AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JULY 22, 1999

REGISTRATION NO. 333-78337

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 3
TO
FORM SB-2

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

PERFICIENT, INC.

(Name of Small Business Issuer in Its Charter)

DELAWARE	7371	74-2853258
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

7600-B NORTH CAPITAL OF TEXAS HIGHWAY, SUITE 220
AUSTIN, TEXAS 78731
(512) 306-7337
(Address and telephone number of principal executive offices and principal place of business)

JOHN T. MCDONALD
CHIEF EXECUTIVE OFFICER
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AUSTIN, TEXAS 78731
(512) 306-7337

(Name, address and telephone number of agent for service)

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR

DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SUCH SECTION 8(a), MAY DETERMINE.

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DATED JULY 22, 1999

SUBJECT TO COMPLETION

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL SECURITIES, AND WE ARE NOT SOLICITING OFFERS TO BUY SECURITIES, IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

1,000,000 SHARES

[LOGO]

COMMON STOCK

This is our initial public offering. We anticipate that the initial public offering price will be between $7 and $8 per share.

We have applied to the Nasdaq SmallCap Market to list our common stock under the symbol "PRFT" and to the Boston Stock Exchange to list our common stock under the symbol "PRF".

PLEASE SEE "RISK FACTORS" BEGINNING ON PAGE 6 TO READ ABOUT CERTAIN FACTORS YOU SHOULD CONSIDER BEFORE BUYING ANY SHARES OF OUR COMMON STOCK.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PER SHARE	TOTAL
Offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to Perficient, Inc.	$	$

We granted the underwriters a 45-day option to purchase up to 150,000 additional shares to cover over-allotments at the initial public offering price less the underwriting discount.

The shares will be ready for delivery in New York, New York on or about , 1999.

GILFORD SECURITIES INCORPORATED

Prospectus dated , 1999.

[Description of Inside Front Cover graphics:

[LOGO]

"Perficient provides virtual professional services organizations to Internet software companies."

These Internet software companies are our partners:

[VIGNETTE LOGO]	Vignette Corporation (Nasdaq: VIGN) is a leader in the category of Internet Relationship Management software products and services.
[MOTIVE LOGO]	Motive Communications, Inc. provides software solutions that enable its customers to create automated support chains.
[INTERWOVEN LOGO]	Interwoven's flagship product, TeamSite, manages the creation, development and deployment of large, dynamic Web sites.
[VENTIX LOGO]	Ventix' Knowledge Support System provides end users of mission critical enterprise applications with critical business information and dynamic performance support.

We help our partners service their customers and achieve market success."]

SUMMARY

YOU SHOULD READ THIS SUMMARY TOGETHER WITH THE MORE DETAILED INFORMATION, INCLUDING OUR FINANCIAL STATEMENTS AND RELATED NOTES, APPEARING ELSEWHERE IN THIS PROSPECTUS.

PERFICIENT

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 without maintaining a large in-house professional services organization. We believe this enables them 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.

Our partners are responsible for billing and collecting payments from their end-user customers and paying us for the services that our professional services organizations perform.

We established our first partner relationship with Vignette Corporation, an Internet relationship management software company, in February 1998. We have recently established partner relationships with Interwoven, Inc., an enterprise Web production software company, Motive Communications, Inc., a support chain automation software company, and Ventix Systems Inc., a knowledge support software company.

HOW TO CONTACT US

Our principal executive offices are located at 7600-B North Capital of Texas Highway, Suite 220, Austin, Texas 78731, and our telephone number is (512) 306-7337. Our Internet address is WWW.PERFICIENT.COM. THE INFORMATION ON OUR WEB SITE IS NOT INCORPORATED BY REFERENCE INTO, AND DOES NOT CONSTITUTE PART OF, THIS PROSPECTUS.

TRADEMARKS

The name "Perficient" and the Perficient logo are our trademarks. All other trademarks, trade names or service marks appearing in this prospectus belong to other companies.

THE OFFERING

Shares offered by Perficient.....	1,000,000
Shares to be outstanding after this offering.....	3,500,000
Use of proceeds.....	- Recruiting, training and equipping information technology professionals - Expanding our management and technology infrastructure - Expanding our physical facilities -Sales and marketing -Repayment of debt - Working capital and general corporate purposes, including potential acquisitions
Proposed Nasdaq SmallCap Market symbol.....	"PRFT"
Proposed Boston Stock Exchange symbol.....	"PRF"

Unless we state otherwise, all information in this prospectus:

- gives effect to a 1-for-5 reverse split of our common stock that we effected when we reincorporated in Delaware;
- and excludes:
  - 466,334 shares issuable upon the exercise of outstanding options and warrants;
  - 237,666 shares reserved for future issuance under our 1999 Stock Option/ Stock Issuance Plan;
  - up to 100,000 shares issuable upon the exercise of the warrants that we will issue to the underwriters' representative; and
  - up to 150,000 shares issuable upon the exercise of the underwriters' over-allotment option.

SUMMARY FINANCIAL INFORMATION

The following table summarizes the financial data for our business:

	PERIOD FROM SEPTEMBER 17, 1997 (INCEPTION) THROUGH DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1998	THREE MONTHS ENDED MARCH 31,	
			1998	1999
			(UNAUDITED)	(UNAUDITED)
STATEMENT OF OPERATIONS DATA:				
Consulting revenues	$ --	$ 825,800	$ 38,971	$ 312,323
Operating costs and expenses:				
Cost of consulting revenues	--	400,977	32,433	199,130
Selling, general and administrative	19,081	357,014	31,561	137,860
Stock compensation	--	--	--	899,000
Total expenses	19,081	757,991	63,994	1,235,990
Income (loss) from operations	(19,081)	67,809	(25,023)	(923,667)
Net income (loss)	(12,069)	40,228	(15,765)	(919,332)
Basic net income (loss) per share (1)	(0.01)	0.02	(0.02)	(0.37)
Shares used in computing pro forma basic net income (loss) per share	1,000,000	1,750,000	1,000,000	2,500,000

The following table summarizes our balance sheet at March 31, 1999:

- on an actual basis; and

- on an as adjusted basis to reflect the sale of 1,000,000 shares of our common stock, after deducting underwriting discounts and our estimated offering expenses.

	MARCH 31, 1999	
	ACTUAL	AS ADJUSTED
	(UNAUDITED)	(UNAUDITED)
BALANCE SHEET DATA:		
Working capital	$ 371,642	$ 6,371,642
Total assets	627,585	6,627,585
Total liabilities	219,758	219,758
Total stockholders' equity	407,827	6,407,827

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(1) See Note 3 of Notes to Financial Statements for the determination of shares used in computing basic net income (loss) per share.

THIS OFFERING INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISKS AND THE OTHER INFORMATION IN THIS PROSPECTUS BEFORE DECIDING TO PURCHASE SHARES OF OUR COMMON STOCK.

WE HAVE LOST MONEY DURING MOST OF THE QUARTERS DURING WHICH WE HAVE BEEN IN BUSINESS AND 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 operating losses at least through the end of 1999 and perhaps thereafter. 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 do 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 substancial 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 100% of our revenue during the three months ended March 31, 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 OURSELVES 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 AGREED NOT TO PERFORM SERVICES FOR COMPETITORS OF OUR PARTNERS, WHICH LIMITS OUR POTENTIAL MARKET.

We have agreed with each of 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 our partner fails to gain meaningful market share, we are unlikely to receive future material revenues in that particular market.

WE HAVE HAD DIFFICULTY ATTRACTING AND RETAINING INFORMATION TECHNOLOGY PROFESSIONALS, WHICH COULD AFFECT OUR ABILITY TO COMPETE EFFECTIVELY.

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 we offer are scarce and we believe 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.

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 and key technical personnel, including our President, Bryan Menell, 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. We do not currently maintain key-man insurance for Bryan Menell.

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 our 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 FACE RISKS ASSOCIATED WITH FINDING AND INTEGRATING ACQUISITIONS.

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, 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.

YEAR 2000 RISKS MAY HARM OUR BUSINESS.

In less than 12 months, computer systems and software used by many companies will need upgrading to operate properly in the Year 2000 and beyond. Our and our partners' efforts to comply with the Year 2000 requirements may be unsuccessful, and Year 2000 compliance by our partners' end-user customers may reduce our partners' revenues and need for our services.

We are in the early stages of conducting a survey of our partners as to the Year 2000 compliance of their software. If we implement our partners' software that is not Year 2000 compliant, we may have liability to their end-user customers. Any such litigation, regardless of merit, could result in substantial costs and a diversion of our management's attention away from the operation of our business.

We believe that our internal systems are currently Year 2000 compliant. However, the failure of our internal systems to operate without Year 2000 complications could harm our business and require us to incur significant unanticipated expenses to remedy any problems. In addition, we are subject to external forces that might generally affect industry and commerce, such as utility company Year 2000 compliance failures and related service interruptions.

Many current or potential end-user customers of our partners and potential partners are expending significant resources to make their current systems Year 2000 compliant. Such expenditures may reduce the funds available to purchase our partners' software and pay for our implementation services in connection with such software.

Any of the above factors could harm our business and adversely affect our 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.

OUR SHARE PRICE MAY BE VOLATILE BECAUSE NO TRADING MARKET EXISTS FOR OUR SHARES.

Prior to this offering, you could not buy or sell our common stock publicly. An active public market for our common stock may not exist after this offering. You may not be able to resell your shares at or above the initial public offering price. You should read the "Underwriting" section of this prospectus for a discussion of the factors that we and the underwriters will consider in determining the initial public offering price.

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

Our executive officers, directors and existing 5% and greater stockholders will beneficially own or control approximately 68% of the voting power of our company after this offering. After this offering, these persons, if they were to act together, would be in a position to elect and remove directors and control the outcome of most matters submitted to stockholders for a vote. Additionally, these persons would be 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 acquiror from making an offer to buy us, which, in turn, could adversely affect the market price of our common stock. You should read "Management,"

"Principal Stockholders" and "Description of Capital Stock" for more information on control our company.

WE MAY INVEST OR SPEND THE PROCEEDS OF THIS OFFERING IN WAYS WITH WHICH YOU MAY NOT AGREE.

Our management will have great discretion in determining how we use the proceeds of this offering. Furthermore, because many factors will determine our uses of the net proceeds from this offering, these uses may vary substantially from our current intentions.

PURCHASERS IN THIS OFFERING WILL INCUR IMMEDIATE AND SUBSTANTIAL DILUTION OF APPROXIMATELY $5.67 PER SHARE, OR 75.6%.

The initial public offering price of our common stock will be substantially higher than the book value per share of our outstanding common stock. As a result, if you purchase common stock in this offering, you will incur immediate and substantial dilution. For more information, please read "Dilution."

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.

We have applied to the Nasdaq SmallCap Market to provide quotations for shares of our common stock and to the Boston Stock Exchange to list our shares. 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.

SPECIAL CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains many forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by forward-looking words such as "may," "will," "expect," "anticipate," "believe," "estimate" and "continue" or similar words. You should read statements that contain these words carefully because they discuss our future expectations, contain projections of our future operating results or of our financial condition or state other "forward-looking" information.

We believe that it is important to communicate our future expectations to our investors. However, we may be unable to accurately predict or control events in the future. The factors listed in the sections captioned "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as any other cautionary language in this prospectus, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Before you invest in our common stock, you should be aware that the occurrence of the events described in the "Risk Factors" section, the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section and elsewhere in this prospectus could seriously harm our business.

USE OF PROCEEDS

Our net proceeds from the sale of the 1,000,000 shares of common stock are estimated to be approximately $6,000,000 after deducting underwriting discounts and estimated offering expenses payable by us. If the underwriters exercise their over-allotment option in full, we estimate that the aggregate net proceeds will be approximately $7,000,000. We expect to use the net proceeds, assuming no exercise of the underwriters' over-allotment option, approximately as follows:

	APPROXIMATE DOLLAR AMOUNT	APPROXIMATE PERCENTAGE OF NET PROCEEDS
- - Recruiting, training and equipping information technology professionals	$ 1,800,000	30.0%
- - Expanding our management and technology infrastructure	1,000,000	16.7%
- - Sales and marketing expenses	650,000	10.8%
- - Expanding our physical facilities	350,000	5.8%
- - Repayment of debt and accounts payable	150,000	2.5%
- - Working capital and general corporate purposes, including potential acquisitions	2,050,000	34.2%
Total	$ 6,000,000	100.0%

RECRUITING, TRAINING AND EQUIPPING INFORMATION TECHNOLOGY PROFESSIONALS. Represents anticipated costs associated with hiring additional information technology professionals. We believe that we must hire and keep on staff a sufficient number of information technology professionals so that we may be able to respond quickly to the demands of our customers.

EXPANDING OUR MANAGEMENT AND TECHNOLOGY INFRASTRUCTURE. Represents costs associated with recruiting and compensating additional management personnel and the purchase of information systems and equipment to manage our planned growth.

SALES AND MARKETING EXPENSES. Represents costs associated with advertising and other promotional activities designed to increase market awareness of our company and its services, including recruiting, compensating and incremental travel expenses associated with additional sales and marketing personnel to expand our number of software company partners.

EXPANDING OUR PHYSICAL FACILITIES. Represents costs associated with obtaining larger office space and possible additional offices to accommodate our planned growth.

REPAYMENT OF DEBT AND ACCOUNTS PAYABLE. Represents anticipated payments of outstanding debt and accounts payable following the offering.

WORKING CAPITAL AND GENERAL CORPORATE PURPOSES. Represents funds that may be used, among other things, to pay salaries, rent, trade payables, professional fees and other operating expenses. If opportunities arise, these funds may be used to acquire complementary businesses. We have no present understandings, commitments or agreements with respect to any acquisition.

The allocation of the net proceeds from this offering set forth above represents an estimate based upon our currently proposed plans and assumptions relating to our operations, as well as assumptions that general economic conditions remain approximately the same. If any of these factors change, we may find it necessary or advisable to reallocate some of the proceeds among categories or to use portions for other purposes.

We anticipate that the net proceeds of this offering will be sufficient to fund our operations and capital requirements for at least 12 months following this offering. We cannot assure you, however, that the proceeds of this offering will not be expended earlier due to unanticipated changes in economic conditions or other circumstances that we cannot foresee. In the event our plans change or our assumptions change or prove to be inaccurate, we could be required to seek additional financing sooner than currently anticipated.

Pending the uses described above, we intend to invest the net proceeds from this offering in government securities and other short-term, investment-grade, interest-bearing instruments.

Please also see "Risk Factors--We may invest or spend the proceeds of this offering in ways with which you may not agree."

CAPITALIZATION

The following table sets forth our actual capitalization as of March 31, 1999. Our as adjusted capitalization reflects our sale of the 1,000,000 shares of common stock we are offering hereby at an assumed initial public offering price of $7.50 per share less underwriting discounts and estimated offering expenses payable by us:

	MARCH 31, 1999	
	ACTUAL	AS ADJUSTED
Stockholders' equity:		
Preferred Stock, $0.001 par value, 5,000,000 shares authorized; none outstanding actual and as adjusted	--	--
Common Stock, $0.001 par value, 20,000,000 shares authorized; 2,500,000 shares outstanding actual; and 3,500,000 shares outstanding as adjusted	$ 2,500	$ 3,500
Additional paid-in capital	1,505,500	7,504,500
Unearned stock compensation	(209,000)	(209,000)
Retained deficit	(891,173)	(891,173)
Total stockholders' equity	407,827	6,407,827
Total capitalization	$ 407,827	$ 6,407,827

Our outstanding number of shares of common stock does not include 100,000 shares of common stock reserved for issuance upon exercise of the representative's warrants, and 466,334 shares of common stock issuable upon exercise of options and warrants outstanding as of July 21, 1999 at a weighted average exercise price of $1.54 per share (assuming an initial public offering price of $7.50 per share).

WE DO NOT INTEND TO PAY DIVIDENDS

We have not declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends on the common stock in the foreseeable future. We currently 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.

DILUTION

Our net tangible book value as of March 31, 1999 was approximately $407,827, or $0.16 per share of common stock. Net tangible book value per share represents the amount of our total tangible assets reduced by the amount of our total liabilities, divided by the number of shares of common stock outstanding. After giving effect to our sale of 1,000,000 shares of common stock in this offering at an assumed initial public offering price of $7.50 per share and after deducting underwriting discounts and estimated offering expenses payable by us and the application of the net proceeds, our net tangible book value as adjusted as of March 31, 1999 would have been approximately $6,407,827, or $1.83 per share. This represents an immediate increase in net tangible book value of $1.67 per share to our existing stockholders and an immediate dilution of $5.67 per share, or 75.6%, to new investors purchasing shares of our common stock in this offering. The following table illustrates the per share dilution:

Assumed initial public offering price per share		$ 7.50
Net tangible book value per share as of March 31, 1999	$ 0.16	
Increase per share attributable to new investors	$ 1.67	
Net tangible book value per share after this offering		$ 1.83
Dilution per share to new investors		$ 5.67

Assuming the exercise in full of the underwriters' over-allotment option and assuming the exercise of 25,834 currently exercisable stock options outstanding as of March 31, 1999, our net tangible book value as adjusted as of March 31, 1999 would have been approximately $7,428,953, or $2.02 per share, representing an immediate increase in net tangible book value of $1.86 per share to our existing stockholders and an immediate dilution in net tangible book value of $5.48, or 73.1%, per share to new investors.

The following table sets forth, as of March 31, 1999, the difference between existing stockholders and investors purchasing shares in this offering with respect to the number of shares purchased from us, the total consideration paid and the average price per share paid:

	SHARES PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE
	NUMBER	PERCENT	AMOUNT	PERCENT	PER SHARE
Existing stockholders	2,500,000	71.4%	$ 400,000	5.1%	$ 0.16
New investors	1,000,000	28.6%	$ 7,500,000	94.9%	$ 7.50
Total	3,500,000	100.0%	$ 7,900,000	100.0%	$ 2.26

This discussion and the foregoing tables assume no exercise of stock options outstanding as of March 31, 1999. Options to purchase 386,334 shares of common stock were outstanding as of March 31, 1999 at a weighted average exercise price of $0.43 per share. To the extent these options are exercised, new investors will experience further dilution.

Of the options to purchase 386,334 shares of common stock outstanding as of March 31, 1999, 25,834 were currently exercisable. If the 25,834 exercisable options were exercised in full, there would be 2,525,834 shares outstanding held by existing stockholders, representing approximately 71.6% of the total shares outstanding after this offering, and the total consideration paid by existing stockholders would be $408,625, representing approximately 5.2% of the total consideration paid by all stockholders after this offering. If the 25,834 exercisable options were exercised in full, the average price per share paid by existing stockholders still would be approximately $0.16.

SELECTED FINANCIAL DATA

The selected statement of operations data for the period from September 17, 1997 (Inception) through December 31, 1997 and for the year ended December 31, 1998 and the selected balance sheet data at the end of each such period have been derived from the audited financial statements included elsewhere in this prospectus. The unaudited statement of operations data for the three months ended March 31, 1998 and 1999 and the unaudited balance sheet data at March 31, 1998 and 1999 have been derived from unaudited financial statements also appearing herein which, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the financial position and results of operations for the unaudited interim periods. The operating results for the three months ended March 31, 1999 are not necessarily indicative of the results that may be expected for the full fiscal year ending December 31, 1999 or for any subsequent period. The data presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and accompanying notes thereto appearing elsewhere in the prospectus.

	PERIOD FROM SEPTEMBER 17, 1997 (INCEPTION) THROUGH DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1998	THREE MONTHS ENDED MARCH 31,	
			1998	1999
			(UNAUDITED)	(UNAUDITED)
STATEMENT OF OPERATIONS DATA:				
Consulting revenues	$ --	$ 825,800	$ 38,971	$ 312,323
Operating costs and expenses:				
Cost of consulting revenues	--	400,977	32,433	199,130
Selling, general and administrative	19,081	357,014	31,561	137,860
Stock compensation	--	--	--	899,000
Total expenses	19,081	757,991	63,994	1,235,990
Income (loss) before income taxes	(19,081)	67,809	(25,023)	(923,667)
Provision (benefit) for income taxes	(7,012)	27,581	(9,258)	(4,335)
Net income (loss)	(12,069)	40,228	(15,765)	(919,332)
Pro forma net income (loss) per share	$ (0.01)	$ 0.02	$ (0.02)	$ (0.37)
Shares used in computing pro forma net income (loss) per share	1,000,000	2,000,000	1,000,000	2,500,000

	AS OF DECEMBER 31, 1998	AS OF MARCH 31,	
		1998	1999
		(UNAUDITED)	(UNAUDITED)
BALANCE SHEET DATA:			
Working capital	$ 137,459	$ (10,381)	$ 371,642
Total assets	230,007	72,526	627,585
Total liabilities	51,848	50,365	219,758
Total stockholders equity	178,159	22,161	407,827

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 PROSPECTUS. IN ADDITION TO HISTORICAL INFORMATION, THIS MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND OTHER PARTS OF THIS PROSPECTUS 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 PROSPECTUS.

OVERVIEW

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. 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 in February 1998 and we have generated only limited revenues from our other partners. As of April 30, 1999, we had completed 15 projects for end-user customers of Vignette. During the first four months of 1999, we established partner relationships with three additional Internet software companies. Most of our revenues for the near future are expected to be derived from Vignette with much smaller portions derived from these newer partner relationships. 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 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 undertake an expansive growth program following the offering and to incur substantial expenses in anticipation of identifying and being retained by new partners. Therefore, we expect that we will continue to incur losses through at least the remainder of 1999. 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;
- Repayment of debt and accounts payable; and
- Working capital and general corporate purposes, including potential acquisitions.

Our number of information technology professionals increased from zero at December 31, 1997 to eight at December 31, 1998 and to 12 at March 31, 1999. We expect our number of information technology professionals to grow significantly during the next 12 months. Mr. McDonald, our Chief

Executive Officer, has not been paid a salary to date and has agreed that he will not be paid a salary until July 16, 1999. 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 could be materially and adversely affected.

RESULTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 1998 AND MARCH 31, 1999

CONSULTING REVENUES. Revenues increased from $39,000 for the three months ended March 31, 1998 to $312,000 for the three months ended March 31, 1999. The increase in revenues reflected the increase in the number of projects performed and in the number of information technology professionals employed. We only commenced operations during the first three months of 1998, and therefore, do not believe that the periods are comparable. Our revenues for the three months ended March 31, 1999 consisted of $266,000 in fees generated by our information technology professionals and $46,000 of reimbursable expenses. During the period ended March 31, 1999, all of our revenues came from Vignette.

COST OF CONSULTING REVENUES. Cost of revenues consist primarily of salaries and benefits for information technology professionals assigned to projects, training costs and reimbursable expenses. The number of our information technology professionals increased from one for the three months ended March 31, 1998 to 12 for the three months ended March 31, 1999.

SELLING, GENERAL AND ADMINISTRATIVE. Selling, general and administrative consist primarily of marketing activities to solicit partners, salaries and benefits, travel costs and non-reimbursable expenses. Selling, general and administrative expenses increased from $32,000 for the three months ended March 31, 1998 to $127,000 for the three months ended March 31, 1999. The increase in selling, general and administrative expenses was related to our increased marketing activities to solicit additional partners and to 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. These costs also increased due to an increase in an officer's salary from a nominal amount to a higher level for the periods ended March 31, 1998 and 1999, respectively.

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 unearned stock compensation totaling $228,000 in connection with stock options that were granted in January 1999. Stock compensation 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 $19,000 in non-cash compensation expense during the three month period ended March 31, 1999 relating to the vesting of these options. Total non-cash compensation expense for the three month period ended March 31, 1999 was $889,000.

PERIOD FROM SEPTEMBER 17, 1997 (INCEPTION) THROUGH DECEMBER 31, 1997 AND FISCAL YEAR ENDED DECEMBER 31, 1998

CONSULTING REVENUES. We were incorporated in September 1997 and were in a start-up phase stage during 1997. We generated no revenues during 1997 and, therefore, management does not believe that 1997 is comparable to 1998. Our revenues during 1998 were $825,000. Such revenues consisted of $693,000 in fees and $132,000 of reimbursable out-of-pocket expenses. Ninety-one percent of such revenues came from Vignette during 1998.

COST OF CONSULTING REVENUES. Cost of revenues increased from $0 to $401,000 for 1997 and 1998, respectively. The number of our information technology professionals increased from zero on December 31, 1997 to eight on December 31, 1998. Cost of revenues for 1998 was approximately 49% of revenues. We expect cost of revenues to increase in absolute dollar amounts as we hire additional information technology professionals.

SELLING, GENERAL AND ADMINISTRATIVE. Selling, general and administrative expenses were $19,000 and $357,000 for 1997 and 1998, respectively. The increase in selling, general and administrative expenses was related to our increased marketing activities to solicit additional partners and to 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.

LIQUIDITY AND CAPITAL RESOURCES

Since inception, we have financed our operations primarily through equity financings and bank borrowings. Through March 31, 1999, we have raised $400,000 from private sales of our common stock. We also have an agreement with a bank which allows us to borrow up to $300,000 against our qualifying accounts receivables. Borrowings under this agreement will bear interest at 15% per annum. As of March 31, 1999, there was $173,487 borrowed under this loan agreement.

Our negative cash flow from operating activities was $56,000 in 1998 and $100,000 for the three months ended March 31, 1999. The increasing negative cash flow in 1999 resulted from higher expenses attributable to our continued expansion of our operations, which were only slightly offset by a modest increase in revenues and collection of accounts receivable.

As of March 31, 1999, we had $97,000 in cash and working capital of $372,000. We anticipate that the net proceeds of this offering will be sufficient to fund our operations and capital requirements for at least 12 months following this offering. However, because of our expansion and growth plans and the increased spending that will accompany any growth, we expect to experience operating losses and negative cash flow from operations during 1999. 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.

Effective July 1, 1999 we amended the terms of our bank loan agreement so that we can borrow up to $1,000,000 against our qualifying accounts receivable. Borrowings under this amended agreement, which has a term of one year, will bear interest at the bank's prime rate per annum. In connection with their amendment, we are issuing to our bank warrants to acquire up to 4,000 shares (assuming an initial public offering price of $7.50 per share) of our common stock at the initial public offering price.

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.

YEAR 2000

Many currently installed computer systems and software products are coded to accept or recognize only two digit entries in the date code field. These systems and software products will need to accept four digit entries to distinguish the year 2000 from the year 1900. As a result, computer systems and software used by many companies and governmental agencies may need to be upgraded to comply with

such Year 2000 requirements to avoid system failures or miscalculations causing disruptions of normal business activities.

STATE OF READINESS

We have made a preliminary assessment of the Year 2000 readiness of our operating, financial and administrative systems. The assessment plan consists of:

- determining our material hardware and software;

- assessing repair or replacement requirements;

- repairing or replacing non-compliant hardware and software; and

- creating contingency plans in the event of Year 2000 failures.

Since third parties developed the operating, financial and administrative systems that we use, steps will be taken to ensure that these third-party systems are Year 2000 compliant. We plan to confirm this compliance through a combination of representations by these third parties of their products' Year 2000 compliance and specific testing of these systems. We plan to complete this process prior to the end of the third quarter of 1999. Until such testing is completed, we will not be able to completely evaluate whether our systems will need to be revised or replaced.

We have contacted our partners to determine the extent to which they are vulnerable to Year 2000 risks. We have not made a full assessment of the extent to which our partners might be vulnerable to Year 2000 risks.

COSTS

To date, we have incurred immaterial costs on Year 2000 compliance issues. Most of our expenses are related to, and are expected to continue to be related to, the operating costs associated with time spent by employees in the evaluation process and Year 2000 compliance matters generally. Such expenses, if higher than anticipated, could have a material adverse effect on our business, results of operations and financial condition.

YEAR 2000 RISKS

We are not currently aware of any Year 2000 problems relating to our operating, financial and administrative systems that would have a material adverse effect on our business, results of operations or financial condition. However, we may discover Year 2000 problems in the future or Year 2000 problems may go undetected. Our failure to fix or replace these services on a timely basis could result in lost revenues, increased operating costs or the loss of customers and other business interruptions.

If we fail to provide Year 2000 compliant solutions to the end-user customers of our partners, we may incur reputational harm and legal liability. Furthermore, if our partners fail to fix or replace any Year 2000 non-compliant software products or their internal systems on a timely basis, it could result in an indirect adverse effect on our business, financial condition and results of operation.

In addition, there can be no assurance that governmental agencies, utility companies, third-party service providers and others outside of our control will be Year 2000 compliant. The failure by such entities to be Year 2000 compliant could result in a systematic failure beyond our control such as a transportation systems, telecommunications or electrical failure, which could also prevent us from delivering our services to our partners' end-user customers.

BUSINESS

YOU SHOULD READ THE FOLLOWING DESCRIPTION OF OUR BUSINESS IN CONJUNCTION WITH THE INFORMATION INCLUDED ELSEWHERE IN THIS PROSPECTUS. THIS DESCRIPTION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. OUR ACTUAL RESULTS COULD DIFFER SIGNIFICANTLY FROM THE RESULTS DISCUSSED IN THE FORWARD-LOOKING STATEMENTS AS A RESULT OF CERTAIN OF THE FACTORS SET FORTH IN "RISK FACTORS" AND ELSEWHERE IN THIS PROSPECTUS.

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 without maintaining a large in-house professional services organization. We believe this enables them 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." We established our first partner relationship with Vignette Corporation in February 1998. We have recently established partner relationships with the following Internet software companies: Interwoven; Motive Communications; and Ventix Systems.

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 it exhibits the high-growth, intense competition and short product lifecycles that create a demand for our services. Forrester Research estimates that the market for Internet professional services will grow from $5.4 billion in 1998 to $32.7 billion in 2002, representing a compound annual growth rate of 56.9%.

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 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.

- 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 we believe, 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 our 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 our 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 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.

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.

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 our 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 our 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 our partner's software and write new software programs to adapt our 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 our 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 our 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. As of April 30, 1999, we have completed 15 projects for end-user customers of Vignette. From inception through March 31, 1999, Vignette has accounted for 93% 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.

We have recently added three additional partners: Motive Software, a provider of support chain automation; Interwoven, a provider of enterprise web production software; and Ventix, a provider of knowledge support software. Our partner relationships with these three companies had not generated revenues as of March 31, 1999. Our contracts with each of these companies is similar to our 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 our 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 you

that our partners will call upon us again in the future. Because of our limited operating history, it is difficult to evaluate whether we will succeed in forming long-term relationships with our 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 our 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 our 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 have two people involved in sales and marketing on a full-time basis. 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 our current and potential 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.

Significant competition exists for employees with the skills required to perform the services we offer. Qualified information technology professionals are in great demand and are likely to remain a limited resource for the foreseeable future.

As of May 1, 1999, we had 19 full-time employees, 9 of whom are based at our Austin, Texas headquarters. Of our total employees, 12 were information technology professionals and 7 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.

PROPERTIES

We lease approximately 950 square feet of office space in Austin, Texas from Powershift Ventures, LLC, under a month to month lease. The rent is currently $2,200 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 Powerlift Ventures, L.P., one of our principal stockholders. Please read "Certain Transactions" and "Principal Stockholders" for more information.

LEGAL PROCEEDINGS

We are not involved in any material legal proceedings.

EXECUTIVE OFFICERS, DIRECTORS AND KEY EMPLOYEES

Our executive officers, directors and certain key employees of the Company, and their ages as of June 30, 1999, are as follows:

NAME	AGE	POSITION WITH THE COMPANY
EXECUTIVE OFFICERS AND DIRECTORS		
John T. McDonald	35	Chief Executive Officer and Director
Bryan R. Menell	33	Founder, President and Director
John A. Hinners	42	Chief Financial Officer and Vice President
Steven G. Papermaster	40	Chairman of the Board
David S. Lundeen	37	Director
Dr. W. Frank King(1)	59	Director
Philip J. Rosenbaum(1)	49	Director
CERTAIN KEY EMPLOYEES		
Barry Demak	33	Vice President of Business Development
Andrew J. Roehr	34	Chief Technology Officer

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

EXECUTIVE OFFICERS AND DIRECTORS

MR. MCDONALD joined Perficient in April 1999 as its 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.

MR. MENELL founded Perficient in September 1997 and has served as its 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.

MR. 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.

MR. 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.

MR. 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. KING became a member of the Board of Directors of Perficient 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., Best Software, Inc., Excalibur Technologies Corporation and National 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.

MR. ROSENBAUM became a member of the Board of Directors of Perficient 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

MR. 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.

MR. 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 recently hired 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.

BOARD COMPOSITION AND COMMITTEES

We currently have six directors, each serving a term until the next annual meeting of stockholders. Gilford Securities Incorporated may designate one person for election to our board for the next three years. Gilford has not yet designated any persons to the board. In the event Gilford does not elect to designate a board nominee, then Gilford may designate one person to attend meetings of our board as an observer during such three year period.

Dr. King and Mr. Rosenbaum serve as the only members of the compensation committee and the audit committee of the board of directors. The compensation committee makes recommendations to the board concerning salaries and incentive compensation for our officers and employees and administer our 1999 Stock Option/Stock Issuance Plan. The audit committee makes recommendations to the board of directors regarding the selection of independent auditors, reviews the results and scope of audits and other accounting-related services and reviews and evaluates our internal control functions. At each annual meeting of stockholders, six directors will be elected by the holders of the common stock, with the six nominees receiving the greatest number of votes serving as directors.

DIRECTOR COMPENSATION

Dr. King and Mr. Rosenbaum receive an annual retainer of $15,000 to serve on our board of directors. Other directors receive no cash remuneration for serving on the board of directors. All directors are reimbursed for reasonable expenses incurred by them in attending board and committee meetings.

LIMITATION OF LIABILITY AND INDEMNIFICATION MATTERS

Our bylaws provide for mandatory indemnification of directors and officers to the fullest extent permitted by Delaware law. Prior to consummation of this offering, we intend to obtain additional directors' and officers' liability insurance and expect to enter into indemnity agreements with all of our directors and executive officers. In addition, our certificate of incorporation limits the liability of our directors to us or to our stockholders for breaches of the directors' fiduciary duties to the fullest extent permitted by Delaware law. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

EMPLOYMENT ARRANGEMENTS

Mr. McDonald has not been paid a salary to date and has agreed that he will not receive a salary until August 1, 1999. Mr. McDonald and Mr. Menell have agreed to enter into employment agreements with us. The agreements will each extend for a one-year term, provide for a monthly salary of $10,000

and three months' severance pay if we terminate them without cause following a change in control of Perficient. 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 Mr. Hinners 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 Perficient's then current chief executive officer is terminated or not offered the chief executive officer position in the surviving company Mr. Hinners' stock options 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.

EXECUTIVE COMPENSATION

The following Summary Compensation Table sets forth the compensation earned by our current President, who served as our Chief Executive Officer during 1998, for services rendered in all capacities during 1998. No individual employed by us received salary and bonus in excess of $100,000 during 1998.

SUMMARY COMPENSATION TABLE

		ANNUAL COMPENSATION		
NAME AND PRINCIPAL POSITIONS	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION
Bryan R. Menell ..... Chief Executive Officer and Director	1998	$ 80,000	--	--

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.

1999 STOCK OPTION/STOCK ISSUANCE PLAN

Our 1999 Stock Option/Stock Issuance Plan was adopted by the board of directors and approved by our stockholders on May 3, 1999. The plan became effective upon its adoption by the board.

We have reserved 700,000 shares of our common stock for issuance under our 1999 stock option plan and the options granted prior to adoption of the 1999 stock option plan. However, in no event may any one participant in our 1999 stock option plan receive option grants or direct stock issuances for more than 75,000 shares in the aggregate per calendar year.

Our 1999 stock option plan has three separate programs: (i) the discretionary option grant program under which eligible individuals in our employ or service, including officers, non-employee board members and consultants, may be granted options to purchase shares of our common stock, (ii) the stock issuance program under which such individuals may be issued shares of common stock directly, through the purchase of such shares or as a bonus tied to the performance of services and

(iii) the automatic option grant program under which option grants will automatically be made at periodic intervals to eligible non-employee board members.

The discretionary option grant and stock issuance programs will be administered by the compensation committee of our board of directors. This committee will determine which eligible individuals are to receive option grants or stock issuances, the time or times when such option grants or stock issuances are to be made, the number of shares subject to each such grant or issuance, the exercise or purchase price for each such grant or issuance, the status of any granted option as either an incentive stock option or a non-statutory stock option under the federal tax laws, the vesting schedule to be in effect for the option grant or stock issuance and the maximum term for which any granted option is to remain outstanding. Neither the compensation committee nor the board will exercise any administrative discretion with respect to option grants made under the automatic option grant program for the non-employee board members.

The exercise price for the options may be paid in cash or in shares of our common stock valued at fair market value on the exercise date. The option may also be exercised through a same-day sale program without any cash outlay by the optionee. In addition, the compensation committee may allow a participant to pay the option exercise price or direct issue price, and any associated withholding taxes incurred in connection with the acquisition of shares, with a full-recourse, interest-bearing promissory note.

In the event that we are acquired, whether by merger or asset sale or board-approved sale by the stockholders of more than 50% of our voting stock, each outstanding option under the discretionary option grant program which is not to be assumed by the successor corporation or otherwise continued will automatically accelerate in full, and all unvested shares under the discretionary option grant and stock issuance programs will immediately vest, except to the extent our repurchase rights with respect to those shares are to be assigned to the successor corporation or otherwise continued in effect. The compensation committee may grant options under the discretionary option grant program which will accelerate in the acquisition even if the options are assumed or which will accelerate if the optionee's service is subsequently terminated. The compensation committee may grant options and issue shares which accelerate in connection with a hostile change in control effected through a successful tender offer for more than 50% of our outstanding voting stock or by proxy contest for the election of board members or the options and shares may accelerate upon a subsequent termination of the individual's service.

Stock appreciation rights may be issued under the discretionary option grant program which will provide the holders with the election to surrender their outstanding options for an appreciation distribution from us equal to the fair market value of the vested shares subject to the surrendered option less the aggregate exercise price payable for such shares. Such appreciation distribution may be made in cash or in shares of our common stock.

The compensation committee has the authority to cancel outstanding options under the discretionary option grant in return for the grant of new options for the same or different number of option shares with an exercise price per share based upon the fair market value of the common stock on the new grant date.

Under the automatic option grant program, each individual who first joins our board of directors after the effective date of this offering as a non-employee board member will automatically be granted an option for 20,000 shares of our common stock at the time of his or her commencement of board service. In addition, on the date of each annual stockholders meeting, beginning with the 2000 meeting, each individual who is to continue to serve as a non-employee board member and was not a member of our board prior to this offering will receive an option grant to purchase 5,000 shares of our common stock, provided he or she has served on the board at least six months. Each of these options will be fully-vested upon grant.

Limited stock appreciation rights will automatically be included as part of each grant made under the automatic option grant program and may be granted to one or more officers as part of their option grants under the discretionary option grant program. Options with such a limited stock appreciation right may be surrendered to us upon the successful completion of a hostile tender offer for more than 50% of our outstanding voting stock. In return for the surrendered option, the optionee will be entitled to a cash distribution from us in an amount per surrendered option share equal to the highest price per share of common stock paid in connection with the tender offer less the exercise price payable for such share.

The board may amend or modify our 1999 stock option plan at any time, subject to any required stockholder approval. The 1999 stock option plan will terminate no later than May 2, 2009.

OTHER STOCK OPTION GRANTS

Prior to the adoption of our 1999 stock option plan, we granted options to purchase shares of our common stock to employees and a recruiting consultant. None of these options have been exercised, and these non-plan options are currently outstanding to purchase 414,334 shares of our common stock at exercise prices ranging from $0.05 to $4.00 per share.

Mr. Hinners, our Chief Financial Officer, was granted an option to purchase 60,000 shares of our common stock on January 1, 1999 at an exercise price of $0.50 per share in connection with consulting services performed for us during 1998. This option may be exercised in installments: for 20,000 shares on January 1, 2000 and for an additional 5,000 shares at the end of each three-month period following January 1, 2000.

CERTAIN 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 September 17, 1997, we sold 1,000,000 shares to Mr. Menell, our founder, President and a director, for $50,000.

- 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 a 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 $11,500.

- 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.

STOCKHOLDERS AGREEMENT

Mr. Lundeen, Mr. Menell, Powershift Ventures, L.P. and Perficient were parties to a stockholders agreement. Under this agreement, Mr. Menell, Mr. Lundeen and Mr. Papermaster were elected and currently serve as directors. This agreement has been terminated.

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. From the inception of the lease through March 1999, we paid an aggregate of $19,786 in rent. Since April 1999, we have paid rent of $2,200 a month, which we believe is consistent with prevailing market rates. The current 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. In 1998, we received approximately $751,000, or 91%, of our revenues from Vignette. In the three months ended March 31, 1999, we received $312,323, or 100%, of our revenues from Vignette.

BEEKMAN VENTURES LOAN

In June 1999, Beekman Ventures loaned us $100,000 to cover certain working capital requirements. We expect to repay this loan, with a market rate of interest, prior to this offering.

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.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information regarding the beneficial ownership of our common stock as of July 21, 1999 by:

- each person or entity who is known by us to own beneficially more than five percent of the common stock;
- each of our directors;
- Mr. Menell, our President; and
- all executive officers and directors as a group.

NAME AND ADDRESS OF BENEFICIAL OWNER(1)	SHARES BENEFICIALLY OWNED	PERCENT PRIOR TO OFFERING(2)	PERCENT AFTER OFFERING(2)
Powershift Ventures, L.P.	633,750	25.4%	18.1%
Beekman Ventures, Inc. 850 Third Avenue New York, NY 10022	612,892	24.5	17.5
Bryan R. Menell	500,000	20.0	14.3
John T. McDonald(3) 525 East 72nd Street New York, NY 10021	612,892	24.5	17.5
Steven G. Papermaster(4)	828,750	33.2	23.7
David S. Lundeen	389,250	15.6	11.1
Dr. W. Frank King(5)	20,000	*	*
Philip J. Rosenbaum(5)	20,000	*	*
Directors and executive officers as a group (6 persons)	2,420,892	95.3	68.4

* Indicates less than 1% of the outstanding shares of 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) Assumes no exercise of the underwriters' over-allotment option. 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 May 10, 1999 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 612,892 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.

(4) 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.

(5) Includes options for 20,000 shares exercisable within 60 days of July 21, 1999.

DESCRIPTION OF SECURITIES

We are authorized to issue 20,000,000 shares of common stock, par value $0.001 per share, and 5,000,000 shares of preferred stock, par value $0.001 per share. As of the date of this prospectus, we have outstanding 2,500,000 shares of common stock owned by approximately 17 holders of record.

COMMON STOCK

The holders of our common stock are entitled to one vote for each share held of record in the election of directors and in all other matters to be voted on by the stockholders. There is no cumulative voting with respect to the election of directors. As a result, the holders of more than 50 percent of the shares voting for the election of directors can elect all of the directors. Holders of common stock are entitled:

- to receive any dividends as may be declared by the board of directors out of funds legally available for such purpose; and

- in the event of our liquidation, dissolution, or winding up, to share ratably in all assets remaining after payment of liabilities and after provision has been made for each class of stock, if any, having preference over the common stock.

All of the outstanding shares of common stock are, and the shares of common stock offered through this prospectus will be, upon issuance and sale, validly issued, fully paid and nonassessable. Holders of our common stock have no preemptive right to subscribe for or purchase additional shares of any class of our capital stock.

PREFERRED STOCK

The board of directors has the authority, within the limitations stated in our certificate of incorporation, to provide by resolution for the issuance of shares of preferred stock, in one or more classes or series, and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences and the number of shares constituting any series or the designation of such series. The issuance of preferred stock could have the effect of decreasing the market price of our common stock and could adversely affect the voting and other rights of the holders of our common stock.

WARRANTS

In July 1999, we issued warrants to purchase up to 4,000 shares (assuming a public offering price of $7.50 per share) of common stock at the initial public offering price per share in connection with our amended banking agreement. The exercise price and number of shares of common stock that may be issued under the warrants subject to adjustment upon the occurrence of stock splits, stock dividends, reclassifications, reorganizations, consolidations or mergers.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the common stock is Continental Stock Transfer and Trust Company, 2 Broadway, New York, New York 10004.

REPORTS TO STOCKHOLDERS

We have agreed, subject to the sale of the shares of common stock in this offering, that on or before the date of this prospectus we will register our common stock under the provisions of Section 12(g) of the Securities Exchange Act of 1934 and we will use our best efforts to maintain

registration. Such registration will require us to comply with periodic reporting, proxy solicitation and certain other requirements of the Securities Exchange Act of 1934.

SHARES ELIGIBLE FOR FUTURE SALE

Upon the consummation of this offering and assuming no exercise of outstanding options and warrants, we will have 3,500,000 shares of common stock outstanding, of which only the 1,000,000 shares offered hereby will be freely tradable without restriction or further registration under the Securities Act, except for any shares purchased by an "affiliate," which will be subject to the resale limitations of Rule 144 promulgated under the Securities Act.

All of the remaining 2,500,000 shares of common stock currently outstanding are "restricted securities" or owned by "affiliates," as those terms are defined in Rule 144, and may not be sold publicly unless they are registered under the Securities Act or are sold pursuant to Rule 144 or another exemption from registration. The 2,500,000 restricted shares will be eligible for sale, without registration, under Rule 144, 90 days following the date of this prospectus. As of May 31, 1999, there were outstanding options to purchase 414,334 shares of common stock. We intend to file a registration statement on Form S-8 under the Securities Act shortly after the completion of the offering to register the shares of common stock subject to outstanding stock options and shares that may be issued under our 1999 stock option plan, which will permit the resale of these shares in the public market without restriction after the lock-up period expires. Sales of a substantial number of shares of common stock after this offering could adversely affect the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities.

LOCK-UP AGREEMENT

Holders of all of the 2,500,000 outstanding shares of common stock and all option holders have agreed for a period of 12 months following the date of this prospectus that, without the representative's prior written consent, they shall not sell or otherwise dispose of any shares of common stock in any public market transaction including pursuant to Rule 144.

RULE 144

Generally, under Rule 144 as currently in effect, subject to the satisfaction of certain other conditions, a person, including an affiliate of ours or persons whose shares are aggregated with an affiliate, who has owned restricted shares of common stock beneficially for at least one year, is entitled to sell, within any three-month period, a number of shares that does not exceed the greater of:

- 1% of our then outstanding shares of common stock; or
- the average weekly trading volume of shares of our common stock during the four calendar weeks preceding such sale.

RULE 144(K)

A person who is not an affiliate, has not been an affiliate within three months prior to sale, and has beneficially owned the restricted shares for at least two years, is entitled to sell such shares under Rule 144(k) without regard to any of the limitations described above.

NO PRIOR MARKET

Prior to this offering, there has been no market for our common stock and no prediction can be made as to the effect, if any, that market sales of shares of common stock or the availability of such shares for sale will have on the market prices of our common stock prevailing from time to time. Nevertheless, the possibility that substantial amounts of common stock may be sold in the public

market may adversely affect prevailing market prices for our common stock and could impair our ability to raise capital through the sale of our equity securities.

CHARTER AND BYLAWS PROVISIONS AND DELAWARE ANTI-TAKEOVER STATUTE

We are subject to Section 203 of the Delaware General Corporation Law regulating corporate takeovers. This section prevents Delaware corporations from engaging under certain circumstances, in a "business combination," which includes a merger or sale of more than 10% of the corporation's assets, with any "interested stockholder," or a stockholder who owns 15% or more of the corporation's outstanding voting stock, as well as affiliates and associates of any such persons, for three years following the date such stockholder became an "interested stockholder," unless:

- the transaction in which such stockholder became an "interested stockholder" is approved by the board of directors prior to the date the "interested stockholder" attained such status;

- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding those shares owned by persons who are directors and also officers; or

- on or after the date the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

Our certificate of incorporation eliminates the right of stockholders to act by written consent without a meeting, and our bylaws eliminate the right of stockholders to call special meetings of stockholders. Our certificate of incorporation and bylaws do not provide for cumulative voting in the election of directors. The authorization of undesignated preferred stock makes it possible for the board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to effect a change in our control. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in our control or management even if doing so would be beneficial to our stockholders.

UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares of common stock indicated in the following table. Gilford Securities Incorporated is the representative of the underwriters.

UNDERWRITERS	NUMBER OF SHARES
Gilford Securities Incorporated.....	
Total.....	1,000,000

The underwriters are committed to purchase all of the shares of common stock offered by us if any shares are purchased.

The underwriters will offer the common stock to the public at the price specified on the cover page of this prospectus. The underwriters may allow to some dealers a concession of not more than $ per share of common stock. The underwriters also may allow, and any other dealers may re-allow, a concession of not more than $ per share of common stock to some other dealers.

If the underwriters sell more shares than the total number set forth in the table above, the underwriters have an option to buy up to an additional 150,000 shares from us to cover such sales at the initial public offering price less the underwriting discounts and non-accountable expense allowance. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth above.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act. We have also agreed to pay to the representative a non-accountable expense allowance equal to three percent of the gross proceeds derived from the sale of the shares of common stock underwritten, $25,000 of which has been paid to date.

We have applied to list the common stock on the Nasdaq SmallCap Market under the symbol PRFT and on the Boston Stock Exchange under the symbol PRF.

In connection with this offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in this offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

These activities by the underwriters may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected on the Nasdaq SmallCap Market, in the over-the-counter market or otherwise.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered.

We, along with our directors, officers and stockholders have agreed with the underwriters not to dispose of or hedge any common stock or securities convertible into or exchangeable or exercisable for shares of common stock during the period from the date of this prospectus continuing through the date 12 months after the date of this prospectus, without the prior written consent of the representative. Our officers and directors and the holders of all of our shares of common stock have agreed that, for 12 months following the effective date of the registration statement, any sales of our securities shall be made through the representative in accordance with its customary brokerage practices either on a principal or agency basis. An appropriate legend shall be marked on the face of the certificates representing all such securities.

We have agreed to issue and sell to the representative and/or its designees, for nominal consideration, five-year warrants to purchase 100,000 shares of common stock. The representative's warrants are exercisable for a period of four years commencing one year after the date of this prospectus, at a price equal to 120% of the initial public offering price of the common stock. The representative's warrants are restricted from sale, transfer, assignment or hypothecation for a period of 12 months from the date of this prospectus, except to officers of the representative. The representative's warrants contain anti-dilution provisions providing for adjustments of the number of shares of common stock issuable on exercise and the exercise price upon the occurrence of some events, including stock dividends, stock splits, mergers, acquisitions and recapitalization. The representative's warrants grant to the holders of the warrants and to the holders of the underlying securities the right to register the securities underlying the representative's warrants.

We have an agreement with the underwriters that we will not grant options to purchase our common stock at an exercise price below the fair market value on the date of grant.

We have agreed that for three years from the effective date of the registration statement, the representative may designate one person for election to our board of directors. In the event that the representative elects not to designate one person for election to the board of directors, then it may designate one person to attend all meetings of the board of directors for a period of five years. We have also agreed to reimburse the representative's designee for all out-of-pocket expenses incurred in connection with the designees' attendance at meetings of the board of directors.

Prior to this offering, there has been no public market for our common stock. The initial public offering price of the common stock will be determined by negotiation between us and the representatives. Among the factors to be considered in determining such prices and terms will be the prevailing market conditions, including the history of and the prospects for the industry in which we compete, an assessment of our management, our prospects and our capital structure. The offering price does not necessarily bear any relationship to our assets, results of operations or net worth.

LEGAL MATTERS

The validity of the common stock offered hereby will be passed upon for Perficient by Brobeck, Phleger & Harrison LLP, Austin, Texas. Certain legal matters in connection with this offering will be passed upon for the Underwriters by Gibbons, Del Deo, Dolan, Griffinger & Vecchione, New York, New York.

EXPERTS

Ernst & Young LLP, independent auditors, have audited our financial statements at December 31, 1997 and 1998, and for the period from September 17, 1997 (Inception) through December 31, 1997 and for the year ended December 31, 1998, as set forth in their report. We've included our financial statements in the prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the Securities and Exchange Commission, Washington, D.C. 20549, a Registration Statement on Form SB-2 under the Securities Act with respect to the common stock offered by this prospectus. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. For further information with respect to us and the common stock offered by this prospectus, reference is made to the registration statement and the exhibits and schedules filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete; reference is made in each instance to the copy of such contract or any other document filed as an exhibit to the registration statement. Each such statement is qualified in all respects by such reference to such exhibit. After the registration statement is declared effective, we will be required to file reports, proxy statements and other information with the SEC. The registration statement, including exhibits and schedules, and any other materials we file with the SEC may be inspected without charge at the SEC's principal office in Washington, D.C., and copies of all or any part thereof may be obtained from the Public Reference Room of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the SEC's regional offices located at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and at 7 World Trade Center, 13(th) Floor, New York, New York 10048 after payment of fees prescribed by the SEC. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that provides online access to reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The SEC's World Wide Web address is HTTP://WWW.SEC.GOV.

INDEX TO FINANCIAL STATEMENTS

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, 1997 and 1998, and the related statements of operations, stockholders' equity and cash flows for the period from September 17, 1997 (Inception) through December 31, 1997 and for the year ended December 31, 1998. 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 generally accepted auditing standards. 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, 1997 and 1998, and the results of its operations and its cash flows for the period from September 17, 1997 (Inception) through December 31, 1997 and for the year ended December 31, 1998, in conformity with generally accepted accounting principles.

Ernst & Young LLP

Austin, Texas
May 3, 1999 except for Note
10, as to which the date is
July 1, 1999

PERFICIENT, INC.

BALANCE SHEETS

	DECEMBER 31,		
	1997	1998	MARCH 31, 1999
			(UNAUDITED)
ASSETS			
Current assets:			
Cash	$ 20,524	$ 22,996	$ 96,754
Accounts receivable	--	164,961	242,996
Shareholder receivable	--	--	250,000
Other assets	911	--	300
Total current assets	21,435	187,957	590,050
Computer equipment:			
Hardware	7,460	46,442	46,442
Software	2,357	6,471	6,471
	9,817	52,913	52,913
Accumulated depreciation	(333)	(10,863)	(15,378)
Net property and equipment	9,484	42,050	37,535
Deferred income taxes	7,012	--	--
Total assets	$ 37,931	$ 230,007	$ 627,585
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$ --	$ 18,640	$ 12,987
Income tax payable	--	19,219	7,081
Short-term borrowings	--	--	173,487
Accrued liabilities	--	12,639	24,853
Total current liabilities	--	50,498	218,408
Deferred income tax	--	1,350	1,350
Total liabilities	--	51,848	219,758
Commitments and contingencies			
Stockholders' equity:			
Common Stock, $0.001 par value; 20,000,000 shares authorized; 2,000,000 and 1,000,000 shares issued and outstanding at December 31, 1998 and 1997, respectively	1,000	2,000	2,500
Additional paid-in capital	49,000	148,000	1,505,500
Unearned stock compensation	--	--	(209,000)
Retained earnings (deficit)	(12,069)	28,159	(891,173)
Total stockholders' equity	37,931	178,159	407,827
Total liabilities and stockholders' equity	$ 37,931	$ 230,007	$ 627,585

SEE ACCOMPANYING NOTES.

PERFICIENT, INC.

STATEMENTS OF OPERATIONS

	PERIOD FROM SEPTEMBER 17, 1997 (INCEPTION) THROUGH DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1998	THREE MONTHS ENDED MARCH 31,	
			1998	1999
			(UNAUDITED)	(UNAUDITED)
Consulting revenues	$ --	$ 825,800	$ 38,971	$ 312,323
Cost of consulting revenues	--	400,977	32,433	199,130
Gross margin	--	424,823	6,538	113,193
Selling, general and administrative	19,081	357,014	31,561	133,722
Stock compensation	--	--	--	899,000
Other expense	--	--	--	4,138
Income (loss) before income tax	(19,081)	67,809	(25,023)	(923,667)
Income tax benefit (expense)	7,012	(27,581)	9,258	4,335
Net income (loss)	$ (12,069)	$ 40,228	$ (15,765)	$ (919,332)
Net income (loss) per share--basic	$ (0.01)	$ 0.02	$ (0.02)	$ (0.37)
Net income per shares--diluted	$ --	$ 0.02	$ --	$ --

SEE ACCOMPANYING NOTES.

PERFICIENT, INC.

STATEMENTS OF STOCKHOLDERS' EQUITY

	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	UNEARNED STOCK COMPENSATION	RETAINED EARNINGS (DEFICIT)	TOTAL STOCKHOLDERS' EQUITY
	SHARES	AMOUNT				
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 (unaudited)	500,000	500	1,129,500	--	--	1,130,000
Unearned compensation (unaudited)	--	--	228,000	(228,000)	--	--
Amoritization of unearned compensation (unaudited)	--	--	--	19,000	--	19,000
Net loss (unaudited)	--	--	--	--	(919,332)	(919,332)
Balance at March 31, 1999 (unaudited)	2,500,000	$ 2,500	$ 1,505,500	$ (209,000)	$ (891,173)	$ 407,827

SEE ACCOMPANYING NOTES.

PERFICIENT, INC.

STATEMENTS OF CASH FLOWS

	PERIOD FROM SEPTEMBER 17, 1997 (INCEPTION) THROUGH DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1998	THREE MONTHS ENDED MARCH 31,	
			1998	1999
			(UNAUDITED)	(UNAUDITED)
OPERATING ACTIVITIES				
Net income (loss)	$ (12,069)	$ 40,228	$ (15,765)	$ (919,332)
Adjustments to reconcile net income (loss) to net cash used in operating activities:				
Depreciation	333	10,530	1,113	4,515
Non-cash stock compensation	--	--	--	899,000
Gain from disposal of fixed assets	--	(822)	--	--
Deferred income taxes	(7,012)	8,362	(9,258)	--
Changes in operating assets and liabilities:				
Accounts receivable	--	(164,961)	(15,405)	(78,035)
Other assets	(911)	911	911	(300)
Accounts payable	--	18,640	--	(5,653)
Income tax payable	--	19,219	--	(12,138)
Accrued liabilities	--	12,639	9,914	12,214
Net cash used in operating activities	(19,659)	(55,254)	(28,490)	(99,729)
INVESTING ACTIVITIES				
Purchase of property and equipment	(9,817)	(47,870)	(7,901)	--
Proceeds from disposal of fixed assets	--	5,596	--	--
Net cash used in investing activities	(9,817)	(42,274)	(7,901)	--
FINANCING ACTIVITIES				
Proceeds from line of credit	--	35,000	25,446	--
Payments on line of credit	--	(35,000)	--	--
Proceeds from shareholder payable	--	--	15,000	--
Proceeds from short-term borrowings	--	--	--	376,192
Payments on short-term borrowings	--	--	--	(202,705)
Proceeds from stock issuances	50,000	100,000	--	--
Net cash provided by financing activities	50,000	100,000	40,446	173,487
Increase in cash	20,524	2,472	4,055	73,758
Cash at beginning of year	--	20,524	20,524	22,996
Cash at end of year	$ 20,524	$ 22,996	$ 24,579	$ 96,754
Supplemental noncash financing activities:				
January 12, 1999 issuance of 500,000 shares of common stock in exchange for shareholder receivable	$ --	$ --	$ --	$ 250,000

SEE ACCOMPANYING NOTES.

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. Subsequent to December 31, 1998 the Company reincorporated in Delaware (see Note 10).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

UNAUDITED INTERIM INFORMATION

The accompanying financial information as of March 31, 1999 and for the three month period then ended has been prepared by the Company without an audit, pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements reflect all adjustments, consisting of normal recurring accruals which are, in the opinion of management, necessary to fairly present such information in accordance with generally accepted accounting principles.

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 revenues 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 period from September 17, 1997 to December 31, 1997 and for the year ended December 31, 1998 was immaterial to the financial statements.

COMPREHENSIVE INCOME

In June 1997, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") 130, REPORTING COMPREHENSIVE INCOME. The Company adopted SFAS 130 during the year ended December 31, 1998. There was no impact to the Company as a result of the adoption of SFAS 130, as there was no difference between net income and comprehensive income.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
SEGMENTS

Effective January 1, 1998, the Company adopted the FASB's SFAS No. 131, DISCLOSURES ABOUT SEGMENTS OF AN ENTERPRISE AND RELATED INFORMATION. The adoption of SFAS 131 did not have a significant effect on the disclosure of segment information as the Company continues to consider its business activities as a single segment.

The Company has elected to follow Accounting Principles Board ("APB") 25, ACCOUNTING FOR STOCK ISSUED TO EMPLOYEES, and related interpretations in accounting for its employees stock options. Under APB 25, because the exercise price of the Company's employee stock options equals the estimated market price of the underlying stock on the date of grant, no compensation expense is recognized.

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 period from September 17, 1997 to December 31, 1997, and for the three months ended March 31, 1998 and 1999, as the effect of the assumed exercise of stock options is antidilutive due to the Company's net loss.

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

Computations of the net income (loss) per share for the period from September 17, 1997 (Inception) through December 31, 1997, the year ended December 31, 1998 and for the three months ended March 31, 1998 and 1999 are as follows:

	PERIOD FROM SEPTEMBER 17, 1997 (INCEPTION) THROUGH DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1998	THREE MONTHS ENDED MARCH 31,	
			1998	1999
			(UNAUDITED)	(UNAUDITED)
Numerator:				
Income (loss) from continuing operations-- numerator for basic earnings per share	$ (12,069)	$ 40,228	$ (15,765)	$ (919,332)
Denominator:				
Denominator for basic earnings per share-- weighted-average shares	1,000,000	1,750,000	1,000,000	2,500,000
Effect of dilutive securities:				
Stock options	--	124,000	--	--
Denominator for diluted earnings per share-- adjusted weighted-average shares and assumed conversions	--	1,874,000	--	--
Basic earnings per share	$ (0.01)	$ 0.02	$ (0.02)	$ (0.37)
Diluted earnings per share	$ --	$ 0.02	$ --	$ --

4. CONCENTRATION OF CREDIT RISK AND SIGNIFICANT CUSTOMERS

Cash and accounts receivable potentially expose the Company to concentrations of credit risk, as defined by SFAS 105, DISCLOSURE OF INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH 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% of accounts receivable and 91% of revenues at December 31, 1998 and for the year then ended, respectively.

5. EMPLOYEE BENEFIT PLAN

During 1998, the Company created a qualified 401(k) profit sharing plan available to full-time employees who meet the plan's eligibility requirements. This defined contribution plan permits

5. EMPLOYEE BENEFIT PLAN (CONTINUED)
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 during 1998. The Company's related costs for the plan during 1998 was $1,750.

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:

Risk-free interest rate	6.00%
Dividend yield	0.00%
Weighted-average expected life of options	5 years
Expected volatility	.65

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.

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:

	PERIOD FROM SEPTEMBER 17, 1997 TO DECEMBER 31, 1997	YEAR ENDED DECEMBER 31, 1998
Pro forma compensation expense	$ 123	$ 7,266
Pro forma net income (loss)	$ (12,192)	$ 32,962
Pro forma earnings per share--basic and diluted	$ (0.01)	$ 0.02

6. STOCK OPTIONS (CONTINUED)

A summary of changes in common stock options during 1997 and 1998 is as follows:

	SHARES	RANGE OF EXERCISE PRICES	WEIGHTED-AVERAGE EXERCISE PRICE
Inception of Company, September 17, 1997	--	$ --	$ --
Options granted	80,000	0.05 - 0.60	0.53
Options exercised	--	--	--
Options canceled	--	--	--
Options outstanding 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	(56,666)	0.60	0.60
Options outstanding, December 31, 1998	272,334	$ 0.05 - 0.60	$ 0.40
Options vested, December 31, 1998	50,222	$ 0.05 - 0.60	$ 0.38

Subsequent to year end the company reserved approximately 272,334 of common stock for future issuances in connection with the exercise of stock options.

At December 31, 1997 and 1998, the weighted-average remaining contractual life of outstanding options was 9.91 years and 9.54 years, respectively. The weighted-average grant-date fair value of options granted during 1997 and 1998 was approximately $0.05 and $0.40 per share, respectively.

7. LINE OF CREDIT

The Company has a revolving line of credit with Comerica Bank that provides maximum borrowings of $50,000 with interest payable at prime plus 1.0% (8.75% at December 31, 1998). The line is renewable on an annual basis and is guaranteed by the primary stockholder. The Company did not have borrowings against the line as of December 31, 1998.

8. INCOME TAXES

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

	1997	1998
Current:		
Federal	$ --	$ 17,661
State	--	1,558
Total current	--	19,219
Deferred:		
Federal	(6,443)	7,684
State	(569)	678
Total deferred	(7,012)	8,362
	$ (7,012)	$ 27,581

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, 1997 and 1998 are as follows:

	1997	1998
Deferred tax liabilities:		
Depreciable assets	$ (179)	$ (6,292)
Total deferred tax liabilities	(179)	(6,292)
Deferred tax assets:		
Tax carryforwards	7,191	--
Accrued liabilities and other	--	4,942
Total deferred tax assets	7,191	4,942
Valuation allowance for deferred tax assets	--	--
Net deferred tax assets	7,191	4,942
Net deferred taxes	$ 7,012	$ (1,350)

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:

	1997	1998
Tax at statutory rate of 34%	$ (6,489)	$ 23,057
State taxes, net of federal benefit	(569)	1,653
Permanent items	46	2,288
Other	--	583
	$ (7,012)	$ 27,581

9. COMMITMENTS AND CONTINGENCIES

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

1999	$ 19,414
2000	19,355
2001	2,717
Total	$ 41,486

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, 1997 and 1998, the Company recorded rent expense of $5,995 and $16,707, respectively.

10. SUBSEQUENT EVENTS

On January 1, 1999, the Company granted 114,000 stock options to certain employees at a grant price of $.50 per share. The shares vest over a three year period. The Company has recorded the difference between the grant price and fair value of the options as unearned compensation. As of March 31, 1999, the Company has recognized $19,000 in compensation expense relating to the vesting of these options.

On January 12, 1999, the Company issued 500,000 shares of its Common Stock for $250,000 to an existing shareholder in exchange for a shareholder receivable. The Company recognized $880,000 in non-cash compensation in connection with the sale. Subsequent to March 31, 1999 and prior to the issuance of the audited financial statements the shareholder receivable was paid in full.

On January 12, 1999, the Company entered into an agreement with a bank to factor the Company's accounts receivable 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.

10. SUBSEQUENT EVENTS (CONTINUED)

On May 3, 1999, the Board approved a change in the Company's state of incorporation from Texas to Delaware. In conjunction with this change the Board approved a change in the par value of the common stock from $.01 to $.001 per share; eliminated the Class B Common Stock; authorized 5,000,000 shares of Preferred Stock; and authorized a total of 20,000,000 shares of Common Stock.

In addition, the Board approved the exchange of one share for every five shares of outstanding stock. The common and Preferred shares authorized above reflect this change. All share and per share information in the financial statements and related notes have been retroactively restated to reflect this exchange and the change in authorized shares and par value.

Finally, the Board adopted the Perficient, Inc. 1999 Stock Option/Stock Issuance Plan to provide for the grant of incentive and nonqualified stock options to employees, under which 279,666 shares of common stock are reserved for issuance. The exercise price and vesting schedule of each option shall be determined by the Board of Directors. The term of each option shall not exceed 10 years from the date of grant.

On July 1, 1999, the Company amended its January 12, 1999 factoring agreement with a bank whereby the Company is able to borrow up to $1,000,000 against qualified accounts receivables. The agreement has a one year term and borrowings under the agreement bear interest at the banks' prime rate. In connection with this amendment, the Company issued warrants to the bank to purchase a number of shares equal to $30,000 divided by the initial public offering price at the initial public offering price.

[Outside back cover graphic:

[LOGO]

"Perficient's objective is to become the leading provider of virtual professional services organizations to rapidly growing Internet software companies.

PERFICIENT'S STRATEGY

Focus on high-growth, service-intensive segments of the Internet software market.

Establish Relationships with partners who are emerging leaders in identified high-growth segments.

Build and acquire a portfolio of high-growth, low-overhead dedicated boutique virtual professional services organizations.

Support those boutique organizations through a national infrastructure that provides business development, partner service, human resources, performance appraisal, financial reporting and budgeting services."]

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION DIFFERENT FROM THAT CONTAINED IN THIS PROSPECTUS. WE ARE OFFERING TO SELL, AND SEEKING OFFERS TO BUY, SHARES OF COMMON STOCK ONLY IN JURISDICTIONS WHERE OFFERS AND SALES ARE PERMITTED. THE INFORMATION CONTAINED IN THIS PROSPECTUS IS ACCURATE ONLY AS OF THE DATE OF THIS PROSPECTUS, REGARDLESS OF THE TIME OF DELIVERY OF THIS PROSPECTUS OR OF ANY SALE OF OUR COMMON STOCK.

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UNTIL , 1999 (25 DAYS AFTER THE DATE OF THIS PROSPECTUS), ALL DEALERS THAT BUY, SELL OR TRADE OUR COMMON STOCK, WHETHER OR NOT PARTICIPATING IN THIS OFFERING, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS REQUIREMENT IS IN ADDITION TO THE DEALERS' OBLIGATION TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

[LOGO]

1,000,000 SHARES OF
COMMON STOCK

PROSPECTUS

GILFORD SECURITIES
INCORPORATED

, 1999

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 24. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law provides, in effect, that we may, and in certain cases must, indemnify any person made a party to any action by reason of the fact that he is or was one of Registrant's directors, officers, employees or agents against, in the case of a non-derivative action, judgments, fines, amounts paid in settlement and reasonable expenses (including attorneys' fees) incurred by him as a result of such action, and in the case of a derivative action, against expenses (including attorneys' fees), if in either type of action he acted in good faith and in a manner he reasonably believed to be in or not opposed to Registrant's best interests. This indemnification does not apply, in a derivative action, to matters as to which it is adjudged that the director, officer, employee or agent is liable to Registrant, unless upon court order it is determined that, despite such adjudication of liability, but in view of all the circumstances of the case, he is fairly and reasonably entitled to indemnity for expenses, and, in a non-derivative action, to any criminal proceeding in which such person had reasonable cause to believe his conduct was unlawful.

Article VI of Registrant's certificate of incorporation provides that no director shall be liable to Registrant or Registrant's stockholders for monetary damages for breach of fiduciary duty as a director to the fullest extent permitted by Delaware law.

Article XI of Registrant's bylaws provide that Registrant shall indemnify, to the fullest extent permitted by Delaware law, any and all of our directors and officers, or former directors and officers, or any person who may have served at Registrant's request as a director or officer of another corporation, partnership, joint venture, trust or other enterprise.

Reference is made to Section of the Underwriting Agreement to be filed as Exhibit 1.1 hereto, pursuant to which the Underwriter has agreed to indemnify officers and directors of Registrant against certain liabilities under the Securities Act.

Registrant has entered into Indemnity Agreements with each of its directors and officers, a form of which is filed as Exhibit 10.6 to this Registration Statement. Under these agreements, Registrant will be obligated, to the extent permitted by Delaware Law, to indemnify such directors and officers against all expenses, judgments, fines and penalties incurred in connection with the defense or settlement of any actions brought against them by reason of the fact that they served as directors or officers or assumed certain responsibilities at Registrant's direction. Registrant also intends to purchase directors and officers liability insurance in order to limit its exposure to liability for indemnification of directors and officers.

ITEM 25. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the costs and expenses, other than the underwriting discount, payable by the registrant in connection with the sale of common stock being registered. All amounts are estimates except the SEC registration fee and the NASD filing fee.

SEC registration fee	$2,824.48
NASD fee	1,516.00
Nasdaq SmallCap Market listing fee	8,500.00
Boston Stock Exchange listing fee	7,500.00
Non-accountable expenses fee to be paid to Underwriters' Representative	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue sky fees and expenses	*
Transfer agent fees	*
Directors' and Officers' Insurance	*
Miscellaneous	10,000.00
Total	$ *

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* To be included by amendment.

ITEM 26. RECENT SALES OF UNREGISTERED SECURITIES.

Within the last three years, Registrant made the following sales of its common stock in transactions that were not registered under the Securities Act of 1933:

(1) On September 17, 1997, Registrant sold 1,000,000 shares to Mr. Menell for $50,000.

(2) On April 15, 1998, Registrant sold an aggregate of 340,000 shares to Powershift Ventures, LLC and Mr. Lundeen for an aggregate purchase price of $34,000.

(3) On June 10, 1998, Registrant sold an aggregate of 330,000 shares to Powershift Ventures, LLC and Mr. Lundeen for an aggregate purchase price of $33,000.

(4) On July 15, 1998, Registrant sold an aggregate of 330,000 shares to Powershift Ventures, LLC and Mr. Lundeen for an aggregate purchase price of $33,000.

(5) On January 12, 1999, Registrant sold an aggregate of 500,000 shares to Beekman Ventures, Inc.; Thomas H. Walker; Mr. Hinners; David May; Sanford Prater; and Mr. Lundeen, respectively, for an aggregate purchase price of $250,000.

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.

ITEM 27. EXHIBITS.

1.1	Form of Underwriting Agreement.
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
5.1	Opinion of Brobeck, Phleger & Harrison LLP
10.1+	Sublease Agreement, dated April 1, 1999, between Registrant, as Lessee, and Powershift Ventures, 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.
23.1	Consent of Ernst & Young, L.L.P.
23.2	Consent of Brobeck, Phleger & Harrison LLP. Reference is made to Exhibit 5.1.
24.1+	Power of Attorney.
27.1+	Financial Data Schedule for the year ended December 31, 1998.

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* To be included by amendment.

\+ Previously filed.

ITEM 28. UNDERTAKINGS.

The Registrant will provide to the underwriter at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

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

The Registrant will:

1. For determining any liability under the Securities Act, treat the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1), or (4), or 497(h) under the Securities Act as part of this registration statement as of the time the Securities and Exchange Commission declared it effective.

2. For determining any liability under the Securities Act, treat each post-effective amendment that contains a form of prospectus as a new registration statement for the securities offered in the registration statement, and that offering of such securities at that time as the initial BONA FIDE offering of those securities.

During any period during which a prospectus is required to be delivered with respect to sales of shares under this Registration Statement, (i) if the underwriter agrees to release more than 5% but less than 10% of the shares subject to lock-up agreements (the "Lock-Up Shares") as referenced under "Description of Securities--Lock-Up Agreement" in the Prospectus which constitutes a part of this Registration Statement, then the Registrant will prepare and file a supplement to this prospectus with respect to such fact; and (ii) if the underwriter agrees to release 10% or more of the Lock-Up Shares, then the Registration Statement will file a post-effective amendment with respect to such fact.

SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form SB-2 and authorized this registration statement to be signed on its behalf by the undersigned, in the City of Austin, state of Texas, on July 22, 1999.

PERFICIENT, INC.

By: /s/ JOHN T. MCDONALD
John T. McDonald
CHIEF EXECUTIVE OFFICER

IN ACCORDANCE WITH THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES STATED.

NAME	TITLE	DATE
* Steven G. Papermaster	Chairman of the Board	July 22, 1999
/s/ JOHN T. MCDONALD John T. McDonald	Chief Executive Officer and Director (principal executive officer)	July 22, 1999
* Bryan R. Menell	President and Director	July 22, 1999
* John A. Hinners	Chief Financial Officer and Secretary (principal financial and accounting officer)	July 22, 1999
* David S. Lundeen	Director	July 22, 1999
* Dr. W. Frank King	Director	July 22, 1999
* Philip J. Rosenbaum	Director	July 22, 1999

*By: /s/ JOHN T. MCDONALD
John T. McDonald
ATTORNEY-IN-FACT

EXHIBIT 1.1

1,000,000 SHARES OF COMMON STOCK
PERFICIENT, INC.

UNDERWRITING AGREEMENT

New York, New York

July __, 1999

Gilford Securities Incorporated
As Representative of the
Several Underwriters listed on
Schedule A hereto
850 Third Avenue
New York, NY 10022

Ladies and Gentlemen:

Perficient, Inc., a Delaware corporation (the "Company") confirms its agreement with Gilford Securities Incorporated ("Gilford") and each of the several underwriters named in Schedule A hereto (collectively, the "Underwriters", which term shall also include any underwriter substituted as hereinafter provided in Section 11) for whom Gilford is acting as representative (in such capacity, Gilford shall hereinafter be referred to as "you" or the "Representative"), with respect to the sale by the Company and the purchase by the Underwriters, acting severally and not jointly, of the respective number of shares of the Company's common stock, $.001 par value per share ("Common Stock"), set forth on Schedule A hereto. Such shares of Common Stock are hereinafter referred to as the "Firm Shares."

Upon the Representative's request, as provided in Section 2(b) of this Agreement, the Company shall also sell to the Underwriters up to an additional 150,000 shares of Common Stock for the purpose of covering over-allotments, if any (the "Option Shares"). The Firm Shares and the Option Shares are sometimes hereinafter referred to as the "Shares." The Company also proposes to issue and sell warrants to the Representative (the "Representative's Warrants") pursuant to the Representative's Warrant Agreement (the "Representative's Warrant Agreement") for the purchase of an additional 100,000 shares of Common Stock. The shares of Common Stock issuable upon exercise of the Representative's Warrants are hereinafter referred to as the "Representative's Shares." The Firm Shares, the Option Shares, the Representative's Warrants and the Representative's Shares (collectively, hereinafter referred to as the "Securities") are more fully described in the Registration Statement and the Prospectus referred to below.

1. Representations and Warranties.

(a) The Company represents and warrants to, and agrees with, each of the Underwriters as of the date hereof, and as of the Closing Date (hereinafter defined) and the Option Closing Date (hereinafter defined), if any, as follows:

(i) The Company has prepared and filed with the Securities and Exchange Commission (the "Commission") a registration statement, and an amendment or amendments thereto, on Form SB-2 (No. 333-78337), including any related preliminary prospectus ("Preliminary Prospectus"), for the registration of the Firm Shares and the Option Shares under the Securities Act of 1933, as amended (the "Act"), which registration statement and amendment or amendments have been prepared by the Company in conformity with the requirements of the Act, and the rules and regulations (the "Regulations") of the Commission under the Act. The Company will promptly file a further amendment to said registration statement in the form heretofore delivered to the Underwriters and will not, file any other amendment thereto to which the Underwriters shall have objected in writing after having been furnished with a copy thereof. Except as the context may otherwise require, such registration statement, as amended, on file with the Commission at the time the registration statement becomes effective (including the prospectus, financial statements, schedules, exhibits and all other documents filed as a part thereof or incorporated therein (including, but not limited to those documents or information incorporated by reference therein) and all information deemed to be a part thereof as of such time pursuant to paragraph (b) of Rule 430(A) of the Regulations), is hereinafter called the "Registration Statement", and the form of prospectus in the form first filed with the Commission pursuant to Rule 424(b) of the Regulations, is hereinafter called the "Prospectus." For purposes hereof, "Rules and Regulations" mean the rules and regulations adopted by the Commission under either the Act or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as applicable.

(ii) Neither the Commission nor any state regulatory authority has issued any order preventing or suspending the use of any Preliminary Prospectus, the Registration Statement or the Prospectus or any part of any thereof and no proceedings for a stop order suspending the effectiveness of the Registration Statement or any of the Company's securities have been instituted or are pending or, to the Company's knowledge, threatened. Each of the Preliminary Prospectus, Registration Statement and Prospectus at the time of filing thereof conformed with the requirements of the Act and the Rules and Regulations, and none of the Preliminary Prospectus, Registration Statement or Prospectus at the time of filing thereof contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein and necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except that this representation and warranty does not apply to statements made in reliance upon and in conformity with written information furnished to the Company with respect to the Underwriters by or on behalf of the Underwriters expressly for use in such Preliminary Prospectus, Registration

Statement or Prospectus.

(iii) When the Registration Statement becomes effective and at all times subsequent thereto up to the Closing Date and each Option Closing Date, if any, and during such longer period as the Prospectus may be required to be delivered in connection with sales by the Underwriters or a dealer, the Registration Statement and the Prospectus will contain all statements which are required to be stated therein in accordance with the Act and the Rules and Regulations, and will conform to the requirements of the Act and the Rules and Regulations; and, at and through such dates, neither the Registration Statement nor the Prospectus, nor any amendment or supplement thereto, will contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty does not apply to statements made or statements omitted in reliance upon and in conformity with written information furnished to the Company by or on behalf of any Underwriters expressly for use in the Preliminary Prospectus, Registration Statement or Prospectus or any amendment thereof or supplement thereto.

(iv) The Company has been duly organized and is validly existing as a corporation in good standing under the laws of the state of its incorporation. The Company does not own an interest in any corporation, partnership, trust, joint venture or other business entity. The Company is duly qualified and licensed and in good standing as a foreign corporation in each jurisdiction in which its ownership or leasing of any properties or the character of its operations requires such qualification or licensing, except where the failure to be so licensed or qualified would not have a material adverse effect on the Company. The Company has all requisite power and authority (corporate and other), and the Company has obtained any and all necessary authorizations, approvals, orders, licenses, certificates, franchises and permits of and from all governmental or regulatory officials and bodies (including, without limitation, those having jurisdiction over environmental or similar matters), to own or lease its properties and conduct its business as conducted on the date hereof and as described in the Prospectus; the Company is and has been doing business in compliance with all such authorizations, approvals, orders, licenses, certificates, franchises and permits and with all federal, state and local laws, rules and regulations to which it is subject, except where the failure to be in compliance would not have a material adverse effect on the Company; and the Company has not received any notice of proceedings relating to the revocation or modification of any such authorization, approval, order, license, certificate, franchise, or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would materially and adversely affect the condition, financial or otherwise, or the earnings, position, prospects, value, operation, properties, business or results of operations of the Company. The disclosures in the Registration Statement concerning the effects of federal, state, local and foreign laws, rles and regulations on the Company's

business as currently conducted and as contemplated are correct in all respects and do not omit to state a material fact required to be stated therein or necessary to make the statement therein in light of the circumstances under which they were made, not misleading.

(v) The Company has a duly authorized, issued and outstanding capitalization as set forth in the Prospectus, under "Capitalization" and "Description of Securities" and will have the adjusted capitalization set forth therein on the Closing Date and the Option Closing Date, if any, based upon the assumptions set forth therein, and the Company is not a party to or bound by any instrument, agreement or other arrangement providing for it to issue any capital stock, rights, warrants, options or other securities, except for this Agreement, the Representative's Warrant Agreement and as described in the Prospectus. The Securities and all other securities issued or issuable by the Company on or prior to the Closing Date and each Option Closing Date, if any, conform or, when issued and paid for, will conform, in all respects to all statements with respect to the descriptions thereof contained in the Registration Statement and the Prospectus. All issued and outstanding securities of the Company have been duly authorized and validly issued and are fully paid and non-assessable; and the holders thereof have no rights of rescission with respect thereto, and are not subject to personal liability by reason of being such holders; and none of such securities were issued in violation of the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company. The Securities to be issued and sold by the Company hereunder and pursuant to the Representative's Warrant Agreement are not and will not be subject to any preemptive or other similar rights of any stockholder, have been duly authorized and, when issued, paid for and delivered in accordance with the terms hereof and thereof, will be validly issued, fully paid and non-assessable and will conform to the descriptions thereof contained in the Prospectus; the holders thereof will not be subject to any liability solely as such holders; all corporate action required to be taken for the authorization, issue and sale of the Securities has been duly and validly taken; and the certificates representing the Securities will be in due and proper form. Upon the issuance and delivery of the Securities pursuant to the terms hereof and pursuant to the Representative's Warrant Agreement, to be sold by the Company hereunder and thereunder to the Underwriters, the Underwriters will acquire good and marketable title to such Securities free and clear of any lien, charge, claim, encumbrance, pledge, security interest, defect or other restriction or equity of any kind whatsoever.

(vi) The financial statements, including the related notes and schedules thereto, included in the Registration Statement, each Preliminary Prospectus and the Prospectus fairly present the financial position, income, changes in cash flow, changes in stockholders' equity, and the results of operations of the Company at the respective dates and for the respective periods to which they apply and the pro forma financial information included in the Registration Statement and Prospectus

presents fairly on a basis consistent with that of the audited financial statements included therein, what the Company's pro forma capitalization would have been for the respective periods and as of the respective dates to which they apply after giving effect to the adjustments described therein. Such financial statements have been prepared in conformity with generally accepted accounting principles and the Rules and Regulations, consistently applied throughout the periods involved. Except as disclosed in the Prospectus, there has been no adverse change or development involving a material prospective change in the condition, financial or otherwise, or in the earnings, position, prospects, value, operation, properties, business, or results of operations of the Company whether or not arising in the ordinary course of business, since the date of the financial statements included in the Registration Statement and the Prospectus and the outstanding debt, the property, both tangible and intangible, and the business of the Company conform in all material respects to the descriptions thereof contained in the Registration Statement and the Prospectus. Financial information set forth in the Prospectus under the headings "Summary Financial Information," "Selected Financial Data," "Capitalization," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," fairly present, on the basis stated in the Prospectus, the information set forth therein, and have been derived from or compiled on a basis consistent with that of the audited financial statements included in the Prospectus.

(vii) The Company (i) has paid all federal, state, local, and foreign taxes for which it is liable, including, but not limited to, withholding taxes and amounts payable under Chapters 21 through 24 of the Internal Revenue Code of 1986 (the "Code"), and has furnished all information returns it is required to furnish pursuant to the Code, (ii) has established adequate reserves for such taxes which are not due and payable, and (iii) does not have any tax deficiency or claims outstanding, proposed or assessed against it.

(viii) No transfer tax, stamp duty or other similar tax is payable by or on behalf of the Underwriters in connection with (i) the issuance by the Company of the Securities, (ii) the purchase by the Underwriters of the Securities from the Company, (iii) the consummation by the Company of any of its obligations under this Agreement or the Representative's Warrant Agreement, or (iv) resales of the Securities in connection with the distribution contemplated hereby.

(ix) The Company maintains insurance policies, including, but not limited to, general liability and property insurance, which insures the Company and its employees, against such losses and risks generally insured against by comparable businesses. The Company (A) has not failed to give notice or present any insurance claim with respect to any matter, including but not limited to the Company's business, property or employees, under the insurance policy or surety bond in a due and timely manner, (B) does not have any disputes or claims against any underwriter of such insurance policies or surety bonds or has not failed to pay any premiums

due and payable thereunder, or (C) has not failed to comply with all conditions contained in such insurance policies and surety bonds. To the Company's knowledge, there are no facts or circumstances under any such insurance policy or surety bond which would relieve any insurer of its obligation to satisfy in full any valid claim of the Company.

(x) There is no action, suit, proceeding, inquiry, arbitration, investigation, litigation or governmental proceeding (including, without limitation, those having jurisdiction over environmental or similar matters), domestic or foreign, pending or, to the Company's knowledge, threatened against or involving the properties or business of, the Company which (i) questions the validity of the capital stock of the Company, this Agreement or the Representative's Warrant Agreement or of any action taken or to be taken by the Company pursuant to or in connection with this Agreement or the Representative's Warrant Agreement, (ii) is required to be disclosed in the Registration Statement which is not so disclosed (and such proceedings as are summarized in the Registration Statement are accurately summarized in all respects), or (iii) might materially and adversely affect the condition, financial or otherwise, or the earnings, position, prospects, stockholders' equity, value, operation, properties, business or results of operations of the Company.

(xi) The Company has full legal right, power and authority to authorize, issue, deliver and sell the Securities, enter into this Agreement and the Representative's Warrant Agreement and to consummate the transactions provided for in such agreements; and this Agreement and the Representative's Warrant Agreement have each been duly and properly authorized, executed and delivered by the Company. Each of this Agreement and the Representative's Warrant Agreement constitutes a legal, valid and binding agreement of the Company enforceable against the Company in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws affecting creditors' rights generally, (ii) as enforceability of any indemnification or contribution provisions may be limited under applicable laws or the public policies underlying such laws and (iii) that the remedies of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceedings may be brought. None of the Company's issue and sale of the Securities, execution or delivery of this Agreement or the Representative's Warrant Agreement, its performance hereunder and thereunder, its consummation of the transactions contemplated herein and therein, or the conduct of its business as described in the Registration Statement and the Prospectus, and any amendments or supplements thereto, conflicts with or will conflict with or results or will result in any breach or violation of any of the terms or provisions of, or constitutes or will constitute a default under, or result in the creation or imposition of any lien, charge, claim, encumbrance, pledge, security interest, defect or other restriction or equity of any kind whatsoever upon, any property or assets (tangible

or intangible) of the Company pursuant to the terms of, (i) the certificate of incorporation or by-laws of the Company, (ii) any license, contract, indenture, mortgage, deed of trust, voting trust agreement, stockholders' agreement, note, loan or credit agreement or other agreement or instrument evidencing an obligation for borrowed money, or any other agreement or instrument to which the Company is a party or by which it is or may be bound or to which any of its properties or assets (tangible or intangible) is or may be subject, or any indebtedness, or (iii) any statute, judgment, decree, order, rule or regulation applicable to the Company of any arbitrator, court, regulatory body or administrative agency or other governmental agency or body (including, without limitation, those having jurisdiction over environmental or similar matters), domestic or foreign, having jurisdiction over the Company or any of its activities or properties.

(xii) Except as described in the Prospectus, no consent, approval, authorization or order of, and no filing with, any court, regulatory body, government agency or other body, domestic or foreign, is required for the issuance of the Securities pursuant to the Prospectus and the Registration Statement, the issuance of the Representative's Warrants, the performance of this Agreement and the Representative's Warrant Agreement and the transactions contemplated hereby and thereby, including without limitation, any waiver of any preemptive, first refusal or other rights that any entity or person may have for the issue and/or sale of any of the Shares, or the Representative's Warrants, except such as have been or may be obtained under the Act or may be required under state securities or Blue Sky laws in connection with the Representative's purchase and distribution of the Shares, and the Representative's Warrants to be sold by the Company hereunder.

(xiii) All executed agreements, contracts or other documents or copies of executed agreements, contracts or other documents filed as exhibits to the Registration Statement to which the Company is a party or by which it may be bound or to which any of its assets, properties or business may be subject have been duly and validly authorized, executed and delivered by the Company, and constitute the legal, valid and binding agreements of the Company, enforceable against the Company, in accordance with their respective terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws affecting creditors' rights generally, (ii) as enforceability of any indemnification or contribution provisions may be limited under applicable laws or the public policies underlying such laws and (iii) that the remedies of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceedings may be brought. The descriptions in the Registration Statement of agreements, contracts and other documents are accurate and fairly present the information required to be shown with respect thereto by Form SB-2, and there are no contracts or other

documents which are required by the Act to be described in the Registration Statement or filed as exhibits to the Registration Statement which are not described or filed as required, and the exhibits which have been filed are complete and correct copies of the documents of which they purport to be copies.

(xiv) Subsequent to the respective dates as of which information is set forth in the Registration Statement and Prospectus, and except as may otherwise be indicated or contemplated herein or therein, the Company has not (i) issued any securities or incurred any liability or obligation, direct or contingent, for borrowed money, (ii) entered into any transaction other than in the ordinary course of business, or (iii) declared or paid any dividend or made any other distribution on or in respect of its capital stock of any class, and there has not been any change in the capital stock, or any material change in the debt (long or short term) or liabilities or material adverse change in or affecting the general affairs, management, financial operations, stockholders' equity or results of operations of the Company.

(xv) No default exists in the due performance and observance of any term, covenant or condition of any license, contract, indenture, mortgage, installment sale agreement, lease, deed of trust, voting trust agreement, stockholders agreement, partnership agreement, note, loan or credit agreement, purchase order, or any other agreement or instrument evidencing an obligation for borrowed money, or any other material agreement or instrument to which the Company is a party or by which the Company may be bound or to which the property or assets (tangible or intangible) of the Company is or may be subject or affected.

(xvi) The Company has generally enjoyed a satisfactory employer-employee relationship with its employees and is in compliance with all federal, state, local, and foreign laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance would not have a material adverse effect on the Company. To the Company's knowledge, there are no pending investigations involving the Company by the U.S. Department of Labor, or any other governmental agency responsible for the enforcement of such federal, state, local, or foreign laws and regulations. There is no unfair labor practice charge or complaint against the Company pending before the National Labor Relations Board or any strike, picketing, boycott, dispute, slowdown or stoppage pending or, to the Company's knowledge, threatened against or involving the Company or any predecessor entity, and none has ever occurred. No representation question exists respecting the employees of the Company, and no collective bargaining agreement or modification thereof is currently being negotiated by the Company. No grievance or arbitration proceeding is pending under any expired or existing collective bargaining agreements of the Company. No labor dispute with the employees of the Company exists, or, to the Company's knowledge, is imminent.

(xvii) Except as described in the Prospectus, the Company does not maintain, sponsor or

contribute to any program or arrangement that is an "employee pension benefit plan," an "employee welfare benefit plan," or a "multiemployer plan" as such terms are defined in Sections 3(2), 3(1) and 3(37), respectively, of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") ("ERISA Plans"). The Company does not maintain or contribute, now or at any time previously, to a defined benefit plan, as defined in Section 3(35) of ERISA. No ERISA Plan (or any trust created thereunder) has engaged in a "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Code, which could subject the Company to any tax penalty on prohibited transactions and which has not adequately been corrected. Each ERISA Plan is in compliance, in all material respects, with all reporting, disclosure and other requirements of the Code and ERISA as they relate to any such ERISA Plan. Determination letters have been received from the Internal Revenue Service with respect to each ERISA Plan which is intended to comply with Code Section 401(a), stating that such ERISA Plan and the attendant trust are qualified thereunder. The Company has never completely or partially withdrawn from a "multiemployer plan."

(xviii) Neither the Company nor any of its employees, directors, stockholders, partners, or affiliates (within the meaning of the Rules and Regulations) of any of the foregoing has taken or will take, directly or indirectly, any action designed to or which has constituted or which might be expected to cause or result in, under the Exchange Act, or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or otherwise.

(xix) Except as otherwise disclosed in the Prospectus, none of the trademarks, service marks, service names, trade names and copyrights and none of the licenses and rights to the foregoing presently owned or held by the Company are in dispute or are in any conflict with the right of any other person or entity. The Company (i) owns or has the right to use, free and clear of all liens, charges, claims, encumbrances, pledges, security interests, defects or other restrictions or equities of any kind whatsoever, all trademarks, service marks, service names, trade names and copyrights, technology and licenses and rights with respect to the foregoing, used in the conduct of its business as now conducted or proposed to be conducted without infringing upon or otherwise acting adversely to the right or claimed right of any person, corporation or other entity under or with respect to any of the foregoing and (ii) is not obligated or under any liability whatsoever to make any payment by way of royalties, fees or otherwise to any owner or licensee of, or other claimant to, trademark, service mark, service names, trade name, copyright, know-how, technology or other intangible asset, with respect to the use thereof or in connection with the conduct of its business or otherwise. There is no action, suit, proceeding, inquiry, arbitration, investigation, litigation or governmental or other proceeding, domestic or foreign, pending or threatened (or circumstances that may give rise to the same) against the Company which

challenges the exclusive rights of the Company with respect to any trademarks, trade names, service marks, service names, copyrights, or licenses or rights to the foregoing used in the conduct of its business, or which challenge the right of the Company to use any technology presently used or contemplated to be used in the conduct of its business.

(xx) The Company owns and has the unrestricted right to use all trade secrets, know-how (including all other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), inventions, technology, designs, processes, works of authorship, computer programs and technical data and information (collectively herein "intellectual property") that are material to the development, manufacture, operation and sale of all products and services sold or proposed to be sold by the Company, free and clear of and without violating any right, lien, or claim of others, including without limitation, former employers of its employees; provided, however, that the possibility exists that other persons or entities, completely independently of the Company, or its employees or agents, could have developed trade secrets or items of technical information similar or identical to those of the Company. The Company is not aware of any such development of similar or identical trade secrets or technical information by others.

(xxi) The Company has good and marketable title to, or valid and enforceable leasehold estates in, all items of real and personal property stated in the Prospectus, to be owned or leased by it free and clear of all liens, charges, claims, encumbrances, pledges, security interests, defects, or other restrictions or equities of any kind whatsoever, other than those referred to in the Prospectus and liens for taxes not yet due and payable.

(xxii) To the Company's knowledge, Ernst & Young LLP ("E&Y") whose report is filed with the Commission as a part of the Registration Statement, are independent certified public accountants as required by the Act and the Rules and Regulations.

(xxiii) The Company has caused to be duly executed and has provided the Underwriters with true copies of legally binding and enforceable agreements pursuant to which all of the officers and directors of the Company, all holders of the Common Stock and holders of securities exchangeable or exercisable for or convertible into shares of Common Stock have agreed not to, directly or indirectly, offer to sell, sell, grant any option for the sale of, assign, transfer, pledge, hypothecate, distribute or otherwise encumber or dispose of any shares of Common Stock or securities convertible into, exercisable or exchangeable for or evidencing any right to purchase or subscribe for any shares of Common Stock (either pursuant to Rule 144 of the Rules and Regulations or otherwise) or dispose of any beneficial interest therein for a period of not less than twelve (12) months following the effective date of the Registration Statement without the prior written consent of the Representative. During the twelve (12) month period commencing on the

effective date of the Registration Statement, the Company shall not, without the prior written consent of the Representative, sell, contract or offer to sell, issue, transfer, assign, pledge, distribute or otherwise dispose of, directly or indirectly, any shares of Common Stock or any options, rights or warrants with respect to any shares of Common Stock, except up to 279,666 shares of Common Stock reserved for grants of options under the Company's stock option plan as described in the Prospectus. The Company will cause the Transfer Agent, as defined below, to mark an appropriate legend on the face of stock certificates representing all of such securities and to place "stop transfer" orders on the Company's stock ledgers. Notwithstanding the above, the Company may without the consent of the Underwriter issue securities of the Company to persons who are not affiliated with the Company in connection with acquisitions as contemplated by the Prospectus.

(xxiv) Except as described in the Prospectus under "Underwriting," there are no claims, payments, issuances, arrangements or understandings, whether oral or written, for services in the nature of a finder's or origination fee with respect to the sale of the Securities hereunder or any other arrangements, agreements, understandings, payments or issuance with respect to the Company or any of its officers, directors, stockholders, partners, employees or affiliates that may affect the Underwriters' compensation, as determined by the National Association of Securities Dealers, Inc. ("NASD").

(xxv) The Common Stock has been approved for quotation on the NASDAQ Small Cap Market ("NASDAQ") and the Boston Stock Exchange.

(xxvi) Neither the Company nor, to the Company's knowledge, any of its officers, employees, agents, or any other person acting on behalf of the Company, has, directly or indirectly, given or agreed to give any money, gift or similar benefit (other than legal price concessions to customers in the ordinary course of business) to any customer, supplier, employee or agent of a customer or supplier, or official or employee of any governmental agency (domestic or foreign) or instrumentality of any government (domestic or foreign) or any political party or candidate for office (domestic or foreign) or other person who was, is, or may be in a position to help or hinder the business of the Company (or assist the Company in connection with any actual or proposed transaction) which (a) might subject the Company, or any other such person to any damage or penalty in any civil, criminal or governmental litigation or proceeding (domestic or foreign), (b) if not given in the past, might have had a materially adverse effect on the assets, business or operations of the Company, or (c) if not continued in the future, might adversely affect the assets, business, operations or prospects of the Company. The Company's internal accounting controls are sufficient to cause the Company to comply with the Foreign Corrupt Practices Act of 1977, as amended.

(xxvii) Except as set forth in the Prospectus, to the Company's knowledge, no officer, director or stockholder of the Company, or any "affiliate" or "associate" (as these

terms are defined in Rule 405 promulgated under the Rules and Regulations) of any of the foregoing persons or entities has, either directly or indirectly, (i) an interest in any person or entity which (A) furnishes or sells services or products which are furnished or sold or are proposed to be furnished or sold by the Company, or (B) purchases from or sells or furnishes to the Company any goods or services, or (ii) a beneficial interest in any contract or agreement to which the Company is a party or by which it may be bound or affected. Except as set forth in the Prospectus under "Certain Transactions," there are no existing agreements, arrangements, understandings or transactions, or proposed agreements, arrangements, understandings or transactions, between or among the Company and any officer, director, or Principal Stockholder (as such term is defined in the Prospectus) of the Company or any partner, affiliate or associate of any of the foregoing persons or entities.

(xxviii) Any certificate signed by any officer of the Company, and delivered to the Underwriters or to Underwriters' Counsel (as defined herein) shall be deemed a representation and warranty by the Company to the Underwriters as to the matters covered thereby.

(xxix) The minute books of the Company have been made available to the Underwriters and contain a complete summary of all meetings and actions of the directors, stockholders, audit committee, compensation committee and any other committee of the Board of Directors of the Company, respectively, since the time of its incorporation, and reflects all transactions referred to in such minutes accurately in all material respects.

(xxx) Except and to the extent described in the Prospectus, no holders of any securities of the Company or of any options, warrants or other convertible or exchangeable securities of the Company have the right to include any securities issued by the Company in the Registration Statement or any registration statement to be filed by the Company or to require the Company to file a registration statement under the Act and no person or entity holds any anti-dilution rights with respect to any securities of the Company.

(xxxi) The Company has reviewed its operations and any third parties with which the Company has a material relationship to evaluate the extent to which the business or operations of the Company will be affected by Year 2000 issues. As a result of such review, the Company represents and warrants that the disclosure in the Registration Statement relating to Year 2000 issues is accurate and complies in all material respects with the rules and regulations of the Act. "Year 2000 issues" as used herein means Year 2000 issues described in or contemplated by the Commission's Interpretation: Disclosure of Year 2000 issues and consequences by Public Companies, Investment Advisers, Investment Companies, and Municipal Securities Issuers (Release No. 33-7558).

(xxxii) The Company has as of the effective date of the Registration Statement entered into employment agreements with John T. McDonald, Bryan R. Menell and John A. Hinners in the forms filed as Exhibits 10.3, 10.4 and 10.5, respectively to the Registration Statement [and (ii) purchased term key-man insurance on the life of [_____] in the amount of $[_____], which policy names the Company as the sole beneficiary thereof].

2. Purchase, Sale and Delivery of the Securities and Representative's Warrants.

(a) On the basis of the representations, warranties, covenants and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to each Underwriter, and each Underwriter agrees to purchase from the Company at a price of $____ per share [90% of the initial public offering price] of Common Stock, that number of Firm Shares set forth in Schedule A opposite the name of such Underwriter, subject to adjustment as the Representative in its sole discretion shall make to eliminate any sales or purchases of fractional shares, plus any additional number of Firm Shares which such Underwriter may become obligated to purchase pursuant to the provisions of Section 11 hereof.

(b) In addition, on the basis of the representations, warranties, covenants and agreements herein contained, but subject to the terms and conditions herein set forth, the Company hereby grants an option to the Underwriters to purchase all or any part of an additional 150,000 shares of Common Stock at a price of $___ per share of Common Stock [90% of the initial public offering price]. The option granted hereby will expire 45 days after (i) the date the Registration Statement becomes effective, if the Company has elected not to rely on Rule 430A under the Rules and Regulations, or (ii) the date of this Agreement if the Company has elected to rely upon Rule 430A under the Rules and Regulations, and may be exercised in whole or in part from time to time only for the purpose of covering over-allotments which may be made in connection with the offering and distribution of the Firm Shares upon notice by the Representative to the Company setting forth the number of Option Shares as to which Representative is then exercising the option and the time and date of payment and delivery for any such Option Shares. Any such time and date of delivery (an "Option Closing Date") shall be determined by the Representative, but shall not be later than seven full business days after the exercise of said option, nor in any event prior to the Closing Date, as hereinafter defined, unless otherwise agreed upon by the Representative and the Company. Nothing herein contained shall obligate the Underwriters to make any over-allotments. No Option Shares shall be delivered unless the Firm Shares shall be simultaneously delivered or shall theretofore have been delivered as herein provided.

(c) Payment of the purchase price for, and delivery of certificates for, the Firm Shares shall be made at the offices of Gilford at 850 Third Avenue, New York, New York, 10022, or at such other place as shall be agreed upon by the Representative and the Company. Such delivery and payment shall be made at 10:00 a.m. (New York City time) on _____, 1999 or at such other time and date as shall be agreed upon by the Representative and the Company, but not less than three (3) nor more than seven (7) full business days after the effective date of the Registration Statement (such time and date of payment and delivery being herein called "Closing

Date"). In addition, in the event that any or all of the Option Shares are purchased by the Underwriters, payment of the purchase price for, and delivery of certificates for, such Option Shares shall be made at the above-mentioned office of the Representative or at such other place as shall be agreed upon by the Representative and the Company on each Option Closing Date as specified in the notice from the Representative to the Company. Delivery of the certificates for the Firm Shares and the Option Shares, if any, shall be made to the Underwriters against payment by the Underwriters of the purchase price for the Firm Shares and the Option Shares, if any, to the order of the Company for the Firm Shares and the Option Shares, if any, by New York Clearing House funds. Certificates for the Firm Shares and the Option Shares, if any, shall be in definitive, fully registered form, shall bear no restrictive legends and shall be in such denominations and registered in such names as the Representative may request in writing at least two (2) business days prior to the Closing Date or the relevant Option Closing Date, as the case may be. The certificates for the Firm Shares and the Option Shares, if any, shall be made available to the Representative at such office or such other place as the Representative may designate for inspection, checking and packaging no later than 9:30 a.m. on the last business day prior to Closing Date or the relevant Option Closing Date, as the case may be.

(d) On the Closing Date, the Company shall issue and sell to the Representative, Representative's Warrants at a purchase price of $.0001 per warrant, which warrants shall entitle the holders thereof to purchase an aggregate of 100,000 shares of Common Stock. The Representative's Warrants shall be exercisable for a period of four years commencing one year from the effective date of the Registration Statement at a price equaling one hundred forty percent (140%) of the initial public offering price of the shares of Common Stock. The Representative's Warrant Agreement and form of Warrant Certificate shall be substantially in the form filed as Exhibit __ to the Registration Statement. Payment for the Representative's Warrants shall be made on the Closing Date.

3. Public Offering of the Shares. As soon after the Registration Statement becomes effective as the Representative deems advisable, the Underwriters shall make a public offering of the Shares (other than to residents of or in any jurisdiction in which qualification of the Shares is required and has not become effective) at the price and upon the other terms set forth in the prospectus. The Representative may from time to time increase or decrease the public offering price after distribution of the Shares has been completed to such extent as the Representative, in its discretion deems advisable. The Underwriters may enter into one of more agreements as the Underwriters, in each of their sole discretion, deem advisable with one or more broker-dealers who shall act as dealers in connection with such public offering.

4. Covenants and Agreements of the Company. The Company covenants and agrees with each of the Underwriters as follows:

(a) The Company shall use its best efforts to cause the Registration Statement and any amendments thereto to become effective as promptly as practicable and will not at any time, whether before or after the effective date of the Registration Statement, file any amendment to the Registration Statement or supplement to the Prospectus or file any document under the Act or Exchange Act before termination of the offering of the Shares by the Underwriters of which the

Underwriters shall not previously have been advised and furnished with a copy, or to which the Underwriters shall have objected or which is not in compliance with the Act, the Exchange Act or the Rules and Regulations.

(b) As soon as the Company is advised or obtains knowledge thereof, the Company will advise the Representative and confirm the notice in writing, (i) when the Registration Statement, as amended, becomes effective, if the provisions of Rule 430A promulgated under the Act will be relied upon, when the Prospectus has been filed in accordance with said Rule 430A and when any post-effective amendment to the Registration Statement becomes effective, (ii) of the issuance by the Commission of any stop order or of the initiation, or the threatening, of any proceeding, suspending the effectiveness of the Registration Statement or any order preventing or suspending the use of the Preliminary Prospectus or the Prospectus, or any amendment or supplement thereto, or the institution of proceedings for that purpose, (iii) of the issuance by the Commission or by any state securities commission of any proceedings for the suspension of the qualification of any of the Securities for offering or sale in any jurisdiction or of the initiation, or the threatening, of any proceeding for that purpose, (iv) of the receipt of any comments from the Commission, and (v) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information. If the Commission or any state securities commission authority shall enter a stop order or suspend such qualification at any time, the Company will make every reasonable effort to obtain promptly the lifting of such order.

(c) The Company shall file the Prospectus (in form and substance satisfactory to the Underwriters) or transmit the Prospectus by a means reasonably calculated to result in filing with the Commission pursuant to Rule 424(b)(1) (or, if applicable and if consented to by the Underwriters, pursuant to Rule 424(b)(4)) not later than the Commission's close of business on the earlier of (i) the second business day following the execution and delivery of this Agreement and (ii) the fifteenth business day after the effective date of the Registration Statement.

(d) The Company will give the Representative notice of its intention to file or prepare any amendment to the Registration Statement (including any post-effective amendment) or any amendment or supplement to the Prospectus (including any revised prospectus which the Company proposes for use by the Underwriters in connection with the offering of the Securities which differs from the corresponding prospectus on file at the Commission at the time the Registration Statement becomes effective, whether or not such revised prospectus is required to be filed pursuant to Rule 424(b) of the Rules and Regulations), and will furnish the Underwriters with copies of any such amendment or supplement a reasonable amount of time prior to such proposed filing or use, as the case may be, and will not file any such prospectus to which the Underwriters or Gibbons, Del Deo, Dolan, Griffinger & Vecchione, P.C. ("Underwriters' Counsel"), shall object.

(e) The Company shall endeavor in good faith, in cooperation with the Underwriters, at or prior to the time the Registration Statement becomes effective, to qualify the Securities for offering and sale under the securities laws of such jurisdictions as the Underwriters may designate to permit the continuance of sales and dealings therein for as long as may be necessary

to complete the distribution, and shall make such applications, file such documents and furnish such information as may be required for such purpose; provided, however, the Company shall not be required to qualify as a foreign corporation or file a general or limited consent to service of process in any such jurisdiction. In each jurisdiction where such qualification shall be effected, the Company will, unless the Underwriters agree that such action is not at the time necessary or advisable, use all reasonable efforts to file and make such statements or reports at such times as are or may reasonably be required by the laws of such jurisdiction to continue such qualification.

(f) During the time when a prospectus is required to be delivered under the Act, the Company shall use all reasonable efforts to comply with all requirements imposed upon it by the Act and the Exchange Act, as now and hereafter amended and by the Rules and Regulations, as from time to time in force, so far as necessary to permit the continuance of sales of or dealings in the Securities in accordance with the provisions hereof and the Prospectus, or any amendments or supplements thereto. If at any time when a prospectus relating to the Securities are required to be delivered under the Act, any event shall have occurred as a result of which, in the opinion of counsel for the Company or Underwriters' Counsel, the Prospectus, as then amended or supplemented, 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, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Act, the Company will notify the Underwriters promptly and prepare and file with the Commission an appropriate amendment or supplement in accordance with Section 10 of the Act, each such amendment or supplement to be satisfactory to Underwriters' Counsel, and the Company will furnish to the Underwriters copies of such amendment or supplement as soon as available and in such quantities as the Underwriters may reasonably request.

(g) As soon as practicable, but in any event not later than 45 days after the end of the 12-month period beginning on the day after the end of the fiscal quarter of the Company during which the effective date of the Registration Statement occurs (90 days in the event that the end of such fiscal quarter is the end of the Company's fiscal year), the Company shall make generally available to its security holders, in the manner specified in Rule 158(b) of the Rules and Regulations, and to the Underwriters, an earnings statement which will be in the detail required by, and will otherwise comply with, the provisions of Section 11(a) of the Act and Rule 158(a) of the Rules and Regulations, which statement need not be audited unless required by the Act, covering a period of at least 12 consecutive months after the effective date of the Registration Statement.

(h) During a period of five years after the date hereof, the Company will furnish to its stockholders, as soon as practicable, annual reports (including financial statements audited by independent public accountants) and unaudited quarterly reports of earnings, and will deliver to the Underwriters:

(i) concurrently with furnishing such quarterly reports to its stockholders, statements of income of the Company for each quarter in the form furnished to the

Company's stockholders and certified by the Company's principal financial or accounting officer;

(ii) concurrently with furnishing such annual reports to its stockholders, a balance sheet of the Company as at the end of the preceding fiscal year, together with statements of operations, stockholders' equity, and cash flows of the Company for such fiscal year, accompanied by a copy of the certificate thereon of independent certified public accountants;

(iii) as soon as they are available, copies of all reports (financial or other) mailed to stockholders;

(iv) as soon as they are available, copies of all reports and financial statements furnished to or filed with the Commission, the NASD or any securities exchange;

(v) every press release and every material news item or article of interest to the financial community in respect of the Company, or its affairs which was released or prepared by or on behalf of the Company; and

(vi) any additional information of a public nature concerning the Company (and any future subsidiary) or its businesses which the Underwriters may reasonably request.

(vii) During such five-year period, if the Company has an active subsidiary, the foregoing financial statements will be on a consolidated basis to the extent that the accounts of the Company and its subsidiary are consolidated, and will be accompanied by similar financial statements for any significant subsidiary which is not so consolidated.

(i) The Company will maintain a Transfer Agent and, if necessary under the jurisdiction of incorporation of the Company, a Registrar (which may be the same entity as the Transfer Agent) for its Common Stock.

(j) The Company will furnish to the Underwriters or on Underwriters' order, without charge, at such place as the Underwriters may designate, copies of each Preliminary Prospectus, the Registration Statement and any pre-effective or post-effective amendments thereto (two of which copies will be signed and will include all financial statements and exhibits), the Prospectus, and all amendments and supplements thereto, including any prospectus prepared after the effective date of the Registration Statement, in each case as soon as available and in such quantities as the Underwriters may request.

(k) On or before the effective date of the Registration Statement, the Company shall provide the Underwriters with true copies of duly executed, legally binding and enforceable agreements pursuant to which for a period of twelve (12) months from the effective date of the Registration Statement, the officers and directors of the Company, holders of all shares of Common Stock and holders of securities exchangeable or exercisable for or convertible into

shares of Common Stock, agree that it or he or she will not directly or indirectly, issue, offer to sell, sell, grant an option for the sale of, assign, transfer, pledge, hypothecate, distribute or otherwise encumber or dispose of any shares of Common Stock or securities convertible into, exercisable or exchangeable for or evidencing any right to purchase or subscribe for any shares of Common Stock (either pursuant to Rule 144 of the Rules and Regulations or otherwise) or dispose of any beneficial interest therein without the prior written consent of the Underwriters and the Company (collectively, the "Lock-up Agreements"). On or before the Closing Date, the Company shall deliver instructions to the Transfer Agent authorizing it to place appropriate legends on the certificates representing the securities subject to the Lock-up Agreements and to place appropriate stop transfer orders on the Company's ledgers. During the twelve (12) month period commencing on the effective date of the Registration Statement, and except as contemplated by this Agreement, the Company will not, without the prior written consent of the Underwriters, (i) sell, contract or offer to sell, issue, transfer, assign, pledge, hypothecate, distribute, or otherwise dispose of, directly or indirectly, any shares of Common Stock or any options, rights or warrants with respect to any shares of Common Stock, except (a) pursuant to warrants issued to a bank outstanding as of the date hereof, (b) up to an aggregate of 700,000 shares of Common Stock and options therefor which may be granted after the date hereof or which are currently outstanding, provided, however, that such options granted after the date hereof shall have an exercise price which is at least equal to the closing price of the Common Stock on the Nasdaq SmallCap Market on the date of grant and (c) in connection with acquisitions approved by the Board of Directors of the Company and as contemplated by the Prospectus or (ii) file any registration statement for the offer or sale by the Company or any other person or entity securities issued or to be issued by the Company or any present or future subsidiaries.

(l) Neither the Company, nor any of its officers, directors, stockholders, nor any of their respective affiliates (within the meaning of the Regulations) will take, directly or indirectly, any action designed to, or which might in the future reasonably be expected to cause or result in, stabilization or manipulation of the price of any securities of the Company.

(m) The Company shall apply the net proceeds from the sale of the Securities in the manner, and subject to the conditions, set forth under "Use of Proceeds" in the Prospectus. Except as described in the Prospectus, no portion of the net proceeds will be used, directly or indirectly, to acquire any securities issued by the Company.

(n) The Company shall timely file all such reports, forms or other documents as may be required (including, but not limited to, a Form SR as may be required pursuant to Rule 463 under the Act) from time to time, under the Act, the Exchange Act, and the Rules and Regulations, and all such reports, forms and documents filed will comply as to form and substance with the applicable requirements under the Act, the Exchange Act, and the Rules and Regulations.

(o) The Company shall furnish to the Underwriters as early as practicable prior to each of the date hereof, the Closing Date and each Option Closing Date, if any, but no later than two (2) full business days prior thereto, a copy of the latest available unaudited interim financial

statements of the Company (which in no event shall be as of a date more than thirty (30) days prior to the date of the Registration Statement) which have been read by the Company's independent public accountants, as stated in its letter to be furnished pursuant to Section 6(j) hereof.

(p) The Company shall cause the Common Stock to be quoted on Nasdaq and for a period of seven (7) years from the date hereof, use its best efforts to maintain the Nasdaq quotation of the Common Stock to the extent outstanding.

(q) For a period of five (5) years from the Closing Date, the Company shall furnish to the Underwriters at the Representative's request and at the Company's sole expense, (i) daily consolidated transfer sheets relating to the Common Stock, (ii) the list of holders of all of the Company's securities, and (iii) a "Blue Sky Trading Survey" for secondary sales of the Company's securities prepared by counsel to the Company.

(r) For a period of five (5) years from the Closing Date, the Company shall, at the Company's sole expense, (i) promptly provide the Underwriter, upon any and all requests of the Underwriter, with a "Blue Sky Trading Survey" for secondary sales of the Company's securities, prepared by counsel to the Company, and (ii) take all necessary and appropriate actions to further qualify the Company's securities in all jurisdictions of the United States in order to permit secondary sales of such securities pursuant to the "blue sky" laws of those jurisdictions, provided that such jurisdictions do not require the Company to qualify as a foreign corporation.

(s) As soon as practicable, (i) but in no event more than 20 business days before the effective date of the Registration Statement, file a Form 8-A with the Commission providing for the registration under the Exchange Act of the Securities and (ii) but in no event more than 60 days after the effective date of the Registration Statement, take all reasonable actions to be included in Standard and Poor's Corporation Descriptions and Moody's OTC Manual and to continue such inclusion for a period of not less than one year.

(t) The Company hereby agrees that it will not for a period of twelve (12) months from the effective date of the Registration Statement, (i) adopt, propose to adopt or otherwise permit to exist any employee, officer, director, consultant or compensation plan or arrangement permitting the grant, issue or sale of any shares of Common Stock or other securities of the Company, (ii) in an amount greater than an aggregate of [_____] shares of Common Stock, (iii) at an exercise or sale price per share less than the greater of (a) the initial public offering price of the Shares set forth herein and (b) the fair market value of the Common Stock on the date of grant or sale, (iv) to any direct or indirect beneficial holder on the date hereof of more than 5% of the issued and outstanding shares of Common Stock, (v) with the payment for such securities with any form of consideration other than cash, (vi) upon payment of less than the full purchase or exercise price for such shares of Common Stock or other securities of the Company on the date of grant or issuance, or (vii) permitting the existence of stock appreciation rights, phantom options or similar arrangements.

(u) Until 30 days after the date hereof, the Company shall not without the prior written consent of the Representative, issue, directly or indirectly, any press release or other

communication or hold any press conference with respect to the Company or its activities or the offering contemplated hereby.

(v) For a period equal to the lesser of (i) five (5) years from the date hereof, and (ii) the sale to the public of the Underwriters' Shares, the Company will not take any action or actions which may prevent or disqualify the Company's use of Form SB-2, S-3 or S-1 (or other appropriate form) for the registration under the Act of the Underwriter's Shares.

(w) For a period of three (3) years after the effective date of the Registration Statement, the Underwriters shall have the right to designate for election one (1) individual to the Company's Board of Directors (the "Board"). In the event the Representative elects not to exercise such right, then it may designate one (1) individual to attend meetings of the Company's Board. The Company shall notify the Representative of each meeting of the Board and the Company shall send to such individual all notices and other correspondence and communications sent by the Company to members of the Board. Such individual shall be reimbursed for all out-of-pocket expenses incurred in connection with his attendance of meetings of the Board.

(x) For a period of twenty-four (24) months after the effective date of the Registration Statement, the Company shall not restate, amend or alter any term of any written employment, consulting or similar agreement entered into between the Company and any officer, director or key employee as of the effective date of the Registration Statement in a manner which is more favorable to such officer, director or key employee, without the prior written consent of the Underwriters.

(y) For a period of twelve (12) months after the effective date of the Registration Statement, the Underwriters shall have a right of first refusal for all sales of securities made by the Company or any of its present or future affiliates or subsidiaries.

5. PAYMENT OF EXPENSES.

(a) The Company hereby agrees to pay on each of the Closing Date and the Option Closing Date (to the extent not paid at the Closing Date) all expenses and fees (other than fees of Underwriters' Counsel, except as provided in (iv) below) incident to the performance of the obligations of the Company under this Agreement and the Representative's Warrant Agreement, including, without limitation, (i) the fees and expenses of accountants and counsel for the Company, (ii) all costs and expenses incurred in connection with the preparation, duplication, printing, (including mailing and handling charges) filing, delivery and mailing (including the payment of postage with respect thereto) of the Registration Statement and the Prospectus and any amendments and supplements thereto and the printing, mailing (including the payment of postage with respect thereto) and delivery of this Agreement, the Agreement Among Underwriters, the Selected Dealer Agreements, and related documents, including the cost of all copies thereof and of the Preliminary Prospectuses and of the Prospectus and any amendments thereof or supplements thereto supplied to the Underwriters and such dealers as the Underwriters may request, in quantities as hereinabove stated, (iii) the printing, engraving, issuance and delivery of the Securities including, but not limited to, (x) the purchase by the Underwriters of the Shares and the purchase by the Representative of the Representative's Warrants from the

Company, (y) the consummation by the Company of any of its obligations under this Agreement and the Representative's Warrant Agreement, and (z) resale of the Shares by the Underwriters in connection with the distribution contemplated hereby, (iv) the qualification of the Securities under state or foreign securities or "Blue Sky" laws and determination of the status of such securities under legal investment laws, including the costs of printing and mailing the "Preliminary Blue Sky Memorandum," the "Supplemental Blue Sky Memorandum" and "Legal Investments Survey," if any, and disbursements and fees of counsel in connection therewith, (subject to an aggregate limit of $50,000), (v) advertising costs and expenses, including but not limited to costs and expenses in connection with the "road show", information meetings and presentations, bound volumes and prospectus memorabilia and "tomb-stone" advertisement expenses, (vi) fees of any independent counsel or consultant retained, (vii) fees and expenses of the transfer agent and registrar, (viii) applications for assignments of a rating of the Securities by qualified rating agencies, (ix) the fees payable to the Commission and the NASD, and (x) the fees and expenses incurred in connection with the quotation of the Securities on Nasdaq and any other exchange.

(b) If this Agreement is terminated by the Underwriters in accordance with the provisions of Section 6 or Section 10, the Company shall reimburse and indemnify the Underwriters for all of its actual out-of-pocket expenses, including the fees and disbursements of Underwriters' Counsel, less any amounts already paid pursuant to Section 5(c) hereof.

(c) The Company further agrees that, in addition to the expenses payable pursuant to subsection (a) of this Section 5, it will pay to the Representative on the Closing Date by certified or bank cashier's check or, at the election of the Representative, by deduction from the proceeds of the offering contemplated herein a non-accountable expense allowance equal to three percent (3%) of the gross proceeds received by the Company from the sale of the Firm Shares, $25,000 of which has been paid to date. In the event the Representative elects to exercise the over-allotment option described in Section 2(b) hereof, the Company agrees to pay to the Representative on the Option Closing Date (by certified or bank cashier's check or, at the Representative's election, by deduction from the proceeds of the Option Shares) a non-accountable expense allowance equal to two percent (3%) of the gross proceeds received by the Company from the sale of the Option Shares.

6. Conditions of the Underwriters' Obligations. The obligations of the Underwriters hereunder shall be subject to the continuing accuracy in all material respects of the representations and warranties of the Company herein as of the date hereof and as of the Closing Date and each Option Closing Date, if any, with respect to the Company as if it had been made on and as of the Closing Date or each Option Closing Date, as the case may be; the accuracy in all material respects on and as of the Closing Date or Option Closing Date, if any, of the statements of the officers of the Company made pursuant to the provisions hereof; and the performance by the Company on and as of the Closing Date and each Option Closing Date, if any, of its covenants and obligations hereunder and to the following further conditions:

(a) The Registration Statement shall have become effective not later than 12:00 Noon, New York time, on the date of this Agreement or such later date and time as shall be

consented to in writing by the Underwriters, and, at the Closing Date and each Option Closing Date, if any, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or shall be pending or contemplated by the Commission and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of Underwriters' Counsel. If the Company has elected to rely upon Rule 430A of the Rules and Regulations, the price of the Shares and any price-related information previously omitted from the effective Registration Statement pursuant to such Rule 430A shall have been transmitted to the Commission for filing pursuant to Rule 424(b) of the Rules and Regulations within the prescribed time period, and prior to Closing Date the Company shall have provided evidence satisfactory to the Underwriters of such timely filing, or a post-effective amendment providing such information shall have been promptly filed and declared effective in accordance with the requirements of Rule 430A of the Rules and Regulations.

(b) Neither the Prospectus, any supplement thereto, nor the Registration Statement, nor any amendments thereto, shall contain an untrue statement of fact which, in the Underwriters' opinion, is material, or omit to state a fact which, in the Underwriters' opinion, is material and is required to be stated therein or is necessary to make the statements therein not misleading in light of the circumstances under which they were made.

(c) On or prior to the Closing Date, the Underwriters shall have received from Underwriters' Counsel, such opinion or opinions with respect to the organization of the Company, the validity of the Securities, the Representative's Warrants, the Registration Statement, the Prospectus and other related matters as the Underwriters may request and Underwriters' Counsel shall have received such papers and information as they request to enable them to pass upon such matters.

(d) At Closing Date, the Underwriter shall have received the favorable opinion of Brobeck, Phleger & Harrison LLP, counsel to the Company, dated the Closing Date, addressed to the Underwriters and in form and substance satisfactory to Underwriters' Counsel, to the effect that:

(i) the Company (A) is duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction, (B) is duly qualified and licensed and in good standing as a foreign corporation in the State of Texas and (C) has all requisite corporate power and authority; and the Company has obtained any and all necessary authorizations, approvals, orders, licenses, certificates, franchises and permits of and from all governmental or regulatory officials and bodies (including, without limitation, those having jurisdiction over environmental or similar matters), to own or lease its properties and conduct its business as described in the Prospectus; the Company is and has been doing business in material compliance with all such authorizations, approvals, orders, licenses,

certificates, franchises and permits and all federal, state and local laws, rules and regulations; the Company has not received any notice of proceedings relating to the revocation or modification of any such authorization, approval, order, license, certificate, franchise, or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would materially adversely affect the business, operations, condition, financial or otherwise, or the earnings, business affairs, position, prospects, value, operation, properties, business or results of operations of the Company. The disclosures in the Registration Statement concerning the effects of federal, state and local laws, rules and regulations on the Company's business as currently conducted and as contemplated are correct in all material respects and do not omit to state a fact necessary to make the statements contained therein not misleading in light of the circumstances in which they were made;

(ii) to such counsel's knowledge, the Company does not own an interest in any other corporation, partnership, joint venture, trust or other business entity;

(iii) the authorized, issued and outstanding capital stock of the Company as of March 31, 1999 was as set forth in the Prospectus, under the heading "Actual" under the caption "Capitalization". To such counsel's knowledge, except as described in the Prospectus, the Company is not a party to or bound by any instrument, agreement or other arrangement providing for it to issue any capital stock, rights, warrants, options or other securities, except for this Agreement, the Representative's Warrant Agreement and as described in the Prospectus. The Securities, and all other securities issued or issuable by the Company conform in all material respects to all statements with respect thereto contained in the Registration Statement and the Prospectus. All issued and outstanding shares of capital stock of the Company have been duly authorized and validly issued and, to such counsel's knowledge, are fully paid and non-assessable; the holders thereof have no rights of rescission with respect thereto under the Company's Certificate of Incorporation, By-laws, Delaware corporate law or any agreement of which such counsel has knowledge, and are not subject to personal liability by reason of being such holders; and none of such securities were issued in violation of the preemptive rights of any holders of any security of the Company. The Shares, the Representative's Warrants and the Representative's Shares to be sold by the Company hereunder and under the Representative's Warrant Agreement have been duly authorized under the Company's Certificate of Incorporation, By-laws, Delaware corporate law or any agreement of which such counsel has knowledge and, when issued, paid for and delivered in accordance with the terms hereof and the Representative's Warrant Agreement, will be validly issued, fully paid and non-assessable and to such counsel's knowledge, are not and will not be subject to any liability solely as such holders; all corporate action required to be taken for the authorization, issue and sale of the Shares, the Representative's Warrants and the Representative's Shares has been duly and validly taken; preemptive or other similar rights of any stockholder; and the certificates representing the Shares and the Representative's Warrants are in due and proper form. The Representative's Warrants constitute valid and binding obligations of the Company to issue and sell, upon exercise thereof and payment therefor, the number and type of

securities of the Company called for thereby. Upon the issuance and delivery pursuant to this Agreement and the Representative's Warrant Agreement of the Shares and the Representative's Warrants, respectively, to be sold by the Company, the Representative and the Representative, respectively, will acquire good and marketable title to the Shares and Representative's Warrants free and clear of any pledge, lien, charge, claim, encumbrance, pledge, security interest, or other restriction or equity of any kind whatsoever. No transfer tax is payable by or on behalf of the Underwriters in connection with (A) the issuance by the Company of the Shares, (B) the purchase by the Underwriters of the Shares and the Representative's Warrants, respectively, from the Company, (C) the consummation by the Company of any of its obligations under this Agreement or the Representative's Warrant Agreement, or (D) resales of the Shares in connection with the distribution contemplated hereby;

(iv) the Registration Statement has become effective under the Act, and, to our knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose has been instituted or is pending, threatened or contemplated under the Act;

(v) each of the Registration Statement and the Prospectus and any amendments or supplements thereto (other than the financial statements and other financial and statistical data included therein, as to which no opinion need be rendered) comply as to form in all material respects with the requirements of the Act and the Rules and Regulations;

(vi) to such counsel's knowledge, (A) there are no agreements, contracts or other documents required by the Act to be described in the Registration Statement and the Prospectus and filed as exhibits to the Registration Statement other than those described in the Registration Statement (or required to be filed under the Exchange Act if upon such filing they would be incorporated, in whole or in part, by reference therein) and the Prospectus and filed as exhibits thereto, and the exhibits which have been filed are correct copies of the documents of which they purport to be copies; (B) the descriptions in the Registration Statement and the Prospectus and any supplement or amendment thereto of contracts and other documents to which the Company is a party or by which it is bound, including any document to which the Company is a party or by which it is bound, incorporated by reference into the Prospectus and any supplement or amendment thereto, are accurate in all material respects and fairly represent the information required to be shown by Form SB-2; (C) there is not pending or threatened against the Company any action, arbitration, suit, proceeding, inquiry, investigation, litigation, governmental or other proceeding (including, without limitation, those having jurisdiction over environmental or similar matters), domestic or foreign, which (x) is required to be disclosed in the Registration Statement which is not so disclosed (and such proceedings as are summarized in the Registration Statement are accurately summarized in all material respects), or (y) questions the validity of

the capital stock of the Company or this Agreement or the Representative's Warrant Agreement, or of any action taken or to be taken by the Company pursuant to or in connection with any of the foregoing; (D) no statute or regulation or legal or governmental proceeding required to be described in the Prospectus is not described as required; and (E) there is no action, suit or proceeding pending, or threatened, against or affecting the Company before any court or arbitrator or governmental body, agency or official (or any basis thereof known to such counsel) in which there is a reasonable possibility of an adverse decision which may result in a material adverse change in the condition, financial or otherwise, or the earnings, position, prospects, stockholders' equity, value, operation, properties, business or results of operations of the Company, which could adversely affect the present or prospective ability of the Company to perform its obligations under this Agreement or the Representative's Warrant Agreement or which in any manner draws into question the validity or enforceability of this Agreement or the Representative's Warrant Agreement;

(vii) the Company has the corporate power and authority to enter into each of this Agreement and the Representative's Warrant Agreement and to issue, sell and deliver the Shares and the Representative's Warrants as provided for herein and therein; and each of this Agreement and the Representative's Warrant Agreement has been duly authorized, executed and delivered by the Company. Each of this Agreement and the Representative's Warrant Agreement, assuming due authorization, execution and delivery by each other party thereto constitutes a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights and remedies generally, and subject, as to enforceability, to general equitable principles (whether relief is sought in a proceeding at law or in equity) and except as rights to indemnification and contribution thereunder may be limited by applicable law or public policy relating thereto), and none of the Company's execution or delivery of this Agreement and the Representative's Warrant Agreement, its performance hereunder or thereunder, its consummation of the transactions contemplated herein or therein, or the conduct of its business as described in the Registration Statement, the Prospectus, and any amendments or supplements thereto, conflicts with or will conflict with or results or will result in any breach or violation of any of the terms or provisions of, or constitutes or will constitute a default under, or result in the creation or imposition of any lien, charge, claim, encumbrance, pledge, security interest, defect or other restriction or equity of any kind whatsoever upon, any property or assets (tangible or

intangible) of the Company pursuant to the terms of, (A) violates the certificate of incorporation or by-laws of the Company, (B) constitutes a breach of, or a default under, any license, contract, indenture, mortgage, deed of trust, voting trust agreement, stockholders agreement, note, loan or credit agreement or other agreement or instrument to which the Company is a party or by which it is or may be bound or to which any of its respective properties or assets (tangible or intangible) is or may be subject, or any indebtedness, or (C) any statute, judgment, decree, order, rule or regulation applicable to the Company of any arbitrator, court, regulatory body or administrative agency or other governmental agency or body (including, without limitation, those having jurisdiction over environmental or similar matters), domestic or foreign, having jurisdiction over the Company or any of its properties;

(viii) except as described in the Prospectus, no consent, approval, authorization or order of, and no filing with, any court, regulatory body, government agency or other body (other than such as (A) have been obtained under the Act and the Exchange Act or (B) may be required under the state securities or Blue Sky laws, as to which no opinion need be rendered) is required on the part of the Company for the valid issuance of the Shares pursuant to this Agreement or the valid issuance of the Representative's Warrants pursuant to the Representative's Warrant Agreement;

(ix) to the knowledge of such counsel, the Company is not in breach of, or in default under, any term or provision of any license, contract, indenture, mortgage, installment sale agreement, deed of trust, lease, voting trust agreement, stockholders' agreement, partnership agreement, note, loan or credit agreement or any other agreement or instrument evidencing an obligation for borrowed money, or any other agreement or instrument to which the Company is a party or by which the Company may be bound or to which the property or assets (tangible or intangible) of the Company is subject or affected; and the Company is not in violation of any term or provision of its certificate of incorporation, by-laws, or in violation of any franchise, license, permit, judgment, decree, order, statute, rule or regulation;

(x) the statements in the Prospectus under the caption "DESCRIPTION OF SECURITIES," insofar as they constitute a fair summary of the legal matters, statutes, licenses, rules or regulations or legal conclusions, are correct in all material respects;

(xi) the Shares have been approved for quotation on the Nasdaq SmallCap Market and the Boston Stock Exchange upon issuance as contemplated by this Agreement;

(xii) the persons listed under the caption "PRINCIPAL STOCKHOLDERS" in the Prospectus are the respective "beneficial owners" (as such phrase is defined in regulation 13d-3 under the Exchange Act) of the securities set forth opposite their respective names thereunder as and to the extent set forth therein;

(xiii) except as described in the Prospectus, no person, corporation, trust, partnership, association or other entity has the right to include and/or register any securities of the Company in the Registration Statement, require the Company to file any

registration statement or, if filed, to include any security in such registration statement;

(xiv) except as described in the Prospectus, there are no claims, payments, issuances, arrangements or understandings for services in the nature of a finder's or origination fee with respect to the sale of the Securities hereunder or financial consulting arrangement or any other arrangements, agreements, understandings, payments or issuances that may affect the Underwriters' compensation, as determined by the NASD;

(xv) assuming due execution by the parties thereto other than the Company, the Lock-up Agreements are legal, valid and binding obligations of parties thereto, enforceable against the party and any subsequent holder of the securities subject thereto in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application relating to or affecting enforcement of creditors' rights and the application of equitable principles in any action, legal or equitable, and except as rights to indemnity or contribution may be limited by applicable law); and

(xvi) except as described in the Prospectus, the Company does not (A) maintain, sponsor or contribute to any ERISA Plans, (B) maintain or contribute, now or at any time previously, to a defined benefit plan, as defined in Section 3(35) of ERISA, and (C) has never completely or partially withdrawn from a "multiemployer plan".

Such counsel shall state that such counsel has participated in conferences with certain officers and other representatives of the Company and representatives of the independent public accountants for the Company, the Representative and the Underwriter's Counsel at which conferences the Registration Statement, the Prospectus, and related matters were discussed. Such counsel shall state that such counsel is not, however, passing upon, and does not assume any responsibility for, and has not independently checked or verified, the accuracy, completeness or fairness of the information contained in the Registration Statement and Prospectus. Such counsel shall state that, based upon such counsel's participation as described above, such counsel confirms that such counsel has no reason to believe that either the Registration Statement at the time such Registration Statement became effective or the Prospectus, as of the date of such opinion contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (it being understood that such counsel need express no opinion with respect to the financial statements and schedules and other financial and statistical data included inthe Registration Statement or Prospectus).

Such opinion shall not state that it is to be governed or qualified by, or that it is otherwise subject to, any treatise, written policy or other document relating to legal opinions, including, without limitation, the Legal Opinion Accord of the ABA Section of Business Law (1991), or any comparable State bar accord.

In rendering such opinion, such counsel may rely as to matters of fact, to the extent they deem proper, on certificates and written statements of responsible officers of the Company, and certificates or other written statements of officers of departments of various jurisdictions having custody of documents respecting the corporate existence or good standing of the Company, provided that copies of any such written statements or certificates shall be delivered to Underwriters' Counsel if requested. The opinion shall also state that the Underwriters' Counsel is entitled to rely thereon.

The opinion of such counsel for the Company shall state that the opinion of any such other counsel is in form satisfactory to such counsel and that the Underwriters and they are justified in relying thereon.

(e) At each Option Closing Date, if any, the Underwriters shall have received the favorable opinion of Brobeck, Phleger & Harrison LLP, counsel to the Company, dated the Option Closing Date, addressed to the Underwriters and in form and substance satisfactory to Underwriters' Counsel confirming as of the Option Closing Date the statements made by Brobeck, Phleger & Harrison LLP and in their opinion delivered on the Closing Date.

(f) On or prior to each of the Closing Date and the Option Closing Date, if any, Underwriters' Counsel shall have been furnished such documents, certificates and opinions as they may reasonably request and require for the purpose of enabling them to review or pass upon the matters referred to in subsection (c) of this Section 6, or in order to evidence the accuracy, completeness or satisfaction of any of the representations, warranties or conditions of the Company, or herein contained.

(g) Prior to each of the Closing Date and each Option Closing Date, if any, (i) there shall have been no material adverse change nor development involving a prospective change in the condition, financial or otherwise, prospects, stockholders' equity or the business activities of the Company, whether or not in the ordinary course of business, from the latest dates as of which such condition is set forth in the Registration Statement and Prospectus; (ii) there shall have been no transaction, not in the ordinary course of business, entered into by the Company, from the latest date as of which the financial condition of the Company is set forth in the Registration Statement and Prospectus which is materially adverse to the Company; (iii) the Company shall not be in default under any provision of any instrument relating to any material outstanding indebtedness; (iv) the Company shall not have issued any securities (other than the Securities); or securities issued upon exercise of stock option or bank warrants); the Company shall not have declared or paid any dividend or made any distribution in respect of its capital stock of any class; and there shall not not have been any change in the capital stock of the Company, or any material change in the debt (long or short term) or liabilities or obligations of the Company (contingent or otherwise); (v) no material amount of the assets of the Company shall have been pledged or mortgaged, except as set forth in the Registration Statement and Prospectus; (vi) no action, suit or proceeding, at law or in equity, shall have been pending or threatened (or circumstances giving rise to same) against the Company, or affecting any of its properties or business before or by any

court or federal, state or foreign commission, board or other administrative agency wherein an unfavorable decision, ruling or finding may adversely affect the business, operations, prospects or financial condition or income of the Company, except as set forth in the Registration Statement and Prospectus; and (vii) no stop order shall have been issued under the Act and no proceedings therefor shall have been initiated, threatened or contemplated by the Commission.

(h) At each of the Closing Date and each Option Closing Date, if any, the Underwriters shall have received a certificate of the Company signed by the principal executive officer and by the chief financial or chief accounting officer of the Company, dated the Closing Date or Option Closing Date, as the case may be, to the effect that each of such persons has carefully examined the Registration Statement, the Prospectus and this Agreement, and that:

(i) The representations and warranties of the Company in this Agreement are true and correct, as if made on and as of the Closing Date or the Option Closing Date, as the case may be, and the Company has complied with all agreements and covenants and satisfied all conditions contained in this Agreement on its part to be performed or satisfied at or prior to such Closing Date or Option Closing Date, as the case may be;

(ii) No stop order suspending the effectiveness of the Registration Statement or any part thereof has been issued, and no proceedings for that purpose have been instituted or are pending or, to the best of each of such person's knowledge, after due inquiry are contemplated or threatened under the Act;

(iii) The Registration Statement and the Prospectus and, if any, each amendment and each supplement thereto, contain all statements and information required to be included therein, and none of the Registration Statement, the Prospectus nor any amendment or supplement thereto includes any 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, in light of the circumstances under which they were made, not misleading and neither the Preliminary Prospectus or any supplement thereto included any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(iv) Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, (a) the Company has not incurred up to and including the Closing Date or the Option Closing Date, as the case may be, other than in the ordinary course of its business, any material liabilities or obligations, direct or contingent; (b) the Company has not paid or declared any dividends or other distributions on its capital stock; (c) the Company has not entered into any transactions not in the ordinary course of business; (d) there has not been any change in the capital stock of the Company or any material change in the debt (long or short-term) of the Company; (e) the Company has not

sustained any material loss or damage to its property or assets, whether or not insured; (f) there is no litigation which is pending or threatened (or circumstances giving rise to same) against the Company, or any affiliated party of any of the foregoing which is required to be set forth in an amended or supplemented Prospectus which has not been set forth; and (g) there has occurred no event required to be set forth in an amended or supplemented Prospectus which has not been set forth.

References to the Registration Statement and the Prospectus in this subsection (h) are to such documents as amended and supplemented at the date of such certificate.

(i) By the Closing Date, the Underwriters will have received clearance from the NASD as to the amount of compensation allowable or payable to the Underwriters, as described in the Registration Statement.

(j) At the time this Agreement is executed, the Underwriters shall have received a letter, dated such date, addressed to the Underwriters in form and substance satisfactory (including the non-material nature of the changes or decreases, if any, referred to in clause (iii) below) in all respects to the Underwriters and Underwriters' Counsel, from E&Y;

(i) confirming that they are independent certified public accountants with respect to the Company within the meaning of the Act and the applicable Rules and Regulations;

(ii) stating that it is their opinion that the financial statements and supporting schedules of the Company included in the Registration Statement comply as to form in all material

respects with the applicable accounting requirements of the Act and the Rules and Regulations thereunder and that the Underwriters may rely upon the opinion of E&Y with respect to such financial statements and supporting schedules included in the Registration Statement;

(iii) stating that, on the basis of a limited review which included a reading of the latest available unaudited interim financial statements of the Company, a reading of the latest available minutes of the stockholders and board of directors and the various committees of the boards of directors of the Company, consultations with officers and other employees of the Company responsible for financial and accounting matters and other specified procedures and inquiries, nothing has come to their attention which would lead them to believe that (A) the pro forma financial information contained in the Registration Statement and Prospectus does not comply as to form in all material respects with the applicable accounting requirements of the Act and the Rules and Regulations or is not fairly presented in conformity with generally accepted accounting principles applied on a basis consistent with that of the audited financial statements of the Company or the unaudited pro forma financial information included in the Registration Statement, (B) the unaudited financial statements and supporting schedules of the Company included in the Registration Statement do not comply as to form in all material respects with the applicable accounting requirements of the Act and the Rules and Regulations or are not fairly presented in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited financial statements of the Company included in the Registration Statement, or (C) at a specified date not more than five (5) days prior to the effective date of the Registration Statement, there has been any change in the capital stock of the Company, any change in the long-term debt of the Company, or any decrease in the stockholders' equity of the Company or any decrease in the net current assets or net assets of the Company as compared with amounts shown in the _____, 1999 balance sheets included in the Registration Statement, other than as set forth in or contemplated by the Registration Statement, or, if there was any change or decrease, setting forth the amount of such change or decrease, and (D) during the period from _____, 1999 to a specified date not more than five (5) days prior to the effective date of the Registration Statement, there was any decrease in net revenues or net earnings of the Company or increase in net earnings per common share of the Company, in each case as compared with the corresponding period beginning _____, 1998 other than as set forth in or contemplated by the Registration Statement, or, if there was any such decrease, setting forth the amount of such decrease;

(iv) setting forth, at a date not later than five (5) days prior to the date of the Registration Statement, the amount of liabilities of the Company (including a break-down of commercial paper and notes payable to banks);

(v) stating that they have compared specific dollar amounts, numbers of shares, percentages of revenues and earnings, statements and other financial information pertaining to the Company set forth in the Prospectus in each case to the extent that such amounts, numbers, percentages, statements and information may be derived from the general accounting records, including work sheets, of the Company and excluding any questions requiring an interpretation by legal counsel, with the results obtained from the application of specified readings, inquiries and other appropriate procedures (which procedures do not constitute an examination in accordance with generally accepted auditing standards) set forth in the letter and found them to be in agreement; and

(vi) statements as to such other matters incident to the transaction contemplated hereby as the Underwriters may request.

(k) At the Closing Date and each Option Closing Date, if any, the Underwriters shall have received from E&Y a letter, dated as of the Closing Date or the Option Closing Date, as the case may be, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (j) of this Section hereof except that the specified date referred to shall be a date not more than five days prior to the Closing Date or the Option Closing Date, as the case may be, and, if the Company has elected to rely on Rule 430A of the Rules and Regulations, to the further effect that they have carried out procedures as specified in clause (v) of subsection (j) of

this Section with respect to certain amounts, percentages and financial information as specified by the Underwriters and deemed to be a part of the Registration Statement pursuant to Rule 430A(b) and have found such amounts, percentages and financial information to be in agreement with the records specified in such clause (v).

(l) The Company shall have delivered to the Underwriters a letter from E&Y addressed to the Company stating that they have not during the immediately preceding two year period brought to the attention of the Company's management any "weakness" as defined in Statement of Auditing Standards No. 60 "Communication of Internal Control Structure Related Matters Noted in an Audit," in any of the Company's internal controls.

(m) On each of the Closing Date and Option Closing Date, if any, there shall be duly tendered to the Underwriters for the several Underwriters' accounts the appropriate number of Securities.

(n) No order suspending the sale of the Securities in any jurisdiction designated by the Underwriters pursuant to subsection (e) of Section 4 hereof shall have been issued on either the Closing Date or the Option Closing Date, if any, and no proceedings for that purpose shall have been instituted or shall be contemplated.

(o) On or before the Closing Date, the Company shall have executed and delivered to the Underwriters, (i) the Representative's Warrant Agreement substantially in the form filed as Exhibit __ to the Registration Statement and (ii) the Representative's Warrants in such denominations and to such designees as shall have been provided to the Company.

(p) On or before the Closing Date, the Shares shall have been duly approved for quotation on the Nasdaq, subject to official notice of issuance.

(q) On or before the Closing Date, there shall have been delivered to the Underwriters all of the Lock-up Agreements, in form and substance satisfactory to Representative's Counsel.

If any condition to the Underwriters' obligations hereunder to be fulfilled prior to or at the Closing Date or the relevant Option Closing Date, as the case may be, is not so fulfilled, the Underwriters may terminate this Agreement or, if the Underwriters so elect, it may waive any such conditions which have not been fulfilled or extend the time for their fulfillment.

7. Indemnification.

(a) The Company, agrees to indemnify and hold harmless each of the Underwriters (for purposes of this Section 7 "Underwriters" shall include the officers, directors, partners, employees, agents and counsel of the Underwriters, including specifically each person who may be substituted for an Underwriter as provided in Section 11 hereof), and each person, if any, who controls the Underwriter ("controlling person") within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, from and against any and all losses, claims, damages, expenses or liabilities, joint or several (and actions, proceedings, investigations, inquiries, and suits in respect thereof), whatsoever (including but not limited to any and all costs and expenses

whatsoever reasonably incurred in investigating, preparing or defending against such action, proceeding, investigation, inquiry or suit, commenced or threatened, or any claim whatsoever), as such are incurred, to which the Underwriter or such controlling person may become subject under the Act, the Exchange Act or any other statute or at common law or otherwise or under the laws of foreign countries, arising out of or based upon (A) any untrue statement or alleged untrue statement of a material fact contained (i) in any Preliminary Prospectus, the Registration Statement or the Prospectus (as from time to time amended and supplemented); (ii) in any post-effective amendment or amendments or any new registration statement and prospectus in which is included securities of the Company issued or issuable upon exercise of the Securities; or (iii) in any application or other document or written communication (in this Section 7 collectively called "application") executed by the Company or based upon written information furnished by the Company filed, delivered or used in any jurisdiction in order to qualify the Securities under the securities laws thereof or filed with the Commission, any state securities commission or agency, Nasdaq or any other securities exchange, (B) the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of the Prospectus, in the light of the circumstances under which they were made), or (C) any breach of any representation, warranty, covenant or agreement of the Company contained herein or in any certificate by or on behalf of the Company or any of its officers delivered pursuant hereto unless, in the case of clause (A) or (B) above, such statement or omission was made in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Underwriters expressly for use in any Preliminary Prospectus, the Registration Statement or any Prospectus, or any amendment thereof or supplement thereto, or in any application, as the case may be. [The foregoing indemnification shall not inure to the benefit of any Underwriter from whom that person asserting any such losses, claims, damages or liabilities purchased Shares, or any person controlling such Underwriter, if a copy of the Prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Underwriter to such person at or prior to the confirmation of the sale of the Shares to such person and if the Prospectus (as so amended or supplemented) would have cured the defect giving rise to such losses, claims, damages, expenses or liabilities.]

The indemnity agreement in this subsection (a) shall be in addition to any liability which the Company may have at common law or otherwise.

(b) Each of the Underwriters agrees severally, but not jointly, to indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the Registration Statement, and each other person, if any, who controls the Company within the meaning of the Act, to the same extent as the foregoing indemnity from the Company to the Underwriter but only with respect to statements or omissions, if any, made in any Preliminary Prospectus, the Registration Statement or Prospectus or any amendment thereof or supplement thereto or in any application made in reliance upon, and in strict conformity with, written information furnished to the Company with respect to any Underwriter by such Underwriter expressly for use in such preliminary Prospectus, the Registration Statement or Prospectus or any amendment thereof or supplement thereto or in any such application, provided that such written information or omissions only pertain to disclosures in the Preliminary Prospectus, the Registration Statement

or Prospectus directly relating to the transactions effected by the Underwriters in connection with this Offering. The Company acknowledges that the statements with respect to the public offering of the Securities set forth under the heading "Underwriting" and the stabilization legend in the Prospectus have been furnished by the Underwriter expressly for use therein and constitute the only information furnished in writing by or on behalf of the Underwriters for inclusion in the Prospectus.

The indemnity agreement in this subsection (b) shall be in addition to any liability which the Underwriters may have at common law or otherwise.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, suit or proceeding, such indemnified party shall, if a claim in respect thereof is to be made against one or more indemnifying parties under this Section 7, notify each party against whom indemnification is to be sought in writing of the commencement thereof (but the failure so to notify an indemnifying party shall not relieve it from any liability which it may have under this Section 7 except to the extent that it has been prejudiced in any material respect by such failure or from any liability which it may have otherwise). In case any such action, investigation, inquiry, suit or proceeding is brought against any indemnified party, and it notifies an indemnifying party or parties of the commencement thereof, the indemnifying party or parties will be entitled to participate therein, and to the extent it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party. Notwithstanding the foregoing, the indemnified party or parties shall have the right to employ its or their own counsel in any such case but the fees and expenses of such counsel shall be at the expense of such indemnified party or parties unless (i) the employment of such counsel shall have been authorized in writing by the indemnifying parties in connection with the defense of such action at the expense of the indemnifying party, (ii) the indemnifying parties shall not have employed counsel reasonably satisfactory to such indemnified party to have charge of the defense of such action within a reasonable time after notice of commencement of the action, or (iii) such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to one or all of the indemnifying partie (in which case the indemnifying parties shall not have the right to direct the defense of such action, investigation, inquiry, suit or proceeding on behalf of the indemnified party or parties), in any of which events such fees and expenses of one additional counsel shall be borne by the indemnifying parties. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action, investigation, inquiry, suit or proceeding or separate but similar or related actions, investigations, inquiries, suits or proceedings in the same jurisdiction arising out of the same general allegations or circumstances. Anything in this Section 7 to the contrary notwithstanding, an indemnifying party shall not be liable for any settlement of any claim or action effected without its written consent; provided, however, that such consent was not unreasonably withheld. An indemnifying party will not, without the prior written consent of the indemnified parties, settle, compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, investigation, inquiry, suit or proceeding in respect of which indemnification or contribution may

be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party form all liability arising out of such claim, action, suit or proceeding and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) In order to provide for just and equitable contribution in any case in which (i) an indemnified party makes a claim for indemnification pursuant to this Section 7, but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not been forced in such case notwithstanding the fact that the express provisions of this Section 7 provide for indemnification in such case, or (ii) contribution under the Act may be required on the part of any indemnified party, then each indemnifying party shall contribute to the amount paid as a result of such losses, claims, damages, expenses or liabilities (or actions, investigations, inquiries, suits or proceedings in respect thereof) (A) in such proportion as is appropriate to reflect the relative benefits received by each of the contributing parties, on the one hand, and the party to be indemnified on the other hand, from the offering of the Securities or (B) if the allocation provided by clause (A) 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 each of the contributing parties, on the one hand, and the party to be indemnified on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages, expenses or liabilities, as well as any other relevant equitable considerations. In any case where the Company is the contributing party and the Underwriters are the indemnified party, the relative benefits received by the Company on the one hand, and the Underwriters, on the other, shall be deemed to be in the same proportion as the total net proceeds from the offering of the Securities (before deducting expenses) bear to the total underwriting discounts received by the Underwriters hereunder, in each case as set forth in the table on the Cover Page of theProspectus. Relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, or by the Underwriters, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, expenses or liabilities (or actions, investigations, inquiries, suits or proceedings in respect thereof) referred to above in this subdivision (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action, claim, investigation, inquiry, suit or proceeding. Notwithstanding the provisions of this subdivision (d) the Underwriters shall not be required to contribute any amount in excess of the underwriting discount applicable to the Securities purchased by the Underwriters hereunder. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 7, each person, if any, who controls the Company within the meaning of the Act, each officer of the Company who has signed the Registration Statement, and each director of the Company shall have the same rights to contribution as the Company, subject in each case to this subparagraph (d). Any party entitled to

contribution will, promptly after receipt of notice of commencement of any action, suit, inquiry, investigation or proceeding against such party in respect to which a claim for contribution may be made against another party or parties under this subparagraph (d), notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have hereunder or otherwise than under this subparagraph (d), or to the extent that such party or parties were not adversely affected by such omission. The contribution agreement set forth abov shall be in addition to any liabilities which any indemnifying party may have at common law or otherwise.

8. Representations and Agreements to Survive Delivery. All representations, warranties and agreements contained in this Agreement or contained in certificates of officers of the Company submitted pursuant hereto, shall be deemed to be representations, warranties and agreements at the Closing Date and the Option Closing Date, as the case may be, and such representations, warranties and agreements of the Company and the indemnity agreements contained in Section 7 hereof, shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any Underwriter, the Company, any controlling person of any Underwriter or the Company, and shall survive termination of this Agreement or the issuance and delivery of the Securities to the Underwriters.

9. Effective Date.

This Agreement shall become effective at 10:00 a.m., New York City time, on the next full business day following the date hereof, or at such earlier time after the Registration Statement becomes effective as the Underwriters, in their sole discretion, shall release the Shares for sale to the public; provided, however, that the provisions of Sections 5, 7 and 10 of this Agreement shall at all times be effective. For purposes of this Section 9, the Shares to be purchased hereunder shall be deemed to have been so released upon the earlier of dispatch by the Underwriters of telegrams to securities dealers releasing such shares for offering or the release by the Underwriters for publication of the first newspaper advertisement which is subsequently published relating to the Shares.

10. Termination.

Subject to subsection (b) of this Section 10, the Underwriters shall have the right to terminate this Agreement, after the date hereof, (i) if any domestic or international event or act or occurrence has materially disrupted, or in the Underwriters' opinion will in the immediate future materially adversely disrupt the financial markets; or (ii) any material adverse change in the financial markets shall have occurred; or (iii) if trading generally shall have been suspended or materially limited on or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers, Inc., the Boston Stock Exchange, the Chicago Board of Trade, the Chicago Board of Options Exchange, the Chicago Mercantile Exchange, Nasdaq, the Commission or any other government authority having jurisdiction; or (iv) if trading of any of the securities of the Company shall have been suspended, or any of the securities of the Company shall have been deleted, on any exchange or in any over-

the-counter market; or (v) if the United States shall have become involved in a war or major hostilities, or if there shall have been an escalation in an existing war or major hostilities or a national emergency shall have been declared in the United States; or (vi) if a banking moratorium has been declared by a state or federal authority; or (vii) if a moratorium in foreign exchange trading has been declared; or (viii) if the Company shall have sustained a loss material or substantial to the Company by fire, flood, accident, hurricane, earthquake, theft, sabotage or other calamity or malicious act which, whether or not such loss shall have been insured, will, in the Underwriters' opinion, make it inadvisable to proceed with the delivery of the Securities; or (viii) if there shall have occurred any outbreak or escalation of hostilities or any calamity or crisis or there shall have been such a material adverse change in the conditions or prospects of the Company, or such material adverse change in the general market, political or economic conditions, in the United States or elsewhere as in the Underwriters' judgment would make it inadvisable to proceed with the offering, sale and/or delivery of the Securities. (b) If this Agreement is terminated by the Underwriters in accordance with the provisions of Section 10(a), the Company shall promptly reimburse and indemnify the Underwriters for all of their actual out-of-pocket expenses, including the fees and disbursements Underwriters' Counsel (less amounts previously paid pursuant to Section 5(c) above). Notwithstanding any contrary provision contained in this Agreement, if this Agreement shall not be carried out within the time specified herein, or any extension thereof granted to the Underwriters, by reason of any failure on the part of the Company to perform any undertaking or satisfy any condition of this Agreement by it to be performed or satisfied (including, without limitation, pursuant to Section 6 or Section 12) then, the Company shall promptly reimburse and indemnify the Underwriter for all of their actual out-of-pocket expenses, including the fees and disbursements of counsel for the Underwriter (less amounts previously paid pursuant to Section 5(c) above). In addition, the Company shall remain liable for all Blue Sky counsel fees and expenses and filing fees. Notwithstanding any contrary provision contained in this Agreement, any election hereunder or any termination of this Agreement (including, without limitation, pursuant to Sections 6, 10 and 12 hereof), and whether or not this Agreement is otherwise carried out, the provisions of Section 5 and Section 7 shall not be in any way affected by such election or termination or failure to carry out the terms of this Agreement or any part hereof.

11. Substitution of the Underwriters. If one or more of the Underwriters shall fail otherwise than for a reason sufficient to justify the termination of this Agreement (under the provisions of Section 6, Section 10 or Section 12 hereof) to purchase the Securities which it or they are obligated to purchase on such date under this Agreement (the "Defaulted Securities"), the Underwriters shall have the right, within 24 hours thereafter, to make arrangement for one or more of the non-defaulting Underwriters, or any other Underwriters, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the Underwriters shall not have completed such arrangements within such 24-hour period, then:

(a) if the number of Defaulted Securities does not exceed 10% of the total number of Firm Shares to be purchased on such date, the non-defaulting Underwriters shall be obligated to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting Underwriters, or

(b) if the number of Defaulted Securities exceeds 10% of the total number of Firm Shares, this Agreement shall terminate without liability on the part of any non-defaulting Underwriters.

No action taken pursuant to this Section shall relieve any defaulting Underwriter from liability in respect of any default by such Underwriter under this Agreement.

In the event of any such default which does not result in a termination of this Agreement, the Underwriters shall have the right to postpone the Closing Date for a period not exceeding seven days in order to effect any required changes in the Registration Statement or Prospectus or in any other documents or arrangements.

12. Default by the Company. If the Company shall fail at the Closing Date or at any Option Closing Date, as applicable, to sell and deliver the number of Shares which it is obligated to sell hereunder on such date, then this Agreement shall terminate (or, if such default shall occur with respect to any Option Shares to be purchased on an Option Closing Date, the Underwriters may at their option, by notice from the Underwriters to the Company, terminate the Underwriters' obligation to purchase Option Shares from the Company on such date) without any liability on the part of any non-defaulting party other than pursuant to Section 5, Section 7 and Section 10 hereof. No action taken pursuant to this Section shall relieve the Company from liability, if any, in respect of such default.

13. Notices. All notices and communications hereunder, except as herein otherwise specifically provided, shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Representative shall be directed to the Representative at 850 Third Avenue, New York, New York 10022, Attention: Robert A. Maley, with a copy to Gibbons, Del Deo, Dolan, Griffinger & Vecchione, P.C., 125 West 55th Street, New York, New York 10019-5368, Attention: Jeffrey A. Baumel, Esq. Notices to the Company shall be directed to the Company at Perficient, Inc., 7600 North Capital of Texas Highway, Suite 220, Austin, Texas 78731, Attention: John T. McDonald, with a copy to Brobeck, Phleger & Harrison LLP, 301 Congress Avenue, Suite 1200, Austin, Texas 78701, Attention: J. Matthew Lyons, Esq.

14. Parties. This Agreement shall inure solely to the benefit of and shall be binding upon, the Underwriters, the Company and the controlling persons, directors and officers referred to in Section 7 hereof, and their respective successors, legal representatives and assigns, and no other person shall have been construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Agreement or any provisions herein contained. No purchaser of Securities from the Underwriters shall be deemed to be a successor by reason merely of such purchase.

15. Construction. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York without giving effect to the choice of law or conflict of laws principles.

16. Counterparts. This Agreement may be executed in any number of counterparts,

each of which shall be deemed to be an original, and all of which taken together shall be deemed to be one and the same instrument.

17. Entire Agreement; Amendments. This Agreement and the Representative's Warrant Agreement constitute the entire agreement of the parties hereto and supersede all prior written or oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may not be amended except in a writing, signed by the Underwriters and the Company.

If the foregoing correctly sets forth the understanding between the Underwriters and the Company, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement among us.

Very truly yours,

PERFICIENT, INC.

By:

Name:
Title:

Confirmed and accepted as of
the date first above written.

GILFORD SECURITIES INCORPORATED

By:

Name:
Title:

SCHEDULE A

Underwriter	Number of Firm Shares
Gilford Securities Incorporated	
TOTAL	1,150,000

PERFICIENT, INC.

AND

GILFORD SECURITIES INCORPORATED

REPRESENTATIVE'S WARRANT AGREEMENT

DATED AS OF _____, 1999

REPRESENTATIVE'S WARRANT AGREEMENT dated as of _____, 1999 between PERFICIENT, INC., a Delaware corporation (the "Company"), and GILFORD SECURITIES INCORPORATED ("Gilford"). Gilford is hereinafter referred to variously as the "Holder" or the "Representative".

W I T N E S S E T H:

WHEREAS, the Company proposes to issue to the Representative or its designees warrants ("Warrants") to purchase up to an aggregate 100,000 shares of common stock of the Company ("Common Stock"); and

WHEREAS, the Representative has agreed pursuant to the underwriting agreement (the "Underwriting Agreement") dated as of the date hereof by and among the several Underwriters listed therein and the Company to act as the representative of the several underwriters in connection with the Company's proposed public offering of up to 1,150,000 shares of Common Stock at a public offering price of $____ per share of Common Stock (the "Public Offering"); and

WHEREAS, the Warrants to be issued pursuant to this Agreement will be issued on the Closing Date (as such term is defined in the Underwriting Agreement) by the Company to the Representative in consideration for, and as part of the Representative's compensation in connection with, Gilford acting as the Representative pursuant to the Underwriting Agreement;

NOW, THEREFORE, in consideration of the premises, the payment by the Representative to the Company of an aggregate _____ dollars and __ cents ($_____), the agreements herein set forth and other good and valuable consideration, hereby acknowledged, the parties hereto agree as follows:

1. GRANT. The Holder is hereby granted the right to purchase, at any time from _____, 2000 [12 months from the effective date of the registration statement], until 5:30 P.M., New York time, on _____, 2004 [five years from the effective date of the registration statement], up to an aggregate of 100,000 shares of Common Stock (the "Shares") at an initial exercise price (subject to adjustment as provided in SECTION 8 hereof) of $____ per share of Common Stock [120% of the initial public offering price per share] subject to the terms and conditions of this Agreement. Except as set forth herein, the Shares issuable upon exercise of the Warrants are in all respects identical to the shares of Common Stock being purchased by the Underwriters for resale to the public pursuant to the terms and provisions of the Underwriting Agreement.

2. WARRANT CERTIFICATES. The warrant certificates (the "Warrant Certificates") delivered and to be delivered pursuant to this Agreement shall be in the form set forth in Exhibit A, attached hereto and made a part hereof, with such appropriate insertions, omissions, substitutions, and other variations as required or permitted by this Agreement.

3. EXERCISE OF WARRANT.

Section 3.1 METHOD OF EXERCISE. The Warrants initially are exercisable at an aggregate initial exercise price (subject to adjustment as provided in SECTION 8 hereof) per share of Common Stock set forth in SECTION 6 hereof payable by certified or official bank check in New York Clearing House funds, subject to adjustment as provided in SECTION 8 hereof. Upon surrender of a Warrant Certificate with the annexed Form of Election to Purchase duly executed, together with payment of the Exercise Price (as hereinafter defined) for the shares of Common Stock purchased at the Company's principal offices in New York, New York (presently

located at 850 Third Avenue, 14th Floor, New York, New York 10022) the registered holder of a Warrant Certificate ("Holder" or "Holders") shall be entitled to receive a certificate or certificates for the shares of Common Stock so purchased. The purchase rights represented by each Warrant Certificate are exercisable at the option of the Holder thereof, in whole or in part (but not as to fractional shares of the Common Stock underlying the Warrants). Warrants may be exercised to purchase all or part of the shares of Common Stock represented thereby. In the case of the purchase of less than all the shares of Common Stock purchasable under any Warrant Certificate, the Company shall cancel said Warrant Certificate upon the surrender thereof and shall execute and deliver a new Warrant Certificate of like tenor for the balance of the shares of Common Stock purchasable thereunder.

Section 3.2 EXERCISE BY SURRENDER OF WARRANT. In addition to the method of payment set forth in Section 3.1 and in lieu of any cash payment required thereunder, the Holder(s) of the Warrants shall have the right at any time and from time to time to exercise the Warrants in full or in part by surrendering the Warrant Certificate in the manner specified in Section 3.1 in exchange for the number of Shares equal to the product of (x) the number of Shares as to which the Warrants are being exercised, multiplied by (y) a fraction, the numerator of which is the Market Price (as defined in Section 3.3 hereof) of the Shares minus the Exercise Price of the Shares and the denominator of which is the Market Price per Share. Solely for the purposes of this Section 3.2, Market Price shall be calculated either (i) on the date on which the form of election attached hereto is deemed to have been sent to the Company pursuant to Section 13 hereof ("Notice Date") or (ii) as the average of the Market Price for each of the five trading days immediately preceding the Notice Date, whichever of (i) or (ii) results in a greater Market

Price.

Section 3.3 DEFINITION OF MARKET PRICE. As used herein, the phrase "Market Price" at any date shall be deemed to be the last reported sale price, or, in case no such reported sale takes place on such day, the average of the last reported sale prices for the last three (3) trading days, in either case as officially reported by the principal securities exchange on which the Common Stock is listed or admitted to trading or by the Nasdaq SmallCap Market ("NSM"), or, if the Common Stock is not listed or admitted to trading on any national securities exchanged or quoted by NSM, the average closing bid price as furnished by the NASD through NSM or similar organization if NSM is no longer reporting such information, or if the Common Stock is not quoted on NSM, as determined in good faith by resolution of the Board of Directors of the Company, based on the best information available to it.

4. ISSUANCE OF CERTIFICATES. Upon the exercise of the Warrants, the issuance of certificates for shares of Common Stock and/or other securities, properties or rights underlying such Warrants, shall be made forthwith (and in any event within five (5) business days thereafter) without charge to the Holder thereof including, without limitation, any tax which may be payable in respect of the issuance thereof, and such certificates shall (subject to the provisions of SECTIONS 5 and 7 hereof) be issued in the name of, or in such names as may be directed by, the Holder thereof; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any such certificates in a name other than that of the Holder, and the Company shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the

satisfaction of the Company that such tax has been paid.

The Warrant Certificates and the certificates representing the Shares underlying the Warrants (and/or other securities, property or rights issuable upon the exercise of the Warrants) shall be executed on behalf of the Company by the manual or facsimile signature of the then Chairman or Vice Chairman of the Board of Directors or President or Vice President of the Company. Warrant Certificates shall be dated the date of execution by the Company upon initial issuance, division, exchange, substitution or transfer.

5. RESTRICTION ON TRANSFER OF WARRANTS. The Holder of a Warrant Certificate, by its acceptance thereof, covenants and agrees that the Warrants are being acquired as an investment and not with a view to the distribution thereof; that the Warrants may not be sold, transferred, assigned, hypothecated or otherwise disposed of, in whole or in part, for a period of one (1) year from the date hereof, except to officers of the Representative.

6. EXERCISE PRICE.

Section 6.1 INITIAL AND ADJUSTED EXERCISE PRICE. Except as otherwise provided in SECTION 8 hereof, the initial exercise price of each Warrant shall be $____ [120% of the initial public offering price] per share of Common Stock. The adjusted exercise price shall be the price which shall result from time to time from any and all adjustments of the initial exercise price in accordance with the provisions of SECTION 8 hereof.

Section 6.2 EXERCISE PRICE. The term "Exercise Price" herein shall mean the initial exercise price or the adjusted exercise price, depending upon the context.

7. REGISTRATION RIGHTS.

Section 7.1 REGISTRATION UNDER THE SECURITIES ACT OF 1933. The Warrants,

the Shares, and any of the other securities issuable upon exercise of the Warrants have not been registered under the Securities Act of 1933, as amended (the "Act"). Upon exercise, in part or in whole, of the Warrants, certificates representing the Shares underlying the Warrants, and any of the other securities issuable upon exercise of the Warrants (collectively, the "Warrant Securities") shall bear the following legend:

> The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended ("Act"), and may not be offered or sold except pursuant to (i) an effective registration statement under the Act, (ii) to the extent applicable, Rule 144 under the Act (or any similar rule under such Act relating to the disposition of securities), or (iii) an opinion of counsel, if such opinion shall be reasonably satisfactory to counsel to the issuer, that an exemption from registration under such Act is available.

Section 7.2 PIGGYBACK REGISTRATION. If, at any time commencing after the date hereof and expiring five (5) years from the date hereof, the Company proposes to register any of its securities under the Act (other than in connection with a merger or pursuant to Form S-8) it will give written notice by registered mail, at least thirty (30) days prior to the filing of each such registration statement, to the Representative and to all other Holders of the Warrants and/or the Warrant Securities of its intention to do so. If the Representative or other Holders of the Warrants and/or Warrant Securities notify the Company within twenty (20) business days after receipt of any such notice of its or their desire to include any such securities in such proposed registration statement, the Company shall afford the Representative and such Holders of the Warrants and/or Warrant Securities the opportunity to have any such Warrant Securities registered under such registration statement (sometimes referred to herein as the "Piggyback Registration").

Notwithstanding the provisions of this SECTION 7.2, the Company shall have the right at any time after it shall have given written notice pursuant to this SECTION 7.2 (irrespective of whether a written request for inclusion of any such securities shall have 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.

Section 7.3 DEMAND REGISTRATION.

(a) At any time commencing after the date hereof and expiring five (5) years from the date hereof, the Holders of the Warrants and/or Warrant Securities representing a "Majority" (as hereinafter defined) of such securities (assuming the exercise of all of the Warrants) shall have the right (which right is in addition to the registration rights under SECTION 7.2 hereof), exercisable by written notice to the Company, to have the Company prepare and file with the Securities and Exchange Commission (the "Commission"), 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 the Representative and Holders, in order to comply with the provisions of the Act, so as to permit a public offering and sale of their respective Warrant Securities for nine (9) consecutive months by such Holders and any other Holders of the Warrants and/or Warrant Securities who notify the Company within ten (10) days after receiving notice from the Company of such request.

(b) The Company covenants and agrees to give written notice of any registration request under this SECTION 7.3 by any Holder or Holders to all other registered Holders of the Warrants and the Warrant Securities within ten (10) days from the date of the receipt of any such registration request.

(c) In addition to the registration rights under SECTION 7.2 and subsection (a) of this SECTION 7.3, at any time commencing after the date hereof and expiring five (5) years thereafter, any Holder of Warrants and/or Warrant Securities shall have the right, exercisable by written request to the Company, to have the Company prepare and file, on one occasion, with the Commission a registration statement so as to permit a public offering and sale for nine (9) consecutive months by any such Holder of its Warrant Securities provided, however, that the provisions of SECTION 7.4(b) hereof shall not apply to any such registration request and registration and all costs incident thereto shall be at the expense of the Holder or Holders making such request.

(d) Notwithstanding anything to the contrary contained herein, if the Company shall not have filed a registration statement for the Warrant Securities within the time period specified in SECTION 7.4(a) hereof pursuant to the written notice specified in SECTION 7.3(a) of a Majority of the Holders of the Warrants and/or Warrant Securities, the Company shall have the option, upon the written notice of election of a Majority of the Holders of the Warrants and/or Warrant Securities, to repurchase (i) any and all Warrant Securities at the higher of the Market Price per share of Common Stock on (x) the date of the notice sent pursuant to SECTION 7.3(a) or (y) the expiration of the period specified in SECTION 7.4(a) and (ii) any and all Warrants at such Market Price less the Exercise Price of such Warrant. Such repurchase shall be in immediately available funds and shall close within two (2) days after the later of (i) the expiration of the period specified in SECTION 7.4(a) or (ii) the delivery of the written notice of election specified in this SECTION 7.3(d).

Section 7.4 COVENANTS OF THE COMPANY WITH RESPECT TO REGISTRATION.

In connection with any registration under SECTION 7.2 or 7.3 hereof, the Company covenants and agrees as follows:

(a) The Company shall use its best efforts to file a registration statement within thirty (30) days of receipt of any demand therefor, shall use its best efforts to have any registration statements declared effective at the earliest possible time, and shall furnish each Holder desiring to sell Warrant Securities such number of prospectuses as shall reasonably be requested.

(b) The Company shall pay all costs (excluding fees and expenses of Holder(s)' counsel and any underwriting or selling commissions), fees and expenses in connection with all registration statements filed pursuant to SECTIONS 7.2 and 7.3(a) hereof including, without limitation, the Company's legal and accounting fees, printing expenses, blue sky fees and expenses. The Holder(s) will pay all costs, fees and expenses in connection with any registration statement filed pursuant to SECTION 7.3(c). If the Company shall fail to comply with the provisions of SECTION 7.4(a), the Company shall, in addition to any other equitable or other relief available to the Holder(s), be liable for any or all incidental or special damages sustained by the Holder(s)requesting registration of their Warrant Securities.

(c) The Company will take all necessary action which may be required in qualifying or registering the Warrant Securities included in a registration statement for offering and sale under the securities or blue sky laws of such states as reasonably are requested by the Holder(s), provided that the Company shall not be obligated to execute or file any general consent to service of process or to qualify as a foreign corporation to do business under the laws of any such jurisdiction.

(d) The Company shall indemnify the Holder(s) of the Warrant Securities to be sold

pursuant to any registration statement and each person, if any, who controls such Holders within the meaning of SECTION 15 of the Act or SECTION 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), against all loss, claim, damage, expense or liability (including all expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which any of them may become subject under the Act, the Exchange Act or otherwise, arising from such registration statement but only to the same extent and with the same effect as the provisions pursuant to which the Company has agreed to indemnify the Underwriters contained in SECTION 7 of the Underwriting Agreement.

(e) The Holder(s) of the Warrant Securities to be sold pursuant to a registration statement, and their successors and assigns, shall severally, and not jointly, indemnify the Company, its officers and directors and each person, if any, who controls the Company within the meaning of SECTION 15 of the Act or SECTION 20(a) of the Exchange Act, against all loss, claim, damage or expense or liability (including all expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which they may become subject under the Act, the Exchange Act or otherwise, arising from information furnished by or on behalf of such Holders, or their successors or assigns, for specific inclusion in such registration statement to the same extent and with the same effect as the provisions contained in SECTION 7 of the Underwriting Agreement pursuant to which the Underwriters have agreed to indemnify the Company.

(f) Nothing contained in this Agreement shall be construed as requiring the Holder(s) to exercise their Warrants prior to the initial filing of any registration statement or the effectiveness thereof.

(g) The Company shall not permit the inclusion of any securities other than the Warrant Securities to be included in any registration statement filed pursuant to SECTION 7.3 hereof, or permit any other registration statement to be or remain effective during the effectiveness of a registration statement filed pursuant to SECTION 7.3 hereof, without the prior written consent of the Holders of the Warrants and Warrant Securities representing a Majority of such securities.

(h) The Company shall furnish to each Holder participating in the offering and to each underwriter, if any, a signed counterpart, addressed to such Holder or underwriter, of (i) an opinion of counsel to the Company, dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, an opinion dated the date of the closing under the underwriting agreement), and (ii) a "cold comfort" letter dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, a letter dated the date of the closing under the underwriting agreement) signed by the independent public accountants who have issued a report on the Company's financial statements included in such registration statement, in each case covering substantially the same matters with respect to such registration statement (and the prospectus included therein) and, in the case of such accountants' letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to underwriters in underwritten public offerings of securities.

(i) The Company shall as soon as practicable after the effective date of the registration statement, and in any event within 15 months thereafter, make "generally available to its security holders" (within the meaning of Rule 158 under the Act) an earnings statement

(which need not be audited) complying with SECTION 11(a) of the Act and covering a period of at least 12 consecutive months beginning after the effective date of the registration statement.

(j) The Company shall deliver promptly to each Holder participating in the offering requesting the correspondence and memoranda described below and to the underwriter, copies of all correspondence between the Commission and the Company, its counsel or auditors and all memoranda relating to discussions with the Commission or its staff with respect to the registration statement and permit each Holder and underwriter to do such investigation, upon reasonable advance notice, with respect to information contained in or omitted from the registration statement as it deems reasonably necessary to comply with applicable securities laws or rules of the National Association of Securities Dealers, Inc. ("NASD"). Such investigation shall include access to books, records and properties and opportunities to discuss the business of the Company with its officers and independent auditors, all to such reasonable extent and at such reasonable times and as often as any such Holder or Underwriter shall reasonably request.

(k) The Company shall enter into an underwriting agreement with the underwriter selected for such underwriting by Holders holding a Majority of the Warrant Securities requested to be included in such underwriting, which may be the Representative. Such agreement shall be satisfactory in form and substance to the Company, each Holder and the underwriter, and shall contain such representations, warranties and covenants by the Company and such other terms as are customarily contained in agreements of that type used by the underwriter. The Holders shall be parties to any underwriting agreement relating to an underwritten sale of their Warrant Securities and may, at their option, require that any or all the representations, warranties and covenants of the Company to or for the benefit of such underwriters shall also be made to and for

the benefit of such Holders. Such Holders shall not be required to make any representations or warranties to or agreements with the Company or the underwriter except as they may relate to such Holders and their intended methods of distribution.

(l) In addition to the Warrant Securities, upon the written request therefor by any Holder(s), the Company shall include in the registration statement any other securities of the Company held by such Holder(s) as of the date of filing of such registration statement, including without limitation restricted shares of Common Stock, options, warrants or any other securities convertible into shares of Common Stock.

(m) For purposes of this Agreement, the term "Majority" in reference to the Holders of Warrants or Warrant Securities, shall mean in excess of fifty percent (50%) of the then outstanding Warrants or Warrant Securities that (i) are not held by the Company, an affiliate, officer, creditor, employee or agent thereof or any of their respective affiliates, members of their family, persons acting as nominees or in conjunction therewith and (ii) have not been resold to the public pursuant to a registration statement filed with the Commission under the Act.

8. ADJUSTMENTS TO EXERCISE PRICE AND NUMBER OF SECURITIES.

Section 8.1 SUBDIVISION AND COMBINATION. In case the Company shall at anytime subdivide or combine the outstanding shares of Common Stock, the Exercise Price shall forthwith be proportionately decreased in the case of subdivision or increased in the case of combination.

Section 8.2 STOCK DIVIDENDS AND DISTRIBUTIONS. In case the Company shall pay a dividend in, or make a distribution of, shares of Common Stock or of the Company's capital stock convertible into Common Stock, the Exercise Price shall forthwith be proportionately

decreased. An adjustment made pursuant to this SECTION 8.2 shall be made as of the record date for the subject stock dividend or distribution.

Section 8.3 ADJUSTMENT IN NUMBER OF SECURITIES. Upon each adjustment of the Exercise Price pursuant to the provisions of this SECTION 8, the number of Warrant Securities issuable upon the exercise at the adjusted exercise price of each Warrant shall be adjusted to the nearest full amount by multiplying a number equal to the Exercise Price in effect immediately prior to such adjustment by the number of Warrant Securities issuable upon exercise of the Warrants immediately prior to such adjustment and dividing the product so obtained by the adjusted Exercise Price.

Section 8.4 DEFINITION OF COMMON STOCK. For the purpose of this Agreement, the term "Common Stock" shall mean (i) the class of stock designated as Common Stock in the Certificate of Incorporation of the Company as may be amended as of the date hereof, or (ii) any other class of stock resulting from successive changes or reclassifications of such Common Stock consisting solely of changes in par value, or from par value to no par value, or from no par value to par value.

Section 8.5 MERGER OR CONSOLIDATION. In case of any consolidation of the Company with, or merger of the Company with, or merger of the Company into, another corporation (other than a consolidation or merger which does not result in any reclassification or change of the outstanding Common Stock), the corporation formed by such consolidation or merger shall execute and deliver to the Holder a supplemental warrant agreement providing that the holder of each Warrant then outstanding or to be outstanding shall have the right thereafter (until the expiration of such Warrant) to receive, upon exercise of such warrant, the kind and amount of

shares of stock and other securities and property receivable upon such consolidation or merger, by a holder of the number of shares of Common Stock of the Company for which such warrant might have been exercised immediately prior to such consolidation, merger, sale or transfer. Such supplemental warrant agreement shall provide for adjustments which shall be identical to the adjustments provided in SECTION 8. The above provision of this subsection shall similarly apply to successive consolidations or mergers.

Section 8.6 NO ADJUSTMENT OF EXERCISE PRICE IN CERTAIN CASES. No adjustment of the Exercise Price shall be made:

(a) Upon the issuance or sale of the Warrants or the shares of Common Stock issuable upon the exercise of the Warrants;

(b) If the amount of said adjustment shall be less than two cents (2 CENTS) per Warrant Security, provided, however, that in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment which, together with any adjustment so carried forward, shall amount to at least two cents (2 CENTS) per Warrant Security.

9. EXCHANGE AND REPLACEMENT OF WARRANT CERTIFICATES. Each Warrant Certificate is exchangeable without expense, upon the surrender thereof by the registered Holder at the principal executive office of the Company, for a new Warrant Certificate of like tenor and date representing in the aggregate the right to purchase the same number of Warrant Securities in such denominations as shall be designated by the Holder thereof at the time of such surrender.

Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of any Warrant Certificate, and, in case of loss, theft or destruction, of

indemnity or security reasonably satisfactory to it, and reimbursement to the Company of all reasonable expenses incidental thereto, and upon surrender and cancellation of the Warrants, if mutilated, the Company will make and deliver a new Warrant Certificate of like tenor, in lieu thereof.

10. ELIMINATION OF FRACTIONAL INTERESTS. The Company shall not be required to issue certificates representing fractions of shares of Common Stock upon the exercise of the Warrants, nor shall it be required to issue scrip or pay cash in lieu of fractional interests, it being the intent of the parties that all fractional interests shall be eliminated by rounding any fraction up to the nearest whole number of shares of Common Stock or other securities, properties or rights.

11. RESERVATION AND LISTING OF SECURITIES. The Company shall at all times reserve and keep available out of its authorized shares of Common Stock, solely for the purpose of issuance upon the exercise of the Warrants, such number of shares of Common Stock or other securities, properties or rights as shall be issuable upon the exercise thereof. The Company covenants and agrees that, upon exercise of the Warrants and payment of the Exercise Price therefor, all shares of Common Stock and other securities issuable upon such exercise shall be duly and validly issued, fully paid, non-assessable and not subject to the preemptive rights of any stockholder. As long as the Warrants shall be outstanding, the Company shall use its best efforts to cause all shares of Common Stock issuable upon the exercise of the Warrants to be listed (subject to official notice of issuance) on all securities exchanges on which the Common Stock issued to the public in connection herewith may then be listed and/or quoted on NSM.

12. NOTICES TO WARRANT HOLDERS. Nothing contained in this Agreement shall be

construed as conferring upon the Holders the right to vote or to consent or to receive notice as a stockholder in respect of any meetings of stockholders for the election of directors or any other matter, or as having any rights whatsoever as a stockholder of the Company. If, however, at any time prior to the expiration of the Warrants and their exercise, any of the following events shall occur:

(a) the Company shall take a record of the holders of its shares of Common Stock for the purpose of entitling them to receive a dividend or distribution payable otherwise than in cash, or a cash dividend or distribution payable otherwise than out of current or retained earnings, as indicated by the accounting treatment of such dividend or distribution on the books of the Company; or

(b) the Company shall offer to all the holders of its Common Stock any additional shares of capital stock of the Company or securities convertible into or exchangeable for shares of capital stock of the Company, or any option, right or warrant to subscribe therefor; or

(c) a dissolution, liquidation or winding up of the Company (other than in connection with a consolidation or merger) or a sale of all or substantially all of its property, assets and business as an entirety shall be proposed;

then, in any one or more of said events, the Company shall give written notice of such event at least fifteen (15) days prior to the date fixed as a record date or the date of closing the transfer books for the determination of the stockholders entitled to such dividend, distribution, convertible or exchangeable securities or subscription rights, or entitled to vote on such proposed dissolution, liquidation, winding up or sale. Such notice shall specify such record date or the date of closing the transfer books, as the case may be. Failure to give such notice or any defect

therein shall not affect the validity of any action taken in connection with the declaration or payment of any such dividend, or the issuance of any convertible or exchangeable securities, or subscription rights, options or warrants, or any proposed dissolution, liquidation, winding up or sale.

13. NOTICES. All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been duly made and sent when delivered, or mailed by registered or certified mail, return receipt requested:

(a) If to the registered Holder of the Warrants, to the address of such Holder as shown on the books of the Company; or

(b) If to the Company, to the address set forth in SECTION 3 hereof or to such other address as the Company may designate by notice to the Holders.

14. SUPPLEMENTS AND AMENDMENTS. The Company and the Representative may from time to time supplement or amend this Agreement without the approval of any holders of Warrant Certificates (other than the Representative) in order to cure any ambiguity, to correct or supplement any provision contained herein which may be defective or inconsistent with any provisions herein, or to make any other provisions in regard to matters or questions arising hereunder which the Company and the Representative may deem necessary or desirable and which the Company and the Representative deem shall not adversely affect the interests of the Holders of Warrant Certificates.

15. SUCCESSORS. All the covenants and provisions of this Agreement shall be binding upon and inure to the benefit of the Company, the Holders and their respective successors and assigns hereunder.

16. TERMINATION. This Agreement shall terminate at the close of business on _____, 2006. Notwithstanding the foregoing, the indemnification provisions of SECTION 7 shall survive such termination until the close of business on _____, 2012.

17. GOVERNING LAW; SUBMISSION TO JURISDICTION. This Agreement and each Warrant Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be construed in accordance with the laws of said State without giving effect to the rules of said State governing the conflicts of laws.

The Company, the Representative and the Holders hereby agree that any action, proceeding or claim against it arising out of, or relating in any way to, this Agreement shall be brought and enforced in the courts of the State of New York or of the United States of America for the Southern District of New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive. The Company, the Representative and the Holders hereby irrevocably waive any objection to such exclusive jurisdiction or inconvenient forum. Any such process or summons to be served upon any of the Company, the Representative and the Holders (at the option of the party bringing such action, proceeding or claim) may be served by transmitting a copy thereof, by registered or certified mail, return receipt requested, postage prepaid, addressed to it at the address set forth in SECTION 13 hereof. Such mailing shall be deemed personal service and shall be legal and binding upon the party so served in any action, proceeding or claim. The Company, the Representative and the Holders agree that the prevailing party(ies) in any such action or proceeding shall be entitled to recover from the other party(ies) all of its/their reasonable legal costs and expenses relating to such action or proceeding and/or incurred in connection with the preparation therefor.

18. ENTIRE AGREEMENT; MODIFICATION. This Agreement (including the Underwriting Agreement to the extent portions thereof are referred to herein) contains the entire understanding between the parties hereto with respect to the subject matter hereof and may not be modified or amended except by a writing duly signed by the party against whom enforcement of the modification or amendment is sought.

19. SEVERABILITY. If any provision of this Agreement shall be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision of this Agreement.

20. CAPTIONS. The caption headings of the Sections of this Agreement are for convenience of reference only and are not intended, nor should they be construed as, a part of this Agreement and shall be given no substantive effect.

21. BENEFITS OF THIS AGREEMENT. Nothing in this Agreement shall be construed to give to any person or corporation other than the Company and the Representative and any other registered Holder(s) of the Warrant Certificates or Warrant Securities any legal or equitable right, remedy or claim under this Agreement; and this Agreement shall be for the sole benefit of the Company and the Representative and any other registered Holders of Warrant Certificates or Warrant Securities.

22. COUNTERPARTS. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, as of the day and year first above written.

PERFICIENT, INC.

BY:
NAME:
TITLE:

ATTEST:

SECRETARY

GILFORD SECURITIES
INCORPORATED

By:
Name:
Title:

EXHIBIT A

[FORM OF WARRANT CERTIFICATE]

THE WARRANTS REPRESENTED BY THIS CERTIFICATE AND THE OTHER SECURITIES ISSUABLE UPON EXERCISE THEREOF MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO (i) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), (ii) TO THE EXTENT APPLICABLE, RULE 144 UNDER THE ACT (OR ANY SIMILAR RULE UNDER THE ACT RELATING TO THE DISPOSITION OF SECURITIES), OR (iii) AN OPINION OF COUNSEL, IF SUCH OPINION SHALL BE REASONABLY SATISFACTORY TO COUNSEL FOR THE ISSUER, THAT AN EXEMPTION FROM REGISTRATION UNDER THE ACT IS AVAILABLE.

THE TRANSFER OR EXCHANGE OF THE WARRANTS REPRESENTED BY THIS CERTIFICATE IS RESTRICTED IN ACCORDANCE WITH THE WARRANT AGREEMENT REFERRED TO HEREIN.

EXERCISABLE ON OR BEFORE
5:30 P.M., NEW YORK TIME, _____, 2004

No. W-001

Warrants to Purchase
____ Shares of Common Stock

WARRANT CERTIFICATE

This Warrant Certificate certifies that Gilford Securities Incorporated, or registered assigns, is the registered holder of Warrants to purchase initially, at any time from _____, 2000 [twelve months from the effective date of the Registration Statement] until 5:30 p.m. New York time on _____, 2004 [five years from the effective date of the Registration Statement] ("Expiration Date"), up to _____ fully-paid and non-assessable shares of common stock, ("Common Stock") of PERFICIENT, INC., a Delaware corporation (the "Company"), (one share of Common Stock referred to individually as a "Security" and collectively as the "Securities") at the initial exercise price, subject to adjustment in certain events (the "Exercise Price"), of $_____ [120% of the initial public offering price] per share of Common Stock upon surrender of this Warrant Certificate and payment of the Exercise Price at an office or agency of the Company, but subject to the conditions set forth herein and in the warrant agreement dated as of _____,1999 between the Company and GILFORD SECURITIES INCORPORATED (the "Warrant Agreement"). Payment of the Exercise Price shall be made by certified or official bank check in New York Clearing House funds payable to the order of the Company.

No Warrant may be exercised after 5:30 p.m., New York time, on the Expiration Date, at

which time all Warrants evidenced hereby, unless exercised prior thereto, hereby shall thereafter be void.

The Warrants evidenced by this Warrant Certificate are part of a duly authorized issue of Warrants issued pursuant to the Warrant Agreement, which Warrant Agreement is hereby incorporated by reference in and made a part of this instrument and is hereby referred to for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Company and the holders (the words "holders" or "holder" meaning the registered holders or registered holder) of the Warrants.

The Warrant Agreement provides that upon the occurrence of certain events the Exercise Price and the type and/or number of the Company's securities issuable thereupon may, subject to certain conditions, be adjusted. In such event, the Company will, at the request of the holder, issue a new Warrant Certificate evidencing the adjustment in the Exercise Price and the number and/or type of securities issuable upon the exercise of the Warrants; provided, however, that the failure of the Company to issue such new Warrant Certificates shall not in any way change, alter, or otherwise impair, the rights of the holder as set forth in the Warrant Agreement.

Upon due presentment for registration of transfer of this Warrant Certificate at an office or agency of the Company, a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee(s) in exchange for this Warrant Certificate, subject to the limitations provided herein and in the Warrant Agreement, without any charge except for any tax or other governmental charge imposed in connection with such transfer.

Upon the exercise of less than all of the Warrants evidenced by this Certificate, the Company shall forthwith issue to the holder hereof a new Warrant Certificate representing such number of unexercised Warrants.

The Company may deem and treat the registered holder(s) hereof as the absolute owner(s) of this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone), for the purpose of any exercise hereof, and of any distribution to the holder(s) hereof, and for all other purposes, and the Company shall not be affected by any notice to the contrary.

All terms used in this Warrant Certificate which are defined in the Warrant Agreement shall have the meanings assigned to them in the Warrant Agreement.

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be duly executed under its corporate seal.

Dated as of _____, 1999

PERFICIENT, INC.

By:
Name:
Title:

[SEAL]

[FORM OF ELECTION TO PURCHASE PURSUANT TO SECTION 3.1]

The undersigned hereby irrevocably elects to exercise the right, represented by this Warrant Certificate, to purchase:

_____ shares of Common Stock;

and herewith tenders in payment for such securities a certified or official bank check payable in New York Clearing House Funds to the order of Perficient, Inc. in the amount of $____, all in accordance with the terms of Section 3.1 of the Representative's Warrant Agreement dated as of _____, 1999 between Perficient, Inc. and Gilford Securities Incorporated. The undersigned requests that a certificate for such securities be registered in the name of _____ whose address is _____ and that such Certificate be delivered to _____ whose address is _____.

Dated:

Signature

(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate.)

(Insert Social Security or Other Identifying Number of Holder)

[FORM OF ASSIGNMENT]

(To be executed by the registered holder if such holder desires to transfer the Warrant Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto

(Please print name and address of transferee)

this Warrant Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____ Attorney, to transfer the within Warrant Certificate on the books of the within-named Company, with full power of substitution.

Signature

Dated:

(Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate.)

(Insert Social Security or Other Identifying Number of Holder)

Exhibit 5.1

July 22, 1999

Perficient, Inc.
7600-B North Capital of Texas Highway,
Suite 220
Austin, Texas 78731

Re: Perficient, Inc. Registration Statement on Form SB-2
for 1,150,000 Shares of Common Stock

Ladies and Gentlemen:

We have acted as counsel to Perficient, Inc., a Delaware (the "Company"), in connection with the proposed issuance and sale by the Company of up to 1,150,000 shares of the Company's Common Stock (collectively, the "Securities") pursuant to the Company's Registration Statement on Form SB-2 (the "Registration Statement") filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Act").

This opinion is being furnished in accordance with the requirements of Item 27 of Form SB-2 and Item 601(b)(5)(i) of Regulation S-B.

We have reviewed the Company's charter documents and the corporate proceedings taken by the Company in connection with the issuance and sale of the Securities. Based on such review, we are of the opinion that the Securities have been duly authorized, and if, as and when issued in accordance with the Registration Statement and the related prospectus (as amended and supplemented through the date of issuance) will be legally issued, fully paid and nonassessable.

We consent to the filing of this opinion letter as Exhibit 5.1 to the Registration Statement and to the reference to this firm under the caption "Legal Matters" in the prospectus which is part of the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act, the rules and regulations of the Securities and Exchange Commission promulgated thereunder, or Item 509 of Regulation S-B.

This opinion letter is rendered as of the date first written above and we disclaim any obligation to advise you of facts, circumstances, events or developments which hereafter may be brought to our attention and which may alter, affect or modify the opinion expressed herein. Our opinion is expressly limited to the matters set forth above and we render no opinion, whether by implication or otherwise, as to any other matters relating to the Company or the Shares.

Very truly yours,

BROBECK, PHLEGER & HARRISON LLP

PERFICIENT INC.
1999 STOCK OPTION/STOCK ISSUANCE PLAN
(AMENDED AS OF JULY 21, 1999)

ARTICLE ONE

GENERAL PROVISIONS

I. PURPOSE OF THE PLAN

This 1999 Stock Option/Stock Issuance Plan is intended to promote the interests of Perficient Inc., a Delaware corporation, by providing eligible persons with the opportunity to acquire a proprietary interest, or otherwise increase their proprietary interest, in the Corporation as an incentive for them to remain in the service of the Corporation.

Capitalized terms shall have the meanings assigned to such terms in the attached Appendix.

II. STRUCTURE OF THE PLAN

A. The Plan shall be divided into three separate equity programs:

(i) the Discretionary Option Grant under which eligible persons may, at the discretion of the Plan Administrator, be granted options to purchase shares of Common Stock,

(ii) the Stock Issuance Program under which eligible persons may, at the discretion of the Plan Administrator, be issued shares of Common Stock directly, either through the immediate purchase of such shares or as a bonus for services rendered the Corporation (or any Parent or Subsidiary), and

(iii) the Automatic Option Grant Program under which eligible non-employee Board members shall automatically receive options at periodic intervals to purchase shares of Common Stock.

B. The provisions of Articles One and Five shall apply to all equity programs under the Plan and shall govern the interests of all persons under the Plan.

III. ADMINISTRATION OF THE PLAN

A. Prior to the Section 12 Registration Date, the Discretionary Option Grant and Stock Issuance Programs shall be administered by the Board. Beginning with the Section 12 Registration Date, the following provisions shall govern the administration of the Plan:

(i) The Board shall have the authority to administer the Discretionary Option Grant and Stock Issuance Programs with respect to Section 16 Insiders but may delegate such authority in whole or in part to the Primary Committee.

(ii) Administration of the Discretionary Option Grant and Stock Issuance Programs with respect to all other persons eligible to participate in those programs may, at the Board's discretion, be vested in the Primary Committee or a Secondary Committee, or the Board may retain the power to administer those programs with respect to all such persons.

(iii) Administration of the Automatic Option Grant Program shall be self-executing in accordance with the terms of that program.

B. Each Plan Administrator shall, within the scope of its administrative jurisdiction under the Plan, have full power and authority subject to the provisions of the Plan:

(i) to establish such rules as it may deem appropriate for proper administration of the Plan, to make all factual determinations, to construe and interpret the provisions of the Plan and the awards thereunder and to resolve any and all ambiguities thereunder;

(ii) to determine, with respect to awards made under the Discretionary Option Grant and Stock Issuance Programs, which eligible persons are to receive such awards, the time or times when such awards are to be made, the number of shares to be covered by each such award, the vesting schedule (if any) applicable to the award, the status of a granted option as either an Incentive Option or a Non-Statutory Option and the maximum term for which the option is to remain outstanding;

(iii) to amend, modify or cancel any outstanding award with the consent of the holder or accelerate the vesting of such award; and

(iv) to take such other discretionary actions as permitted pursuant to the terms of the applicable program.

Decisions of each Plan Administrator within the scope of its administrative functions under the Plan shall be final and binding on all parties.

C. Members of the Primary Committee or any Secondary Committee shall serve for such period of time as the Board may determine and may be removed by the Board at any time. The Board may also at any time terminate the functions of any Secondary Committee and reassume all powers and authority previously delegated to such committee.

D. Service on the Primary Committee or the Secondary Committee shall constitute service as a Board member, and members of each such committee shall accordingly be entitled to full indemnification and reimbursement as Board members for their service on such committee. No member of the Primary Committee or the Secondary Committee shall be liable for any act or omission made in good faith with respect to the Plan or any options or stock issuances under the Plan.

IV. ELIGIBILITY

A. The persons eligible to participate in the Discretionary Option Grant and Stock Issuance Programs are as follows:

(i) Employees,

(ii) non-employee members of the Board or the board of directors of any Parent or Subsidiary, and

(iii) consultants and other independent advisors who provide services to the Corporation (or any Parent or Subsidiary).

B. Only non-employee Board members shall be eligible to participate in the Automatic Option Grant Program.

V. STOCK SUBJECT TO THE PLAN

A. The stock issuable in the aggregate under the Plan shall be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Corporation on the open market. The maximum number of shares of Common Stock initially reserved for issuance in the aggregate over the term of the Plan and upon exercise of options granted prior to the adoption of the Plan (the "Prior Options") shall not exceed 700,000 shares.

B. No one person participating in the Plan may receive options, separately exercisable stock appreciation rights and direct stock issuances for more than 75,000 shares of Common Stock in the aggregate per calendar year, beginning with the 1999 calendar year.

C. Shares of Common Stock subject to outstanding options under the Plan and the Prior Options shall be available for subsequent issuance under the Plan to the extent those options expire, terminate or are cancelled for any reason prior to exercise in full. Unvested shares issued under the Plan and subsequently repurchased by the Corporation, at the original exercise or issue price paid per share, pursuant to the Corporation's repurchase rights under the Plan shall be added back to the number of shares of Common Stock reserved for issuance under the Plan and shall accordingly be available for reissuance through one or more subsequent options or direct stock issuances under the Plan. However, should the exercise price of an option under the Plan or a Prior Option be paid with shares of Common Stock or should shares of Common Stock otherwise issuable under the Plan or upon exercise of a Prior Option be withheld by the Corporation in satisfaction of the withholding taxes incurred in connection with the exercise of an option or the vesting of a stock issuance under the Plan, then the number of shares of Common Stock available for issuance under the Plan shall be reduced by the gross number of shares for which the option is exercised or which vest under the stock issuance, and not by the net number of shares of Common Stock issued to the holder of such option or stock issuance. Shares of Common Stock underlying one or more stock appreciation rights exercised under the Plan shall NOT be available for subsequent issuance.

D. If any change is made to the Common Stock by reason of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change

affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration, appropriate adjustments shall be made to (i) the maximum number and/or class of securities issuable under the Plan, (ii) the number and/or class of securities for which any one person may be granted options, separately exercisable stock appreciation rights and direct stock issuances under this Plan per calendar year, (iii) the number and/or class of securities for which grants are subsequently to be made under the Automatic Option Grant Program to new and continuing non-employee Board members and (iv) the number and/or class of securities and the exercise price per share in effect under each outstanding option under the Plan. Such adjustments to the outstanding options are to be effected in a manner which shall preclude the enlargement or dilution of rights and benefits under such options. The adjustments determined by the Plan Administrator shall be final, binding and conclusive. In no event shall any such adjustments be made in connection with the conversion of one or more outstanding shares of the Corporation's preferred stock into shares of Common Stock.

ARTICLE TWO

DISCRETIONARY OPTION GRANT PROGRAM

I. OPTION TERMS

Each option shall be evidenced by one or more documents in the form approved by the Plan Administrator; PROVIDED, however, that each such document shall comply with the terms specified below. Each document evidencing an Incentive Option shall, in addition, be subject to the provisions of the Plan applicable to such options.

A. EXERCISE PRICE.

1. The exercise price per share shall be fixed by the Plan Administrator at the time of the option grant.

2. The exercise price shall become immediately due upon exercise of the option and shall, subject to the provisions of Section II of Article Five and the documents evidencing the option, be payable in cash or check made payable to the Corporation. Should the Common Stock be registered under Section 12 of the 1934 Act at the time the option is exercised, then the exercise price may also be paid as follows:

(i) shares of Common Stock held for the requisite period necessary to avoid a charge to the Corporation's earnings for financial reporting purposes and valued at Fair Market Value on the Exercise Date, or

(ii) to the extent the option is exercised for vested shares, through a special sale and remittance procedure pursuant to which the Optionee shall concurrently provide irrevocable instructions to (a) a Corporation-approved brokerage firm to effect the immediate sale of the purchased shares and remit to the Corporation, out of the sale proceeds available on the settlement date, sufficient funds to cover the aggregate exercise price payable for the purchased shares plus all applicable Federal, state and local income and employment taxes required to be withheld by the Corporation by reason of such exercise and (b) the Corporation to deliver the certificates for the purchased shares directly to such brokerage firm in order to complete the sale.

Except to the extent such sale and remittance procedure is utilized, payment of the exercise price for the purchased shares must be made on the Exercise Date.

B. EXERCISE AND TERM OF OPTIONS. Each option shall be exercisable at such time or times, during such period and for such number of shares as shall be determined by the Plan Administrator and set forth in the documents evidencing the option. However, no option shall have a term in excess of ten (10) years measured from the option grant date.

C. CESSATION OF SERVICE.

1. The following provisions shall govern the exercise of any options outstanding at the time of the Optionee's cessation of Service or death:

(i) Any option outstanding at the time of the Optionee's cessation of Service for any reason shall remain exercisable for such period of time thereafter as shall be determined by the Plan Administrator and set forth in the documents evidencing the option, but no such option shall be exercisable after the expiration of the option term.

(ii) Any option exercisable in whole or in part by the Optionee at the time of death may be subsequently exercised by his or her Beneficiary.

(iii) During the applicable post-Service exercise period, the option may not be exercised in the aggregate for more than the number of vested shares for which the option is exercisable on the date of the Optionee's cessation of Service. Upon the expiration of the applicable exercise period or (if earlier) upon the expiration of the option term, the option shall terminate and cease to be outstanding for any vested shares for which the option has not been exercised. However, the option shall, immediately upon the Optionee's cessation of Service, terminate and cease to be outstanding to the extent the option is not otherwise at that time exercisable for vested shares.

(iv) Should the Optionee's Service be terminated for Misconduct or should the Optionee engage in Misconduct while his or her options are outstanding, then all such options shall terminate immediately and cease to be outstanding.

2. The Plan Administrator shall have complete discretion, exercisable either at the time an option is granted or at any time while the option remains outstanding:

(i) to extend the period of time for which the option is to remain exercisable following the Optionee's cessation of Service to such period of time as the Plan Administrator shall deem appropriate, but in no event beyond the expiration of the option term, and/or

(ii) to permit the option to be exercised, during the applicable post-Service exercise period, for one or more additional installments in which the Optionee would have vested had the Optionee continued in Service.

D. STOCKHOLDER RIGHTS. The holder of an option shall have no stockholder rights with respect to the shares subject to the option until such person shall have exercised the option, paid the exercise price and become a holder of record of the purchased shares.

E. REPURCHASE RIGHTS. The Plan Administrator shall have the discretion to grant options which are exercisable for unvested shares of Common Stock. Should the Optionee

cease Service while holding such unvested shares, the Corporation shall have the right to repurchase, at the exercise price paid per share, any or all of those unvested shares. The terms upon which such repurchase right shall be exercisable (including the period and procedure for exercise and the appropriate vesting schedule for the purchased shares) shall be established by the Plan Administrator and set forth in the document evidencing such repurchase right.

F. LIMITED TRANSFERABILITY OF OPTIONS. During the lifetime of the Optionee, Incentive Options shall be exercisable only by the Optionee and shall not be assignable or transferable other than by will or by the laws of descent and distribution following the Optionee's death. Non-Statutory Options shall be subject to the same restrictions, except that a Non-Statutory Option may, to the extent permitted by the Plan Administrator, be assigned in whole or in part during the Optionee's lifetime (i) as a gift to one or more members of the Optionee's immediate family, to a trust in which Optionee and/or one or more such family members hold more than fifty percent (50%) of the beneficial interest or to an entity in which more than fifty percent (50%) of the voting interests are owned by one or more such family members or (ii) pursuant to a domestic relations order. The terms applicable to the assigned portion shall be the same as those in effect for the option immediately prior to such assignment and shall be set forth in such documents issued to the assignee as the Plan Administrator may deem appropriate.

II. INCENTIVE OPTIONS

The terms specified below shall be applicable to all Incentive Options. Except as modified by the provisions of this Section II, all the provisions of Articles One, Two and Five shall be applicable to Incentive Options. Options which are specifically designated as Non-Statutory Options when issued under the Plan shall NOT be subject to the terms of this Section II.

A. ELIGIBILITY. Incentive Options may only be granted to Employees.

B. EXERCISE PRICE. The exercise price per share shall not be less than one hundred percent (100%) of the Fair Market Value per share of Common Stock on the option grant date.

C. DOLLAR LIMITATION. The aggregate Fair Market Value of the shares of Common Stock (determined as of the respective date or dates of grant) for which one or more options granted to any Employee under the Plan (or any other option plan of the Corporation or any Parent or Subsidiary) may for the first time become exercisable as Incentive Options during any one calendar year shall not exceed the sum of One Hundred Thousand Dollars ($100,000). To the extent the Employee holds two (2) or more such options which become exercisable for the first time in the same calendar year, the foregoing limitation on the exercisability of such options as Incentive Options shall be applied on the basis of the order in which such options are granted.

D. 10% STOCKHOLDER. If any Employee to whom an Incentive Option is granted is a 10% Stockholder, then the exercise price per share shall not be less than one hundred ten percent (110%) of the Fair Market Value per share of Common Stock on the option grant date, and the option term shall not exceed five (5) years measured from the option grant date.

III. CHANGE IN CONTROL/HOSTILE TAKE-OVER

A. Each option outstanding at the time of a Change in Control but not otherwise fully-vested shall automatically accelerate so that each such option shall, immediately prior to the effective date of the Change in Control, become exercisable for all of the shares of Common Stock at the time subject to that option and may be exercised for any or all of those shares as fully-vested shares of Common Stock. However, an outstanding option shall not so accelerate if and to the extent: (i) such option is, in connection with the Change in Control, assumed or otherwise continued in full force and effect by the successor corporation (or parent thereof) pursuant to the terms of the Change in Control, (ii) such option is replaced with a cash incentive program of the successor corporation which preserves the spread existing at the time of the Change in Control on the shares of Common Stock for which the option is not otherwise at that time exercisable and provides for subsequent payout in accordance with the same vesting schedule applicable to those option shares or (iii) the acceleration of such option is subject to other limitations imposed by the Plan Administrator at the time of the option grant.

B. All outstanding repurchase rights shall also terminate automatically, and the shares of Common Stock subject to those terminated rights shall immediately vest in full, in the event of any Change in Control, except to the extent: (i) those repurchase rights are assigned to the successor corporation (or parent thereof) or otherwise continue in full force and effect pursuant to the terms of the Change in Control or (ii) such accelerated vesting is precluded by other limitations imposed by the Plan Administrator at the time the repurchase right is issued.

C. Immediately following the consummation of the Change in Control, all outstanding options shall terminate and cease to be outstanding, except to the extent assumed by the successor corporation (or parent thereof) or otherwise expressly continued in full force and effect pursuant to the terms of the Change in Control.

D. Each option which is assumed in connection with a Change in Control shall be appropriately adjusted, immediately after such Change in Control, to apply to the number and class of securities which would have been issuable to the Optionee in consummation of such Change in Control had the option been exercised immediately prior to such Change in Control. Appropriate adjustments to reflect such Change in Control shall also be made to (i) the exercise price payable per share under each outstanding option, PROVIDED the aggregate exercise price payable for such securities shall remain the same, (ii) the maximum number and/or class of securities available for issuance over the remaining term of the Plan and (iii) the maximum number and/or class of securities for which any one person may be granted options, separately exercisable stock appreciation rights and direct stock issuances under the Plan per calendar year.

E. The Plan Administrator may at any time provide that one or more options will automatically accelerate in connection with a Change in Control, whether or not those options are assumed or otherwise continued in full force and effect pursuant to the terms of the Change in Control. Any such option shall accordingly become exercisable, immediately prior to the effective date of such Change in Control, for all of the shares of Common Stock at the time subject to that option and may be exercised for any or all of those shares as fully-vested shares of Common Stock. In addition, the Plan Administrator may at any time provide that one or more of

the Corporation's repurchase rights shall not be assignable in connection with such Change in Control and shall terminate upon the consummation of such Change in Control.

F. The Plan Administrator may at any time provide that one or more options will automatically accelerate upon an Involuntary Termination of the Optionee's Service within a designated period (not to exceed eighteen (18) months) following the effective date of any Change in Control in which those options do not otherwise accelerate. Any options so accelerated shall remain exercisable for fully-vested shares until the EARLIER of (i) the expiration of the option term or (ii) the expiration of the one (1)-year period measured from the effective date of the Involuntary Termination. In addition, the Plan Administrator may at any time provide that one or more of the Corporation's repurchase rights shall immediately terminate upon such Involuntary Termination.

G. The Plan Administrator may at any time provide that one or more options will automatically accelerate in connection with a Hostile Take-Over. Any such option shall become exercisable, immediately prior to the effective date of such Hostile Take-Over, for all of the shares of Common Stock at the time subject to that option and may be exercised for any or all of those shares as fully-vested shares of Common Stock. In addition, the Plan Administrator may at any time provide that one or more of the Corporation's repurchase rights shall terminate automatically upon the consummation of such Hostile Take-Over. Alternatively, the Plan Administrator may condition such automatic acceleration and termination upon an Involuntary Termination of the Optionee's Service within a designated period (not to exceed eighteen (18) months) following the effective date of such Hostile Take-Over. Each option so accelerated shall remain exercisable for fully-vested shares until the expiration or sooner termination of the option term.

H. The portion of any Incentive Option accelerated in connection with a Change in Control or Hostile Take Over shall remain exercisable as an Incentive Option only to the extent the applicable One Hundred Thousand Dollar ($100,000) limitation is not exceeded. To the extent such dollar limitation is exceeded, the accelerated portion of such option shall be exercisable as a Non-Statutory Option under the Federal tax laws.

IV. STOCK APPRECIATION RIGHTS

The Plan Administrator may, subject to such conditions as it may determine, grant to selected Optionees stock appreciation rights which will allow the holders of those rights to elect between the exercise of the underlying option for shares of Common Stock and the surrender of that option in exchange for a distribution from the Corporation in an amount equal to the excess of (a) the Option Surrender Value of the number of shares for which the option is surrendered over (b) the aggregate exercise price payable for such shares. The distribution may be made in shares of Common Stock valued at Fair Market Value on the option surrender date, in cash, or partly in shares and partly in cash, as the Plan Administrator shall in its sole discretion deem appropriate.

ARTICLE THREE

STOCK ISSUANCE PROGRAM

I. STOCK ISSUANCE TERMS

Shares of Common Stock may be issued under the Stock Issuance Program through direct and immediate issuances without any intervening options. Shares of Common Stock may also be issued under the Stock Issuance Program pursuant to share right awards which entitle the recipients to receive those shares upon the attainment of designated performance goals or Service requirements. Each such award shall be evidenced by one or more documents which comply with the terms specified below.

A. PURCHASE PRICE.

1. The purchase price per share of Common Stock subject to direct issuance shall be fixed by the Plan Administrator.

2. Subject to the provisions of Section II of Article Five, Shares of Common Stock may be issued under the Stock Issuance Program for any of the following items of consideration which the Plan Administrator may deem appropriate in each individual instance:

(i) cash or check made payable to the Corporation, or

(ii) past services rendered to the Corporation (or any Parent or Subsidiary).

B. VESTING/ISSUANCE PROVISIONS.

1. The Plan Administrator may issue shares of Common Stock which are fully and immediately vested upon issuance or which are to vest in one or more installments over the Participant's period of Service or upon attainment of specified performance objectives. Alternatively, the Plan Administrator may issue share right awards which shall entitle the recipient to receive a specified number of vested shares of Common Stock upon the attainment of one or more performance goals or Service requirements established by the Plan Administrator.

2. Any new, substituted or additional securities or other property (including money paid other than as a regular cash dividend) which the Participant may have the right to receive with respect to his or her unvested shares of Common Stock by reason of any stock dividend, stock split, recapitalization, combination of shares, exchange of shares or other change affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration shall be issued subject to (i) the same vesting requirements applicable to the Participant's unvested shares of Common Stock and (ii) such escrow arrangements as the Plan Administrator shall deem appropriate.

3. The Participant shall have full stockholder rights with respect to the issued shares of Common Stock, whether or not the Participant's interest in those shares is

vested. Accordingly, the Participant shall have the right to vote such shares and to receive any regular cash dividends paid on such shares.

4. Should the Participant cease to remain in Service while holding one or more unvested shares of Common Stock, or should the performance objectives not be attained with respect to one or more such unvested shares of Common Stock, then those shares shall be immediately surrendered to the Corporation for cancellation, and the Participant shall have no further stockholder rights with respect to those shares. To the extent the surrendered shares were previously issued to the Participant for consideration paid in cash or cash equivalent (including the Participant's purchase-money indebtedness), the Corporation shall repay to the Participant the cash consideration paid for the surrendered shares and shall cancel the unpaid principal balance of any outstanding purchase-money note of the Participant attributable to the surrendered shares.

5. The Plan Administrator may waive the surrender and cancellation of one or more unvested shares of Common Stock (or other assets attributable thereto) which would otherwise occur upon the cessation of the Participant's Service or the non-attainment of the performance objectives applicable to those shares. Such waiver shall result in the immediate vesting of the Participant's interest in the shares of Common Stock as to which the waiver applies. Such waiver may be effected at any time, whether before or after the Participant's cessation of Service or the attainment or non-attainment of the applicable performance objectives.

6. Outstanding share right awards shall automatically terminate, and no shares of Common Stock shall actually be issued in satisfaction of those awards, if the performance goals or Service requirements established for such awards are not attained. The Plan Administrator, however, shall have the authority to issue shares of Common Stock in satisfaction of one or more outstanding share right awards as to which the designated performance goals or Service requirements are not attained.

II. CHANGE IN CONTROL/HOSTILE TAKE-OVER

A. All of the Corporation's outstanding repurchase rights shall terminate automatically, and all the shares of Common Stock subject to those terminated rights shall immediately vest in full, in the event of any Change in Control, except to the extent (i) those repurchase rights are assigned to the successor corporation (or parent thereof) or otherwise continue in full force and effect pursuant to the terms of the Change in Control or (ii) such accelerated vesting is precluded by other limitations imposed by the Plan Administrator at the time the repurchase right is issued.

B. The Plan Administrator may at any time provide for the automatic termination of one or more of those outstanding repurchase rights and the immediate vesting of the shares of Common Stock subject to those terminated rights upon (i) a Change in Control or Hostile Take-Over or (ii) an Involuntary Termination of the Participant's Service within a designated period (not to exceed eighteen (18) months) following the effective date of any Change in Control or Hostile Take-Over in which those repurchase rights are assigned to the successor corporation (or parent thereof) or otherwise continue in full force and effect.

III. SHARE ESCROW/LEGENDS

Unvested shares may, in the Plan Administrator's discretion, be held in escrow by the Corporation until the Participant's interest in such shares vests or may be issued directly to the Participant with restrictive legends on the certificates evidencing those unvested shares.

ARTICLE FOUR

AUTOMATIC OPTION GRANT PROGRAM

I. OPTION TERMS

A. GRANT DATES. Options shall be made on the dates specified below:

1. Each individual who is first elected or appointed as a non-employee Board member at any time after the Underwriting Date shall automatically be granted, on the date of such initial election or appointment, a Non-Statutory Option to purchase 20,000 shares of Common Stock, provided that individual (i) has not previously been in the employ of the Corporation or any Parent or Subsidiary and (ii) did not own, directly or indirectly, more than 50,000 shares of Common Stock immediately prior to the Underwriting Date.

2. On the date of each Annual Stockholders Meeting held after the Underwriting Date, each individual who is to continue to serve as a non-employee Board member, whether or not that individual is standing for re-election to the Board, shall automatically be granted a Non-Statutory Option to purchase 5,000 shares of Common Stock, provided such individual (i) has served as a non-employee Board member for at least six (6) months and (ii) did not own, directly or indirectly, more than 50,000 shares of Common Stock immediately prior to the Underwriting Date.

B. EXERCISE PRICE.

1. The exercise price per share shall be equal to one hundred percent (100%) of the Fair Market Value per share of Common Stock on the option grant date.

2. The exercise price shall be payable in one or more of the alternative forms authorized under the Discretionary Option Grant Program. Except to the extent the sale and remittance procedure specified thereunder is utilized, payment of the exercise price for the purchased shares must be made on the Exercise Date.

C. OPTION TERM. Each option shall have a term of ten (10) years measured from the option grant date.

D. EXERCISE OF OPTIONS. Each option shall be immediately exercisable for any or all of the option shares as fully vested shares.

E. CESSATION OF BOARD SERVICE. The following provisions shall govern the exercise of any options outstanding at the time of the Optionee's cessation of Board service:

(i) Any option outstanding at the time of the Optionee's cessation of Board service for any reason shall remain exercisable for a twelve (12)-month period following the date of such cessation of Board service, but in no event shall such option be exercisable after the expiration of the option term.

(ii) Any option exercisable in whole or in part by the Optionee at the time of death may be subsequently exercised by his or her Beneficiary.

(iii) Upon the expiration of the applicable exercise period or (if earlier) upon the expiration of the option term, the option shall terminate and cease to be outstanding for any vested shares for which the option has not been exercised.

II. CHANGE IN CONTROL/HOSTILE TAKE-OVER

A. In the event of any Change in Control each option shall terminate, except to the extent assumed by the successor corporation (or parent thereof) or otherwise continued in full force and effect pursuant to the terms of the Change in Control. Following a Hostile Take-Over, each option shall remain exercisable until the expiration or sooner termination of the option term.

B. Upon the occurrence of a Hostile Take-Over, the Optionee shall have a thirty (30)-day period in which to surrender to the Corporation each of his or her outstanding options. The Optionee shall in return be entitled to a cash distribution from the Corporation in an amount equal to the excess of (i) the Option Surrender Value of the shares of Common Stock at the time subject to each surrendered option over (ii) the aggregate exercise price payable for such shares. Such cash distribution shall be paid within five (5) days following the surrender of the option to the Corporation.

C. Each option which is assumed in connection with a Change in Control shall be appropriately adjusted to apply to the number and class of securities which would have been issuable to the Optionee in consummation of such Change in Control had the option been exercised immediately prior to such Change in Control. Appropriate adjustments shall also be made to the exercise price payable per share under each outstanding option, PROVIDED the aggregate exercise price payable for such securities shall remain the same.

III. REMAINING TERMS

The remaining terms of each option granted under the Automatic Option Grant Program shall be the same as the terms in effect for options made under the Discretionary Option Grant Program.

ARTICLE FIVE

MISCELLANEOUS

I. NO IMPAIRMENT OF AUTHORITY

Outstanding awards shall in no way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

II. FIRST REFUSAL RIGHT

Until the Section 12 Registration Date, the Corporation shall have the right of first refusal with respect to any proposed disposition by the Optionee or the Participant (or any successor in interest) of any shares of Common Stock issued under the Plan. Such right of first refusal shall be exercisable in accordance with the terms established by the Plan Administrator and set forth in the document evidencing such right.

III. FINANCING

The Plan Administrator may permit any Optionee or Participant to pay the option exercise price under the Discretionary Option Grant Program or the purchase price of shares issued under the Stock Issuance Program by delivering a full-recourse, interest bearing promissory note payable in one or more installments. The terms of any such promissory note (including the interest rate and the terms of repayment) shall be established by the Plan Administrator in its sole discretion. In no event may the maximum credit available to the Optionee or Participant exceed the sum of (i) the aggregate option exercise price or purchase price payable for the purchased shares plus (ii) any Federal, state and local income and employment tax liability incurred by the Optionee or the Participant in connection with the option exercise or share purchase.

IV. TAX WITHHOLDING

A. The Corporation's obligation to deliver shares of Common Stock upon the exercise of options or the issuance or vesting of such shares under the Plan shall be subject to the satisfaction of all applicable Federal, state and local income and employment tax withholding requirements.

B. The Plan Administrator may, in its discretion, provide any or all holders of Non-Statutory Options or unvested shares of Common Stock under the Plan with the right to use shares of Common Stock in satisfaction of all or part of the Withholding Taxes incurred by such holders in connection with the exercise of their options or the vesting of their shares. Such right may be provided to any such holder in either or both of the following formats:

STOCK WITHHOLDING: The election to have the Corporation withhold, from the shares of Common Stock otherwise issuable upon the exercise of such Non-Statutory Option or the vesting of such shares, a portion of those shares with an aggregate Fair Market Value

equal to the percentage of the Withholding Taxes (not to exceed one hundred percent (100%)) designated by the holder.

STOCK DELIVERY: The election to deliver to the Corporation, at the time the Non-Statutory Option is exercised or the shares vest, one or more shares of Common Stock previously acquired by such holder (other than in connection with the option exercise or share vesting triggering the Withholding Taxes) with an aggregate Fair Market Value equal to the percentage of the Taxes (not to exceed one hundred percent (100%)) designated by the holder.

V. EFFECTIVE DATE AND TERM OF THE PLAN

A. The Plan became effective with respect to the Discretionary Option Grant and Stock Issuance Programs immediately upon the Plan Effective Date. The Automatic Option Grant Program shall become effective on the Underwriting Date. Options may be granted under the Discretionary Option Grant at any time on or after the Plan Effective Date. However, no options granted under the Plan may be exercised, and no shares shall be issued under the Plan, until the Plan is approved by the Corporation's stockholders. If such stockholder approval is not obtained within twelve (12) months after the Plan Effective Date, then all options previously granted under this Plan shall terminate and cease to be outstanding, and no further options shall be granted and no shares shall be issued under the Plan.

B. The Plan was amended on July 12, 1999 to provide that maximum number of shares available for issuance under the Plan and all options granted prior to adoption of the Plan shall not exceed 700,000 shares.

C. The Plan shall terminate upon the EARLIEST of (i) May 2, 2009, (ii) the date on which all shares available for issuance under the Plan shall have been issued as fully-vested shares or (iii) the termination of all outstanding options in connection with a Change in Control. Upon such plan termination, all outstanding options and unvested stock issuances shall thereafter continue to have force and effect in accordance with the provisions of the documents evidencing such grants or issuances.

VI. AMENDMENT OF THE PLAN

A. The Board shall have complete and exclusive power and authority to amend or modify the Plan in any or all respects. However, no such amendment or modification shall adversely affect the rights and obligations with respect to stock options or unvested stock issuances at the time outstanding under the Plan unless the Optionee or the Participant consents to such amendment or modification. In addition, certain amendments may require stockholder approval pursuant to applicable laws or regulations.

B. Options to purchase shares of Common Stock may be granted under the Discretionary Option Grant Program and shares of Common Stock may be issued under the Stock Issuance Program that are in each instance in excess of the number of shares then available for issuance under the Plan, provided any excess shares actually issued under those programs shall be held in escrow until there is obtained stockholder approval of an amendment sufficiently increasing the number of shares of Common Stock available for issuance under the Plan. If such stockholder approval is not obtained within twelve (12) months after the date the first such

excess issuances are made, then (i) any unexercised options granted on the basis of such excess shares shall terminate and cease to be outstanding and (ii) the Corporation shall promptly refund to the Optionees and the Participants the exercise or purchase price paid for any excess shares issued under the Plan and held in escrow, together with interest (at the applicable Short Term Federal Rate) for the period the shares were held in escrow, and such shares shall thereupon be automatically cancelled and cease to be outstanding.

VII. USE OF PROCEEDS

Any cash proceeds received by the Corporation from the sale of shares of Common Stock under the Plan shall be used for general corporate purposes.

VIII. REGULATORY APPROVALS

A. The implementation of the Plan, the granting of any stock option under the Plan and the issuance of any shares of Common Stock (i) upon the exercise of any granted option or (ii) under the Stock Issuance Program shall be subject to the Corporation's procurement of all approvals and permits required by regulatory authorities having jurisdiction over the Plan, the stock options granted under it and the shares of Common Stock issued pursuant to it.

B. No shares of Common Stock or other assets shall be issued or delivered under the Plan unless and until there shall have been compliance with all applicable requirements of Federal and state securities laws, including the filing and effectiveness of the Form S-8 registration statement for the shares of Common Stock issuable under the Plan, and all applicable listing requirements of any stock exchange (or the Nasdaq National Market, if applicable) on which Common Stock is then listed for trading.

IX. NO EMPLOYMENT/SERVICE RIGHTS

Nothing in the Plan shall confer upon the Optionee or the Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining such person) or of the Optionee or the Participant, which rights are hereby expressly reserved by each, to terminate such person's Service at any time for any reason, with or without cause.

APPENDIX

The following definitions shall be in effect under the Plan:

A. AUTOMATIC OPTION GRANT PROGRAM shall mean the automatic option grant program in effect under the Plan.

B. BENEFICIARY shall mean, in the event the Plan Administrator implements a beneficiary designation procedure, the person designated by an Optionee or Participant, pursuant to such procedure, to succeed to such person's rights under any outstanding awards held by him or her at the time of death. In the absence of such designation or procedure, the Beneficiary shall be the personal representative of the estate of the Optionee or Participant or the person or persons to whom the award is transferred by will or the laws of descent and distribution.

C. BOARD shall mean the Corporation's Board of Directors.

D. CHANGE IN CONTROL shall mean a change in ownership or control of the Corporation effected through any of the following transactions:

(i) a merger, consolidation or reorganization approved by the Corporation's stockholders, UNLESS securities representing more than fifty percent (50%) of the total combined voting power of the voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly and in substantially the same proportion, by the persons who beneficially owned the Corporation's outstanding voting securities immediately prior to such transaction,

(ii) any stockholder-approved transfer or other disposition of all or substantially all of the Corporation's assets, or

(iii) the acquisition, directly or indirectly by any person or related group of persons (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation), of beneficial ownership (within the meaning of Rule 13d-3 of the 1934 Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Corporation's outstanding securities pursuant to a tender or exchange offer made directly to the Corporation's stockholders which the Board recommend such stockholders to accept.

E. CODE shall mean the Internal Revenue Code of 1986, as amended.

F. COMMON STOCK shall mean the Corporation's common stock.

G. CORPORATION shall mean Perficient Inc., a Delaware corporation, and its successors.

H. DISCRETIONARY OPTION GRANT PROGRAM shall mean the discretionary option grant program in effect under the Plan.

I. EMPLOYEE shall mean an individual who is in the employ of the Corporation (or any Parent or Subsidiary), subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance.

J. EXERCISE DATE shall mean the date on which the Corporation shall have received written notice of the option exercise.

K. FAIR MARKET VALUE per share of Common Stock on any relevant date shall be determined in accordance with the following provisions:

(i) If the Common Stock is at the time traded on the Nasdaq National Market, then the Fair Market Value shall be the closing selling price per share of Common Stock on the date in question, as such price is reported on the Nasdaq National Market or any successor system. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

(ii) If the Common Stock is at the time listed on any Stock Exchange, then the Fair Market Value shall be the closing selling price per share of Common Stock on the date in question on the Stock Exchange determined by the Plan Administrator to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

(iii) For purposes of any options made on the Underwriting Date, the Fair Market Value shall be deemed to be equal to the price per share at which the Common Stock is to be sold in the initial public offering pursuant to the Underwriting Agreement.

(iv) For purposes of any options made prior to the Underwriting Date, the Fair Market Value shall be determined by the Plan Administrator, after taking into account such factors as it deems appropriate.

L. HOSTILE TAKE-OVER shall mean:

(i) the acquisition, directly or indirectly, by any person or related group of persons (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation) of beneficial ownership (within the meaning of Rule 13d-3 of the 1934 Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Corporation's outstanding securities pursuant to a

tender or exchange offer made directly to the Corporation's stockholders which the Board does not recommend such stockholders to accept, or

(ii) a change in the composition of the Board over a period of thirty-six (36) consecutive months or less such that a majority of the Board members ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who either (A) have been Board members continuously since the beginning of such period or (B) have been elected or nominated for election as Board members during such period by at least a majority of the Board members described in clause (A) who were still in office at the time the Board approved such election or nomination.

M. INCENTIVE OPTION shall mean an option which satisfies the requirements of Code Section 422.

N. INVOLUNTARY TERMINATION shall mean the termination of the Service of any individual which occurs by reason of:

(i) such individual's involuntary dismissal or discharge by the Corporation for reasons other than Misconduct, or

(ii) such individual's voluntary resignation following (A) a change in his or her position with the Corporation or Parent or Subsidiary employing the individual which materially reduces his or her duties and responsibilities or the level of management to which he or she reports, (B) a reduction in his or her level of compensation (including base salary, fringe benefits and target bonus under any performance based bonus or incentive programs) by more than fifteen percent (15%) or (C) a relocation of such individual's place of employment by more than fifty (50) miles, provided and only if such change, reduction or relocation is effected by the Corporation without the individual's consent.

O. MISCONDUCT shall mean the commission of any act of fraud, embezzlement or dishonesty by the Optionee or Participant, any unauthorized use or disclosure by such person of confidential information or trade secrets of the Corporation (or any Parent or Subsidiary), or any intentional wrongdoing by such person, whether by omission or commission, which adversely affects the business or affairs of the Corporation (or any Parent or Subsidiary) in a material manner. This shall not limit the grounds for the dismissal or discharge of any person in the Service of the Corporation (or any Parent or Subsidiary).

P. 1934 ACT shall mean the Securities Exchange Act of 1934, as amended.

Q. NON-STATUTORY OPTION shall mean an option not intended to satisfy the requirements of Code Section 422.

R. OPTION SURRENDER VALUE shall mean the Fair Market Value per share of Common Stock on the date the option is surrendered to the Corporation or, in the event of a Hostile Take-Over, effected through a tender offer, the highest reported price per share of

Common Stock paid by the tender offeror in effecting such Hostile Take-Over, if greater. However, if the surrendered option is an Incentive Option, the Option Surrender Value shall not exceed the Fair Market Value per share.

S. OPTIONEE shall mean any person to whom an option is granted under the Discretionary Option Grant or Automatic Option Grant Program.

T. PARENT shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, provided each corporation in the unbroken chain (other than the Corporation) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

U. PARTICIPANT shall mean any person who is issued shares of Common Stock under the Stock Issuance Program.

V. PERMANENT DISABILITY OR PERMANENTLY DISABLED shall mean the inability of the Optionee or the Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment expected to result in death or to be of continuous duration of twelve (12) months or more. However, solely for purposes of the Automatic Option Grant Program, Permanent Disability or Permanently Disabled shall mean the inability of the non-employee Board member to perform his or her usual duties as a Board member by reason of any medically determinable physical or mental impairment expected to result in death or to be of continuous duration of twelve (12) months or more.

W. PLAN shall mean the Corporation's 1999 Stock Incentive Plan, as set forth in this document.

X. PLAN ADMINISTRATOR shall mean the particular entity, whether the Primary Committee, the Board or the Secondary Committee, which is authorized to administer the Discretionary Option Grant and Stock Issuance Programs with respect to one or more classes of eligible persons, to the extent such entity is carrying out its administrative functions under those programs with respect to the persons under its jurisdiction. However, the Primary Committee shall have the plenary authority to make all factual determinations and to construe and interpret any and all ambiguities under the Plan to the extent such authority is not otherwise expressly delegated to any other Plan Administrator.

Y. PLAN EFFECTIVE DATE shall mean May 3, 1999, the date on which the Plan was adopted by the Board.

Z. PRIMARY COMMITTEE shall mean the committee of two (2) or more non-employee Board members appointed by the Board to administer the Discretionary Option Grant and Stock Issuance Programs with respect to Section 16 Insiders.

AA. SECONDARY COMMITTEE shall mean a committee of one (1) or more Board members appointed by the Board to administer the Discretionary Option Grant and Stock Issuance Programs with respect to eligible persons other than Section 16 Insiders.

BB. SECTION 12 REGISTRATION DATE shall mean the date on which the Common Stock is first registered under Section 12 of the 1934 Act.

CC. SECTION 16 INSIDER shall mean an officer or director of the Corporation subject to the short-swing profit liabilities of Section 16 of the 1934 Act.

DD. SERVICE shall mean the performance of services for the Corporation (or any Parent or Subsidiary) by a person in the capacity of an Employee, a non-employee member of the board of directors or a consultant or independent advisor, except to the extent otherwise specifically provided in the documents evidencing the option grant or stock issuance.

EE. STOCK EXCHANGE shall mean either the American Stock Exchange or the New York Stock Exchange.

FF. STOCK ISSUANCE PROGRAM shall mean the stock issuance program in effect under the Plan.

GG. SUBSIDIARY shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

HH. 10% STOCKHOLDER shall mean the owner of stock (as determined under Code Section 424(d)) possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Corporation (or any Parent or Subsidiary).

II. UNDERWRITING AGREEMENT shall mean the agreement between the Corporation and the underwriter or underwriters managing the initial public offering of the Common Stock.

JJ. UNDERWRITING DATE shall mean the date on which the Underwriting Agreement is executed and priced in connection with an initial public offering of the Common Stock.

KK. WITHHOLDING TAXES shall mean the Federal, state and local income and employment withholding tax liabilities to which the holder of Non-Statutory Options or unvested shares of Common Stock may become subject in connection with the exercise of those options or the vesting of those shares.

ACCOUNTS RECEIVABLE PURCHASE MODIFICATION AGREEMENT

This Accounts Receivable Purchase Modification Agreement is entered into as of July 12, 1999, by and between Perficient, Inc. (the "Seller") whose address is 7600-B North Capital of Texas Highway, Austin, Texas 78731 and Silicon Valley Bank ("Buyer"), whose address is 3003 Tasman Drive, Santa Clara, CA 95054.

1. DESCRIPTION OF EXISTING INDEBTEDNESS: Among other indebtedness which may be owing by Seller to Buyer, Seller is indebted to Buyer pursuant to, among other documents, a Accounts Receivable Purchase Agreement, dated January 12, 1999 by and between Seller and Buyer, as may be amended from time to time, (the "Accounts Receivable Purchase Agreement"). Capitalized terms used without definition herein shall have the meanings assigned to them in the Accounts Receivable Purchase Agreement.

Hereinafter, all indebtedness owing by Seller to Buyer shall be referred to as the "Indebtedness" and the Accounts Receivable Purchase Agreement and any and all other documents executed by Seller in favor of Buyer shall be referred to as the "Existing Documents."

2. DESCRIPTION OF CHANGE IN TERMS.

A. MODIFICATION(S) TO ACCOUNTS RECEIVABLE PURCHASE AGREEMENT, EFFECTIVE AS OF JULY 1, 1999.

Add the following definitions to Section 1:

COMPLIANCE CERTIFICATE II shall mean the certificate, attached hereto, which contains the certification of an authorized officer of Seller, that among other things, the representation and warranties in this Agreement are true and correct as is the date the certificate is delivered.

MISSED SALES PERCENTAGE I shall have the meaning set forth in Section 3.2.

MISSED SALES PERCENTAGE III shall have the meaning set forth in section 3.3.

PRIME RATE means Buyer's most recently announced "prime rate", even if it is not Buyer's lowest rate.

PROJECTED SALES means the Seller's projected cumulative monthly sales as defined on Schedule A attached hereto.

RECEIVABLES LIMIT shall have the meaning set forth in Section 2.2.

The last sentence of Section 2.2. shall be amended in its entirety to read as follows:

Notwithstanding the foregoing, in no event shall the aggregate amount of all Purchase Receivables outstanding at any time exceed One Million Two Hundred Fifty Thousand Dollars ($1,250,000.00) (the "Receivables Limit").

Section 3.2. Finance Charges shall be amended in its entirety to read as follows:

FINANCE CHARGES. On each Reconciliation Date, Seller shall pay to Buyer a finance charge. The finance charge shall be calculated based on the average daily Account Balance for the month outstanding at a per annum rate equal to the Prime Rate (the "Finance Charges") provided however, effective as of month ending September 30, 1999 and each month thereafter, if at any time Seller's actual sales are less than 85% of Projected Sales, (the "Missed Sales Percentage I") the Finance Charges shall increase to 2 percentage points above the Prime Rate for that period. Such increase in the Finance Charge shall be retroactive to the first calendar day of the month after the Missed Sales Percentage I occurs and shall remain until Seller's actual sales are greater than 85% of Projected Sales at which time the Finance Charges shall adjust to Prime Rate.

Section 3.3. Administrative Fee shall be amended in its entirety to read as follows:

ADMINISTRATIVE FEE. On each Reconciliation Date Seller shall pay to Buyer an Administrative Fee equal to .25% (the "Administrative Percentage") of the face amount of each Purchased Receivable first purchased during that Reconciliation Period (the "Administrative Fee"). Buyer shall deduct the Administrative Fee from the Reserve as set forth in Section 3.5. Notwithstanding the foregoing, effective as of month ending September 30, 1999 and each month thereafter, if at any time Sellers actual sales are (i) 85 - 90% of the Projected Sales (the "Missed Sales Percentage II"), the Administrative Percentage shall increase to 1.00%. If the actual sales are less than 85% of the Projected Sales, the Administrative Percentage shall increase to 1.25%. Such increase in the Administrative Percentage shall be retroactive to the first calendar day of the month after the Missed Sales Percentage I or Missed Sales Percentage II occurs and shall remain at such percentage until Seller's actual sales are greater than such percentage.

Add the following covenant to Section 6.2.

(G) Seller shall provide Buyer with a Compliance Certificate II, monthly financial statements and an accounts receivable and accounts payable aging (i) on a monthly basis to be received no later than the twentieth calendar day following each calendar month, and (ii) on a more frequent or other basis if and as requested by Buyer.

3. CONSISTENT CHANGES. The Existing Documents are each hereby amended wherever necessary to reflect the changes described above.

4. NO DEFENSES OF SELLER. Seller agrees that, as of this date, it has no defenses against the obligations to pay any amounts under the Indebtedness.

5. CONTINUING VALIDITY. Seller understands and agrees that in modifying the existing Indebtedness, Buyer is relying upon Seller's representations, warranties, and agreements, as set forth in the Existing Documents. Except as expressly modified pursuant to this Accounts Receivable Purchase Modification Agreement, the terms of the Existing Documents remain unchanged and in full force and effect. Buyer's agreement to modifications to the existing Indebtedness pursuant to this Accounts Receivable Purchase Modification Agreement in no way shall obligate Buyer to make any future modifications to the Indebtedness.

Nothing in this Accounts Receivable Purchase Modification Agreement shall constitute a satisfaction of the Indebtedness. It is the intention of Buyer and Seller to retain as liable parties all makers and endorsers of Existing Documents, unless the party is expressly released by Buyer in writing. No maker, endorser, or guarantor will be released by virtue of this Accounts Receivable Purchase Modification Agreement. The terms of this paragraph apply not only to this Accounts Receivable Purchase Modification Agreement, but also to any subsequent Accounts Receivable Purchase modification agreements.

This Accounts Receivable Purchase Modification Agreement is executed as of the date first written above.

SELLER:	BUYER:
PERFICIENT, INC.	SILICON VALLEY BANK
By: /s/ John A. Hinners	By: /s/ Illegible
Name: John A. Hinners	Name: Illegible
Title: Chief Financial Officer	Title: Illegible

[LOGO] MOTIVE COMMUNICATIONS, INC.

CONSULTING SERVICES SUBCONTRACT AGREEMENT

This Subcontract Agreement by and between Motive Communications, Inc. ("Motive") with principal offices at 9211 Waterford Centre Blvd, Suite, 100, Austin, TX 78759 and PERFICIENT, INC. ("Consultant") with principal offices at 7600 - B North Capital of TX Hwy, Suite 220, Austin, TX 78735 sets forth the terms and conditions under which Consultant will provide certain consulting services to Motive.

1. Scope of Services

1.1 Consultant agrees to provide the professional computer consulting services ("Services") described on separately executed Statements of Work (the "Statement of Work") as may from time to time be issued hereunder.

1.2 Each Statement of Work shall define the specific Services authorized by Motive, the schedule or term, The applicable rates and charges therefor, and other appropriate terms and conditions. All items prepared or required to be delivered under any Statement of Work are collectively referred to herein as the "Deliverables".

1.3 Each Statement of Work shall be governed by the terms and conditions of this Agreement and in the event of any conflict between this Agreement and a Statement of Work, the provisions of the Statement of Work shall prevail.

1.4 Consultant understands and agrees that by executing this Agreement, Motive is not committing or obligating itself to use the services of the Consultant and that no work or charges are or shall be authorized hereunder unless and until authorized in writing by a Statement of Work signed by both parties.

2. Term

2.1 This Agreement shall remain in effect until terminated by either party as provided herein.

2.2 Each Statement of Work shall remain in effect until the work authorized thereunder is completed or is earlier terminated as provided herein.

3. Price and Payment

3.1 All Services to be performed on an hourly basis shall be at the rates specified in a Statement of Work.

3.2 Those Services which are priced on other than an hourly basis will be at the prices and fees specified in the applicable Statement of Work.

3.3 Unless invoicing and payment is tied to milestones specified under a given Statement of Work, Consultant will invoice Motive monthly. All invoices shall be submitted by Consultant on or before the fifteenth of the month following the month in which such services were rendered or during which applicable milestones or other payment events were completed. Consultant acknowledges that its failure to render invoices by the fifteenth of the following month may result in rejection, or delayed payment, of such invoices by Motive and Consultant assumes all risks from its failure to timely submit invoices.

3.4 All invoices which have been timely submitted in accordance with the provisions of Section 3.3 shall be paid by Motive on the last occurring of (i) forty-five (45) days from receipt of Consultant's invoice.

4. Confidentiality

4.1 Consultant agrees to keep confidential all Deliverables and all technical, product, business, financial, and other information regarding the business and software programs of Motive and/or or Motive's client (the "Confidential Information"), including but not limited to programming techniques and methods, research and development, computer programs documentation, marketing plans, customer identity, and business methods.

4.2 Consultant shall at all times protect and safeguard the Confidential Information and agrees not to disclose, give, transmit or otherwise convey any Confidential Information, in whole or in part, to any other party.

4.3 Consultant further agrees not to attempt to ascertain the source code of any Motive computer program by unauthorized access or review, reverse engineering, decompilation, disassembly, or any other technique or method.

4.4 Consultant agrees that it will not use any Confidential Information for its own purpose or for the benefit of any third party and shall honor the copyrights of Motive and/or a client and will not copy, duplicate, or in any manner reproduce any such copyrighted materials.

4.5 The provisions of this Article 4 shall survive termination or expiration of this Agreement or any Statement of Work hereunder. Motive or its client shall have the right to take such action it deems necessary to protect its rights hereunder, including, without limitation, injunctive relief and any other remedies as may be available at law or equity.

5. Ownership

5.1 Consultant agrees that all Deliverables are works made for hire and shall belong exclusively to Motive and no rights thereto shall accrue in any manner to the Consultant. In addition, Motive shall be the sole owner of all patents, copyrights, trade secrets and other intellectual property rights related to the Deliverables. Deliverables made under a SOW may be used during performance of other Motive SOW's at other Motive Customer engagements. The Consultant does not have the right to use any Deliverables if Consultant is not performing such services on behalf of Motive under a Motive SOW.

5.2 Consultant agrees to execute all documents required by Motive to apply for, register, perfect, obtain or enforce any ownership and intellectual property rights pertaining to a given Deliverable. Any effort requested of Consultant to support this effort will be at mutually agreeable rates.

6. Motive's Facilities

6.1 To the extent Consultant has access to or uses the facilities or computer resources of Motive or Motive's client, Consultant agrees to comply at all times with the applicable rules and regulations regarding safety, security, use, and conduct.

7. Records and Reports

7.1 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.

7.2 Copies of the foregoing records and a status report in such detail as Motive shall reasonably require shall be furnished to Motive at such times and frequencies as Motive may from time to time request.

7.3 Motive 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.

8. Warranties of Consultant

8.1 Consultant warrants that the Services shall be performed in a workmanlike and professional manner.

8.2 Consultant warrants that all employees assigned to perform work under this Agreement shall have a level of skill and experience commensurate with the requirements of the task to which such employee is required to perform. Consultant agrees to promptly replace any employee assigned to this Agreement who is not acceptable to Motive and to make the services of any key persons specified on a given Statement of Work available for performance of Services thereunder.

8.3 Consultant warrants that all Deliverables shall be the original work product of Consultant and will not be based on, or derived from, the proprietary information or items of a third party and that none of the Deliverables will infringe any copyrights, patents, trade secrets, or other proprietary rights of a third party. Consultant shall defend, indemnify and hold Motive harmless from and against any and all damages arising out of any claim brought by a third party that any Deliverable is infringing.

8.4 Consultant further warrants that all Deliverables shall conform with applicable specifications and requirements as set forth on the Statement of Work. Consultant shall correct all errors, defects, inconsistencies, or malfunctions in any of the Deliverables discovered by Motive or its client during the period ending thirty (30) days from Motive's receipt of any programs, documentation or other materials prepared hereunder. If Motive is required under a contract with its customer to provide any unique terms or a warranty greater than thirty days, Motive will notify Consultant of such requirement and this agreement will be modified accordingly by mutually agreement.

9. Termination

9.1 This Agreement or any Statement of Work hereunder may be terminated prior to expiration or completion in accordance with the following:

9.1.1 By either party without cause on fifteen (15) days written notice. However, no such termination initiated by Consultant shall be effective until all applicable Statements of Work have been completed.

9.1.2 By Motive in the event Consultant does not replace an employee of Consultant who is not acceptable to Motive within five (5) days from Motive's written request.

9.1.3 By either party in the event the other has failed to perform any obligation required to be performed under this Agreement or an Statement of Work and such failure is not corrected within thirty (30) days from receipt of written notice advising of such failure from the other party.

9.2 Upon completion, termination, or expiration of this Agreement or a given Statement of Work, Consultant shall deliver to Motive all copies of all Deliverables in their then current form or state, whether complete or incomplete, and return to Motive all applicable Confidential Information.

10. Independent Contractor

10.1 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 Motive. Consultant shall not be entitled to any of the fringe benefits of Motive and shall have no authority to bind, commit, contract for or otherwise obligate Motive in any manner whatsoever. Furthermore, Consultant shall withhold and pay Social Security, income taxes, and other employment taxes for itself and its employees.

11. Liability

11.1 Except with respect to Consultant's obligations under Articles 4, 8 and 13, neither party shall be liable to the other for any lost profits or indirect or consequential damages arising under this Agreement or any Statement of Work.

12. Assignment and Subcontracting

12.1 Consultant shall not assign this Agreement or any Statement of Work or subcontract any work required to be performed by it without the prior written consent of Motive.

13. Non-solicitation and Non-compete

13.1 During the term this Agreement is in effect and for a period of six (6) months thereafter, neither party shall solicit employment to any employees then currently employed by the other party without the prior written consent. Notwithstanding the forgoing, neither party is prevented from hiring an individual who is no longer employed by other party or is responding to general public employment advertisements.

13.2 During the term of this Agreement and for a period of one (1) year thereafter, Consultant agrees not to engage in any consulting, employment, or to provide any services (i) to or for a competitor of Motive. For purpose of this paragraph the competitors of Motive include but are not limited to Tioga, Aveo, Primus, and other technical support or knowledge base providers as may be identified by Motive as a competitor. Consultant agrees to notify Motive if Consultant is considering assigning an employee to support one of these entities and to insure there is no conflict with this Paragraph) or (ii) which are essentially the same as those provided under any Statement of Work hereunder, or (iii) which pertain to the use, support, implementation, or training of Motive's software or have any other involvement with Motive's software.

14. Insurance

Consultant agrees to be insured by insurers reasonably acceptable to Motive in the following amounts:

14.1 Workers Compensation & Employer's Liability:
As required under the laws of the states in which the work is performed with Employer's liability limit not less than $500,000 per occurrence/annual aggregate.

14.2 Commercial General Liability: Covering all operations of the Consultant including product and completed operations and contractual liability against claims for personal bodily injury and property damage with a combine single limit of $1,000,0000.

14.3 Automobile Liability Insurance:
Covering bodily injury and property damage liability arising out of the use by or on behalf of the Consultant, if agents and employees of any owned, non-owned or hired automobile with combined limits not less than $500,000.

14.4 Errors & Omission 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.

Such insurance coverage as is required under this Agreement shall be in form and with insurance carriers satisfactory to Motive and without additional cost to Motive, unless otherwise provided herein. As evidence of said coverage, Consultant shall forward Certificates of insurance, or copies of insurance policies, to Motive, which shall contain a provision to notify Motive in writing of a cancellation or non-renewal of said coverage's not less than thirty (30) days before its effective date.

15. No Use of Motive's Name

Subcontractor shall not use Motive's name in any form of publicity or release to the public except with the specific approval in writing of Motive.

16. Attorney's Fees

In the event that any dispute arises between the parties hereto with regard to any of the provisions of this Agreement of 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 reasonable attorneys' fees.

17. General Terms and Conditions

17.1 This Agreement and its Attachments and Statements of Work constitute the sole and exclusive statement of the terms and conditions hereof and supersede any prior discussions, writings, and negotiations with respect thereto.

17.2 This Agreement shall not be amended except in writing signed by both parties.

17.3 This Agreement shall be interpreted and enforced in accordance with the laws of Texas.

THE PARTIES HERETO AGREE TO THE FOREGOING AS EVIDENCED BY THEIR SIGNATURES BELOW.

Perficient, Inc. ("Consultant")	Motive Communications, Inc. ("Motive")
By: Bryan Menell	By: [ILLEGIBLE]
Name: Bryan Menell	Name: [ILLEGIBLE]
Title: President	Title: [ILLEGIBLE]
Date: February 22, 1999	Date: February 16, 1999

SUBCONTRACT AGREEMENT

This Subcontract Agreement is made as of March 15, 1999 ("Effective Date") by and between Ventix Systems Inc. ("Company") with principal offices at 211 E. 7th Street, 10th Floor, Austin, TX 78701 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 thirty (30) 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"); provided, however, that upon the third rejection, Company may terminate this Agreement by five (5) days notice unless the Deliverables and Services are accepted during the notice period.

1.4 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.

2. PAYMENT

2.1 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.

2.2 Unless invoicing is tied to deliverable milestones specified under a given Project Assignment, Consultant will invoice Company on a monthly basis for work done by Consultant during the preceding month. Each invoice is due and payable thirty (30) days after the invoice date.

3. CONFIDENTIALITY

3.1 For purposes of this Agreement, "Proprietary Information" is information that was developed, created, or discovered by the Company, or which became known by, or was conveyed to the Company, which has commercial value in the Company's business. "Proprietary Information" includes, but is not limited to, trade secrets, copyrights, ideas, techniques, know-how, show-how, inventions (whether patentable or not) and/or any other information of any type relating to designs, configurations, toolings, schematics, master works, algorithms, flow charts, circuits, works of authorship, formulae, mechanisms, research, manufacture, assembly, installation, marketing, pricing, customers, salaries and terms of compensation of Company employees, and/or cost or other financial data concerning any of the foregoing or the Company and its operations generally. Consultant understands that the contracting arrangement creates a relationship of confidence and trust between Consultant and the Company with respect to Proprietary. Except for purposes permitted under this Agreement, Consultant hereby agrees to not disclose or use any Proprietary Information and agrees to take precautions to prevent any unauthorized disclosure or use of the Proprietary Information consistent with precautions used to protect its own confidential information, but in no event less than reasonable care. The obligations of Consultant hereunder shall not apply to any materials or information which it can demonstrate, through documented evidence (a) is now, or hereafter becomes, through no act or failure to act on the part of Consultant, generally known or available; (b) is known by the Consultant at the time of receiving such information as evidenced by its records; (c) is hereafter furnished to Consultant by a third party, as a matter of right and without restriction on disclosure; (d) is independently developed by the Consultant without use of any Proprietary Information; or (e) is the subject of a written permission to disclose provided by the Company. Notwithstanding any other provision of this Agreement, disclosure of Proprietary 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 Consultant shall first have given notice to Company in order that the Company may obtain a protective order requiring that the Proprietary Information so disclosed be used only for which the order was issued and the Consultant 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 Nothing in this Agreement shall restrict Consultant's use or disclosure of know-how or other information of general applicability in the conduct of Consultant's business (including patterns, methods, techniques, processes or discoveries) learned or developed by Consultant in the course of providing Services hereunder; provided, however, that no license is granted to any patent rights or copyrights therein and provided further that no such use or disclosure shall be made in connection with the development by Consultant of products or services for any party which should be reasonably known by Consultant to be a direct competitor of the Company.

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

4. PROPRIETARY INFORMATION AND INVENTIONS

4.1 "Proprietary Right" shall mean any patent, trade secret, confidentiality protection, know-how right, show-how right, copyright (including any moral right, provided however that any non-assignable moral right is waived to the extent permitted by law), mask work right and any other intellectual property protection. Consultant hereby assigns to the Company all Consultant's rights, title and interest (present and future) in and to any and all Proprietary Information (and in and to any and all Proprietary Rights which may be available in such Proprietary Information or result therefrom) that Consultant develops or conceives or reduces to practice or learns, either alone or jointly with others, during the period of this Agreement, relating to the Company's business. All such assigned Proprietary Information and all such assigned Proprietary Rights are hereinafter referred to as "Company Inventions." Consultant hereby acknowledges and agrees that (a) all Company Inventions shall be the sole and exclusive property of the Company, its successors and assigns, (b) the Company, its successors and assigns shall be the sole and exclusive owner of all Company Inventions throughout the world, and (c) the Company Inventions shall be the Company's Proprietary Information and shall be treated by Consultant as such in all respects. Consultant hereby waives and quitclaims to the Company any and all claims, of any

nature whatsoever, that Consultant now or may hereafter have for infringement of any Company Invention. Consultant hereby acknowledges and agrees that all Company Inventions shall be treated as the Company's Proprietary Information.

4.2 Consultant acknowledges and agrees that all original works of authorship that are created by Consultant (solely or jointly with others) within the scope of Consultant's engagement under this Agreement, and are protectable by copyright are "works made for hire," as that term is defined in the United States Copyright Act (17 U.S.C., Section 101).

4.3 All Proprietary Information and all patents, copyrights and other rights in connection therewith shall be the sole property of the Company. Consultant hereby assigns to the Company any rights Consultant may have or acquire in such Proprietary Information. At all times, both during the period Consultant renders services to the Company and after the contracting arrangement is terminated, Consultant will keep in confidence and trust and will not use or disclose any Proprietary Information or anything relating to it without the prior written consent of an officer of the Company, except as may be necessary in the ordinary course of rendering services to the Company.

4.4 Consultant agrees that if during the period Consultant renders services to the Company, without the written permission of an officer of the Company, Consultant incorporates into a product, process, machine or otherwise uses an invention, development, or discovery owned by Consultant, or in which Consultant has an interest, the Company shall be and is hereby granted a worldwide, irrevocable, sublicenseable, transferable, royalty-free license to practice the invention, development, or discovery and to make, have made, use, sell, lease or otherwise dispose of any product incorporating the invention, development, or discovery, without restriction to the extent of Consultant's ownership or interest or any derivatives thereof.

4.5 Consultant acknowledges and agrees that all Company Inventions constitute the Proprietary Information of Company and are therefore subject to the provisions of Section 3 above.

4.6 Consultant shall assist the Company in every proper way to apply for, obtain, perfect, evidence, sustain and enforce United States and foreign Proprietary Rights in (or resulting from) Company Inventions, in any and all countries. Consultant shall execute, verify and delivery any document and perform any other act (including for example but not limited to appearing as a witness) as the Company or its designee(s) may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such Proprietary Rights and the assignment thereof. In addition, upon request by the Company or its designee(s), Consultant shall execute, verify and deliver assignments of such Proprietary Rights to the Company or its designee(s). Consultant's obligation to assist the Company and its designee(s) with respect to such Proprietary Rights, in any and all countries, shall continue beyond the termination of this Agreement, but the Company shall provide a compensation at Consultant's reasonable rate after

termination of this Agreement for the time actually spent by Consultant at the Company's request on such assistance.

If the Company is unable for any reason, after reasonable effort, to secure Consultant's signature on any document needed in connection with the actions specified in the preceding paragraph, Consultant hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Consultant's agent and attorney in fact, to act for and in Consultant's behalf to execute, verify and file any document and to do any other lawfully permitted act to further the purposes of the preceding paragraph with the same legal force and effect as if Consultant executed such document and as if Consultant performed such act.

4.7 All Company Documents shall be the sole property of the Company. Consultant agrees that Consultant shall not remove any Company Documents from the business premises of the Company or deliver any Company Documents to any person or entity outside the Company, except as required to do in connection with rendering services to the Company. Consultant further agrees that, immediately upon Company's request and in any event upon termination of this Agreement, Consultant will return all Company Documents, apparatus, equipment and other physical property, or any reproduction of such property.

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 during the term of this Agreement to possess, install and use the Software for such limited purposes. Consultant acknowledges that Software is the Proprietary Information of Company and therefore subject to the provisions of Section 3 above.

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 ten (10) days prior written notice.

7. WARRANTY

Consultant represents and warrants that performance of all the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by Consultant in confidence or in trust prior to the execution of this Agreement. Further, Consultant warrants that 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 meeting the Acceptance Criteria 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 all amounts paid by Company for such Services and Deliverables 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.

8. TERM AND TERMINATION

8.1 This Agreement is effective as of the Effective Date and will continue for 3 years unless earlier terminated as set forth below. This Agreement may be terminated by: (a) the Company pursuant to the provisions of Section 1.3 above; or (b) by either party, with or without cause, at any time upon thirty (30) days prior written notice to the other party; provided, however, that no termination without cause under subsection (b) hereof will be effective until any outstanding Project Assignments have been completed. The rights and obligations contained in Articles 3 ("Confidentiality") 4 ("Proprietary information and Inventions"), 7 ("Limited Warranty; Disclaimer"), 8 ("Term and Termination"), 10 ("Limitation of Liability") and 11 ("General Terms and Conditions"), and any accrued payment obligations under Article 2 ("Payment") for Services and Deliverables which have been accepted by the Company, 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

Except for damages arising due to a breach of the provisions of Section 3 above, 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 such party 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. GENERAL TERMS AND CONDITIONS

11.1 During the term of this agreement and for a period of one (1) year thereafter, each party agrees that it shall not encourage or solicit any employee of the other party, or any person who has within the prior six (6) months been an employee of the other party, to leave the employ of the other party for any reason; without the express written permission of the other party.

11.2 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.

11.3 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.

11.4 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 tile 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.

11.5 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.

11.6 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.

11.7 Each party 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, but not limited to, Proprietary Information and the Deliverables. Each party agrees that it will not export or re-export any Proprietary Information or Deliverables in any form, without the appropriate United States and foreign governmental licenses.

11.8 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.

11.9 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.

11.10 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 aggrement 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 Subcontract Agreement as of the date last written below.

"Consultant"	"Company"
Perficient, Inc.	
By: Bryan Menell	By: [ILLEGIBLE]
Name: Bryan Menell	Name: [ILLEGIBLE]
Title: President	Title: [ILLEGIBLE]

AGREEMENT FOR SUBCONTRACTING SERVICES

This Agreement for Subcontracting Services (the "AGREEMENT") is made as of April 23, 1999 by and between Interwoven, Inc., a California corporation with a place of business at 1195 W. Fremont Ave., #2000, Sunnyvale, California 94087 ("INTERWOVEN") and PERFICIENT. a Texas corporation, with a place of business at 144 South Third Street, Suite 105, San Jose, CA 95112 ("SUBCONTRACTOR").

1. DEFINITIONS.

a. "PROJECT" shall mean the services and Deliverables to be provided to Interwoven or a client of Interwoven under a specific Statement of Work.

b. "STATEMENT OF WORK" shall mean an attachment to this Agreement which references this Agreement and defines, with respect to a specific Project, the services to be performed, Deliverables, Interwoven Responsibilities, final or interim project completion dates or milestones, fees or rates, and which sets forth any modifications to this Agreement. A Statement of Work signed by both parties shall be incorporated in and made a part of this Agreement. In the event of a conflict between the Statement of Work and this Agreement, the terms of the Agreement shall prevail.

c. "DELIVERABLES" shall mean any and all items described in a Statement of Work that Subcontractor agrees to deliver to Interwoven or to Interwoven's client in performance of the services governed by such Statement of Work.

2. SERVICES.

a. Subcontractor shall perform the services ("WORK") and provide the Deliverables to Interwoven set forth in the Statement of Work.

b. Each of Interwoven and Subcontractor shall appoint a Project Manager who shall be responsible for coordinating its activities under a Statement of Work. Each party shall direct all inquiries, requests and reports concerning the services and Deliverables to the other party's Project Manager. Subcontractor shall submit written progress reports, and Interwoven shall submit written replies, in accordance with a schedule to be determined by the Project Managers.

c. Time is of the essence in the performance of Work and other obligations hereunder, and Subcontractor agrees to complete the Work by the milestones and dates set forth in the Statement of Work. If Subcontractor fails to complete the Work in a satisfactory manner by the date specified therefor in the Statement of Work, fails to complete any specified portion of Work by the milestone (if any) provided therefor in the Statement of Work, or fails to make reasonable progress toward satisfactorily completing Work by the date specified therefor in a Statement of Work which does not specify milestones, except for delays by Interwoven as described in Section 4.c below and subject to Section 14.c., Interwoven may, at its option and in its sole discretion:

(1) defer all payments payable under the Statement of Work until Subcontractor is in compliance with all performance and delivery requirements related to that Work and, in the case of Work under a Statement of Work that does not specify milestones,

demonstrates to Interwoven's reasonable satisfaction that Subcontractor will complete the Work by the date specified therefor; or

(2) Notify Subcontractor that the Statement of Work will be terminated unless Subcontractor cures all breaches hereof and, if the Statement of Work does not specify milestones, demonstrates to Interwoven's reasonable satisfaction that Subcontractor will complete the Work in a satisfactory manner by the date specified therefor, all within a period of ten (10) days. Unless Subcontractor timely complies with this requirement, at the end of such ten (10) day period, Subcontractor will discontinue performance under the Statement of Work, except that Subcontractor will deliver to Interwoven all Deliverables under the Statement of Work, whether or not completed, and if after inspecting the same, Interwoven does not promptly return them but instead notifies Subcontractor of its election to retain such Deliverables, it will pay Subcontractor in accordance with the applicable payment and reimbursement provisions set forth in Section 5.c below, with no obligation to make such payments if Interwoven elects to return such Deliverables to Subcontractor and certifies that Interwoven has retained no copies.

3. FEES AND PAYMENT.

a. The fees due Subcontractor for services in connection with a Project, exclusive of taxes, shall be as set forth in the applicable Statement of Work. Any expenses, including reasonable travel expenses, incurred by Subcontractor and necessary to perform the services that are pre-approved by Interwoven and in accordance with Interwoven's travel policy, a copy of which shall be provided to Subcontractor prior to any authorized travel on behalf of Interwoven, will be reimbursed by Interwoven. Interwoven shall pay sales, excise and similar taxes arising in connection with services for a Project, except for any income tax due on income received by Subcontractor, upon receipt by Interwoven of an invoice from Subcontractor setting forth a description and amount of such taxes.

b. Subject to Section 2.c above, payment for all Work performed by Subcontractor in connection with a Project shall be made by Interwoven to Subcontractor in accordance with the Payment Schedule in the applicable Statement of Work. All fees are due and payable within thirty (30) days after receipt of invoice. Reimbursable expenses will be billed to Interwoven incurred by Subcontractor and payable within thirty (30) days after receipt of invoice.

4. CHANGE OF SCOPE.

a. Subcontractor will notify Interwoven in writing whenever it identifies the need to perform Work or provide a Deliverable additional to or different from those set forth in a Statement of Work (a "CHANGE OF SCOPE"). Interwoven may notify Subcontractor in writing whenever Interwoven believes there is a need for a Change of Scope.

b. If Interwoven wishes Subcontractor to perform or deliver what is identified in a Change of Scope provided by Subcontractor. Interwoven will so notify Subcontractor in writing. Subcontractor will provide an estimate of the cost and schedule impact of performing or delivering the Change of Scope, which estimate will be provided within a mutually agreed time frame. Subcontractor shall not be obliged to take further action with respect to the Change of

Scope until Subcontractor and Interwoven execute an appropriate written amendment to the applicable Statement of Work.

c. If Interwoven fails to meet the Interwoven Responsibilities as defined in the Statement of Work, and such failure materially and adversely affects Subcontractor's costs or schedule or precludes further work by Subcontractor on the Project until the Interwoven Responsibilities are met, then Subcontractor will notify Interwoven in writing, and Subcontractor and Interwoven will promptly cooperate to make an appropriate written amendment to the applicable Statement of Work.

5. TERM OF AGREEMENT; TERMINATION.

a. This Agreement is effective upon execution for a term of one year from the date first written above, or until the completion of all Projects described in Statements of Work executed hereunder, whichever period is longer. The parties may extend the term by mutual written agreement.

b. This Agreement may be terminated by either party at any time upon thirty (30) days written notice to the other party; provided, however, any such termination will not excuse the nonperformance of either parties' obligations with respect to any unfinished Work (or payment therefor) and completion of all Projects under a Statement of Work or pursuant to Sections 6, 7, 8, 9, 10. 11 and 14.a.

c. Interwoven shall have the right to terminate a Statement of Work at any time by giving written notice to Subcontractor, in which case (unless Subcontractor is in breach of this Agreement), Interwoven will (a) Pay Subcontractor for the reasonable value of the Work performed prior to receiving such notice of termination, which value shall be calculated as follows: (i) for a Statement of Work based on time and materials, the hourly rates for Subcontractor personnel as may be set forth in the applicable Statement of Work under which Work was actually performed, (ii) if the Statement of Work provides for interim payments for partial completion of the Work upon reaching a milestone, the portion of the next milestone payment amount that reflects Interwoven's reasonable estimate of the pro rata portion of the Work necessary to reach the next milestone which was actually performed by Subcontractor after the prior milestone, if any, or (iii) for a Statement of Work other than those described in (i) and (ii) above, the total fees due under the Statement of Work, as equitably adjusted for that portion of the Work that has not yet been performed; and (b) reimburse Subcontractor for all reasonable reimbursable expenses under Section 3 above incurred by Subcontractor prior to receiving such notice of termination and all reasonable costs incurred by Subcontractor thereafter to return or dispose of unused materials and equipment acquired by Subcontractor to perform the Work or deliver the Deliverables under such Statement of Work, provided that Subcontractor will exert its best efforts to minimize such costs. In the event of such a termination, Subcontractor shall deliver to Interwoven, or to its client if Interwoven so directs, all copies of any and all materials or information (x) provided by Interwoven or Interwoven's client; or (y) Deliverables created by Subcontractor for Interwoven or Interwoven's client hereunder, whether complete or partially complete.

6. CONFIDENTIALITY.

a. It is anticipated that each of the parties will disclose to the other "CONFIDENTIAL INFORMATION." "CONFIDENTIAL INFORMATION" means any information obtained from or through Interwoven or Interwoven's client, or developed or obtained by Subcontractor in connection with the performance of this Agreement or any Statement of Work hereunder, including, without limitation, software programs, technical data, methodologies, customer information and business information of the parties, and any information contained in any Deliverables.

b. Each party shall be a "Disclosing Party" with respect to Confidential Information which that party discloses to the other and shall be a "Receiving Party" with respect to Confidential Information which that party receives from the other. A Disclosing Party shall not identify as Confidential Information any information, which the Disclosing Party does not, in good faith, consider to be proprietary and/or confidential.

c. The Receiving Party shall employ diligent efforts to maintain the secrecy and confidentiality of all Confidential Information. Such diligent efforts shall be at least equivalent to that degree of care which the Receiving Party normally exercises with regard to its own property that it maintains secret and confidential, but in any event no less than a reasonable degree of care.

The Confidential Information may be disclosed only for purposes of the joint activity with the Disclosing Party and only to the Receiving Party's employees with a need to know, provided that each such employee has previously been advised of the terms of this Agreement. The Receiving Party may disclose Confidential Information of the Disclosing Party to employees of a client with a need to know for purposes of the joint activity of the parties hereunder, only pursuant to a written confidentiality agreement of the Receiving Party and the client which (a) expressly identifies the Confidential Information of the Disclosing Party, (b) provides no less protection of the Confidential Information than the provisions of this Article, and (c) is, in all other respects, reasonably acceptable to the Disclosing Party. The Receiving Party shall not disclose under any circumstances Confidential Information of the Disclosing Party to an employee or contractor or subcontractor or agent of the Receiving Party who has on any occasion been a party to or been exposed to any type of business relationship whatsoever, including employment, with any competitors or potential competitors of the Disclosing Party without first obtaining the written permission of the Disclosing Party. The foregoing notwithstanding, Interwoven shall have the right to disclose pricing information of Subcontractor to Interwoven's client or potential client, to the extent Interwoven reasonably determines that such disclosure is appropriate in the course of its negotiations with its client. In such event, Interwoven shall disclose pricing information of Subcontractor only to the extent necessary for the purposes of negotiation.

d. The disclosure of Confidential Information shall not be construed to grant to the Receiving Party any ownership or other proprietary interest in such information. The Receiving Party agrees that it does not acquire any title, ownership, or other intellectual property right or license by virtue of such disclosure.

e. "Confidential Information" shall not include any information disclosed hereunder which: (a) was rightfully in the Receiving Party's possession before receipt from the Disclosing Party other than through prior disclosure by the Disclosing Party: or (b) is or becomes a matter of general public knowledge through no breach of this Agreement: or (c) is rightfully

received by the Receiving Party without an obligation of confidentiality and from a third party who did not receive it directly or indirectly from the Disclosing Party; or (d) is independently developed by the Receiving Party; or (e) is disclosed under operation of law, governmental regulation, or court order, provided the Receiving Party first gives the Disclosing Party notice and a reasonable opportunity to secure confidential protection of such information.

f. Upon termination of this Agreement, the Receiving Party shall (i) immediately cease using the Confidential Information, (ii) promptly return to the Disclosing Party all tangible embodiments of the Confidential Information, and (iii) promptly certify in writing the Receiving Party's compliance with this paragraph.

g. In the event that a Receiving Party breaches a provision of this Section, the damage to the Disclosing Party will be irreparable. Therefore, in the event of a breach or threat of breach, the Disclosing Party shall be entitled to equitable relief to restrain such breach or threat of breach, in addition to any other relief available at law or in equity.

7. INTELLECTUAL PROPERTY.

a. Unless otherwise specified in a Statement of Work, as between Interwoven and Subcontractor, Interwoven will own and, to the extent permissible under applicable law, Subcontractor hereby assigns to Interwoven all proprietary rights in any and all inventions, works of authorship, products or processes, whether or not patentable, conceived or reduced to practice or fixed in a tangible medium of expression by Subcontractor in the performance of services hereunder ("INNOVATIONS"). If requested by Interwoven, Subcontractor agrees to do all things necessary to assist Interwoven (or Interwoven's client) in obtaining patents, copyrights or other proprietary rights on Innovations. Subcontractor agrees to execute such documents as may be necessary to implement and carry out the provisions of this Section 7.a. If implementing any recommendation of Subcontractor or making, using, selling, offering for sale, copying or distributing any Deliverable or copies of any Deliverable would infringe any patent or copyright owned or controlled by Subcontractor, Interwoven will have a perpetual, assignable, non-exclusive, royalty-free license (with the right to sublicense) under all such patents and copyrights to do all things necessary to implement the recommendation, to make, use, sell, offer for sale, copy and distribute all Deliverables and copies of Deliverables, to create works of authorship derived from Deliverables, and to use, sell, copy and distribute any such derivative works.

b. Subcontractor shall furnish to Interwoven, or to its client if Interwoven so directs, copies of all drawings, plans, specifications, reports and data developed or produced for Interwoven under this Agreement.

8. INTELLECTUAL PROPERTY INDEMNITY.

a. Interwoven will notify Subcontractor, in writing, of any claim, action or proceeding ("INFRINGEMENT CLAIM") against Interwoven or Interwoven's client that any Deliverable or other work product produced by Subcontractor for Interwoven, or the use thereof, infringes a patent, trademark, copyright or other proprietary right of a third party or misappropriates a trade secret of a third party.

b. Upon being notified of any Infringement Claim brought against Interwoven or Interwoven's client based on such a claim, Subcontractor, at its sole cost, shall indemnify and defend Interwoven and Interwoven's client in said action, perform any negotiations for settlement or compromise of the action, and pay any and all settlements reached and/or costs and damages awarded in any such action, together with reasonable attorney's fees; provided, however, that to the extent that any action is based upon a claim that material furnished to Subcontractor by Interwoven or Interwoven's client, or the use thereof, infringes a patent, trademark, copyright, or other proprietary right of a third party, or misappropriates a trade secret of a third party, Interwoven, at its sole cost, shall indemnify and defend Subcontractor in such action, perform any negotiations for settlement or compromise of the action, and pay any and all settlements reached and/or costs and damages awarded in the action, together with reasonable attorney's fees.

c. In the event of an Infringement Claim Subcontractor will, with the consent of Interwoven: (a) obtain the rights to use the infringing material; (b) modify the Deliverables so as to render them non-infringing and functionally equivalent: or (c) provide functionally equivalent substitute Deliverables; PROVIDED, however, that if none of the other options set forth in this paragraph can reasonably be achieved, Subcontractor may, in its sole discretion, elect to refund to Interwoven all fees paid to Subcontractor under the applicable Statement of Work in full satisfaction of Subcontractor's obligations under the Statement of Work. Any remedy under this paragraph shall be undertaken at the expense of the party that furnished the infringing material.

9. WARRANTIES.

a. Interwoven warrants that Subcontractor's use of any and all materials furnished by Interwoven hereunder will not violate or conflict with any U.S. intellectual property rights of any third persons including, but not limited to, copyrights, patent and trademarks. If Subcontractor performs code renovation hereunder, Interwoven warrants that it is authorized to permit Subcontractor's use of all relevant code for purposes of such renovation.

b. Subcontractor warrants that:

(1) it will perform the Work and all services to be rendered hereunder with that standard of care, skill and diligence normally provided by a professional person in the performance of similar services with respect to work similar to that specified by any Statement of Work;

(2) upon delivery of each Deliverable to Interwoven, Interwoven will have marketable title to that Deliverable, free and clear of all liens and encumbrances;

(3) the Deliverables will meet the standards customarily met by professional persons providing such Deliverables and also any specifications set forth therefor in the Statement of Work applicable thereto;

(4) to the extent that any Deliverable consists of computer hardware or software, such Deliverables will be Year 2000 Compliant. For purposes of this Agreement, the term "YEAR 2000 COMPLIANT" means that such Deliverable is designed to be used before, during and after the year 2000. Specifically, such Deliverable will (i) represent all calendar years with four digits as opposed to two (e.g., 2001 instead of 01); (ii) correctly identify and process all dates,

including those in calculations which reference one or more centuries: (iii) operate without any errors, aborts or invalid results related to any date; and (iv) correctly identify and process leap years;

(4) Subcontractor, Subcontractor's employees, contractors or agents will not perform services, disclose Confidential Information or engage in any consultation work for a third party relating to Interwoven's current or anticipated business which would conflict with Subcontractor's obligations to Interwoven under this Agreement, without first obtaining Interwoven's prior written consent.

(5) the Deliverables and all work products created and delivered by Subcontractor hereunder will not violate or conflict with any intellectual property rights of any third persons including, but not limited to, copyrights, patents and trademarks. Subcontractor makes no warranty with respect to third party rights in any materials finished to Subcontractor by Interwoven.

c. For purposes of this Section 9, material furnished by Interwoven's client shall be considered material furnished by Interwoven.

d. EXCEPT AS SET FORTH ABOVE, NEITHER PARTY MAKES ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

10. LIMITATION OF LIABILITY.

a. Neither party shall be liable hereunder for special or consequential losses or damages of any kind or nature whatsoever, including but not limited to lost profits, lost records or data, lost savings, loss of use of facility or equipment, loss by reason of facility shut-down or non-operation or increased expense of operations, or other costs, charges, penalties, or liquidated damages, regardless of whether arising from breach of contract, warranty, tort, strict liability or otherwise, even if advised of the possibility of such loss or damage, or if such loss or damage could have been reasonably foreseen.

b. Except as otherwise provided in Sections 6, 7, 8 and 9, Subcontractor's liability hereunder, regardless of the form of action, shall not exceed the total amount paid for services under this Agreement. Subcontractor's liability shall not be so limited with respect to injuries to persons or damage to tangible property arising out of the negligence or willful misconduct of Subcontractor or its employees.

c. Neither party's liability shall be limited by this Section with respect to claims arising from breach of the confidentiality obligations of this Agreement or arising from such party's infringement or misappropriation of the other party's (or Interwoven's client's) intellectual property rights.

11. INSURANCE.

Subcontractor shall carry and maintain in force at all times relevant hereto insurance of the types and minimum coverage amounts as follows and shall provide Interwoven with evidence of same upon request:

a. Workers' Compensation and Employer's Liability Insurance providing for payment of benefits to and for the account of employees employed in connection with the work covered by this Agreement as required by the statutes of the state where the work is being performed.

b. Commercial General Liability Insurance with minimum limits of $5 million combined bodily injury and property damage per occurrence and aggregate.

c. Business Automobile Liability Insurance with minimum limits of $2 million combined single limit bodily injury and property damage per occurrence.

12. SUBCONTRACTOR PERSONNEL. Subcontractor personnel who provide services to Interwoven under this Agreement may perform similar services for others during the term of this Agreement, with the exception of competitors of Interwoven. Subcontractor will make reasonable efforts to honor specific requests of Interwoven regarding assignment of Subcontractor personnel, but Subcontractor reserves the right to make and change all such assignments, provided that Interwoven shall retain the right to reject the specific personnel assigned to Projects.

13. INDEPENDENT CONTRACTORS. Subcontractor and Interwoven shall at all times be independent parties. Neither party is an employee, joint venturer, agent, or partner of the other, neither party is authorized to assume or create any obligations or liabilities, express or implied, on behalf of or in the name of the other. The employees, methods, facilities and equipment of each party shall at all times be under the exclusive direction and control of that party.

14. MISCELLANEOUS.

a. PUBLICITY. Neither party shall use the name of the other for any commercial purpose without the prior written consent of the other, provided that Interwoven may inform its client that Subcontractor will be performing services on behalf of such client.

b. ASSIGNMENT. Subcontractor may not assign any rights or delegate any obligations created by this Agreement without the prior written consent of Interwoven, which consent shall not be unreasonably withheld. Any assignment in violation of this Agreement is void. This Agreement shall be binding upon the heirs, successors, legal representatives and permitted assigns of the parties.

c. FORCE MAJEURE. Neither party shall be considered in default in the performance of any obligation hereunder to the extent that the performance of such obligation is prevented or delayed by fire, flood, explosion, strike, war, insurrection, embargo, government requirement, civil or military authority, act of God, or any other event, occurrence or condition which is not caused, in whole or in part, by that party, and which is beyond the reasonable control of that party. The parties shall take all reasonable action to minimize the effects of any such event, occurrence or condition.

d. SEVERABILITY. If any provision of this Agreement is found invalid or unenforceable by an arbitration panel or a court of competent jurisdiction, such provision will be narrowed (or deleted if necessary) to the minimum extent necessary to make such provision enforceable, and the remaining provisions of this Agreement shall continue in full force and effect.

e. RESERVATIONS OF RIGHTS. A delay or failure in enforcing any right or remedy afforded hereunder or by law shall not prejudice or operate to waive that right or remedy or any other right or remedy, including any remedy for a future breach of this Agreement, whether of a like or different character.

f. ENTIRE AGREEMENT; AMENDMENTS; WAIVER. This Agreement, together with every Statement of Work executed by the parties, constitutes the entire agreement of the parties concerning the subject matter hereof and thereof, superseding any and all previous agreements and understandings, whether oral or written, with respect to the subject matter of this Agreement. No representation or promise relating to and no amendment or modification of this Agreement will be binding unless it is in writing and signed by an authorized representative of each party. No waiver by a party of any breach of any provision of this Agreement will constitute a waiver of any other breach of that or any other provision of this Agreement. of the provisions of this Agreement shall be valid or binding on either party unless in writing and signed by both parties.

g. NOTICE. All notices will be given in writing and will be sent by prepaid certified mail with return receipt requested or transmitted by facsimile (if confirmed by such writing) to the address or facsimile telephone number for the parties indicated beneath the signature below. Either party may change its mailing address or facsimile telephone number by written notice to the other party. The parties may communicate via electronic mail regarding the Statement(s) of Work, Project(s) and Deliverable(s), however, all formal notice must be in writing and sent to the other party as described in this Section.

h. RESELLER AGREEMENT. In the event that this Agreement or any Statement of Work hereunder includes the sale by Subcontractor to Interwoven of any product manufactured or supplied by a third party pursuant to a reseller agreement, all warranties, limitations and exclusions set forth in the reseller agreement shall pass through to Interwoven.

i. ARBITRATION. If there is any disagreement that cannot be resolved between the parties arising out of or relating to this Agreement (other than a dispute concerning the ownership of any copyright or other intellectual property right), any such dispute will be settled by binding arbitration in Santa Clara County, California, in accordance with the rules of the American Arbitration Association. Any party receiving an award in arbitration may have judgment entered on the award in any court having jurisdiction. The prevailing party in any dispute will be entitled to receive from the other party its reasonable attorneys' fees and costs.

j. GOVERNING LAW; VENUE, CAPTIONS. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of California, excluding its conflicts of laws principles. Any legal action or proceeding arising under this Agreement will be brought exclusively in the federal or state courts of the Northern District of California and the parties hereby consent to the personal jurisdiction and venue therein. The captions appearing in

this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or interpretation of this Agreement.

k. SURVIVAL. The provisions of Sections 3, 6, 7, 8, 9, 10, 11 and 14 shall survive any expiration, cancellation or termination of this Agreement.

l. COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be considered an original hereof but which together shall constitute one agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in counterpart originals by their authorized representatives.

SUBCONTRACTOR: PERFICIENT	INTERWOVEN, INC.
/s/ BRYAN MENELL	/s/ DAVID M. ALLEN
AUTHORIZED SIGNATURE	AUTHORIZED SIGNATURE
NAME BRYAN MENELL	NAME David M. Allen
TITLE PRESIDENT	TITLE V.P. - CFO
DATE 4/29/99	DATE 4/30/99
FACSIMILE NUMBER 912 306-7331	FACSIMILE NUMBER 408 530-5745
E-MAIL ADDRESS BMENELL@PERFICIENT.com	E-MAIL ADDRESS 408 774-2002

Consent of Independent Auditors

We consent to the reference to our firm under the caption "Experts" and to the use of our reports dated May 3, 1999 except for Note 10, as to which the date is July 1, 1999, in the Registration Statement (Form SB-2 No. 333-78337) and the related Prospectus of Perficient, Inc. for the registration of 1,000,000 shares of its common stock.

/s/ Ernst & Young LLP

Austin, Texas
July 22, 1999