such jurisdictions of the Registrable Securities except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it would not but for the requirements of this subdivision (iv) be obligated to be so qualified or to consent to general service of process in any such jurisdiction;

(v) use its best efforts to cause all Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable each Holder to consummate the disposition of such Registrable Securities;

(vi) notify each Holder (and the managing underwriter or underwriters, if any) promptly and confirm such advice in writing promptly thereafter:

(A) when the registration statement, the prospectus or any prospectus supplement related thereto or post-effective amendment to the registration statement

has been filed, and, with respect to the registration statement or any post-effective amendment thereto, when the same has become effective:

(B) of any request by the Commission for amendments or supplements to the registration statement or the prospectus or for additional information;

(C) of the issuance by the Commission of any stop order suspending the effectiveness of the registration statement or the initiation of any proceedings by any Person for that purpose;

(D) if at any time the representations and warranties of the Company cease to be true and correct;

(E) of the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the securities or blue sky laws of any jurisdiction or the initiation or threat of any proceeding for such purpose;

(vii) notify each Holder, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing, promptly but within a reasonable period of time given the circumstances, file with the Commission such amendments or supplements to such registration statement so that such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing and promptly furnish to such Holder (and each underwriter, if any) a reasonable number of copies of such supplement to or an amendment of such prospectus as they may reasonably request;;

(viii) make every reasonable effort to obtain the withdrawal of any order suspending the effectiveness of the registration statement;

(ix) otherwise use reasonable efforts to comply with all applicable rules and regulations of the Commission and will furnish to each Holder at least five business days prior to the filing thereof a copy of any amendment or supplement to such registration statement or prospectus and shall not file any thereof to which any Holder shall have reasonably objected on the grounds that such amendment or supplement does not comply in all material respects with the requirements of the Securities Act or of the rules or regulations thereunder;

(x) make available for inspection by any Holder, any underwriter participating in any disposition pursuant to the registration statement and any attorney or accountant retained by such Holder or such underwriter (each, an "Inspector"), all financial and other records, pertinent corporate documents and properties of the Company (the "Records"), and cause the Company's officers, directors and employees to supply all information reasonably

requested by any such Inspector in connection with such registration in order to permit a reasonable investigation within the meaning of Section 11 of the Securities Act;

(xi) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by such registration statement from and after a date not later than the effective date of such registration statement;

(xii) enter into such agreements and take such other actions as any Holder shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities;

(xiii) use its best efforts to list all Registrable Securities covered by such registration statement on any securities exchange on which any of the securities of the same class as the Registrable Securities are then listed;

(xiv) use its best efforts to provide a CUSIP number for the Registrable Securities, not later than the effective date of the registration statement; and

(xv) file such periodic and other reports as may be required pursuant to the Exchange Act.

(b) Each Holder agrees that, upon receipt of any notice from the Company of the occurrence of any event of the kind described in subdivision (vii) of this Section, such Holder will forthwith and for a reasonable time discontinue disposition of Registrable Securities pursuant to the registration statement relating to such Registrable Securities until such Holder's receipt of the copies of the supplemented or amended prospectus required by subdivision (vii) of this Section.

(c) Notwithstanding the foregoing, at such time as the Company is eligible to register any of the Registrable Securities on a registration statement on Form S-3, the Company may utilize such a registration statement to cause the registration of such shares.

4. INDEMNIFICATION BY THE COMPANY.

(a) GENERAL RIGHTS.

(i) In the event of any registration of any securities of the Company under the Securities Act, the Company will, and hereby does agree to, indemnify and hold harmless in the case of any registration statement of the Company, the Holders and any underwriter including the respective directors, officers, agents and controlling persons (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), if any, of each Holder and such underwriters against any losses, claims, damages, liabilities or expense, joint or several, to which the Holder (or any underwriter) or any such director, officer, agent or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages, liabilities or expenses (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or based upon any untrue statement or alleged

untrue statement of any material fact contained in any registration statement under which securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company will reimburse each Holder (or any underwriter) and each such director, officer, agent and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability, action or proceeding; PROVIDED THAT the Company shall not be liable in such case to the extent that any such loss, claim, damage, liability or action or proceeding in respect thereof or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement exclusively in reliance upon and in conformity with information furnished to the Company through an instrument duly executed by such Holder, specifically stating that it is for use in the preparation thereof. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any Holder (or underwriter, if any) or any such director, officer, agent or controlling person and shall survive the transfer of such securities by such Holder.

(ii) Each Holder will, if Registrable Securities held by him are included in the securities as to which such registration, qualification or compliance is being effected, severally (but not jointly) indemnify and hold harmless the Company and the directors, officers, agents and controlling persons, if any, of the Company against any losses, claims, damages, liabilities or expense to which the Company and the directors, officers, agents and controlling persons, if any, of the Company may become subject under the Securities Act insofar as such losses, claims, damages, liabilities or expense arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which the Registrable Securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent (and only to the extent) that such loss, claim, damage, liability or expense occurs in exclusive reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; provided that such Holder shall be liable under this paragraph for only that amount of losses, claims, damages, liabilities or expense as does not exceed the proceeds to such Holder as a result of the sale of Registrable Securities pursuant to such registration. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any such director, officer, agent or controlling person.

(b) NOTICES OF CLAIMS, ETC. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding subdivisions of this Section, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action, PROVIDED THAT the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding

subdivisions of this Section, except to the extent that the indemnifying party is actually prejudiced in a material manner by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified, to the extent that the indemnifying party may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement of any such action which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability, or a covenant not to sue, in respect to such claim or litigation. No indemnified party shall consent to entry of any judgment or enter into any settlement of any such action the defense of which has been assumed by an indemnifying party without the consent of such indemnifying party.

(c) OTHER INDEMNIFICATION. Indemnification similar to that specified in the preceding subdivisions of this Section (with appropriate modifications) shall be given by the Company and the Holders with respect to any required registration or other qualification of securities under any Federal or state law or regulation of any governmental authority, other than the Securities Act.

(d) INDEMNIFICATION PAYMENTS. The indemnification required by this Section shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred.

(e) CONTRIBUTION. If the indemnification provided for in the preceding subdivisions of this Section is unavailable to an indemnified party in respect of any loss, claim, damage, liability or expense referred to therein, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage, liability or expense, in such proportion as is appropriate to reflect the relative fault of the Company on the one hand and of such Holder or underwriter, as the case may be, on the other in connection with the statements or omissions which resulted in such loss, claim, damage, liability or expense, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and of such Holder or underwriter, as the case may be, on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission to state a material fact relates to information supplied by the Company, by such Holder or by the underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission, PROVIDED THAT the foregoing contribution agreement shall not inure to the benefit of any indemnified party if indemnification would be unavailable to such indemnified party by reason of the provisions contained in the first sentence of subdivision (a) of this Section and in no event shall the obligation of any indemnifying party to contribute under this subdivision (e) exceed the amount that such indemnifying party would

have been obligated to pay by way of indemnification if the indemnification provided for under subdivisions (a) or (b) of this Section had been available under the circumstances. Notwithstanding the provisions of this subdivision (e), neither the Holders nor the underwriter shall be required to contribute any amount in excess of the amount by which (i) in the case of any Holder, the net proceeds received by such Holder from the sale of Registrable Securities or (ii) in the case of an underwriter, the total price at which the Registrable Securities purchased by it and distributed to the public were offered by the public exceeds, in either such case, the amount of any damages that such Holder or underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11 the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

5. MISCELLANEOUS.

(a) NO INCONSISTENT AGREEMENTS. The Company will not hereafter enter into any agreement with respect to its securities which is inconsistent with the rights granted to the holders of Registrable Securities in this Agreement.

(b) ADJUSTMENTS AFFECTING REGISTRABLE SECURITIES. The Company will not take any action, or permit any change to occur, with respect to its securities which would adversely affect the ability of the Holders to include Registrable Securities in a registration statement undertaken pursuant to this Agreement or which would adversely affect the ability of the Holders to sell such Registrable Securities in any such registration (including, without limitation, effecting a stock split or a combination of shares).

(c) AMENDMENTS AND WAIVERS. Except as otherwise provided herein, the provisions of this Agreement may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if and only if the Company has obtained the written consent of the Holders.

(d) SUCCESSORS AND ASSIGNS. The rights to cause the Company to register securities granted to a Holder by the Company under this Agreement may be transferred or assigned by a Holder only to a transferee or assignee of not less than 50,000 shares of Registrable Securities (as presently constituted and subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits, and the like), provided that the Company is given written notice at the time of or within a reasonable time after said transfer or assignment, stating the name and address of the transferee or assignee and identifying the securities with respect to which such registration rights are being transferred or assigned and, provided further, that the transferee or assignee of such rights assumes the obligations of such Holder under this Agreement. All covenants and agreements in this Agreement by or on behalf of any of the parties hereto will bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not. In addition, whether or not any express assignment has been made, the provisions of this Agreement which are for the benefit of purchasers or holders of Registrable Securities are also for the benefit of, and enforceable by, any subsequent holder of Registrable Securities.

(e) GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the law of the State of New York without giving effect to conflicts of law principles thereof.

(f) CONSTRUCTION. Section headings of this Agreement are for reference purposes only and are to be given no effect in the construction or interpretation of this Agreement.

(g) SEVERABILITY. In the event that any provision hereof would, under applicable law, be invalid or enforceable in any respect, such provision shall be construed by modifying or limiting it so as to be valid and enforceable to the maximum extent compatible with, and permissible under, applicable law. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement which shall remain in full force and effect.

(h) JOINT AGREEMENT. The provisions of this Agreement and each document delivered pursuant hereto shall be deemed to be the joint effort of each of the parties hereto and shall not be construed more severely or strictly against any one or more parties.

(i) NOTICES. Except as otherwise provided in this Agreement, all notices, requests and other communications shall be in writing and shall be given to the Holder addressed to it in the manner set forth in the Subscription Agreement applicable to such Holder or at such other address as any Holder shall have furnished to the Company in writing, and to the Company, to the attention of its Chief Executive Officer, or at such other address, or to the attention of such other officer, as the Company shall have furnished to the Holders. Each such notice, request or other communication shall be effective (i) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (ii) if given by any other means (including, without limitation, by air courier), when delivered at the address specified above, PROVIDED that any such notice, request or communication shall not be effective until received.

(j) COUNTERPARTS. This Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

(k) UNDERWRITER HOLDBACK. All Holders that purchase less than 150,000 shares of the Registrable Securities in the Offering pursuant to the Memorandum agree that if the Company proposes to offer securities pursuant to a Registration Statement under the Securities Act pursuant to a firm commitment underwritten public offering, then such Holders will, if requested by the Underwriter of such proposed public offering, enter into such agreement that may be requested, agreeing not to sell, pledge, hypothecate or otherwise dispose of any Registrable Securities for the same period of time that is requested of officers, directors and principal stockholders of the Company.

(k) SPECIFIC PERFORMANCE. The parties hereto acknowledge that there would be no adequate remedy at law if any party fails to perform any of its other obligations hereunder,

and accordingly agree that each party, in addition to any other remedy to which it may be entitled at law or in equity, shall be entitled to compel specific performance of the obligations of any other party under this Agreement in accordance with the terms and conditions of this Agreement in any court of the United States or any State thereof having jurisdiction. Any remedy hereunder is subject to certain equitable defenses and to the discretion of the court before which any proceedings therefor may be brought.

(l) ENTIRE AGREEMENT. This Agreement embodies the entire agreement between the parties and understanding between the Company and the Holders relating to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

PERFICIENT, INC.

By:

Name: John T. McDonald
Title: Chief Executive Officer

EXHIBIT 10.18

SUBCONTRACT AGREEMENT

This Subcontract Agreement is made as of November 4, 1999 ("Date") by and between Plumtree, Inc. ("Company") with principal offices at 500 Sansome St, San Fransisco, CA. 94111 and Perficient, Inc. ("Consultant") with principal offices at 7600 - B North Capital of TX Hwy, Suite 220, Austin, TX 78735.

1. SCOPE OF SERVICES; PROJECT ASSIGNMENTS

1.1 Company may issue Project Assignments to Consultant in the form attached to this Agreement as EXHIBIT A ("Project Assignment"). Subject to the terms of this Agreement, Consultant shall render the services (the "Services") and provide the deliverables (the "Deliverables") as set forth in the Project Assignment(s) accepted in writing by Consultant by the completion dates set forth therein.

1.2 Each Project Assignment shall provide the specific Services authorized by Company, the schedule or term, the applicable rates and charges therefor, and other appropriate terms and conditions.

1.3 Each Project Assignment shall provide acceptance criteria for the Services and Deliverables described in such Project Assignment ("Acceptance Criteria"). Upon completion of such Services and Deliverables, Consultant shall notify Company of such completion ("Notice"). For the Services and Deliverables described in each such Project Assignment, Company shall have five (5) business days (the "Acceptance Period") from receipt of Notice to determine whether the completed Services and Deliverables conform to the applicable Acceptance Criteria. Upon expiration of the Acceptance Period, the completed Services and Deliverables shall be deemed accepted by Company unless Consultant has received from Company prior to the expiration of the Acceptance Period a written statement detailing any nonconformance ("Notice of Nonconformance"). If Consultant receives a Notice of Nonconformance during the Acceptance Period, Consultant shall re-perform such Services and provide substitute Deliverables, at no cost to Company for Consultant's time expended. The Acceptance Period and procedure of this Section shall repeat itself with respect to such re-performed services and substitute Deliverables until accepted or deemed accepted by Company ("Acceptance").

2. PAYMENT

2.1 Training Period: Each individual with no prior experience with Company's products shall be considered a trainee for a period of 4 weeks during which the following applies:

a. Company shall provide a one week training class at no charge to each individual hired by Consultant on their behalf.

b. During the one (1) week training class for a new individual, Consultant shall not invoice Company for either hours or out of pocket expenses.

c. In the period of 3 weeks following the completion of the training class, Consultant will bill Company for an individual's time at 50% of the individual's standard rate assuming 100 utilization on an internal or external assignment. Utilization will be computed based on an eight (8) hour day x the number of business days in a billing period. Company shall pay all out of pockets expenses incurred as a result of such assignments (e.g. travel, per-diems) during said period.

2.2 Company shall pay Consultant the fees identified in the applicable Project Assignment for time incurred by Consultant in performance of its obligations, as adjusted to reflect any changes in the scope of work that Company authorizes in writing, and to which Consultant agrees in writing. Company shall also reimburse Consultant for any actual, reasonable travel and out-of-pocket expenses incurred in performing Services. The fees do not include taxes, shipping or insurance. If Consultant is required to pay any federal, state or local taxes based on the Services or Deliverables, such taxes will be billed to and paid by Company. Consultant shall be responsible for taxes based on Consultant's net income.

2.3 Unless invoicing is tied to deliverable milestones specified under a given Project Assignment, Consultant will invoice Company monthly for work done by Consultant during the preceding month. All invoices are due and payable thirty (30) days after the invoice date. Invoices not paid within such period shall accrue interest at the rate of 1.5% per month or the maximum rate allowed by law, whichever is less.

3. CONFIDENTIALITY

3.1 Except for purposes permitted under this Agreement, each party hereby agrees to not disclose or use any materials or information received by it hereunder which are marked as confidential or proprietary, or if disclosed verbally, reduced to writing and marked confidential within thirty (30) days after the date of disclosure ("Confidential Information"). Each party agrees to take precautions to prevent any unauthorized disclosure or use of the other party's Confidential Information consistent with precautions used to protect such party's own confidential information, but in no event less than reasonable care. The obligations of the parties hereunder shall not apply to any materials or information which a party can demonstrate, through documented evidence (a) is now, or hereafter becomes, through no act or failure to act on the part of the receiving party, generally known or available; (b) is known by the receiving party at the time of receiving such information as evidenced by its records; (c) is hereafter furnished to the receiving party by a third party, as a matter of right and without restriction on disclosure; (d) is independently developed by the receiving party without

use of any Confidential Information; or (e) is the subject of a written permission to disclose provided by the disclosing party. Notwithstanding any other provision of this Agreement, disclosure of Confidential Information shall not be precluded if such disclosure:

a. is in response to a valid order of a court or other governmental body of the United States or any political subdivision thereof; provided, however, that the responding party shall first have given notice to the other party hereto in order that such other party may obtain a protective order requiring that the Confidential Information so disclosed be used only for which the order was issued and the responding party uses reasonable efforts to have such information be treated as confidential and under seal;

b. is otherwise required by law; or

c. is otherwise necessary to establish rights or enforce obligations under this Agreement, but only to the extent that any such disclosure is necessary.

3.2 Notwithstanding anything to the contrary herein, Consultant's use or dissemination of information of general application which may be retained in the memory of employees of Consultant, including formulae, patterns, compilations, programs, devices, methods, techniques or processes, shall not be considered a breach of Consultant's confidentiality obligations.

3.3 In the event of any breach of this Section, the parties agree that the non-breaching party will suffer irreparable harm for which money damages would be an inadequate remedy. Accordingly, the non-breaching party shall be entitled to seek injunctive relief, in addition to any other available remedies at law or in equity.

4. INTELLECTUAL PROPERTY

4.1 All right, title and interest to any copyrights, patents or other intellectual property rights embodied in Deliverables or other works developed by Consultant in the course of providing the Services, including but not limited to, any new or useful art, discovery, improvement, technical development, or invention, whether or not patentable, and all related know-how, designs, mask works, trademarks, formulae, processes, manufacturing techniques, trade secrets, ideas, artworks, software or other copyrightable or patentable work (collectively, "Rights"), are the sole and exclusive property of Company and/or its licensors. Consultant is hereby granted a non-exclusive, worldwide license under the Rights to use, reproduce and create derivative works of the Deliverables on engagements entered into on behalf of Company.

4.2 Consultant has the necessary right, title, and interest to produce the Deliverables and provide the Services to Company, and Deliverables will be free of liens

and encumbrances, and do not infringe any third party intellectual property rights. Consultant shall indemnify and hold Company harmless from any claims that Deliverables infringe any third party intellectual property rights. Consultant's indemnity obligations under this Section shall not exceed the amount payable by Company to Consultant under the Project Assignment related to such alleged infringement, provided, however, that if such infringement is caused by the deliberate or willful misconduct of Consultant, the amount of such indemnity shall be limited to Company's actual damages (including reasonable attorney fees).

4.3 Except as prohibited pursuant to Article 3 ("Confidentiality"), Consultant may in its sole discretion develop, use, market and license any products or services that are similar or related to those developed or performed by Consultant for Company. Consultant shall not be required to disclose to Company information concerning any developments that Consultant considers confidential.

5. SOFTWARE LICENSE

5.1 Company will provide Consultant with copies of any Company's software programs and/or other software code and related documentation which Consultant requires access to in order to perform Services or provide Deliverables pursuant to a Project Assignment (collectively, the "Software"). Company grants Consultant a royalty-free, revocable, and nonexclusive license to possess, install and use the Software for such limited purposes and for internal use.

6. RECORDS AND REPORTING

6.1 Consultant shall maintain complete and accurate records of the work performed hereunder, the amounts invoiced and hours worked. Such records shall be in accordance with standard accounting practices and shall include, but not be limited to, time sheets and receipts for reimbursable expenses.

6.2 Company shall have the right to inspect and audit Consultant's records at Consultant's place of business during normal business hours at any time during the term of this Agreement and for a period of one (1) year thereafter, upon giving Consultant thirty (30) days prior written notice. Any information received or acquired by Company during such audit shall be deemed Confidential Information of Consultant and subject to the use and disclosure restrictions set forth herein.

7. LIMITED WARRANTY; DISCLAIMER

Consultant warrants the Services and Deliverables and will conform to the Acceptance Criteria and generally accepted industry standards and practices for similar deliverables or services. If Consultant fails to perform the Services or provide the Deliverables as warranted, and Company reports such failure to Consultant in writing

during the thirty (30) day period after Acceptance, Consultant will, without charge for its time expended, re-perform the Services and provide substitute Deliverables as necessary. At Consultant's option and in its sole discretion, Consultant may elect not to re-perform the Services or provide Substitute Deliverables and instead, refund certain amounts paid by Company and terminate this Agreement or the applicable Project Assignment. The above is Company's sole and exclusive remedy for breach of warranty by Consultant with regard to the provision of Services and Deliverables. EXCEPT FOR THE WARRANTY PROVIDED IN THIS ARTICLE 7 ("LIMITED WARRANTY; DISCLAIMER"), CONSULTANT MAKES NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY (INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF NONINFRINGEMENT, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE) REGARDING THE SERVICES OR ANY DELIVERABLE.

8. TERM AND TERMINATION

This Agreement is effective as of the Effective Date and will continue in perpetuity unless terminated as set forth below. Either party may terminate this Agreement, with or without cause, at any time upon ninety (90) days prior written notice to the other party. However, no such termination will be effective until any outstanding Project Assignments have been completed. The rights and obligations contained in Articles 2 ("Payment"), 3 ("Confidentiality") 4 ("Intellectual Property"), 7 ("Limited Warranty;Disclaimer"), 8 ("Term and Termination"). 10 ("Limitation of Liability") and [11 or 12] ("General Terms and Conditions") shall survive any termination or expiration of this Agreement.

9. INDEPENDENT CONTRACTOR

Consultant agrees that it is an independent contractor and that it will perform under this Agreement as an independent contractor. Nothing in this Agreement shall be deemed to make Consultant an agent, employee or partner of Company. Consultant shall not be entitled to any of the fringe benefits of Company and shall have no authority to bind, commit, contract for or otherwise obligate Company in any manner whatsoever. Furthermore, Consultant shall withhold and pay Social Security, income taxes, and other employment taxes for itself and its employees.

10. LIMITATION OF LIABILITY

Notwithstanding any other provisions of this Agreement, Consultant's liability to Company under any particular Project Assignment is limited to the amounts paid to Consultant under such Project Assignment. Furthermore, neither party will be liable to the other party or any third party for any loss of use, interruption of business or any special, incidental, exemplary or consequential damages of any kind (including lost profits), regardless of the form of action, whether in contract, tort (including negligence), strict product liability or otherwise, even if Consultant has been advised of the possibility of such damages. The foregoing provisions limiting damages and excluding

consequential damages are independent of any exclusive remedies for breach of warranty set forth herein.

11. INSURANCE

11.1 Consultant agrees to carry Workers Compensation Insurance.

11.2 Consultant agrees to carry Commercial General Liability insurance covering all operations of the Consultant with a combined single limit of $1,000,0000.

11.3 Consultant agrees to carry Automobile Liability Insurance covering bodily injury and property damage liability arising out of the use by or on behalf of the Consultant with combined limits not less than $500,000.

11.4 Consultant agrees to carry Errors and Omissions Insurance covering loss or damage arising out of negligent acts or errors or omissions which arise from professional services provided by Consultant under this Agreement with limits no less than $500,000 per occurrence.

11.5 Upon request Consultant will provide evidence of the coverage listed above in the form of certificates of insurance or copies of insurance policies.

12. GENERAL TERMS AND CONDITIONS

12.1 During the term of this agreement and for a period of one (1) year thereafter both parties mutually agree not to solicit or hire any employee of either company, or any person who has within the prior six (6) months been an employee of either company without the express written permission of both parties.

12.2 In the event that any dispute arises between the parties hereto with regard to any of the provisions of this Agreement or the performance of any of the terms and conditions hereof, the prevailing party in any such dispute shall be entitled to recover costs and expenses associated with resolving such dispute, including but not limited to reasonable attorneys' fees expert witness fees and costs and fees on appeal.

12.3 This Agreement is governed in all respects by the laws of the United States of America and the State of Texas as such laws are applied to agreements entered into and to be performed entirely within Texas between Texas residents, without regard to its conflict or choice of law principles.

12.4 All notices or reports permitted or required under this Agreement shall be in writing and shall be by personal delivery, telegram, telex, telecopier, facsimile transmission, or by certified or registered mail, return receipt requested, and deemed received upon personal delivery, five (5) days after deposit in the mail, or upon acknowledgment of receipt of electronic transmission. Notices shall be sent to the addresses set forth on the signature page or such other address as either party may specify in writing. Notices shall be sent to the applicable designated person identified in the applicable Project Assignment.

12.5 If any provision of this Agreement is unenforceable or invalid under any applicable law or be so held by applicable court decision, such unenforceability or invalidity shall not render this Agreement unenforceable or invalid as a whole. In such event, such provision shall be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law or court decisions.

12.6 The failure of either party to require performance by the other party of any provision hereof shall not affect the full right to require such performance at any time thereafter; nor shall the waiver by either party of a breach of any provision hereof be taken or held to be a waiver of the provision itself

12.7 Company acknowledges that the laws and regulations of the United States may restrict the export and re-export of commodities and technical data of United States origin, including the Deliverables. Company agrees that it will not export or re-export the Deliverables in any form, without the appropriate United States and foreign governmental licenses.

12.8 Neither party shall be liable hereunder by reason of any failure or delay in the performance of its obligations hereunder (except for the payment of money) on account of strikes, shortages, riots, insurrection, fires, flood, storm, explosions, acts of God, war, governmental action, labor conditions, earthquakes, material shortages, or any other cause beyond the reasonable control of such party.

12.9 Neither party may assign, voluntarily, by operation of law or otherwise, any rights or delegate any duties under this Agreement without the other party's prior written consent, except in the case of a merger, acquisition, reorganization, consolidation, reincorporation or sale of all or substantially all of the assets of the party. Any attempt to do so without that consent will be void. This Agreement will bind and inure to the benefit of the parties and their respective successors and permitted assigns.

12.10 This Agreement (including any fully executed Project Assignments) completely and exclusively states the agreement of the parties regarding its subject matter. It supersedes, and its terms govern, all prior or contemporaneous proposals, agreements, or other communications between the parties, oral or written, regarding such subject matter. This Agreement shall not be modified except by a subsequently dated written amendment or supplemental Project Assignment signed on behalf of Consultant and Company by their duly authorized representatives, and any provision on a Project Assignment purporting to supplement or vary the provisions hereof shall be void.

IN WITNESS WHEREOF, the parties have executed this Project Assignment as of the date last written below.

"Consultant"		"Company"	
	Perficient, Inc		Plumtree Software
By:	----------	By:	----------
Name:	Andrew J. Roehr	Name:	----------
Title:	Chief Technology Officer	Title:	----------

Exhibit 21

Subsidiaries

The following are the direct and indirect subsidiaries of Perficient, Inc.

Name	Jurisdiction of Formation
Perficient LoreData, Inc.	Delaware
Perficient Compete, Inc.	Delaware
Perficient International, Ltd.	United Kingdom

12-MOS	
DEC-31-1999	
JAN-01-1999	
DEC-31-1999	
5,818,918	
0	
563,334	
0	
0	
6,535,590	
114,640	
(33,813)	
6,616,417	
364,326	
0	
0	
0	
3,503	
6,248,588	
6,616,417	
3,154,936	
3,154,936	
0	
1,541,389	
3,039,422	
0	
0	
(1,425,875)	
(20,912)	
(1,404,963)	
0	
0	
0	
(1,404,963)	
(0.47)	
(0.47)	