

BLUE MARTINI SOFTWARE INC

Form 10-K/A

March 24, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

AMENDMENT NO. 1

x Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the year ended December 31, 2003

OR

“ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 0-30925

BLUE MARTINI SOFTWARE, INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

94-3319751
(I.R.S. Employer
Identification No.)

2600 Campus Drive

San Mateo, California 94403

(Address of principal executive offices)

Telephone Number (650) 356-4000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

Yes ☐ No ☒

The aggregate market value of the voting stock held by non-affiliates of the registrant, based on the closing sale price of the Common Stock on June 30, 2003 as reported on the Nasdaq National Market was approximately \$22,596,000. Shares of Common Stock held by each current executive officer and director and by each person who is known by the registrant to own 5% or more of the outstanding Common Stock have been excluded from this computation in that such persons may be deemed to be affiliates of the registrant. Share ownership information of certain persons known by the registrant to own greater than 5% of the outstanding common stock for purposes of the preceding calculation is based solely on information on Schedule 13G filed with the Commission and is as of June 30, 2003. This determination of affiliate status is not a conclusive determination for other purposes.

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The number of shares outstanding of the registrant's Common Stock as of February 25, 2004 was approximately 11,897,000.

EXPLANATORY NOTE

This Amendment No. 1 to the annual report on Form 10-K for Blue Martini Software, Inc. for the fiscal year ended December 31, 2003, amends our original Form 10-K filed with the Securities and Exchange Commission on March 15, 2004 (the Original Report). The purpose of this amendment is to correct a typographical error contained in Part III, Item 10 of the Original Report relating to the composition of our board committees. The amendment does not change the financial statements or other financial disclosures contained in the Original Report.

PART III

Certain information required by Part III is omitted from this Report on Form 10-K since we will file a definitive Proxy Statement for our Annual Meeting of Stockholders to be held on June 4, 2004, pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended (the Proxy Statement), not later than 120 days after the end of the fiscal year covered by this Report, and certain information included in the Proxy Statement is incorporated herein by reference.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT
(a) Executive Officers

The following table sets forth certain information regarding our executive officers as of March 11, 2004:

<u>Name</u>	<u>Age</u>	<u>Office(s)</u>
Monte Zweben	40	Chairman and Chief Executive Officer
Eran Pilovsky	43	Chief Financial Officer
Mary Hamershock	41	Vice President, Human Resources
Claire Hough	44	Vice President, Product Development

Monte Zweben has served as our Chairman and Chief Executive Officer since June 1998. From November 1997 to June 1998, Mr. Zweben was an Entrepreneur in Residence at Matrix Partners and Institutional Venture Partners, two venture capital firms. From October 1996 to November 1997, Mr. Zweben was Vice President and General Manager at PeopleSoft, Inc., a provider of enterprise applications. From 1992 to December 1996, Mr. Zweben was Chairman, President and Chief Executive Officer of Red Pepper Software Company. From September 1986 to December 1992, Mr. Zweben was the Deputy Branch Chief of the NASA Ames Research Center's Artificial Intelligence Branch. Mr. Zweben serves on the board of directors of Advent Software, Inc. and the School of Computer Science at Carnegie-Mellon University. Mr. Zweben has a master's degree in computer science from Stanford University and a bachelor's degree in computer science and industrial management from Carnegie-Mellon University.

Eran Pilovsky has served as our Chief Financial Officer since August 2003, having joined the Company as Vice President of Finance in March 2002. Prior to joining Blue Martini Software, from January 2000 to October 2001, Mr. Pilovsky served as Chief Financial Officer of Vyvo, Inc., a NASDAQ-listed supplier of broadband wireless systems. From October 1997 to January 2000, he was a partner with Ernst & Young LLP, having joined Ernst & Young's audit practice in September 1985. Mr. Pilovsky is a cum laude graduate of the University of San Francisco with a B.S. in Business Administration, and is also a Certified Public Accountant in California.

Mary Hamershock has served as our Vice President, Human Resources since May 2001, having joined the Company as Director, Human Resources in February 2000. Before joining Blue Martini, Ms. Hamershock served as an independent consultant and Human Resources Director for Calico Commerce from March 1999 to February 2000. Prior to Calico Commerce, Ms. Hamershock served in recruiting and human resources roles for Netscape Communications from March 1996 to June 1998. Ms. Hamershock has a bachelor's degree of arts in history from Mills College.

Claire Hough joined the Company in November 2002. From September 2001 to September 2002, Ms. Hough served as Vice President of Engineering for Napster Inc. From April 2000 to July 2001, Ms. Hough was Executive Vice President of Products at eTime Capital. From

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September 1995 to April 2000, Ms. Hough was Vice President and General Manager of the Directory and Security Division at Netscape Communications Inc. Ms. Hough holds bachelor's and master's degrees of science in operations research from the University of California at Berkeley.

(b) Directors

The following table sets forth certain information regarding our Board of Directors as of March 11, 2004, and their ages as of such date:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Monte Zweben	40	Chairman
Dennis Carey (1)	57	Director
Mel Friedman (1)(2)(3)(4)(5)	65	Director
Dominic Gallelo (3)(4)(5)	49	Director
Amal Johnson (2)	51	Director
Andrew Verhalen (2)	46	Director
Gary A. Wetsel (1)	58	Director
William Zuendt (1)(3)(5)	56	Director

- (1) Member of the Audit Committee of the Board of Directors.
- (2) Member of the Compensation Committee of the Board of Directors.
- (3) Member of the Nominating Committee of the Board of Directors.
- (4) Member of the Litigation Committee of the Board of Directors.
- (5) Member of the Governance Committee of the Board of Directors.

Set forth below is biographical information of the Company's board of directors, other than Mr. Zweben who is an officer of Blue Martini as well as a director and whose biographical information may be found in the section entitled "Executive Officers" above:

Dennis Carey has served as a director since July 2002. Mr. Carey is executive vice president of Motorola, Inc. and president and chief executive officer of Motorola's Integrated Electronic Systems Sector. Previously, Mr. Carey served as executive vice president of business development, strategy and corporate operations for The Home Depot, Inc. ("Home Depot") from May 2001 to March 2002. He joined Home Depot in May 1998 as executive vice president and chief financial officer and served in that capacity until May 2001. From 1994 to 1998, Mr. Carey was employed by AT&T Corp. ("AT&T") in several roles, most recently as vice president and general manager, corporate productivity and mergers and acquisitions from December 1996 to May 1998 and, prior to that, as vice president and chief financial officer for international operations from January 1996 to December 1996.

Mel Friedman has served as a director since May 2002. Mr. Friedman retired in 2002 from Sun Microsystems Inc. ("Sun"), where his most recent position was senior vice president of customer advocacy. Mr. Friedman has served in several other high-level roles for Sun, including president of Sun's Microelectronics division, vice president of worldwide operations for Sun's systems operation, vice president of west coast operations, and vice president of supply management, since joining the company in 1989. Mr. Friedman is also currently a director of Electrogas, Inc.

Dominic Gallelo has served as a director since April 2003. Since September 2003, Mr. Gallelo has served as chief executive officer of Graphisoft. From October 2002 to April 2003, Mr. Gallelo served as executive vice president, Corporate Development for Macromedia, Inc. Mr. Gallelo joined Macromedia in October 2001, initially responsible for Macromedia's Rich Media Division and serving as executive vice president, Products from June 2002 until October 2002. Before joining Macromedia, Mr. Gallelo served as chief executive officer of RedSpark, Inc., a provider of enterprise supply chain software, from its May 2000 inception as a spinoff of Autodesk Inc. to October 2001. Mr. Gallelo joined Autodesk in 1992 and served in a number of executive positions there, including vice president of Asia-Pacific, vice president of the Manufacturing Solutions Group, and executive vice president of the Design Solutions Group.

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Amal Johnson has served as a director since January 2004. Ms. Johnson is currently a venture partner of Lightspeed Venture Partners, focusing on enterprise software and infrastructure, having joined as a general partner in 1999. Previously, Ms. Johnson was president of Baan Supply Chain Solutions from January 1998 to December 1998, president of Baan Affiliates from January 1997 to December 1997, and president of Baan Americas from October 1994 to December 1996. Prior to that, Ms. Johnson served as president of ASK Manufacturing Systems August 1993 to July 1994 and held executive positions at IBM 1987 to June 1993. Ms. Johnson serves on the boards of MAE Software, Inc. and Alibris.

Andrew Verhalen has served as a director since January 1999. Mr. Verhalen has been a general partner of entities associated with Matrix Partners since April 1992. From 1986 to 1991, Mr. Verhalen served as a divisional vice president and general manager at 3Com Corporation. Mr. Verhalen currently serves on the board of directors of Digital Fountain, Inc. and Onetta, Inc.

Gary A. Wetsel has served as a director since March 2004. Since April 2002, Mr. Wetsel has served as executive vice president, chief financial officer and chief administrative officer of Aspect Communications Corp. From February 2000 to April 2002, Mr. Wetsel served as vice president and chief financial officer for Zhone Technologies, Inc. From 1998 to February 2000, Mr. Wetsel served as president and chief executive officer of Warpspeed Communication Corp. Before Warpspeed, Mr. Wetsel held senior executive positions with several high tech companies, including Wyse Technologies, Inc., Borland International, Inc., Octel Communications Corporation, Ungermann-Bass, Inc., and Rolm Corporation.

William Zuendt has served as a director of the Company since August 1998. Mr. Zuendt retired as president and chief operating officer of Wells Fargo & Company, a bank holding company, and its principal subsidiary, Wells Fargo Bank in 1997 after serving in that position since 1994. Mr. Zuendt currently serves on the board of directors of Advent Software, Inc.

The other information required by this Item is incorporated by reference to the section entitled "Election of Directors" in the Proxy Statement.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

- (a) The exhibits in the accompanying Exhibit Index are filed as part of this annual report.

EXHIBIT INDEX

Exhibit

Number

Description

31.3	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.4	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Amendment No. 1 to the report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 24, 2004.

BLUE MARTINI SOFTWARE, INC.

By: /s/ MONTE ZWEBEN

Monte Zweben
Chairman and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Amendment No. 1 to the Annual Report on Form 10-K has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ MONTE ZWEBEN</u>	Chairman and Chief Executive Officer	March 24, 2004
Monte Zweben	<i>(Principal Executive Officer)</i>	
<u>/s/ ERAN PILOVSKY</u>	Chief Financial Officer <i>(Principal</i>	March 24, 2004
Eran Pilovsky	<i>Financial and Accounting Officer)</i>	
<u>*</u>	Director	March 24, 2004
Dennis J. Carey		
<u>*</u>	Director	March 24, 2004
Mel Friedman		
<u>*</u>	Director	March 24, 2004
Dominic Gallelo		
<u>*</u>	Director	March 24, 2004
Amal Johnson		
<u>*</u>	Director	March 24, 2004
Andrew W. Verhalen		
<u>**</u>	Director	
Gary A. Wetsel		

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*

Director

March 24, 2004

William F. Zuendt

* By: /s/ MONTE ZWEBEN

Monte Zweben

Attorney-in-Fact

** Joined the board on March 5, 2004.