

CHORDIANT SOFTWARE INC
Form 8-K
October 26, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K
CURRENT REPORT

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

Date of Report (Date of earliest event reported): October 24, 2006

CHORDIANT SOFTWARE, INC.

(Exact name of Registrant as specified in its charter)

Delaware

93-1051328

(State or other jurisdiction of incorporation)

(I.R.S. Employer Identification No.)

Commission file number:

000-29357

20400 Stevens Creek Boulevard, Suite 400

Cupertino, CA 95014

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (408) 517-6100

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.05. Costs Associated with Exit or Disposal Activities.

On October 25, 2006, Chordiant Software, Inc. (the "Company") initiated a restructuring plan intended to align its resources and cost structure with expected future revenues. The restructuring plan included a balancing of services resources worldwide, an elimination of duplicative functions internationally, and a shift in the U.S. field organization toward a focus on domain-based sales and pre-sales teams.

The restructuring plan includes an immediate reduction in positions of slightly more than ten percent of the Company's workforce and consolidation of European facilities. A majority of the positions eliminated were in Europe. The plan was committed to on October 24, 2006, and employees began to be notified October 25, 2006.

As a result of the cost-cutting measures, the Company estimates that it will record pre-tax cash restructuring charges, in the first quarter of fiscal year 2007 of approximately \$1.9 to \$2.1 million for severance costs, between \$4.0 million to \$4.8 million for exiting excess facilities, and \$0.1 million for other charges. The facilities are subject to operating leases expiring thru 2010. The Company anticipates that between \$5.2 million to \$6.2 million of the charge will result in cash expenditures of which the majority of the severance will be paid in cash during the first quarter of fiscal year 2007.

Safe Harbor Statement

This current report on Form 8-K includes "forward-looking statements" that are subject to risks, uncertainties and other factors that could cause actual results or outcomes to differ materially from those contemplated by the forward-looking statements. Forward-looking statements in this report are generally identified by words, such as "believes," "anticipates," "plans," "expects," "will," "would," "guidance," "projects" and similar expressions which are intended to identify forward-looking statements. There are a number of important factors that could cause the results or outcomes discussed herein to differ materially from those indicated by these forward-looking statements, including, among others, the success of Chordiant's efforts to negotiate severance arrangements and lease terminations within established parameters and the Company's ability to minimize the costs to relocate equipment in its European facilities. Further information on potential factors that could affect Chordiant are included in risks detailed from time to time in Chordiant's SEC filings, including, without limitation, Chordiant's Annual Report on Form 10-K for the period of October 1, 2004 to September 30, 2005, and Chordiant's most recent quarterly report on Form 10-Q. These filings are available on a Web site maintained by the Securities and Exchange Commission at <http://www.sec.gov>. Chordiant does not undertake an obligation to update forward-looking or other statements in this report.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated October 25, 2006

CHORDIANT SOFTWARE, INC

By /s/ PETER S. NORMAN
 Peter S. Norman
 Chief Financial Officer and
 Principle Accounting
 Officer