

LIVEPERSON INC  
Form 10-Q  
May 09, 2008

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q**

**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the quarterly period ended MARCH 31, 2008**

**or**

**o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number: 0-30141**

**LIVEPERSON, INC.**

(Exact Name of Registrant as Specified in Its Charter)

**DELAWARE**

(State or Other Jurisdiction of  
Incorporation or Organization)

**13-3861628**

(IRS Employer Identification No.)

**462 SEVENTH AVENUE  
NEW YORK, NEW YORK**

(Address of Principal Executive Offices)

**10018**

(Zip Code)

**(212) 609-4200**

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No "

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

Large accelerated filer " Accelerated filer x  
Non-accelerated filer " Smaller reporting company "  
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

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As of May 5, 2008, there were 47,175,139 shares of the issuer's common stock outstanding.

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**LIVEPERSON, INC.**  
**MARCH 31, 2008**  
**FORM 10-Q**  
**INDEX**

	PAGE
<b>PART I. FINANCIAL INFORMATION</b>	<b>4</b>
<b>ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>4</b>
CONDENSED CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2008 (UNAUDITED) AND DECEMBER 31, 2007	4
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2008 AND 2007	5
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2008 AND 2007	6
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	8
<b>ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</b>	<b>19</b>
<b>ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</b>	<b>27</b>
<b>ITEM 4. CONTROLS AND PROCEDURES</b>	<b>27</b>
<b>PART II. OTHER INFORMATION</b>	<b>28</b>
<b>ITEM 1. LEGAL PROCEEDINGS</b>	<b>28</b>
<b>ITEM 1A. RISK FACTORS</b>	<b>29</b>
<b>ITEM 2. PURCHASES OF EQUITY SECURITIES BY THE ISSUER</b>	<b>29</b>
<b>ITEM 6. EXHIBITS</b>	<b>30</b>

### **FORWARD-LOOKING STATEMENTS**

STATEMENTS IN THIS REPORT ABOUT LIVEPERSON, INC. THAT ARE NOT HISTORICAL FACTS ARE FORWARD-LOOKING STATEMENTS BASED ON OUR CURRENT EXPECTATIONS, ASSUMPTIONS, ESTIMATES AND PROJECTIONS ABOUT LIVEPERSON AND OUR INDUSTRY. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL FUTURE EVENTS OR RESULTS TO DIFFER MATERIALLY FROM SUCH STATEMENTS. ANY SUCH FORWARD-LOOKING STATEMENTS ARE MADE PURSUANT TO THE SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. IT IS ROUTINE FOR OUR INTERNAL PROJECTIONS AND EXPECTATIONS TO CHANGE AS THE YEAR OR EACH QUARTER IN THE YEAR PROGRESS, AND THEREFORE IT SHOULD BE CLEARLY UNDERSTOOD THAT THE INTERNAL PROJECTIONS AND BELIEFS UPON WHICH WE BASE OUR EXPECTATIONS MAY CHANGE PRIOR TO THE END OF EACH QUARTER OR THE YEAR. ALTHOUGH THESE EXPECTATIONS MAY CHANGE, WE ARE UNDER NO OBLIGATION TO INFORM YOU IF THEY DO. OUR COMPANY POLICY IS GENERALLY TO PROVIDE OUR EXPECTATIONS ONLY ONCE PER QUARTER, AND NOT TO UPDATE THAT INFORMATION UNTIL THE NEXT QUARTER. ACTUAL EVENTS OR RESULTS MAY DIFFER MATERIALLY FROM THOSE CONTAINED IN THE PROJECTIONS OR FORWARD-LOOKING STATEMENTS. FACTORS THAT COULD CAUSE OR CONTRIBUTE TO SUCH DIFFERENCES INCLUDE THOSE DISCUSSED IN PART II, ITEM 1A, "RISK FACTORS."

**PART I. FINANCIAL INFORMATION****ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****LIVEPERSON, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS  
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)**

	<b>March 31, 2008</b>	<b>December 31, 2007</b>
	(Unaudited)	(Note 1(B))
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 21,542	\$ 26,222
Accounts receivable, net of allowances for doubtful accounts of \$270 and \$208 as of March 31, 2008 and December 31, 2007, respectively	7,247	6,026
Prepaid expenses and other current assets	1,844	1,802
Deferred tax assets, net	-	42
<b>Total current assets</b>	<b>30,633</b>	<b>34,092</b>
Property and equipment, net	4,752	3,733
Intangibles, net	6,255	6,953
Goodwill	51,783	51,684
Deferred tax assets, net	4,272	4,202
Security deposits	337	499
Other assets	1,527	1,325
<b>Total assets</b>	<b>\$ 99,559</b>	<b>\$ 102,488</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 3,770	\$ 3,067
Accrued expenses	5,759	9,191
Deferred revenue	4,941	4,000
Deferred tax liabilities, net	208	193
<b>Total current liabilities</b>	<b>14,678</b>	<b>16,451</b>
Other liabilities	1,527	1,325
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.001 par value per share; 5,000,000 shares authorized, 0 shares issued and outstanding at March 31, 2008 and December 31, 2007	—	—
Common stock, \$.001 par value per share; 100,000,000 shares authorized, 47,482,357 shares issued and outstanding at March 31, 2008 and 47,892,128 shares issued and outstanding at December 31, 2007	47	48
Additional paid-in capital	176,904	178,041
Accumulated deficit	(93,570)	(93,358)
Accumulated other comprehensive loss	(27)	(19)
<b>Total stockholders' equity</b>	<b>83,354</b>	<b>84,712</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 99,559</b>	<b>\$ 102,488</b>

**SEE ACCOMPANYING NOTES TO UNAUDITED CONDENSED**

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**CONSOLIDATED FINANCIAL STATEMENTS.**

4

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**LIVEPERSON, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)**  
**UNAUDITED**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2008</b>	<b>2007</b>
Revenue	\$ 17,085	\$ 10,969
Operating expenses:		
Cost of revenue	4,886	2,789
Product development	3,074	1,820
Sales and marketing	5,798	3,402
General and administrative	3,180	2,020
Amortization of intangibles	391	242
Total operating expenses	17,329	10,273
(Loss) Income from operations	(244)	696
Other income:		
Interest income	81	222
(Loss) Income before provision for income taxes	(163)	918
Provision for income taxes	49	-
Net (loss) income	\$ (212)	\$ 918
Basic net (loss) income per common share	\$ (0.00)	