

SECURITIES AND EXCHANGE COMMISSION

FORM S-8

Initial registration statement for securities to be offered to employees pursuant to employee benefit plans

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FILER

LIONBRIDGE TECHNOLOGIES INC /DE/

CIK: **1058299** | IRS No.: **043398462** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **S-8** | Act: **33** | File No.: **333-66720** | Film No.: **1697544**
SIC: **7389** Business services, nec

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WALTHAM MA 02451

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WALTHAM MA 02154
7818906612

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

FORM S-8

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

LIONBRIDGE TECHNOLOGIES, INC.
(Exact Name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

04-3398462
(I.R.S. Employer Identification No.)

950 Winter Street
Waltham, MA 02451
(Address of Principal Executive Offices) (Zip Code)

Data Dimensions, Inc. 1988 Incentive Stock Option Plan
Data Dimensions, Inc. 1997 Stock Option Plan
ST Labs Stock Option Plan
Non-Qualified Stock Option Agreement between Peter Allen
and Data Dimensions, Inc.
(Full title of the plans)

Rory J. Cowan
Chief Executive Officer
Lionbridge Technologies, Inc.
950 Winter Street
Waltham, MA 02451
(Name and Address of Agent for Service of Process)

(781) 434-6000
(Telephone Number, Including Area Code, of Agent For Service)

Copy to:

Margaret A. Shukur, Esq.
General Counsel
Lionbridge Technologies, Inc.
950 Winter Street
Waltham, Massachusetts 02451
(781) 434-6000

<TABLE>
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CALCULATION OF REGISTRATION FEE

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TITLE OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED (1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
<S>	<C>	<C>	<C>	<C>
1988 Incentive Stock Option Plan (par value \$.01 per share)				
	384	\$ 1.31	\$ 503.04	\$ 0.13
	383	\$ 7.86	\$ 3,010.38	\$ 0.75
	765	\$ 8.50	\$ 6,502.50	\$ 1.63
	764	\$ 40.55	\$ 30,980.20	\$ 7.75
	229	\$ 46.93	\$ 10,746.97	\$ 2.69
	1,718	\$ 51.95	\$ 89,250.10	\$ 22.31
	1,145	\$ 56.75	\$ 64,978.75	\$ 16.24
	764	\$ 59.36	\$ 45,351.04	\$ 11.34
	1,145	\$ 65.48	\$ 74,974.60	\$ 18.74
	1,527	\$ 71.60	\$ 109,333.20	\$ 27.33
	191	\$ 81.20	\$ 15,509.20	\$ 3.88
	573	\$ 96.92	\$ 55,535.16	\$ 13.88
	1,527	\$107.40	\$ 163,999.80	\$ 41.00
	573	\$132.28	\$ 75,796.44	\$ 18.95
	4,772	\$138.83	\$ 662,496.76	\$ 165.62
	191	\$173.53	\$ 33,144.23	\$ 8.29
	1,909	\$177.46	\$ 338,771.14	\$ 84.69
1997 Stock Option Plan (par value \$.01 per share)				
	2,481	\$ 1.31	\$ 3,250.11	\$ 0.81
	192,793	\$ 1.57	\$ 302,685.01	\$ 75.67
	8,590	\$ 2.15	\$ 18,468.50	\$ 4.62
	1,432	\$ 2.62	\$ 3,751.84	\$ 0.94
	2,004	\$ 3.60	\$ 7,214.40	\$ 1.80
	42,949	\$ 4.26	\$ 182,962.74	\$ 45.74
	191	\$ 6.30	\$ 1,203.30	\$ 0.30
	20,043	\$ 6.71	\$ 134,488.53	\$ 33.62
	1,432	\$ 7.20	\$ 10,310.40	\$ 2.58
	28,251	\$ 7.53	\$ 212,730.03	\$ 53.18
	573	\$ 7.70	\$ 4,412.10	\$ 1.10
	1,432	\$ 7.86	\$ 11,255.52	\$ 2.81
	573	\$ 8.02	\$ 4,595.46	\$ 1.15
	1,432	\$ 10.64	\$ 15,236.48	\$ 3.81

</TABLE>

<S>	<C>	<C>	<C>	<C>
	1,527	\$ 10.81	\$ 16,506.87	\$ 4.13
	954	\$ 11.13	\$ 10,618.02	\$ 2.65
	11,453	\$ 11.46	\$ 131,251.38	\$ 32.81
	38,177	\$ 13.43	\$ 512,717.11	\$ 128.18
	1,336	\$ 16.05	\$ 21,442.80	\$ 5.36
	1,432	\$ 16.21	\$ 23,212.72	\$ 5.80
	24,147	\$ 17.03	\$ 411,223.41	\$ 102.81
	1,432	\$ 18.01	\$ 25,790.32	\$ 6.45

47,053	\$ 18.67	\$ 878,479.51	\$ 219.62
1,909	\$ 29.14	\$ 55,628.26	\$ 13.91
1,909	\$ 45.51	\$ 86,878.59	\$ 21.72
573	\$ 49.11	\$ 28,140.03	\$ 7.04
573	\$ 68.76	\$ 39,399.48	\$ 9.85
382	\$ 69.74	\$ 26,640.68	\$ 6.66
382	\$ 70.07	\$ 26,766.74	\$ 6.69
573	\$ 77.93	\$ 44,653.89	\$ 11.16
2,386	\$ 79.24	\$ 189,066.64	\$ 47.27
477	\$ 79.89	\$ 38,107.53	\$ 9.53
191	\$ 84.48	\$ 16,135.68	\$ 4.03
5,536	\$ 89.06	\$ 493,036.16	\$ 123.26
573	\$ 91.68	\$ 52,532.64	\$ 13.13
1,909	\$134.24	\$ 256,264.16	\$ 64.07
1,909	\$146.03	\$ 278,771.27	\$ 69.69

ST Labs Stock Option Plan
(par value \$.01 per share)

127	\$ 26.51	\$ 3,366.77	\$ 0.84
382	\$ 26.52	\$ 10,130.64	\$ 2.53
51	\$ 58.86	\$ 3,001.86	\$ 0.75
170	\$ 58.99	\$ 10,028.30	\$ 2.51
51	\$ 59.08	\$ 3,013.08	\$ 0.75
8	\$ 59.53	\$ 476.24	\$ 0.12

Non-Qualified Stock
Option Agreement
(par value \$.01 per share)

76,354	\$ 69.41	\$ 5,299,731.14	\$1,324.93
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TOTAL: 546,665 N/A \$11,686,459.85 \$2,921.61
</TABLE>

(1) All such shares are issuable upon exercise of outstanding options with fixed exercise process. Pursuant to Rule 457(b)(1) under the Securities Act of 1933, as amended, the aggregate offering price and the fee have been computed upon the basis of the price at which the options may be exercised. The offering price per share set forth for such shares is the exercise price per share at which such options are exercisable.

(2) Calculated pursuant to Section 6(b) of the Securities Act of 1933, as amended.

PART I
INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Item 1. Plan Information.

The documents containing the information specified in this Item 1 will be sent or given to employees, as specified by Rule 428(b)(1). In accordance with the rules and regulations of the Securities and Exchange Commission (the "Commission") and the instructions to Form S-8, such documents are not being filed with the Commission either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424.

PART II
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents filed with the Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act") are incorporated by

reference in this Registration Statement:

- (a) Registrant's Annual Report on Form 10-K, for the year ended December 31, 2000, filed with the Commission pursuant to the Exchange Act on April 2, 2001.
- (b) Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001, filed with the Commission on May 15, 2001.
- (c) The section entitled "Description of Registrant's Securities to be Registered" contained in the Registrant's Registration Statement on Form 8-A filed on August 4, 1999 pursuant to Section 12(g) of the Exchange Act, and incorporating by reference the information contained in the Registrant's Registration Statement on Form S-1 (File No. 333-81233).

All documents subsequently filed with the Commission by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities offered herein have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be a part thereof from the date of filing of such documents.

Item 4. Description of Securities.

Not applicable.

Item 5. Interest of Named Experts and Counsel.

Not applicable.

Item 6. Indemnification of Directors and Officers.

The Delaware General Corporation Law and the Registrant's Second Amended and Restated Certificate of Incorporation and Amended and Restated By-laws provide for indemnification of the Registrant's directors and officers for liabilities and expenses that they may incur in such capacities. In general, directors and officers are indemnified with respect to actions taken in good faith in a manner reasonably believed to be in, or not opposed to, the best interests of the Registrant, and with respect to any criminal action or proceeding, actions that the indemnitee had no reasonable cause to believe were unlawful. Reference is made to the Registrant's Second Amended and Restated Certificate of Incorporation and Amended and Restated By-laws filed as Exhibits 3.2 and 3.4, respectively, to the Registrant's Registration Statement on Form S-1 (File No. 333-81233) and incorporated herein by reference.

The underwriting agreement, dated August 20, 1999, by and between the Registrant and the underwriters listed therein provides that the underwriters are obligated, under certain circumstances, to indemnify directors, officers and controlling persons of the Registrant against certain liabilities, including liabilities under the Securities Act of 1933. Reference is made to the form of underwriting agreement filed as Exhibit 1.1 to the Registrant's Registration Statement on Form S-1 (File No. 333-81233) and incorporated herein by reference.

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The Registrant has in effect a directors' and officers' liability insurance policy.

Item 7. Exemption From Registration Claimed.

Not applicable.

Item 8. Exhibits.

Exhibit No.	Description of Exhibit
4.1	Specimen Certificate for shares of the Registrant's Common Stock (filed as Exhibit 4.3 to the Registrant's Registration Statement on Form S-1 (File No. 333-81233) and incorporated herein by reference).
4.2	Second Amended and Restated Certificate of Incorporation (filed as Exhibit 3.2 to the Registrant's Registration Statement on Form S-1 (File No. 333-81233) and incorporated herein by reference).
4.3	Amended and Restated By-laws of the Registrant (filed as Exhibit 3.4 to the Registrant's Registration Statement on Form S-1 (File No. 333-81233) and incorporated herein by reference).
4.4	Data Dimensions, Inc. 1988 Incentive Stock Option Plan
4.5	Data Dimensions, Inc. 1997 Stock Option Plan
4.6	ST Labs Stock Option Plan
4.7	Non-Qualified Stock Option Agreement between Peter Allen and Data Dimensions, Inc.
5	Opinion of Counsel.
23.1	Consent of PricewaterhouseCoopers LLP.
23.2	Consent of Arthur Andersen LLP.
24.1	Power of Attorney (included as part of the signature page of this Registration Statement).

Item 9. Undertakings.

(a) The undersigned Registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
 - (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;
 - (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered, which remain, unsold at the termination of the offering.
- (b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference herein shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, 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 of 1933 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, 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 whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to 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 S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Waltham in the Commonwealth of Massachusetts, on this 1 day of August, 2001.

LIONBRIDGE TECHNOLOGIES, INC.

By: /s/ RORY J. COWAN

Rory J. Cowan
Chief Executive Officer, President and
Chairman of the Board (Principal Executive
Officer)

POWER OF ATTORNEY AND SIGNATURES

We, the undersigned officers and directors of Lionbridge Technologies, Inc., hereby severally constitute and appoint Rory J. Cowan and Stephen J. Lifshatz, and each of them singly, our true and lawful attorneys, with full power to them and each of them singly, to sign for us in our names in the

capacities indicated below, any amendments to this Registration Statement on Form S-8 (including post-effective amendments), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, and generally to do all things in our names and on our behalf in our capacities as officers and directors to enable Lionbridge Technologies, Inc., to comply with the provisions of the Securities Act of 1933, as amended, and all requirements of the Securities and Exchange Commission.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

SIGNATURE

DATE	TITLE
/s/ RORY J. COWAN ----- Rory J. Cowan August 1, 2001	Chief Executive Officer, President, Chairman of the Board (Principal Executive Officer)
/s/ STEPHEN J. LIFSHATZ ----- Stephen J. Lifshatz August 1, 2001	Senior Vice President, Chief Financial Officer, and Treasurer (Principal Financial and Accounting Officer)
/s/ GUY L. DE CHAZAL ----- Guy L. de Chazal August 1, 2001	Director
/s/ MARCIA J. HOOPER ----- Marcia J. Hooper August 1, 2001	Director
/s/ ROGER O. JEANTY ----- Roger O. Jeanty August 1, 2001	Director
/s/ PAUL KAVANAGH ----- Paul Kavanagh August 1, 2001	Director
/s/ CLAUDE P. SHEER ----- Claude P. Sheer August 1, 2001	Director

INDEX TO EXHIBITS

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5	Opinion of Counsel.
23.1	Consent of PricewaterhouseCoopers LLP.
23.2	Consent of Arthur Andersen LLP.
24.2	Power of Attorney (included as part of the signature page of this Registration Statement).

EXHIBIT 4.4

DATA DIMENSIONS, INC.

1988 INCENTIVE STOCK OPTION PLAN

AND

1988 NONSTATUTORY STOCK OPTION PLAN

ARTICLE 1

PURPOSE OF PLANS AND PLAN DOCUMENT

- 1.1 Purpose. The purpose of these Plans is to promote the growth and profitability of the Company by providing, through the ownership of Shares, incentives to attract and retain highly talented persons and to motivate such persons to use their best efforts on behalf of the Company and other Participating Companies.
- 1.2 Combines Plan Document. This Plan document is intended to implement and govern the following two separate stock option plans of the Company:
- (i) 1988 Incentive Stock Option Plan; and
 - (ii) 1988 Nonstatutory Stock Option Plan.

Unless specified otherwise, all provisions of this Plan document relate equally to both the 1988 Incentive Stock Option Plan and the Nonstatutory Stock Option Plan, which Plans are condensed into one Plan document solely for the purposes of administrative convenience and are not intended to constitute tandem plans.

ARTICLE 2

DEFINITIONS

For the purposes of this Plan, the following terms shall have the meanings set forth in this Article 2:

- 2.1 Accrued Installment. The term "Accrued Installment" shall mean any vested installment of an Option.
- 2.2 Board. The term "Board" shall mean the Board of Directors of the Company.
- 2.3 Committee. The term "Committee" shall mean a committee appointed by the Board pursuant to Section 3.4 and constituting not less than three members of the Board.
- 2.4 Company. The term "Company" shall mean Data Dimensions, Inc., a Delaware corporation, and any Participating Company.
- 2.5 Director. The term "Director" shall mean a member of the Board, or a member of the board of directors of any Participating Company.
- 2.6 Disinterested Person. The term "Disinterested Person" shall mean any person defined as a disinterested person under Rule 16b-3 of the Securities and Exchange Commission as promulgated under the Exchange Act.
- 2.7 Effective Date. The term "Effective Date" shall mean March 14, 1988.
- 2.8 Eligible Person.
 - (a) For the purpose of the Incentive Stock Option Plan, the term "Eligible Person" shall mean any key employee of any Participating Company, as determined by the Board or Committee.
 - (b) For the purpose of the Nonstatutory Stock Option Plan, the term "Eligible Person" shall mean any employee or Director of any Participating Company.
- 2.9 Exchange Act. The term "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.
- 2.10 Fair Market Value. The term "Fair Market Value" when used with respect to the determination of the option price of Options, shall mean the fair market value as determined in good faith by the Board

as of the date the Option is granted.

- 2.11 Incentive Stock Option. The term "Incentive Stock Option" shall mean any Option intended to satisfy the requirements under I.R.C. Section 422A as an incentive stock option which qualifies for special tax treatment under I.R.C. Section 421 et seq.
- 2.12 Incentive Stock Option Plan. The term "Incentive Stock Option Plan" shall mean the stock option plan of the Company set forth herein and which provides for the granting of Incentive Stock Options.
- 2.13 I.R.C. The term "I.R.C." shall mean the Internal Revenue Code of 1986, as it may be amended from time to time.
- 2.14 Internal Revenue Code of 1954. The term "Internal Revenue Code of 1954" shall mean the Internal Revenue Code in effect prior to the date of enactment of the Tax Reform Act of 1986.
- 2.15 Nonstatutory Stock Option. The term "Nonstatutory Stock Option" shall mean any Option granted hereunder which is not an Incentive Stock Option.
- 2.16 Nonstatutory Stock Option Plan. The term "Nonstatutory Stock Option Plan" shall mean the stock option plan of the Company set forth herein and which provides for the granting of the Options that do not qualify as Incentive Stock Options.
- 2.17 Option. The term "Option" shall mean an option to acquire Shares granted under the Plans.
- 2.18 Optionee. The term "Optionee" shall mean an Eligible Person who has been granted Options.
- 2.19 Parent Corporation. The term "Parent Corporation" shall mean a corporation as defined in I.R.C. Section 425(e).
- 2.20 Participating Company. The term "Participating Company" shall mean the Company and any Parent Corporation of Subsidiary Corporation.
- 2.21 Plan. The terms "Plan" or "Plans" shall refer collectively to the Incentive Stock Option Plan and the Nonstatutory Stock Option Plan unless a specific reference to either is indicated.
- 2.22 Restricted Shareholder. The term "Restricted Shareholder" shall mean an Optionee granted an Incentive Stock Option who, at the time the Incentive Stock Option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, with stock ownership determined in light of the attribution rules of I.R.C. Section 425(d).

- 2.23 Shares. The term "Shares" shall mean shares of the Company's authorized Common Stock, \$.10 par value, and may be unissued shares of treasury shares or shares purchased for the purpose of Plans.
- 2.24 Subsidiary Corporation. The term "Subsidiary Corporation" shall mean a corporation as defined in I.R.C. Section 425(f).
- 2.25 Terminating Transaction. The term "Terminating Transaction" shall mean any of the following events: (a) the dissolution or liquidation of the Company; (b) a reorganization, merger or consolidation of the Company with one or more other corporations as a result of which the Company goes out of existence or becomes a subsidiary of another corporation (which shall be deemed to have occurred if another corporation shall own, directly or indirectly, 80% or more of the aggregate voting power of all outstanding equity securities of the Company); (c) a sale of substantially all of the Company's assets; or (d) a sale to one person (or two or more persons acting in concert) of equity securities of the Company representing 80% or more of the aggregate voting power if all outstanding equity securities of the Company. As used herein or elsewhere in this Plan, the word "person" shall mean an individual, corporation, partnership, association or other person or entity, or any group of two or more of the foregoing that have agreed to act together.
- 2.26 Termination Date. The term "Termination Date" shall mean March 14, 1998.
- 2.27 Total Disability. The term "Total Disability" shall mean a total and permanent disability as that term is defined in I.R.C. Section 105(d)(4).

ARTICLE 3

ADMINISTRATION OF PLAN

- 3.1 Administration by Board. The Plan shall be administered by the Board. The Board shall have full and absolute power and authority in its sole discretion to (I)

determine which Eligible Persons shall receive Options, (ii) determine the terms and conditions, not inconsistent with the provisions of this Plan, of any Option granted hereunder, (iv) determine the number of Shares which may be issued upon exercise of the Options, and (v) interpret the provisions of this Plan and of any Option granted under this Plan.

- 3.2 Rules and Regulations. The Board may adopt such rules and

regulations as the Board may deem necessary or appropriate to carry out the purposes of the Plan and shall have authority to do everything necessary of appropriate to administer the Plan.

3.3 Binding Authority. All decisions, determinations, interpretations, or other actions by the Board shall be final, conclusive, and binding on all Eligible Persons, Optionees, Participating Companies and any successor-in- interest to such parties.

3.4 Administration by Committee.

(a) The Board in its sole discretion may from time to time appoint a Committee to administer the Plan and exercise on a nonexclusive basis with the full Board all of the powers, authority and discretion of the Board under this Plan. The Board may from time to time remove members from, or add members to, the Committee, and vacancies on the Committee shall be filled by the Board. The Board may abolish the Committee at any time and revest in the Board the exclusive administration of the Plan.

(b) In establishing the Committee, the Board may but need not require each member of the Committee to be a Disinterested Person, and the Board may but it not requires to take such other actions as are deemed necessary or advisable to conform these Plans to requirements of Rule 216b-3 as promulgated under the Exchange Act.

(c) The Committee shall report to the Board the names of Eligible Persons granted Options, the number of Shares subject to each Option and the terms and conditions of each such Option.

ARTICLE 4

NUMBER OF SHARES AVAILABLE FOR GRANT

4.1 Maximum Aggregate Number of Shares. Subject to the following provisions of this Section 4.1, the maximum aggregate number of Shares which may be optioned and sold under the Plans in the aggregate is 350,000. In the event that Options granted under the Plans shall for any reason terminate, lapse, be forfeited, or expire without being exercised, the Share subject to such unexercised Options shall again be available for the granting of Options under the Plans. In the event that Shares which were previously issued by the Company upon exercise of an Option are reacquired by the Company as part of the consideration received (in

accordance with Section 6.6(b) hereof) upon the subsequent exercise of an Option, such reacquired Shares shall again be available for the granting of Options hereunder.

- 4.2 Aggregate Limitation with Respect to the Participation of Directors under the Plans. Subject to the following provisions of the Section 4.2, the maximum number of Shares which may be optioned and sold to Directors of the Company under the Nonstatutory Stock Option Plan in the aggregate is 50,000. In the event that Options granted under this limitation shall for any reason terminate, lapse, be forfeited, or expire without being exercise, the Shares subject to such unexercised Options shall again be available for the granting of Options under the limitations of this Section 4.2. In the event that Shares which were previously issued by the Company upon exercise of an Option granted under the limitation of this Section 4.2 are reacquired by the Company as part of the consideration received (I accordance with Section 6.6(b) hereof) upon the subsequent exercise of an Option, such Shares shall again be available for the granting of Options under the limitation of this Section 4.2.

ARTICLE 5

TERMS OF PLANS

The Plans shall be effective as of the Effective Date and shall terminate on the Termination Date. No Option may be granted hereunder after the Termination Date.

ARTICLE 6

OPTION TERMS

- 6.1 Form of Option Agreement. Any Option granted under the Plans shall be evidenced by an agreement ("Option Agreement") in which form as the Board, in its discretion, may from time to time approve. Any Option Agreement shall contain such terms and conditions as the Board may deem necessary or appropriate and which are not inconsistent with the provisions of the Plans.
- 6.2 Grant Limitation on Incentive Stock Options. For options granted under the Incentive Stock Option Plan, the aggregate Fair Market Value (determined at the time the Option is granted) of the Shares for which Incentive Stock Options are exercisable for the first time be an Eligible Person under this Plan and any other plan of any Participating Company shall not exceed \$100,000 in any calendar

year.

- 6.3 Option Exercise Price. The option exercise price for Shares to be issued under this Plan shall be determined by the Board in its sole discretion, but in no event shall the option exercise price be less than the Fair Market Value of the Shares. In the case of an Incentive Stock Option, if on the date of the grant of the Option the Optionee is a Restricted Shareholder, the option exercise price shall not be less than 110% of the Fair Market Value of the Shares. The date of grant shall be deemed to be the date on which the Board authorizes the grant of the Option, unless a subsequent date is specified in such authorization.
- 6.4 Vesting and Exercisability of Options. Subject to the limitations set forth herein and/or in any applicable Option Agreement entered into hereunder, Options granted under the Plan shall vest and be exercisable in accordance with the rules set forth in this Section 6.4:
- (a) General. Subject to the other provisions of this Section 6.4, Options shall vest and become exercisable at such times and in such installments as the Board shall provide in each individual Option Agreement. Notwithstanding the foregoing, the Board may in its sole discretion accelerate the time at which an Option or installment thereof may be exercised. Unless otherwise provided in this Section 6.4 or in the Option Agreement pursuant to which an Option is granted, an Option may be exercised when Accrued Installments accrue as provided in such Option Agreement and at any time thereafter until, and including, the day before the Option Termination Date.
- (b) Termination of Options. All installments of an Option shall expire and terminate on such date as the Board shall determine ("Option Termination Date"), which in no event shall be no later than 5 years from the date such Option is granted.
- (c) Termination of Employment or Directorship Other Than by Death of Total Disability. In the event that the employment of an Optionee with a Participating Company is terminated for any reason (other than death or Total Disability), any installments under an Option held by such Optionee which have not accrued as of the employment termination date or the directorship termination date (whichever may be applicable) shall expire and become unexercisable as of the earlier of (i) three months following the employment or directorship termination date or (ii) the original Option Termination Date. For purposes of these Plans, an Optionee who is an employee or a Director of any Participating Company shall not be deemed to

have incurred directorship (which ever may be applicable) so long as such Optionee is an employee or Director (whichever may be applicable) of any Participating Company.

- (d) Leave of Absence. In the case of any employee on an approved leave of absence, the Board may make such provision respecting continuance of the Option as the Board deems appropriate, except in no event shall an Option be exercisable after the original Option Termination Date.
- (e) Death or Total Disability of Optionee While Employed. In the event that the employment and/or directorship of an Optionee with a Participating Company is terminated by reason of death or Total Disability, any unexercised Accrued Installments of Options granted hereunder to such Optionee shall expire and become unexercisable as of the earlier of:
 - (i) The applicable Option Termination Date, or
 - (ii) The first anniversary of the date of termination of employment and/or directorship of such Optionee by reason of the Optionee's death or Total Disability.

Any such Accrued Installments of a deceased Optionee may be exercised prior to their expiration only by the person or persons to whom the Optionee's Option right pass by will or the laws of descent and distribution. Any Option installments under such a deceased or disabled Optionee's Option that have not accrued as of the date of the employee's termination of employment and/or Director's termination of directorship due to death or Total Disability shall expire and become unexercisable as of the employment and/or directorship termination date.

- (f) Termination of Affiliation of Participating Company. Notwithstanding the foregoing provisions of this Section 6.4, in the case of an Optionee who is an employee or Director of a Participating Company other than the Company, upon an Affiliation Termination (as defined herein) of such Participating Company such Optionee shall be deemed (for all purposes of these Plans) to have incurred a termination of his employment or directorship (whichever may be applicable) for reasons other than death or Total Disability, with such termination to be deemed effective as of the effective date of said Affiliation Termination. As used herein the term "Affiliation Termination" shall mean, with respect to a Participating Company, the termination of such Participating Company's status as a Participating Company (as defined herein) with respect to the Company.

- 6.5 Exercise of Options. An Option may be exercised in accordance with this Section 6.5 as to all or any portion of the Shares covered by an Accrued Installment of the Option from time to time during the applicable option period, except that an Option shall not be exercisable with respect to fractions of a Share. Options may be exercised, in whole or in part, by giving written notice of exercise to the Company, which notice shall specify the number of Shares to be purchased and the purchase price in accompanied by payment in full of the purchase price in accordance with Section 6.6. An Option shall be deemed exercised when such written notice of exercise has been received by the Company. No Shares shall be issued until full payment has been made and the Optionee has satisfied such other conditions as may be required by this Plan; as may be required by applicable law, rules, or regulations; or as may be adopted or imposed by the Board. Until the issuance of stock certificates, no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to optioned Shares notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other rights for which the date is prior to the date the stock certificate is issued, except as provided in Section 6.9(a).
- 6.6 Payment of Option Exercise Price.
- (a) Except as otherwise provided in Section 6.6(b), the entire option exercise price shall be paid at the time the Option is exercised by cashier's check or such other means as deemed acceptable by the Company.
- (b) In the discretion of the Board, an Optionee may elect to pay for all or some of the Optionee's Shares with Shares previously acquired and owned at the time of exercise by the Optionee, subject to all restrictions and limitations of applicable laws, rules, and regulations and subject to the satisfaction of any conditions the Board may impose, including but not limited to the making of such representations and warranties and the providing of such other assurances that the Board may require with respect to the Optionee's title to the Shares used for payment of the exercise price. Such payment shall be made by delivery of certificates representing Shares, duly endorsed or with duly signed stock power attached, such Share to be valued on such basis as the Board shall determine.
- 6.7 Options Not Transferable. Options granted under this Plan may not be sold, pledged, hypothecated, assigned, encumbered, gifted or otherwise transferred or alienated in any manner, whether voluntarily or involuntarily by operation of law, other than by will or the laws of descent and distribution, and may be exercised during the lifetime of an Optionee only by such Optionee.
- 6.8 Restrictions on Issuance of Shares.

- (a) No Shares shall be issued or delivered upon exercise of an Option unless and until there shall have been compliance with all applicable requirements of the Securities Act of 1933, as amended, all applicable listing requirements of any national securities exchange on which Shares are then listed, and any other requirement of law of any regulatory body having jurisdiction over such issuance and delivery. The inability of the Company to obtain any required permits, authorizations, or approvals necessary for the lawful issuance and sale of any Shares hereunder on terms deemed reasonable by the Board shall relieve the Company, the Board, and any Committee of any liability in respect of the nonissuance or sale of such Shares as to which such requisite permits, authorizations, or approvals shall not have been obtained.
- (b) As a condition to the granting or exercise of any Option, the Board may require the person receiving or exercising such Option to make any representation and/or warranty to the Company as may be required under an applicable law or regulation, including but not limited to a representation that the Option and/or Share are being acquired only for investment and without any present intention to sell or distribute such Option and/or Shares, if such a representation is required under the Securities Act of 1933, as amended, or any other applicable law, rule, or regulation.
- (c) The exercise of Options under these Plans is conditioned on approval of the Plans by the vote or written consent of the holders of a majority of the outstanding shares of the Company's Common Stock within twelve months of the adoption of the Plans. In the event such shareholder approval is not obtained within such time period, any Options granted hereunder shall be void.

6.9 Option Adjustments.

- (a) If the outstanding shares of Common Stock of the Company are increased, decreased, changed into or exchanged for a different number or kind of shares of the Company through reorganization, recapitalization, reclassification, stock dividend, stock split or reverse stock split, upon authorization of the Board a proportionate adjustment shall be made in the number or kind of shares, and the per share option price thereof, which may be issued in the aggregate and to individual Optionees upon exercise

of Options granted under the Plans; provided, however, that no such adjustment need be made if, upon the advice of counsel, the Board determines that such adjustment may result in the

receipt of federally taxable income to holders of Options granted hereunder or the holders of Common Stock or other classes of the Company's securities.

- (b) Upon the occurrence of a Terminating Transaction, as of the effective date of such Terminating Transaction the Plans and any then outstanding Options (whether or not vested) shall terminate unless (I) provision is made in writing in connection with such transaction for the continuance of the Plans and for the assumption of such Options, or for the substitution for such Options of new options covering the securities of any successor or survivor corporation in the Terminating Transaction or any affiliate thereof, with such adjustments as the Board deems appropriate with respect to the number and kind of securities and the per share exercise price under such substituted options, in which event the Plans and such outstanding Options shall continue or be replaced, as the case may be, in the manner and under the terms so provided; or (ii) the Board otherwise shall provide in writing for such adjustments as it deems appropriate in the terms and conditions of the then outstanding Options (whether or not vested), including without limitation (A) accelerating the vesting of outstanding Options, and/or (B) providing for the cancellation of Options and their automatic conversion into the right to receive the securities or other properties which have been entitled to receive the securities or other properties which a holder of the Shares underlying such Options would have entitled to receive upon the consummation of such Terminating Transaction had such Shares been issued and outstanding (net of the appropriate option exercise prices). If, pursuant to the foregoing provisions of this paragraph (b) the Plans and the Options shall terminate by reason of the occurrence of a Terminating Transaction without provision for any of the action(s) described in clause (I) and/or (ii) hereof, then any Optionee holding outstanding Options shall have the right, at such time immediately prior to the consummation of the Terminating Transaction as the Board shall designate, to exercise their options to the full extent no theretofore exercised, including any installments which have not yet become Accrued Installments (subject, however, to the provisions of paragraph (c) below).
- (c) In the event that (I) pursuant to the provisions of Section 6.9(b) hereof all or any portion of an outstanding Incentive Stock Option (herein an "Accelerated ISO") shall first become exercisable by an Optionee in a calendar year which is earlier than the calendar year as provided under the applicable Option Agreement at the time of the grant of such Option, and (ii) such accelerated exercisability, when considered together with other Incentive Stock Options of such Optionee which are first exercisable during such earlier calendar year, would be

prohibited under the provisions of Section 6.2 hereof (as interpreted by the Board in light of the requirements of I.R.C. Section 422A(b)(7)), then notwithstanding the

provisions of Section 6.9(b) said Accelerated ISO shall be exercisable only to the extent permitted under the provisions of Section 6.2.

- (d) Except to the extent required in order to retain the qualification of an Option as an Incentive Stock Option under I.R.C. Section 422A, to the maximum extent possible any adjustments authorized under this Section 6.9 with respect to any outstanding Options shall be made by means of appropriate adjustment to the number of Shares (or other securities) and the option exercise price therefor under the unexercised portions of such outstanding Options but without changing the aggregate exercise price applicable to said unexercised portions. In all cases, the nature and extent of adjustments under this Section 6.9 shall be determined by the Board in its sole discretion, and any such extent thereof, shall be final and binding. No fractional shares of stock shall be issued under the Plans pursuant to any such adjustment.

6.10 Taxes. The Board shall make such provisions and take such steps as it deems necessary or appropriate for the withholding of any federal, state, local and other tax required by law to be withheld with respect to the grant or exercise of an Option under the Plans, including without limitation, the deduction of the amount of any such withholding tax from any compensation of other amounts payable to an Optionee by any member of the Participation Companies, or requiring an Optionee (or the Optionee's beneficiary or legal representative) as a condition of granting or exercising an Option to pay to any withheld, or to execute such other documents as the Board deems necessary or desirable in connection with the satisfaction of any applicable withholding obligation.

6.11 Legends on Options and Stock Certificates. Each Option Agreement and each certificate representing Shares acquired upon exercise of an Option shall be endorsed with all legends, if any, required by applicable federal and state securities laws to be placed on the Option Agreement and/or the certificate. The determination of which legends, if any, shall be placed upon Stock Option Agreements and/or said Shares shall be made by the Board in its sole discretion and such decision shall be final and binding.

ARTICLE 7

AMENDMENT OR TERMINATION OF PLAN

7.1 Board Authority. The Board may amend, alter, and/or terminate the Plans at any time; provided, however, that unless required by applicable law, rule or regulation the Board shall not amend the Plans in the following respects without the approval of stockholders holding a majority interest in the Company:

- (i) To increase the maximum number of Shares available for grant under the Plan;
- (ii) To provide for the administration of the Plan other than by the Board or a Committee;
- (iii) To change the manner of determining the option exercise price;
- (iv) To change the classes of Eligible Persons or Participating Companies; or
- (v) To extend the maximum Option Period of the terms of the Plans.

7.2 Limitation on Board Authority. The Board may amend the terms of any Option previously granted, prospectively or retroactively, and may amend the Plan in accordance with the provisions of Section 7.1; provided, however, that unless required by applicable law, rule, or regulation, no amendment of the Plan or of any Option Agreement shall effect in a material and adverse manner Options granted prior to the date of any such amendment without the consent of the Optionee holding any such affected Options.

7.3 Substitution of Options. In the Board's discretion, the Board may, with an Optionee's consent, substitute Nonstatutory Stock Options for outstanding Incentive Stock Options, and any such substitution shall not constitute a new Option grant for the purposes of this Plan, and shall not require a reevaluation of the Option exercise price for the substituted Option. Any such substitution may be implemented by an amendment to the applicable Option Agreement or in such other manner as the Board in its discretion may determine.

ARTICLE 8

----- GENERAL PROVISIONS -----

8.1 Availability of Plans. A copy of these Plans shall be delivered to the Secretary of the Company and shall be shown by the Secretary to any Eligible Person making reasonable inquiry concerning the Plans.

- 8.2 Notice. Any notice or other communication required or permitted to be given pursuant to the Plan under any Option Agreement must be in writing and may be registered or certified mail, and if given by registered or certified mail, shall be determined to have been given and received when a registered or certified letter containing such notice, properly addressed with postage prepaid, is deposited in the United States mails; and if given otherwise than by registered or certified mail, it shall be deemed to have been given when delivered to and received by the party to whom addressed. Notice shall be given to Eligible Persons at their most recent addresses shown in the Company's records. Notice to the Company shall be addressed to the Company at the address of the Company's principal executive offices, to the attention of the Secretary of the Company.
- 8.3 Titles and Headings. Titles and headings of sections of this Plan are for convenience of reference only and shall not affect the construction of any provisions of this Plan.
- 8.4 Governing Law. This Plan shall be governed by, interpreted under, and construed and enforced in accordance with the internal laws, and not the laws pertaining to conflicts or choice of laws, of the State of California applicable to agreements made and to be performed wholly within the State of California.

EXHIBIT 4.5

DATA DIMENSIONS, INC.

1997 STOCK OPTION PLAN

DATA DIMENSIONS, INC.
1997 STOCK OPTION PLAN

I. STATEMENT OF PURPOSE.

The principal purposes of this Stock Option Plan ("Plan") are to secure to Data Dimensions, Inc. (the "Company") the advantages of the incentive inherent in stock ownership on the part of employees, officers, directors, and consultants responsible for the continued success of the Company and to create in such individuals a proprietary interest in, and a greater concern for, the welfare of the Company through the grant of options to acquire shares of the common stock of the Company ("Common Stock"). Each incentive stock option ("ISO") granted hereunder is intended to constitute an "incentive stock option," as such term is defined in Section 422 of the Internal Revenue Code of 1986, as the same may be amended from time to time (the "Code"), and this Plan and each such ISO is intended to comply with all of the requirements of said Section 422 and of all other provisions of the Code applicable to incentive stock options and to plans issuing the same. Each nonstatutory stock option ("Non-ISO") granted hereunder is intended to constitute a nonstatutory stock option that does not comply with the requirements of Section 422 of the Code. ISO's and Non-ISO's shall sometimes hereinafter be referred to collectively as "Options". This Plan is expected to benefit shareholders by enabling the Company to attract

and retain personnel of the highest caliber by offering to them an opportunity to share in any increase in the value of the Common Stock to which such personnel have contributed.

2. ADMINISTRATION.

2.1 The Plan shall be administered by the Board of Directors of the Company ("Board") or a committee or committees (which term includes subcommittees) appointed by, and consisting of two or more members of, the Board (hereinafter, "Plan Administrator"). If and so long as the Common Stock is registered under Section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), the Board shall consider in selecting the Plan Administrator and the membership of any committee acting as Plan Administrator of the Plan with respect to any persons subject or likely to become subject to Section 16 under the Exchange Act the provisions regarding (a) "outside directors," as contemplated by Section 162(m) of the Code, and (b) "nonemployee directors," as contemplated by Rule 16b-3 under the Exchange Act. The Board may delegate the responsibility for administering the Plan with respect to designated classes of eligible persons to different committees, subject to such limitations as the Board deems appropriate. Committee members shall serve for such term as the Board may determine, subject to removal by the Board at any time.

2.2 Except for the terms and conditions explicitly set forth in the Plan, the Plan Administrator shall have exclusive authority, in its discretion, to determine all matters relating to awards under the Plan, including the selection of individuals to be granted awards of options, the type of options, the number of shares of Common Stock subject to an Option, all terms, conditions, restrictions and limitations, if any, of an Option, and the terms of any instrument that evidences the Option. The Plan Administrator shall also have exclusive authority to interpret the Plan and may from time to time adopt, and change, rules and regulations of general application for the Plan's administration. The Plan Administrator's interpretation of the Plan and its rules and

regulations, and all actions taken and determinations made by the Plan Administrator pursuant to the Plan, shall be conclusive and binding on all parties involved or affected. The Plan Administrator may delegate administrative duties to such of the Company's officers as it so determines.

3. ELIGIBILITY.

3.1 ISO's may be granted to any employee of the Company or of an Affiliate of the Company, as defined in Section 3.2 below. Non-ISO's may be

granted to any employee, officer or director (whether or not also an employee), or consultant of the Company or of an Affiliate of the Company. Each employee, officer, director, or consultant selected by the Plan Administrator to receive an Option shall sometimes hereinafter be referred to as an "Optionee".

3.2 As used in this Plan, an "Affiliate" of a corporation shall refer to a "parent corporation" of such corporation as described in Section 424(e) of the Code or a "subsidiary corporation" of such corporation as described in Section 424(f) of the Code.

3.3 An Optionee who is not an employee of the Company or of an Affiliate of the Company shall not be eligible to receive an ISO hereunder and no ISO's shall be granted to any such non-employee Optionee.

3.4 No Option shall be granted hereunder to any Optionee unless the Plan Administrator shall have determined, based on the advice of counsel, that the grant of such option (and the exercise thereof by the Optionee) will not violate the securities law of the state where the Optionee resides.

4. SHARES SUBJECT TO THE PLAN.

4.1 The Plan Administrator, from time to time, may provide for the option and sale in the aggregate of up to One Million (1,000,000) shares of Common Stock. The number of such shares shall be adjusted to take account of the events referred to in Section 10 hereof.

4.2 Upon exercise of an Option, the number of shares of Common Stock thereafter available hereunder and under the Option shall decrease by the number of shares of Common Stock as to which such Option was exercised; provided that if such shares are pledged to secure a promissory note given in payment of the Option Price for such shares and, as a result of a default on such note, the pledged shares are returned to the Company, then such shares shall again be available for the purposes of this Plan.

4.3 If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased shares subject thereto shall again be available for the purposes of this Plan.

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4.4 The Company shall at all times during the term of this Plan reserve and keep available such number of shares as shall be sufficient to satisfy the requirements of the Plan.

4.5 Subject to any adjustment as provided in Section 10, if and so long as the Common Stock is registered under Section 12 of the Exchange Act, not more than One Hundred Thousand (100,000) shares of Common Stock may be made subject

to grants under the Plan to any one individual in the aggregate in any one fiscal year of the Company, except the Company may make additional one-time grants of up to Fifty Thousand (50,000) shares to a newly hired individual, such limitation to be applied in a manner consistent with the requirements of, and only to the extent required for compliance with, the exclusion from the limitation on deductibility of compensation under Section 162(m) of the Code.

5. OPTION TERMS.

5.1 The Plan Administrator shall specify the following terms to be contained in each Option granted to an Optionee hereunder, which Option shall be executed by the Company and such Optionee:

5.1.1 Whether such Option is an ISO or a Non-ISO;

5.1.2 The number of shares of Common Stock subject to purchase pursuant to such Option;

5.1.3 The date on which the grant of such Option shall be effective (the "Date of Grant");

5.1.4 The period of time during which such Option shall be exercisable, which shall in no event be more than ten (10) years following its Date of Grant for ISO's; provided, however, that if an ISO is granted to an Optionee who on the Date of Grant owns, either directly or indirectly within the meaning of Section 424(d) of the Code, more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or an Affiliate of the Company, the period of time during which such Option shall be exercisable shall in no event be more than five (5) years following its Date of Grant;

5.1.5 The price at which such Option shall be exercisable by the Optionee (the "Option Price"); provided, however, that the Option Price shall in no event be less than the fair market value, as defined in Section 5.2 below, on the Date of Grant, of the shares of Common Stock subject thereto; and provided further that, if such Option is granted to an Optionee who on the Date of Grant owns, either directly or indirectly within the meaning of Section 424(d) of the Code, more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or an Affiliate of the Company, then the Option Price specified in such Option shall be at least one hundred ten

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percent (110%) of the fair market value, on the Date of Grant, of the Common Stock subject thereto;

5.1.6 Any vesting schedule upon which the exercise of an Option is contingent; provided that the Plan Administrator shall have complete discretion

with respect to the terms of any vesting schedule upon which the exercise of an Option is contingent, including, without limitation, discretion (a) to allow full and immediate vesting upon grant of such Option, (b) to permit partial vesting in stated percentage amounts based on the length of the holding period of such Option, or (c) to permit full vesting after a stated holding period has passed; and

5.1.7 Such other terms and conditions as the Plan Administrator deems advisable and as are consistent with the purpose of this Plan.

5.2 Fair market value shall be determined as follows:

5.2.1 If the Company's Common Stock is publicly traded at the time an Option is granted hereunder, fair market value shall be determined as of the last business day for which the prices or quotes discussed in this Section 5.2.1 are available prior to the date such Option is granted and shall mean:

(a) The average (on that date) of the high and low prices of the Common Stock on the principal national securities exchange on which the Common Stock is traded, if the Common Stock is then traded on a national securities exchange; or

(b) The last reported sale price (on that date) of the Common Stock on the NASDAQ National Market System, if the Common Stock is not then traded on a national securities exchange; or

(c) The closing bid price (or average of bid prices) last quoted on such date by an established quotation service for over-the-counter securities, if the Common Stock is not reported on the NASDAQ National Market System.

5.2.2 If the Common Stock is not publicly traded at the time an Option is granted hereunder, fair market value shall be deemed to be the fair value of the Common Stock as determined by the Plan Administrator after taking into consideration all factors that it deems appropriate, including, without limitation, recent sale and offer prices of the Common Stock in private transactions negotiated at arm's length.

5.3 No Option shall be granted hereunder during the suspension of this Plan or after the termination of this Plan pursuant to Section 11.2. Except as expressly provided herein, nothing contained in this Plan shall require that the terms and conditions of Options granted hereunder be uniform.

5.4 Notwithstanding anything in the Plan to the contrary, the Plan Administrator may grant Options under the Plan in substitution for options issued under

other plans, or assume under the Plan awards issued under other plans, if the other plans are or were plans of other acquired entities ("Acquired Entities") (or the parent of the Acquired Entity) and the new Option is substituted, or the old option is assumed, by reason of a merger, consolidation, acquisition of property or of stock, reorganization or liquidation (the "Acquisition Transaction"). In the event that a written agreement pursuant to which the Acquisition Transaction is completed is approved by the Board and said agreement sets forth the terms and conditions of the substitution for or assumption of outstanding awards of the Acquired Entity, said terms and conditions shall be deemed to be the action of the Plan Administrator without any further action by the Plan Administrator, and the persons holding such Options shall be deemed to be Optionees.

6. LIMITATION ON GRANTS OF ISO'S.

In the event that the aggregate fair market value of Common Stock and other stock with respect to which ISO's granted to an Optionee hereunder or incentive stock options granted to such Optionee under any other plan of the Company or any of its Affiliates are exercisable for the first time during any calendar year, exceeds the maximum permitted under Section 422(d) of the Code, then to the extent of such excess, such ISO's shall be treated as Non-ISO's.

7. EXERCISE OF OPTION.

7.1 Subject to any limitations or conditions imposed upon an Option pursuant to Section 5 above, an Optionee may exercise an Option or any part thereof (unless partial exercise is specifically prohibited by the terms of the Option), by giving written notice thereof to the Company at its principal place of business accompanied by payment as described in Section 7.2.

7.2 The exercise price for shares purchased under an Option shall be paid in full to the Company by delivery of consideration equal to the Option Price for the whole number of shares as to which it is exercised. Such consideration must be paid in cash or by check, or, in the Plan Administrator's discretion, a combination of cash and/or check and/or one or both of the following alternative forms: (a) tendering (either actually or, if and so long as the Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, by attestation) Common Stock already owned by the Optionee for at least six (6) months (or any shorter period necessary to avoid a charge to the Company's earnings for financial reporting purposes) having a fair market value on the day prior to the exercise date equal to the aggregate Option Price or (b) if and so long as the Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, delivery of a properly executed exercise notice, together with irrevocable instructions, to (i) a brokerage firm, that may from time to time be designated by the Company in its discretion, to deliver to the Company the aggregate amount of sale or loan proceeds to pay the Option Price and any withholding tax obligations that may arise in connection with the exercise and (ii) the Company, to deliver the certificates for such purchased shares directly to such brokerage

firm, all in accordance with the regulations of the Federal Reserve Board. In addition, the exercise price for shares purchased under an

Option may be paid, either singly or in combination with one or more of the alternative forms of payment authorized by this Section 7.2, by (y) a promissory note; or (z) such other consideration as the Plan Administrator may permit. Any promissory note delivered in connection with exercise of an Option shall bear interest at a rate specified by the Plan Administrator but in no case less than the rate required to avoid imputation of interest (taking into account any exceptions) for federal income tax purposes.

7.3 As soon as practicable after exercise of an option in accordance with Sections 7.1 and 7.2 above, the Company shall issue a stock certificate evidencing the Common Stock with respect to which the Option has been exercised. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of such stock certificate, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Common Stock, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 10 below.

7.4 The amount to be paid by the Optionee upon exercise shall be the full Option Price together with the amount of any taxes required to be withheld with respect to the grant or exercise of the Option. Subject to the Plan and to applicable law, the Plan Administrator, in its sole discretion, may permit such withholding obligations to be paid, in whole or in part, by electing to have the Company withhold shares of Common Stock or by transferring shares of Common Stock to the Company, in such amounts as are equivalent to the fair market value of the withholding obligation.

8. TRANSFERABILITY AND POST-TERMINATION EXERCISES.

8.1 Except as provided otherwise in this Section 8, no Option shall be transferable or exercisable by any person other than the Optionee to whom such Option was originally granted.

8.2 The Plan Administrator shall establish and set forth in each instrument that evidences an Option whether the Option will continue to be exercisable and the terms and conditions of such exercise, if the Optionee ceases to be employed by or provide services to the Company or its Affiliates, which may be waived or modified by the Plan Administrator. If not so established and subject to Section 8.3, the Option will be exercisable in accordance with the following terms, which may be waived or modified by the Plan Administrator:

8.2.1 In case of termination of Optionee's employment or services

other than by reason of death, the Option shall be exercisable, to the extent of the number of shares purchasable at the date of termination, only:

(a) Except as set forth in Section 8.3 with regard to ISO's, within one year if termination is coincident with normal retirement (as defined by the Plan Administrator), early retirement at the Company's request, or disability; or

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(b) Within three months after the date the Optionee ceases to be an employee or consultant of the Company or Affiliate, if termination is for reason other than as specified in (a), but, in either case, no later than the remaining term of the Option.

8.2.2 Any Option exercisable at the time of the Optionee's death may be exercised to the extent of the number of shares purchasable at the date of death, by the personal representative of the Optionee's estate or the person(s) to whom the Optionee's rights under the Option have passed by will or applicable laws of descent and distribution at any time or from time to time within one year after the date of death, but in no event later than the remaining term of the Option.

8.2.3 Any portion of an Option not exercisable on the date of termination of the Optionee's employment or services shall terminate on such date, unless the Plan Administrator determines otherwise.

8.2.4 Subject to Section 8.3, the effect of a Company-approved leave of absence on terms and conditions of an Option shall be determined by the Plan Administrator in its sole discretion. A transfer of services or employment between or among the Company and subsidiaries shall not be considered a termination of employment or services.

8.3 To the extent required by Section 422 of the Code, ISO's shall be subject to the following additional terms and conditions: To qualify for ISO tax treatment, an Option designated as an ISO must be exercised within three months after termination of employment for reasons other than death, except that in the case of termination of employment due to total disability, such Option must be exercised within one year after such termination. Employment shall not be deemed to continue beyond the first 90 days of a leave of absence unless the Optionee's reemployment rights are guaranteed by statute or contract. For purposes of this Section 8.3, "total disability" shall mean a mental or physical impairment expected to result in death or that has lasted or is expected to last for a continuous period of 12 months or more and that causes the Optionee to be unable, in the opinion of the Company and two independent physicians, to perform his or her duties for the Company and to be engaged in any substantial gainful activity. Total disability shall be deemed to have occurred on the first day after the Company and two independent physicians furnish their opinion of total

disability to the Plan Administrator.

8.4 In the event that a qualified domestic relations order, as defined by Section 414(p) of the Code or Title I of the Employee Retirement Income Security Act or the rules thereunder, mandates the transfer of any Option that could have been exercised immediately prior to the issuance of such order, such Option shall pass to the person or persons entitled thereto pursuant to the order and shall be exercisable by such person or persons in accordance with the terms thereof. In addition, a Non-ISO may be exercised during the Optionee's lifetime, by the Optionee's guardian or legal representative.

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8.5 The Plan Administrator may, in its discretion, authorize all or a portion of the Non-ISO's granted to an Optionee to be on terms which permit transfer by such Optionee to (i) the spouse, children or grandchildren of the Optionee ("Immediate Family Members"), (ii) a trust or trusts for the exclusive benefit of such Immediate Family Members, or (iii) a partnership in which such Immediate Family Members are the only partners, provided that (x) there may be no consideration for any such transfer, (y) the stock option agreement pursuant to which such Options are granted must be approved by the Plan Administrator and must expressly provide for transferability in a manner consistent with this Section, and (z) subsequent transfers of transferred Options are prohibited except those in accordance with Section 8 of the Plan. The Plan Administrator may, in its discretion, in permitting transferability, impose additional conditions in the Option Agreement consistent with this section, including without limitation imposition of a post-exercise holding period on transferees. Following transfer, any such Options shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer; provided, the events of termination of employment of Sections 8 and 9 hereof shall continue to be applied with respect to the original Optionee, following which the Options shall be exercisable by the transferee only to the extent and for the periods specified. The Company disclaims any obligation to provide notice to a transferee of early termination of the Option due to termination of employment or otherwise. Notwithstanding a transfer pursuant to the foregoing, the original Optionee will remain subject to applicable withholding taxes upon exercise. No transfer will be effective until written notice of transfer is delivered to the Company. The Company reserves the right to approve transfers hereunder.

9. TERMINATION OF OPTIONS.

To the extent not earlier exercised, an Option shall terminate at the earliest of the following dates:

9.1 The termination date specified for such Option in the respective Option Agreement;

9.2 As specified in Section 8 above:

9.3 The date of any sale, transfer, or hypothecation, or any attempted sale, transfer or hypothecation, of such Option in violation of Section 8 above; or

9.4 The date specified in Section 10.2 below for such termination in the event of a Terminating Event.

10. ADJUSTMENTS TO OPTIONS.

10.1 In the event of a material alteration in the capital structure of the Company on account of a recapitalization, stock split, reverse stock split, stock dividend, or otherwise, then the Plan Administrator shall make such adjustments to this Plan and to

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the Options then outstanding and thereafter granted hereunder as the Plan Administrator determines to be appropriate and equitable under the circumstances, so that the proportionate interest of each holder of any such Option shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation (a) a change in the number or kind of shares of stock of the Company covered by such Options, and (b) a change in the Option Price payable per share; provided, however, that the aggregate Option Price applicable to the unexercised portion of existing Options shall not be altered, it being intended that any adjustments made with respect to such Options shall apply only to the price per share and the number of shares subject thereto. For purposes of this Section 10.1, neither (i) the issuance of additional shares of stock of the Company in exchange for adequate consideration (including services), nor (ii) the conversion of outstanding preferred shares of the Company into Common Stock shall be deemed material alterations of the capital structure of the Company. In the event the Plan Administrator shall determine that the nature of a material alteration in the capital structure of the Company is such that it is not practical or feasible to make appropriate adjustments to this Plan or to the Options granted hereunder, such event shall be deemed a Terminating Event as defined in Section 10.2 below.

10.2 Subject to Section 10.3, all Options granted hereunder shall terminate upon the occurrence of any of the following events ("Terminating Events"): (a) the dissolution or liquidation of the Company; or (b) a material change in the capital structure of the Company that is subject to this Section 10.2 by virtue of the last sentence of Section 10.1 above.

10.3 The Plan Administrator shall give notice to Optionees not less than thirty (30) days prior to the consummation of (a) a Terminating Event as defined in Section 10.2 above; (b) a merger or consolidation of the Company with one or more corporations as a result of which, immediately following such merger

or consolidation, the shareholders of the Company as a group will hold less than a majority of the outstanding capital stock of the surviving corporation; or (c) the sale or other disposition of all or substantially all of the assets of the Company. Upon the giving of such notice, all Options granted hereunder shall become immediately exercisable, without regard to any contingent vesting provision to which such Options may have otherwise been subject.

10.4 All Options granted hereunder shall become immediately exercisable, without regard to any contingent vesting provision to which such Options may have otherwise been subject, upon the occurrence of an event whereby any person or entity, including any "person" as such term is used in Section 13(d)(3) of the Exchange Act, becomes the "beneficial owner", as defined in the Exchange Act, of Common Stock representing fifty percent (50%) or more of the combined voting power of the voting securities of the Company.

10.5 In the event of a reorganization as defined in this Section 10.5 in which the Company is not the surviving or acquiring company, or in which the Company is or becomes a wholly-owned subsidiary of another company after the effective date of

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the reorganization, then the plan or agreement respecting the reorganization shall include appropriate terms providing for the assumption of each Option granted hereunder, or the substitution of an option therefor, such that no "modification" of any such Option occurs under Section 424 of the Code. For purposes of this Section 10.5, reorganization shall mean any statutory merger, statutory consolidation, sale of all or substantially all of the assets of the Company, or sale, pursuant to an agreement with the Company, of securities of the Company pursuant to which the Company is or becomes a wholly-owned subsidiary of another corporation after the effective date of the reorganization.

10.6 The Plan Administrator shall have the right to accelerate the date of exercise of any installment of any option; provided, however, that, without the consent of the Optionee with respect to any Option, the Plan Administrator shall not accelerate the date of any installment of any Option granted to an employee as an ISO (and not previously converted into a Non-ISO pursuant to Section 12 below) if such acceleration would violate the annual vesting limitation contained in Section 422(d) of the Code, as described in Section 6 above.

10.7 Adjustments and determinations under this Section 10 shall be made by the Plan Administrator (upon the advice of counsel), whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

11. TERMINATION AND AMENDMENT OF PLAN.

11.1 The Plan may be amended only by the Board as it shall deem advisable; however, to the extent required for compliance with Section 422 of the Code or any applicable law or regulation, shareholder approval will be required for any amendment that will (a) increase the total number of shares as to which Options may be granted under the Plan, (b) modify the class of persons eligible to receive Options, or (c) otherwise require shareholder approval under any applicable law or regulation.

11.2 The Company's shareholders or the Board may suspend or terminate the Plan at any time. The Plan will have no fixed expiration date; provided, however, that no ISO may be granted more than ten (10) years after the earlier of the Plan's adoption by the Board and approval by the shareholders.

11.3 The amendment or termination of the Plan shall not, without the consent of the Optionee under the Plan, impair or diminish any rights or obligations under any Option theretofore granted under the Plan. Any change or adjustment to an outstanding ISO shall not, without the consent of the holder, be made in a manner so as to constitute a "modification" that would cause such ISO to fail to continue to qualify as an incentive stock option.

12. CONVERSION OF ISO'S INTO NON-ISO'S.

At the written request of any ISO Optionee, the Plan Administrator may in its discretion take such actions as may be necessary to convert such Optionee's ISO's (or any installments or portions of installments thereof) that have not been exercised on the date of conversion into Non-ISO's at any time prior to the expiration of such ISO's, regardless of whether the Optionee is an employee of the Company or of an Affiliate of the Company at the time of such conversion. Such actions may include, but shall not be limited to, extending the exercise period or reducing the exercise price of the appropriate installments of such ISO's. At the time of such conversion, the Plan Administrator, with the consent of the Optionee, may impose such conditions on the exercise of the resulting Non-ISO's as the Plan Administrator in its discretion may determine, provided that such conditions shall not be inconsistent with this Plan. Nothing in this Plan shall be deemed to give any Optionee the right to have such Optionee's ISO's converted into Non-ISO's, and no such conversion shall occur until and unless the Plan Administrator takes appropriate action. The Plan Administrator, with the consent of the Optionee, may also terminate any portion of any ISO that has not been exercised at the time of such conversion.

13. CONDITIONS UPON ISSUANCE OF SHARES.

13.1 Shares shall not be issued pursuant to the exercise of any Option unless the exercise of such Option and the issuance and delivery of such shares pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act of 1933, as amended ("Securities Act"), the Exchange Act, any applicable state securities law, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares may then be listed or otherwise traded, and such compliance has been confirmed by counsel for the Company. The Company shall be under no obligation to any participants to register for offering or resale or to qualify for an exemption under the Securities Act, or to register or qualify under state securities laws, any shares of Company's stock issued under the Plan or to continue in effect any registrations or qualifications if made. The Company may issue certificates for shares with such legends and subject to such restrictions on transfer as counsel for the Company deems necessary or desirable for compliance with federal and state securities laws.

13.2 As a condition to the exercise of any Option, the Company may require the participant exercising such Option to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such representations and warranties are required by any relevant provision of law.

13.3 The Company's inability to obtain authority from any regulatory body having jurisdiction, which authority the Company's counsel has determined to be

necessary to the lawful issuance and sale of any shares hereunder, shall relieve the Company of any liability with respect to the failure to issue or sell such shares.

14. USE OF PROCEEDS.

Proceeds from the sale of Common Stock pursuant to the exercise of Options granted hereunder shall constitute general funds of the Company and shall be used for general corporate purposes.

15. NOTICES.

All notices, requests, demands and other communications required or permitted to be given under this Plan and the Options granted hereunder shall be in writing and shall be either served personally on the party to whom notice is to

be given (in which case notice shall be deemed to have been duly given on the date of such service), or mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed to the party at his or its most recent known address, in which case such notice shall be deemed to have been duly given on the third (3rd) postal delivery day following the date of such mailing.

16. MISCELLANEOUS PROVISIONS.

16.1 Optionees shall be under no obligation to exercise Options granted hereunder.

16.2 Nothing contained in this Plan shall obligate the Company to retain an Optionee as an employee, officer, director, or consultant for any period, nor shall this Plan interfere in any way with the right of the Company to reduce such Optionee's compensation.

16.3 The provisions of this Plan and each Option issued to an Optionee hereunder shall be binding upon such Optionee, the Qualified Successor or Guardian of such Optionee, and the heirs, successors, and assigns of such Optionee.

16.4 This Plan is intended to constitute an "unfunded" plan and nothing herein shall require the Company to segregate any monies or other property or shares of Common Stock or create any trusts or deposits, and no Optionee shall have rights greater than a general unsecured creditor of the Company.

16.5 It is the Company's intention that, if and so long as any of the Company's equity securities are registered pursuant to Section 12(b) or 12(g) of the Exchange Act, the Plan shall comply in all respects with Rule 16b-3 under the Exchange Act and, if any Plan provision is later found not to be in compliance with such Rule 16b-3, the provision shall be deemed null and void, and in all events the Plan shall be construed in favor of its meeting the requirements of Rule 16b-3. Notwithstanding anything in the Plan to the contrary, the Board, in its sole discretion, may bifurcate the

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Plan so as to restrict, limit or condition the use of any provision of the Plan to Optionees who are officers or directors subject to Section 16 of the Exchange Act without so restricting, limiting or conditioning the Plan with respect to other Optionees. Additionally, in interpreting and applying the provisions of the Plan, any Option granted as an ISO pursuant to the Plan shall, to the extent permitted by law, be construed as an "incentive stock option" within the meaning of Section 422 of the Code.

16.6 Where the context so requires, references herein to the singular shall include the plural, and vice versa, and references to a particular gender

shall include either or both genders.

17. EFFECTIVE DATE OF PLAN AND AMENDMENTS.

This Plan was initially adopted by the Board of Directors on March 25, 1997 and approved by the shareholders on May 20, 1997.

EXHIBIT 4.6

ST LABS, INC.
1997 STOCK OPTION PLAN

This 1997 Stock Option Plan (the "Plan") provides for the grant of options to acquire shares of Common Stock, without par value (the "Common Stock"), of ST Labs, Inc., a Washington corporation (the "Company"). Stock options granted under this Plan that qualify under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), are referred to in this Plan as "Incentive Stock Options." Incentive Stock Options and stock options that do not qualify under Section 422 of the Code ("Non-Qualified Stock Options") granted under this Plan are referred to collectively as "Options."

1. PURPOSES.

The purposes of this Plan are to retain the services of valued key employees and consultants of the Company and such other persons as the Plan Administrator shall select in accordance with Section 3 below, to encourage such persons to acquire a greater proprietary interest in the Company, thereby strengthening their incentive to achieve the objectives of the shareholders of the Company, and to serve as an aid and inducement in the hiring of new employees and consultants.

2. ADMINISTRATION.

This Plan shall be administered by the Board of Directors of the Company (the "Board"), except that the Board may, in its discretion, establish a committee composed of members of the Board or other persons to administer this Plan, which committee (the "Committee") may be an executive, compensation or other committee, including a separate committee especially created for this purpose. The Committee shall have such of the powers and authority vested in the Board hereunder as the Board may delegate to it (including the power and authority to interpret any provision of this Plan or of any Option). The members of any such Committee shall serve at the pleasure of the Board. The Board, and/or the Committee if one has been established by the Board, are referred to in this Plan as the "Plan Administrator."

In the event the Company registers any of its equity securities pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), it is the intention of the Company that this Plan, and options granted under this Plan, comply in all respects with Rule 16b-3 promulgated under the Exchange Act and, if any Plan provision is later found not to be in compliance with such Rule, the provision shall be deemed null and void, and in all events this Plan shall be construed in favor of its meeting the requirements

of Rule 16b-3. Notwithstanding anything in this Plan to the contrary, the Board, in its absolute discretion, may bifurcate this Plan so as to restrict, limit or condition the use of any provision of this Plan to participants who are officers and

directors subject to Section 16(b) of the Exchange Act without so restricting, limiting or conditioning other Plan participants.

Subject to the provisions of this Plan, and with a view to effecting its purpose, the Plan Administrator shall have sole authority, in its absolute discretion, to (a) construe and interpret this Plan; (b) define the terms used in this Plan; (c) prescribe, amend and rescind rules and regulations relating to this Plan; (d) correct any defect, supply any omission or reconcile any inconsistency in this Plan; (e) determine the individuals to whom Options shall be granted under this Plan and whether the Option is an Incentive Stock Option or a Non-Qualified Stock Option; (f) determine the time or times at which Options shall be granted under this Plan; (g) determine the number of shares of Common Stock subject to each Option, the exercise price of each Option, the duration of each Option and the times at which each Option shall become exercisable; (h) determine all other terms and conditions of Options; and (i) make all other determinations necessary or advisable for the administration of this Plan. All decisions, determinations and interpretations made by the Plan Administrator shall be binding and conclusive on all participants in this Plan and on their legal representatives, heirs and beneficiaries.

3. ELIGIBILITY.

Incentive Stock Options may be granted to any individual who, at the time the Option is granted, is an employee of the Company or any Related Corporation (as defined below), including employees who are directors of the Company ("Employees"). Non-Qualified Stock Options may be granted to Employees and to such other persons as the Plan Administrator shall select. Options may be granted in substitution for outstanding Options of another corporation in connection with the merger, consolidation, acquisition of property or stock or other reorganization between such other corporation and the Company or any subsidiary of the Company. Options also may be granted in exchange for outstanding Options. Any person to whom an Option is granted under this Plan is referred to as an "Optionee."

As used in this Plan, the term "Related Corporation," when referring to a subsidiary corporation, shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of the granting of the Option, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50 percent or more of the total combined voting power of all classes of stock of one of the other

corporations in such chain. When referring to a parent corporation, the term "Related Corporation" shall mean any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if, at the time of granting of the Option, each of the corporations other than the Company owns stock possessing 50 percent or more of the total combined voting power of all classes of stock of one of the other corporations in such chain.

4. STOCK.

The Plan Administrator is authorized to grant Options to acquire up to a total of five hundred thousand (500,000) shares of the Company's authorized but unissued, or reacquired, Common Stock. The number of shares with respect to which Options may be

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granted hereunder is subject to adjustment as set forth in Section 5(m) hereof. In the event that any outstanding Option expires or is terminated for any reason, the shares of Common Stock allocable to the unexercised portion of such Option may again be subject to an Option to the same Optionee or to a different person eligible under Section 3 of this Plan.

5. TERMS AND CONDITIONS OF OPTIONS.

Each Option granted under this Plan shall be evidenced by a written agreement approved by the Plan Administrator (the "Agreement"). Agreements may contain such additional provisions, not inconsistent with this Plan, as the Plan Administrator in its discretion may deem advisable. All Options also shall comply with the following requirements:

(a) Number of Shares and Type of Option. Each Agreement shall state the number of shares of Common Stock to which it pertains and whether the Option is intended to be an Incentive Stock Option or a Non-Qualified Stock Option. The aggregate fair market value (determined at the Date of Grant, as defined below) of the stock with respect to which Incentive Stock Options are exercisable for the first time by the Optionee during any calendar year (granted under this Plan and all other Incentive Stock Option plans of the Company, a Related Corporation or a predecessor corporation) shall not exceed \$100,000, or such other limit as may be prescribed by the Code as it may be amended from time to time. Any Option which exceeds the annual limit shall not be void but rather shall be a Non-Qualified Stock Option.

(b) Date of Grant. Each Agreement shall state the date the Plan Administrator has deemed to be the effective date of the Option for purposes of this Plan (the "Date of Grant").

(c) Option Price. Each Agreement shall state the price per share of Common Stock at which it is exercisable. The exercise price shall be fixed by the Plan Administrator at whatever price the Plan Administrator may determine in the

exercise of its sole discretion; provided, that the per share exercise price for any Option granted following the effective date of registration of any of the Company's securities under Section 12 of the Exchange Act shall not be less than the fair market value per share of the Common Stock at the Date of Grant as determined by the Plan Administrator in good faith; provided further, that the per share exercise price for an Incentive Stock Option shall not be less than the fair market value per share of the Common Stock at the Date of Grant as determined by the Plan Administrator in good faith; provided further, that with respect to Incentive Stock Options granted to greater-than-10 percent shareholders of the Company (as determined under Section 424(d) of the Code), the exercise price per share shall not be less than 110 percent of the fair market value per share of the Common Stock at the Date of Grant; and, provided further, that Incentive Stock Options granted in substitution for outstanding Options of another corporation in connection with the merger, consolidation, acquisition of property or stock or other reorganization involving such other corporation and the Company or any subsidiary of the Company may be granted with an exercise price equal to the exercise price for the substituted Option of the

other corporation, subject to any adjustment consistent with the terms of the transaction pursuant to which the substitution is to occur, in accordance with Code Section 424(a).

(d) Duration of Options. At the time of the grant of the Option, the Plan Administrator shall designate, subject to paragraph 5(g) below, the expiration date of the Option, which date shall not be later than 10 years from the Date of Grant in the case of Incentive Stock Options; provided, that the expiration date of any Incentive Stock Option granted to a greater-than-10 percent shareholder of the Company (as determined under Section 424(d) of the Code) shall not be later than five years from the Date of Grant. In the absence of action to the contrary by the Plan Administrator in connection with the grant of a particular Option, and except in the case of Incentive Stock Options as described above, all Options granted under this Plan shall expire 10 years from the Date of Grant.

(e) Vesting Schedule. No Option shall be exercisable until it has vested. The vesting schedule for each Option shall be specified by the Plan Administrator at the time of grant of the Option; provided, that if no vesting schedule is specified at the time of grant, the Option shall vest according to the following schedule:

Number of Years Following Date of Grant -----	Percentage of Total Option to be Vested -----
1	33.3%

2	66.6%
3	100.0%

(f) Acceleration of Vesting. The vesting of one or more outstanding Options may be accelerated by the Plan Administrator at such times and in such amounts as it shall determine in its sole discretion. The vesting of Options also shall be accelerated under the circumstances described in Section 5(m).

(g) Term of Option. Vested Options shall terminate, to the extent not previously exercised, upon the occurrence of the first of the following events: (i) the expiration of the Option, as designated by the Plan Administrator in accordance with Section 5(d) above; (ii) the expiration of three (3) months from the date of an Employee Optionee's termination of employment with the Company or any Related Corporation for any reason whatsoever other than death or disability unless, in the case of a Non-Qualified Stock Option, the exercise period is extended by resolution adopted by the Plan Administrator until a date not later than the expiration date of the Option; or (iii) the expiration of one year from (A) the date of death of the Optionee or (B) cessation of an Employee Optionee's employment by reason of Disability (as defined below). If an Employee Optionee's employment is terminated by death, any Option held by the Optionee shall be exercisable only by the person or persons to whom such Optionee's rights under such Option shall pass by the Optionee's will or by the laws of descent and distribution of the state or county of the Employee Optionee's domicile at the time of death. Notwithstanding the foregoing, an Optionee may during the Optionee's lifetime,

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designate a person who may exercise the option after the Optionee's death by giving written notice of such designation to the Plan Administrator. Such designation may be changed from time to time by the Optionee by giving written notice to the Plan Administrator revoking any earlier designation and making a new designation. "Disability" shall have the same meaning provided in Code Section 22(e)(3). The Plan Administrator shall determine whether an Optionee has incurred a Disability on the basis of medical evidence acceptable to the Plan Administrator. Upon making a determination of Disability, the Committee shall, for purposes of the Plan, determine the date of an Optionee's termination of employment.

Unless accelerated in accordance with Section 5(f) above, unvested Options shall terminate immediately upon termination of employment of the Optionee by the Company for any reason whatsoever, including death or disability. If, in the case of an Incentive Stock Option, an Optionee's relationship with the Company changes (e.g., from an Employee to a non-Employee, such as a consultant) such change shall constitute a termination of an Optionee's employment with the Company and the Optionee's Incentive Stock Option shall terminate in accordance with this subsection. For purposes of this Plan, transfer of employment between or among the Company and/or any Related Corporation shall not be deemed to constitute a termination of employment with the Company or any Related

Corporations. For purposes of this subsection with respect to Incentive Stock Options, employment shall be deemed to continue while the Optionee is on military leave, sick leave or other bona fide leave of absence (as determined by the Plan Administrator). The foregoing notwithstanding, employment shall not be deemed to continue beyond the first 90 days of such leave, unless the Optionee's re-employment rights are guaranteed by statute or by contract.

(h) Exercise of Options. Options shall be exercisable, either all or in part, at any time after vesting, until termination. If less than all of the shares included in the vested portion of any Option are purchased, the remainder may be purchased at any subsequent time prior to the expiration of the Option term. No portion of any Option for less than 50 shares (as adjusted pursuant to Section 5(m) below) may be exercised, provided that if the vested portion of any Option is less than 50 shares, it may be exercised with respect to all shares for which it is vested. Only whole shares may be issued pursuant to an Option, and to the extent that an Option covers less than one share, it is unexercisable. Options or portions thereof may be exercised by giving written notice to the Company, which notice shall specify the number of shares to be purchased, and be accompanied by either: (i) payment in the amount of the aggregate exercise price for the Common Stock so purchased, which payment shall be in the form specified in Section 5(i) below, or (ii) upon prior consent of the Plan Administrator, delivery of an irrevocable subscription agreement obligating the Optionee to take and pay for the shares of Common Stock to be purchased within one year of the date of such exercise. The Company shall not be obligated to issue, transfer or deliver a certificate of Common Stock to any Optionee, or to his personal representative, until the aggregate exercise price has been paid for all shares for which the Option shall have been exercised and adequate provision has been made by the Optionee for satisfaction of any tax withholding obligations associated with

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such exercise. During the lifetime of an Optionee, Options are exercisable only by the Optionee.

(i) Payment upon Exercise of Option. Upon the exercise of any Option, the aggregate exercise price shall be paid to the Company in cash or by certified or cashier's check. In addition, upon approval of the Plan Administrator, an Optionee may pay for all or any portion of the aggregate exercise price by delivering to the Company shares of Common Stock previously held by such Optionee or, upon the Optionee's request and the consent of the Plan Administrator, by having shares withheld from the amount of shares of Common Stock to be received by the Optionee; provided the Plan Administrator shall have complete discretion whether to honor or deny the Optionee's request. The shares of Common Stock received or withheld by the Company as payment for shares of Common Stock purchased upon the exercise of Options shall have a fair market value at the date of exercise (as determined by the Plan Administrator) equal to the aggregate exercise price (or portion thereof) to be paid by the Optionee

upon such exercise.

(j) Rights as a Shareholder. An Optionee shall have no rights as a shareholder with respect to any shares covered by an Option until such Optionee becomes a record holder of such shares, irrespective of whether such Optionee has given notice of exercise. Subject to the provisions of Section 5(m) hereof, no rights shall accrue to an Optionee and no adjustments shall be made on account of dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights declared on, or created in, the Common Stock for which the record date is prior to the date the Optionee becomes a record holder of the shares of Common Stock covered by the Option, irrespective of whether such Optionee has given notice of exercise.

(k) Transfer of Option. Options granted under this Plan and the rights and privileges conferred by this Plan may not be transferred, assigned, pledged or hypothecated in any manner (whether by operation of law or otherwise) other than by will or by applicable laws of descent and distribution, and shall not be subject to execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of any Option or of any right or privilege conferred by this Plan contrary to the provisions hereof, or upon the sale, levy or any attachment or similar process upon the rights and privileges conferred by this Plan, such Option shall thereupon terminate and become null and void. The foregoing notwithstanding, with respect to a Non-Qualified Stock Option, an Optionee may transfer the Option to a revocable trust created by the Optionee for the benefit of his or her descendants, to an immediate family member or to a partnership in which only immediate family members or such trusts are partners.

(1) Securities Regulation and Tax Withholding.

(1) Shares shall not be issued with respect to an Option unless the exercise of such Option and the issuance and delivery of such shares shall comply with all relevant provisions of law, including, without limitation, any applicable state securities laws, the Securities Act of 1933, as amended, the Exchange Act, the

rules and regulations thereunder and the requirements of any stock exchange upon which such shares may then be listed, and such issuance shall be further subject to the approval of counsel for the Company with respect to such compliance, including the availability of an exemption from registration for the issuance and sale of such shares. The inability of the Company to obtain from any regulatory body the authority deemed by the Company to be necessary for the lawful issuance and sale of any shares under this Plan, or the unavailability of an exemption from registration for the issuance and sale of any shares under this Plan, shall relieve the Company of any liability with respect to the non-issuance or sale of such shares.

As a condition to the exercise of an Option, the Company may require the Optionee to represent and warrant in writing at the time of such exercise that the shares are being purchased only for investment and without any then-present intention to sell or distribute such shares. At the option of the Company, a stop-transfer order against such shares may be placed on the stock books and records of the Company, and a legend indicating that the stock may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any applicable law or regulation, may be stamped on the certificates representing such shares in order to assure an exemption from registration. The Plan Administrator may also require such other documentation as may from time to time be necessary to comply with federal and state securities laws. THE COMPANY HAS NO OBLIGATION TO UNDERTAKE REGISTRATION OF OPTIONS OR THE SHARES OF STOCK ISSUABLE UPON THE EXERCISE OF OPTIONS.

(2) As a condition to the exercise of any Option granted under this Plan, the Optionee shall make such arrangements as the Plan Administrator may require for the satisfaction of any federal, state or local withholding tax obligations that may arise in connection with such exercise.

(3) The issuance, transfer or delivery of certificates of Common Stock pursuant to the exercise of Options may be delayed, at the discretion of the Plan Administrator, until the Plan Administrator is satisfied that the applicable requirements of the federal and state securities laws and the withholding provisions of the Code have been met.

(m) Stock Dividend, Reorganization or Liquidation.

(1) If (i) the Company shall at any time be involved in a transaction described in Section 424(a) of the Code (or any successor provision) or any "corporate transaction" described in the regulations thereunder; (ii) the Company shall declare a dividend payable in, or shall subdivide or combine, its Common Stock; or (iii) any other event with substantially the same effect shall occur, the Plan Administrator shall, with respect to each outstanding Option, proportionately adjust the number of shares of Common Stock and/or the exercise price per share

so as to preserve the rights of the Optionee substantially proportionate to the rights of the Optionee prior to such event, and to the extent that such action shall include an increase or decrease in the number of shares of Common Stock subject to outstanding Options, the number of shares available under Section 4 of this Plan shall automatically be increased or decreased, as the case may be, proportionately, without further action on the part of the Plan Administrator, the Company or the Company's shareholders. The foregoing adjustments in the shares subject to Options shall be made by the

Plan Administrator, or by any successor administrator of this Plan, or by the applicable terms of any assumption or substitution document.

(2) If the Company is liquidated or dissolved, Options must be exercised prior to the effective date of such liquidation or dissolution. If the Option holders do not exercise their Options prior to such effective date, each outstanding Option shall terminate as of the effective date of the liquidation or dissolution.

(3) The grant of an Option shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge, consolidate or dissolve, to liquidate or to sell or transfer all or any part of its business or assets.

6. EFFECTIVE DATE; TERM.

This Plan shall be effective as of April 1, 1997. Options may be granted by the Plan Administrator from time to time thereafter until April 1, 2007. Termination of this Plan shall not terminate any Option granted prior to such termination. Any Incentive Stock Options granted by the Plan Administrator prior to the approval of this Plan by a majority of the shareholders of the Company shall be granted subject to ratification of this Plan by the shareholders of the Company, and if shareholder ratification is not obtained, each and every Incentive Stock Option shall become a Non-Qualified Stock Option.

7. NO OBLIGATIONS TO EXERCISE OPTION.

The grant of an Option shall impose no obligation upon the Optionee to exercise such Option.

8. NO RIGHT TO OPTIONS OR TO EMPLOYMENT.

Whether or not any Options are to be granted under this Plan shall be exclusively within the discretion of the Plan Administrator, and nothing contained in this Plan shall be construed as giving any person any right to participate under this Plan. The grant of an Option shall in no way constitute any form of agreement or understanding binding on the Company or any Related Corporation, express or implied, that the Company or any Related Corporation will employ or contract with an Optionee for any length of time.

9. APPLICATION OF FUNDS.

The proceeds received by the Company from the sale of Common Stock issued upon the exercise of Options shall be used for general corporate purposes, unless otherwise directed by the Board.

10. INDEMNIFICATION OF PLAN ADMINISTRATOR.

In addition to all other rights of indemnification they may have as members of the Board, members of the Plan Administrator shall be indemnified by the Company for all reasonable expenses and liabilities of any type or nature, including attorneys' fees, incurred in connection with any action, suit or proceeding to which they or any of them are a party by reason of, or in connection with, this Plan or any Option granted under this Plan, and against all amounts paid by them in settlement thereof (provided that such settlement is approved by independent legal counsel selected by the Company), except to the extent that such expenses relate to matters for which it is adjudged that such Plan Administrator member is liable for willful misconduct; provided, that within 15 days after the institution of any such action, suit or proceeding, the Plan Administrator member involved therein shall, in writing, notify the Company of such action, suit or proceeding, so that the Company may have the opportunity to make appropriate arrangements to prosecute or defend the same.

11. AMENDMENT OF PLAN.

The Plan Administrator may, at any time, modify, amend or terminate this Plan and Options granted under this Plan; provided, that no amendment with respect to an outstanding Option shall be made over the objection of the Optionee thereof; and provided further, that the approval of the holders of a majority of the Company's outstanding shares of voting capital stock is required within 12 months before or after the adoption by the Plan Administrator of any amendment that (i) will permit the granting of Options to a class of persons other than those currently eligible to receive Options under this Plan; (ii) will increase the number of shares available pursuant to Options issued under this Plan; or (iii) require shareholder approval under applicable law, including Section 16(b) of the Exchange Act. Without limiting the generality of the foregoing, the Plan Administrator may modify grants to persons who are eligible to receive Options under this Plan who are foreign nationals or employed outside the United States to recognize differences in local law, tax policy or custom.

Date Approved by Board of Directors of Company: March 31, 1997.

EXHIBIT 4.7

DATA DIMENSIONS, INC.

NONSTATUTORY STOCK OPTION AGREEMENT

Data Dimensions, Inc., a Delaware corporation (the "Corporation"), through its Board of Directors, has granted to Peter A. Allen ("Optionee") an option (the "Option") to purchase 50,000 shares of the Corporation's Common Stock (the "Option Shares") at a price of \$13.25 per share (the "Option Price"). The Option has been granted to Optionee on December 7, 1998 (the "Grant Date").

1. NATURE OF THE OPTION. The Option is a nonstatutory option and is not intended to qualify as an Incentive Stock Option as defined in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

2. DATE EXERCISABLE; VESTING.

2.1 The Option shall become fully exercisable at the end of the twelve (12) month period of Optionee's continuous employment with the Corporation following the Grant Date (the "Vesting Date"). The right to purchase the Option Shares shall continue for a period of five (5) years from the Vesting Date. Subject to earlier termination as provided in Section 4 below, any portion of the Option Shares not exercised at the close of business on the fifth (5th) anniversary of the Vesting Date shall thereafter be cancelled and Optionee shall have no further right to purchase such cancelled Option Shares.

2.2 In the event Optionee for any reason ceases to be an employee of the Corporation prior to the Vesting Date, whether by dismissal, resignation, death, disability or otherwise, the Option shall not be exercisable.

2.3 The Option shall become immediately exercisable for the full number of Option Shares upon the occurrence of an event whereby any person or entity, including any "person" as such term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), becomes the "beneficial owner," as defined in the Exchange Act, of Common Stock representing fifty percent (50%) or more of the combined voting power of voting securities of the Corporation.

3. EXERCISE OF OPTION.

3.1 The Option may be exercised in whole or in part by delivery to the Corporation, from time to time, of written notice, signed by Optionee, specifying the number of Option Shares that Optionee then desires to purchase, together with cash or check payable to the order of the Corporation, or other form of payment acceptable to the Corporation's Board of Directors, for an amount of United States dollars equal to the Option Price of such Option Shares.

3.2 As soon as practicable after any exercise in whole or in part of the Option by Optionee, the Corporation shall deliver to Optionee or, at Optionee's request, Optionee's designated broker, a certificate or certificates for the number of shares of Common Stock with respect to which the Option was so exercised, registered in Optionee's name.

4. DURATION OF OPTION. The Option, to the extent not previously exercised, shall terminate upon the earliest of the following dates:

4.1 The close of business on the fifth (5th) anniversary of the Vesting Date;

4.2 Three (3) months after the date of Optionee's termination of employment with the Corporation, in the event such termination is for any reason other than Optionee's disability (as defined in the Employment Agreement between Optionee and the Corporation) or death;

4.3 One year after Optionee's termination of employment, if such termination is by reason of Optionee's disability (as defined in the Employment Agreement between Optionee and the Corporation) or death;

4.4 The date of any sale, transfer or hypothecation, or any attempted sale, transfer or hypothecation, of such Option in violation of Section 5; or

4.5 Upon the occurrence of any Terminating Event as defined in the Corporation's 1997 Stock Option Plan, as such Plan may be amended from time to time (the "1997 Plan").

5. NONTRANSFERABILITY.

5.1 The Option is not transferable by Optionee otherwise than by testamentary will, the laws of descent and distribution, or qualified domestic relations order (as defined in the Plan) and, during Optionee's lifetime, may be exercised only by Optionee or Optionee's guardian or legal representative or the transferee pursuant to a qualified domestic relations order. No assignment or transfer of the Option, whether voluntary, involuntary, or by operation of law or otherwise, except by testamentary will, the laws of descent and distribution, or qualified domestic relations order, shall vest in the

assignee or transferee any interest or right, but immediately upon any attempt to assign or transfer the Option, the Option shall terminate and be of no

further force or effect.

5.2 Whenever the word "Optionee" is used in any provision of this Agreement under circumstances when the provision should logically be construed to apply to the Optionee's guardian, legal representative, executor, administrator, or the person or persons to whom the Option may be transferred by testamentary will, the laws of descent and distribution, or qualified domestic relations order, the word "Optionee" shall be deemed to include such person or persons.

6. NO RIGHTS AS SHAREHOLDER PRIOR TO EXERCISE. Optionee shall not be deemed for any purpose to be a shareholder of the Corporation with respect to any Option Shares as to which the Option has not been exercised.

7. ADJUSTMENTS UPON RECAPITALIZATION OR REORGANIZATION.

7.1 In the event of a material alteration in the capital structure of the Corporation on account of a recapitalization, stock split, reverse stock split, stock dividend or otherwise, the Option shall be subject to adjustment by the Board of Directors on the same basis that options issued pursuant to the 1997 Plan are adjusted as a result of such event.

7.2 In the event of a reorganization, as defined in the 1997 Plan, the Option shall be assumed or an option substituted therefor on the same basis that options issued pursuant to the 1997 Plan are assumed or substituted for as a result of such reorganization.

8. MISCELLANEOUS PROVISIONS.

8.1 TAXATION UPON EXERCISE OF OPTION. Optionee understands that pursuant to certain provisions of the Code, upon exercise of the Option, Optionee may recognize income for tax purposes in an amount equal to the excess of the then fair market value of the Option Shares over the Option Price. The Corporation may be required to withhold tax from Optionee's current compensation with respect to such income; to the extent that Optionee's current compensation is insufficient to satisfy the withholding tax liability, the Company may require the Optionee to make a cash payment to cover such liability as a condition of exercise of the Option.

8.2 GOVERNING LAW. This Agreement shall be administered, interpreted and enforced under the internal laws of the State of Washington, without regard to conflicts of laws thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the Date of Grant.

OPTIONEE:

CORPORATION:

DATA DIMENSIONS, INC.

By:

Peter A. Allen

Name:

Title:

By her signature below, the spouse of the Optionee acknowledges that she has read this Agreement and Plan and is familiar with the terms and provisions thereof, and agrees to be bound by all the terms and conditions of said Agreement and said Plan.

Ellen Allen

Dated:

August 1, 2001

Lionbridge Technologies, Inc.
950 Winter Street
Waltham, MA 02451

Re: Registration Statement on Form S-8 Relating to the Data Dimensions, Inc. 1988 Incentive Stock Option Plan; Data Dimensions, Inc. 1997 Stock Option Plan; the ST Labs Stock Option Plan and the Non-Qualified Stock Option Agreement between Peter Allen and Data Dimensions, Inc. (collectively, the "Plans")

Ladies and Gentlemen:

I am General Counsel of Lionbridge Technologies, Inc., a Delaware corporation (the "Company"). I am of the opinion that the 546,671 shares of Common Stock, par value \$0.01 per share, proposed to be issued by the Company pursuant to the Plans will be legally issued, fully paid and non-assessable after the issuance of such shares in accordance with the terms of the Plans.

I hereby consent to the filing of this opinion as Exhibit 5 to the Registration Statement.

Very truly yours,
/s/ Margaret A. Shukur

Margaret A. Shukur
General Counsel

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated January 29, 2001, except as to Note 17 which is as of April 2, 2001, relating to the financial statements of Lionbridge Technologies, Inc., which appears in Lionbridge Technologies, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2000.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
August 1, 2001

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference into this Registration Statement on Form S-8 of our report dated March 3, 2000, relating to the December 31, 1999 consolidated financial statement of INT'L.com, Inc., as restated, which appears in Lionbridge Technologies, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2000. We also consent to all references to our Firm included in this Registration Statement. It should be noted that we have not audited any financial statements of INT'L.com, Inc. subsequent to December 31, 1999 or performed any audit procedure subsequent to the date of our report.

/s/ Arthur Andersen LLP
Boston, Massachusetts
August 1, 2001