

Support.com, Inc.
Form 10-K
March 09, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended December 31, 2011

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

For the Transition Period from _____ to _____

Commission File No. 000-30901

SUPPORT.COM, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware 94-3282005
(State or Other Jurisdiction of Incorporation or (I.R.S. Employer Identification No.)
Organization)
1900 Seaport Boulevard, 3rd Floor, Redwood City, CA 94063
(Address of Registrant's Principal Executive Offices) (Zip Code)

Registrant's telephone number including area code: (650) 556-9440

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

Title of each class	Name of each exchange on which registered
Common Stock, \$.0001 par value	The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer Accelerated filer 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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

The aggregate market value of the registrant's common stock, \$.0001 par value, held by non-affiliates of the registrant was approximately \$232,422,557 based on the closing price of \$4.80 per share as of June 30, 2011. Shares of common stock held by each executive officer, director, and stockholders known by the registrant to own 10% or more of the outstanding stock based on Schedule 13G filings and other information known to us, have been excluded since such persons may be deemed affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of February 29, 2012, there were 48,470,283 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III, Items 10 (as to directors, section 16(a) beneficial ownership and audit committee and audit committee financial expert), 11, 12 (as to beneficial ownership), 13 and 14 incorporate by reference information from the registrant's definitive proxy statement (the "Proxy Statement") to be mailed to stockholders in connection with the solicitations of proxies for its 2011 annual meeting of stockholders. Except as expressly incorporated by reference, the registrant's Proxy Statement shall not be deemed to be part of this report.

SUPPORT.COM, INC.

FORM 10-K
FOR FISCAL YEAR ENDED DECEMBER 31, 2011
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FORWARD LOOKING STATEMENTS AND PRESENTATION OF FINANCIAL AND OTHER INFORMATION

This Annual Report on Form 10-K (the “Form 10-K”) contains forward-looking statements that involve risks and uncertainties. Please see the section entitled “Risk Factors” in Item 1A of this Report for important information to consider when evaluating these statements.

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In this Form 10-K, unless the context indicates otherwise, the terms “we,” “us,” “Support.com,” “the Company” and “our” refer to Support.com, Inc., a Delaware corporation, and its subsidiaries. References to “\$” are to United States dollars.

We have compiled the market size and growth data in this Form 10-K using statistics and other information obtained from several third-party sources. Some market data and statistical information are also based on our good faith estimates, which are derived from our review of internal surveys, as well as the third-party sources referred to. This information may prove to be inaccurate because of the method by which the data is obtained or because this information cannot be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. As a result, although we believe this information is reliable, we have not independently verified the third-party information and cannot guarantee the accuracy and completeness of this information.

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Various amounts and percentages used in this Form 10-K have been rounded and, accordingly, they may not total 100%.

We own or otherwise have rights to the trademarks and trade names, including those mentioned in this Form 10-K, used in conjunction with the marketing and sale of our products.

PART I

ITEM 1. BUSINESS.

Overview

Support.com is a leading provider of online care for the digital home and small business.

Our technology support services and software products help install, set up, connect, secure, repair and optimize personal computers, printers, tablets, smartphones, digital cameras, gaming devices, music players, servers, networks and other technology. We offer one-time and subscription services, and licenses of our software products.

Our Personal Technology Experts® (PTEs) deliver our services to customers online and by telephone, leveraging our proprietary cloud-based technology platform. Most PTEs work from their homes rather than in brick and mortar facilities. Our software products include tools designed to address some of the most common technology issues including computer maintenance, optimization and security.

We market our services through channel partners and directly. Our channel partners include leading retail, Internet service provider, and technology brands. We market our software products directly, principally online, and through channel partners. Our sales and marketing efforts primarily target North American customers.

Support.com was founded in 1997 under the name SupportSoft, Inc. as an enterprise software provider focused on technical support organizations. In 2007 we launched our consumer services business, and in 2008 began reporting two operating segments, Enterprise and Consumer. We used this segment reporting structure for all of our publicly filed financial statements beginning January 1, 2008. In June 2009 we sold our Enterprise business, changed our name to Support.com, Inc. and focused our efforts purely on the consumer and small business market. We added the Sammsoft family of software products to our business in December 2009 through our acquisition of substantially all of the assets of Xeriton Corporation (“Xeriton”), and obtained the anti-malware product SUPERAntiSpyware® through an acquisition of substantially all the assets of SUPERAntiSpyware.com (“SAS”) in June 2011. In January 2012, we expanded our small business capabilities through the acquisition of RightHand IT Corporation, a managed service provider for small businesses.

As a result of the sale of the Enterprise business in 2009, our audited consolidated financial statements, accompanying notes and other information provided in this Form 10-K reflect the Enterprise business as a discontinued operation for all periods presented. After reclassifying the Enterprise business to discontinued operations, our continuing operations consist solely of our remaining segment, which includes our support services and software products for consumers and small businesses.

Industry Background

Technology has become an essential feature of the modern home and office. Products such as personal computers, printers, tablets, smartphones, digital cameras, gaming devices, music players and servers have become ubiquitous. Each year, these products become more feature-rich, offering many new capabilities. Consumers and small businesses

now depend on such technology for “must-have” information, communication and entertainment.

In addition to changes in individual devices, technology has become increasingly connected, with networks becoming commonplace in the home as well as the office, and online social networking platforms such as Facebook and LinkedIn achieving increasing prominence. At the same time, technology has become increasingly mobile, with anytime, anywhere access to voice, data, video and applications becoming the standard.

While these advances offer many benefits, consumers and small businesses face increasingly complex challenges in managing ever-changing products, networks and applications. Each new wave of functionality can cause new problems, and each use of the Internet can expose consumers to the rapidly growing universe of malware and other security threats.

Many consumers and small businesses lack the technical skill or time to overcome technology challenges. While suppliers may offer support for their products, this support is typically limited to the device in question, and often fails to address connections between devices or malfunctions caused by the user’s environment or usage. As a result, the market for premium technology services (non-warranty services paid for separately from the products themselves) is growing rapidly. Parks Associates, a research firm focused on emerging consumer technology products and services, projects that the market for consumer and small and medium business technical support services will double from \$16 billion in 2011 to approximately \$32 billion by 2015.

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Within the premium technology services market, online (or “remote”) support has become increasingly prevalent. Online support involves a technician using specialized software to take control of a user’s computer over the Internet, avoiding the delay and cost associated with traditional onsite support. Online support has been possible for some time, but the widespread availability of high speed Internet connections and remote control software has caused growth in this segment of the market to accelerate. In addition, demand for cloud services such as online backup and hosted email, where data and computing power are located online rather than on the user’s premises, is growing rapidly.

In addition to technology services, there is an established and growing market for software tools used to manage personal computers and home networks. According to Parks Associates, “roughly one-half of consumers are self-defined ‘do-it-yourselfers’ with technical support, such as preventative maintenance activities and computer troubleshooting.”

Our Growth Strategy

Our objective is to become the leading independent provider of online care for the digital home and small business markets. From a financial perspective, our goals are to continue to grow and diversify revenue, increase gross margin, and achieve profitability. Our strategies for achieving our goals include expanding existing services programs, increasing software revenues, growing our customer base, enhancing service delivery efficiency, optimizing contact center sales operations, and extending our cloud-based technology platform to support each of the foregoing strategies.

To expand existing service programs, we expect to introduce new offerings in areas such as small business and mobility while optimizing program operations;

To increase software revenues, we plan to implement a series of new initiatives including enhancing key products, broadening third-party distribution and deploying new customer acquisition strategies;

To grow our customer base, we intend to pursue small business as well as consumer opportunities and to win new accounts in target markets such as cable and retail and in promising new markets;

To increase service delivery efficiency, we expect to enhance our forecasting, capacity planning and utilization of management while continuing to evolve our labor model;

To optimize contact center sales operations, we plan to pursue a number of approaches to increasing conversion and reducing cost; and

To extend our cloud-based technology platform, we intend to continue our investment in research and development activities in support of the foregoing initiatives.

We intend to execute our growth strategy organically and through acquisitions of complementary businesses where appropriate.

Our Online Care Services

Our Support.com® online care services include one-time services (“incidents”) and subscriptions. These services are available on demand and through the purchase of service cards and gift cards. We offer a money-back guarantee in the event we are unable to resolve the customer’s problem, subject to the terms of our end user agreements.

Our principal online care services include:

Install and Setup. We offer a variety of installation and setup services. Our New Computer Setup and Configuration services complete the basic setup and configuration steps for new computers in a highly automated fashion. We help consumers create new user accounts, configure automatic system updates and remove unnecessary trial software that clutters many new computers. An advanced version of this service also optimizes operating system and web browser settings. Our Protection and Performance services install, update and configure anti-malware software and operating system settings to enhance digital security. An advanced version of this service also installs and configures parental controls and creates a user profile that restricts Internet and application access, as specified by the consumers. Other installation and setup services help customers install, set up and use certain digital devices connected to their computer. For example, we help customers install their printers, share them across networks and keep them updated with the latest drivers.

Connect and Secure. Our Connect and Secure services help customers to set up a secure wireless network. In this service, we configure, connect and establish secure connections between the computer, the wireless network and supported devices. In addition, we diagnose and repair problems customers have with existing wireless home networks.

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Diagnose and Repair. Our Diagnose and Repair services assist consumers with a wide range of computer-related problems. We use our proprietary technology and processes and third-party tools to identify, diagnose and repair technical problems, including issues associated with viruses, spyware, and other forms of malware, connectivity issues, and issues with software applications.

Tune-Up. Our Tune-Up services enhance the performance of computers through optimization of key systems settings for faster startup and shutdown, loading of programs and Internet browsing as well as increased available memory and storage space.

Mobile Device Services. Our Mobile Device services help customers to set up and get the most from their mobile devices, principally smartphones and tablets. We help customers connect devices to the cloud to access the web or their own data, configure email and show them how to find and install applications. Additionally we show customers how to synchronize data between their computers and mobile devices, and train them on the capabilities of their mobile devices.

Online Data Backup with Cloud Data Access. Our Online Data Backup offering provides continuous backup to the cloud for documents, pictures, video and other key personal or business data. Once in the cloud, customers can access that data from any other web-connected computer or from over 800 mobile devices including standard mobile phones, smartphones and tablets. Our offering includes licensed software that provides the ability to share and stream data to social or business networks in real-time from any of these web-connected devices.

Small Business Services. In addition to the remote support services also available for consumers, we also provide server and network monitoring and management, cloud services such as hosted email and virtual desktops, and business-class data backup and disaster recovery. Our acquisition of a managed service provider for small businesses in January 2012 expanded our small business support capabilities.

We deliver our services to customers using our Personal Technology Experts, leveraging our proprietary technology platform. Most PTEs work from their homes rather than in brick and mortar facilities. Employee PTEs are recruited, tested, hired and trained on a virtual basis using proprietary methods and remote technology. We also utilize contract labor in our service operations. We strive to continually enhance service delivery through increased automation and process improvement using Six Sigma methodologies.

Our Software Products

Our end-user software products are designed to maintain, optimize and secure personal computers. Certain software products are licensed on a perpetual basis while others are offered on a subscription basis.

Our principal software products include products designed for:

Registry Cleaning and Repair. Our Advanced Registry Optimizer® software (“ARO®”) is designed to identify and repair errors in the registry database on personal computers running Microsoft Windows (“PCs”). Repairing these errors can improve performance and stability of a user’s PC.

PC Maintenance and Optimization. Our Cosmos™ software is designed to maintain and optimize the performance of PCs. Cosmos includes modules designed for hard drive maintenance, memory optimization, data security, privacy protection, system cleaning, registry repair, file recovery, startup management, and other common maintenance and optimization tasks.

Hard Drive Maintenance. Our Hard Disk Tune-Up software is a rapid disk maintenance program. It helps improve the performance of a PC by defragmenting programs and data stored on the hard drive, which speeds access to stored information.

Memory Management and Optimization. Our MemTurbo software can increase available memory and improve PC performance by freeing up unused application memory and managing how applications request and subsequently return memory to the operating system.

PC Startup. Support.com® RapidStart™ software can make PCs start faster by removing or delaying unnecessary or unwanted startup programs, processes, and services. It is designed to incorporate community feedback into its recommendation engine.

Protection Against and Removal of Malware. Our SUPERAntiSpyware® software includes our advanced anti-malware technology that protects PCs against spyware, adware, Trojans, dialers, worms, keyloggers, hijackers, parasites, rootkits, rogue security products and many other types of threats and malware. It also includes a real-time engine that detects and removes malware present on a PC. It is designed to work in conjunction with other computer security products such as anti-virus software.

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Sales and Marketing

Services. We sell our services through channel partners and directly to consumers. To date, a substantial majority of our services revenue has come through channel partners. Our channel partners include leading retail, Internet service provider, software and PC/CE brands.

Channel partnerships typically begin with a pilot phase and, if successful, progress to broader roll-outs. Programs for channel partners can take several months to more than a year to progress from a pilot stage to a broader roll-out. The structure of our channel partnerships varies. In many cases, we wholesale services to our partners on a per incident or subscription period basis and our partners resell the services to consumers and small businesses at prices our partners determine. In these partnerships, the services are generally sold under the partner's brand. In addition to service delivery, in certain cases, we sell the services on our partners' behalf (and receive commissions for such activity). During 2011 our investment in sales efforts for partner programs increased to support certain partner programs and we are currently seeking to optimize our performance in this area.

We acquire channel partners through our business development organization, and support channel partners through our program management organization. To a lesser degree, we offer our services directly to consumers and small businesses through our website www.support.com and our toll free number 1-800-PCSUPPORT. We attract these customers through advertising in online and offline media, public relations, affiliate and referral programs, social media, and promotions made in connection with our software product offerings at the time of sale or afterward.

Software. We sell our software directly to customers and through channel partners. To date, a substantial majority of our software revenue has come through direct sales to customers. Online advertising allows customers to click-through immediately to our software offerings where they can order and download our products on demand. In addition to fully-featured software products available for a license fee, a substantial percentage of our software revenues arise from customers who download free-trial versions of our software or free versions of our software with limited functionality before making a purchase decision. The marketing costs for customer acquisition through free trials can be substantial, and a majority of our direct software license revenue currently is the result of advertising placements.

We also offer our software products to customers through some of our channel partners who rebrand and distribute such products to their customers.

We seek to leverage the synergies between our services offerings and our software products. In particular, our goal is to increase the breadth of our channel partnerships by introducing software products into services programs and to grow our direct services business by marketing our services to customers who buy software products from us.

Research and Development

Technology is at the core of our business model, and as a result our investment in research and development is substantial. We believe our continuing investment in research and development creates significant competitive advantage in the quality and cost of our service offerings, in our ability to meet the rigorous requirements of channel partners, and in the new software products we introduce. We maintain dedicated research and development teams in Redwood City, California; Bangalore, India; and Eugene, Oregon. Research and development expense was \$6.1 million in 2011, \$5.2 million in 2010, and \$5.8 million in 2009.

We have developed, currently maintain, and continue to improve proprietary, market-leading technologies key to our services business. Our technologies are architected to be cloud-based. We focus our investment in R&D across the following six major areas: demand generation, service delivery efficiency, subscriber care, program workflow, data

analytics and end-user software products.

For demand generation, Support.com's EasySupport™'s flexible "recommendations map" can be configured to promote partner-specific add-on products or services in a context-sensitive manner, based on specific problems and conditions that EasySupport detects on the customer's computer during periodic scans. Separately, we offer a downloadable one-time scanner tool, PC Health Check, which checks performance, security and system characteristics. Both EasySupport and PC Health Check are designed to make valuable, personalized product and service recommendations that generate additional sales opportunities.

Service delivery efficiency has been a key investment area. Our Analyst Workspace application integrates customer relationship management ("CRM"), ticketing, ordering, means of payment, remote screen sharing, and telephony into one ergonomic and efficient .NET application for our Personal Technology Experts. This application leverages our patented Nexus® technology to enable many technically challenging and valuable aspects of remote services via the cloud and across firewalls, proxies and other network boundaries. In addition, we deploy our Solutions Toolkit application on the customer's machine to ensure that our Personal Technology Experts follow a predesigned "best practice" workflow. The Solutions Toolkit also automates time-consuming steps such as tool downloads, system diagnostics, performance optimizations and software checks.

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For subscriber care, our EasySupport desktop agent software resides on the customer's computer and provides one-click access to a service agent, automated computer optimization and subscription management functions. With one click, the subscriber can request live assistance and a Personal Technology Expert is immediately presented with the customer's account information, subscription entitlements and service history. EasySupport also scans and optimizes the customer's computer on a periodic basis, thus adding ongoing value to the subscription that extends beyond live interactions. In addition, EasySupport provides direct visibility into the subscriber's account information and notifies them proactively of potential issues such as the upcoming expiration of their credit card or their subscription term.

For partner programs, we leverage our Service Delivery Management System ("SDMS") to simplify and orchestrate the ordering and workflow of services across multiple parties, ensuring that the right delivery party takes the right next step at the right time. To accomplish this, the SDMS utilizes a built-in workflow engine and a set of standardized web service integrations to our partners' billing, point-of-sale, customer care and third-party provider systems. SDMS also includes an online portal for customers and partners, thus promoting a seamless experience and a high level of visibility throughout the service delivery process.

For data analytics, we build and maintain a data warehouse that securely aggregates and restructures data from all of our applications to create a comprehensive view of the service delivery lifecycle. This rich data set provides visibility into sales conversion effectiveness, service delivery efficiency, service level performance, subscription utilization, partner program performance and many other aspects of running and optimizing our business. Our partners also receive reports and analytic information from the warehouse for their programs on a regular basis via secure data feeds.

For end user software products, we build and enhance the ARO, Cosmos, SUPERAntiSpyware, RapidStart, Hard Disk Tune-Up and MemTurbo products described under "Our Software Products" as well as new software products currently under development.

Intellectual Property

We own the registered trademarks SUPPORT.COM and PERSONAL TECHNOLOGY EXPERTS in the United States for specified support services and software, and we have registrations and common law rights for several related trademarks in the U.S. and certain other countries. We own the domain name www.support.com and other domain names, and have rights to the phone number 1-800-PCSUPPORT. We have exclusive rights to our proprietary services technology, and our end user software products. We also have non-exclusive rights to distribute certain other software products.

We own three U.S. patents related to our business and have a number of pending patent applications covering certain advanced technology. Our issued patents include U.S. Patent No. 8,020,190 ("Enhanced Browser Security"), U.S. Patent No. 6,754,707 ("Secure Computer Support System") and U.S. Patent No. 6,167,358 ("System and Method for Remotely Monitoring a Plurality of Computer-Based Systems"). We do not know if our current patent applications or any future patent application will result in a patent being issued with the scope of the claims we seek, if at all. Also, we do not know whether any patents we have or may receive will be challenged or invalidated. It is difficult to monitor unauthorized use of technology, particularly in foreign countries where the laws may not protect our proprietary rights as fully as they do in the United States, and our competitors may develop technology that competes with ours but nevertheless does not infringe our intellectual property rights.

We rely on a combination of copyright, trade secret, trademark and contractual protection to establish and protect our proprietary rights that are not protected by patents. We also enter into confidentiality agreements with our employees and consultants involved in product development. We generally require our employees, customers and potential

business partners to enter into confidentiality agreements before we will disclose any sensitive aspects of our business. Also, we generally require employees and contractors to agree to assign and surrender to us any proprietary information, inventions or other intellectual property they generate while working for us in the scope of employment. These precautions, and our efforts to register and protect our intellectual property, may not prevent misappropriation or infringement of our intellectual property.

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Competition

We are active in markets that are highly competitive and subject to rapid change. Although we do not believe there is one principal competitor for all aspects of our offerings, we do compete with a number of other vendors.

With respect to channel partnerships for our services, our competitors include privately-held companies focused on premium technology services, providers of electronics warranties, call centers focused on technical support and broad-based service providers who offer technical support. With respect to sales of services directly to consumers and small businesses, our competitors include local computer repair shops and service providers, electronics retailers and technology and communications companies offering technical support directly to consumers and small businesses. We believe the principal competitive factors in our services market include: breadth and depth of service offerings; quality of the customer experience; proprietary technology; pricing; brand recognition; scale; and financial resources.

In the market for our software products, we face direct competition from numerous suppliers of software products who perform the same or similar functions as our products. We also face indirect or potential competition from application providers, operating system providers, network equipment manufacturers, and other original equipment manufacturers (“OEMs”) who may provide various solutions and functions in their products, and from individuals and groups who offer “free” and open source utilities online. We believe that the principal competitive factors in the market for our consumer software products include: product features and ease of use; price; convenience of purchase; brand recognition; financial resources; and customer support.

The competitors in our markets for services and software can have some or all of the following competitive advantages: longer operating histories, greater economies of scale, greater financial resources, greater engineering and technical resources, greater sales and marketing resources, stronger strategic alliances and distribution channels, products with different functions and feature sets and greater brand recognition than we have. We expect new competitors to continue to enter our services market, given its relatively early stage, and we expect our markets to remain competitive.

For additional information related to competition, see Item 1A, Risk Factors.

Environmental Regulation

The majority of our employees work from their own homes and use our advanced proprietary technology to deliver services from remote locations. As a result we believe that on a per-employee basis, our operations contribute significantly to efforts to reduce pollutants by eliminating fossil fuel-based commutes for the majority of our workers. In addition, the nature of our remote service delivery also helps many customers avoid on-site services, resulting in additional reduction in pollutants caused by automobile transportation for such services. Finally, our principal delivery method for our software products is by electronic download, which produces no packaging-related waste, and eliminates the need for production of physical media and transportation except for a small percentage of consumers who affirmatively request and pay for delivery of products by CD. We are not aware at this time of any material effects that compliance with Federal, State and local provisions which have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, may have on our business. Our assessment could change if and when any new regulations of such sort are enacted or adopted.

Employees

As of December 31, 2011, we had 1,137 employees, of whom 984 were work-from-home agents and 153 were corporate employees. In addition to our work-from-home employees, we also use contract labor. None of our employees are covered by collective bargaining agreements.

SEC Filings and Other Available Information

We were incorporated in Delaware in December, 1997. We file reports with the Securities and Exchange Commission (SEC), including without limitation annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the “Exchange Act”). The public may read and copy any materials we file with the SEC at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at (202) 551-8090. In addition, we are an electronic filer. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers, including us, that file electronically with the SEC at the website address located at www.sec.gov.

Our telephone number is 650-556-9440 and our website address is www.support.com. The information contained on our website does not form any part of this Annual Report on Form 10-K. However, we make available, free of charge through our website, our annual reports on Form 10-K, our quarterly reports on Form 10-Q and our current reports on Form 8-K filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file this material with, or furnish it to, the SEC. In addition, we also make available on <http://www.support.com/about/investor-relations/corporategovernance> our Code of Ethics and Business Conduct for Employees, Officers and Directors. This Code is also available in print without charge to any person who requests it by writing to:

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Support.com, Inc.
Investor Relations
1900 Seaport Boulevard, 3rd Floor
Redwood City, CA 94063

ITEM 1A.

RISK FACTORS

This report contains forward-looking statements regarding our business and expected future performance as well as assumptions underlying or relating to such statements of expectation, all of which are “forward looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We are subject to many risks and uncertainties that may materially affect our business and future performance and cause those forward-looking statements to be inaccurate. Words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “forecasts,” “estimates,” “seeks,” “may result in,” “focused on,” “continue to,” and similar expressions often identify forward-looking statements. In this report, forward-looking statements include, without limitation, the following:

Our expectations and beliefs regarding future financial results;

Our expectations regarding channel partners, renewal of contracts with these partners and the anticipated timing and magnitude of revenue from these partners;

Our expectations regarding sales of our software products, our ability to source, develop and distribute additional software products and our efforts to market services to buyers of our software products;