

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K/A

Annual report pursuant to section 13 and 15(d) [amend]

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FILER

**RAINMAKER SYSTEMS INC**

CIK: **1094007** | IRS No.: **330442860** | State of Incorpor.: **DE** | Fiscal Year End: **1231**  
Type: **10-K/A** | Act: **34** | File No.: **000-28009** | Film No.: **12794455**  
SIC: **8741** Management services

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

**FORM 10-K/A  
(Amendment No. 1)**

(MARK ONE)

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED: DECEMBER 31, 2011**

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_**

COMMISSION FILE NUMBER 000-28009

**RAINMAKER SYSTEMS, INC.**

(Exact name of registrant as specified in its charter)

**DELAWARE**

(State or other jurisdiction of  
incorporation or organization)

**33-0442860**

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

**900 EAST HAMILTON AVE  
CAMPBELL, CALIFORNIA**

(Address of principal executive offices)

**95008**

(Zip Code)

**Registrant's telephone number, including area code: (408) 626-3800**

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

Title of Each Class

Names of Each Exchange on which Registered

**Common Stock, \$0.001 par value per share**

**The NASDAQ Capital Market LLC**

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

**None**

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

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

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange Act from their obligations under those Sections.

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

The aggregate market value of common stock held by non-affiliates of the registrant was approximately \$18.3 million as of June 30, 2011, the last business day of the registrant's most recently completed second fiscal quarter, based upon the closing sales price of the registrant's common stock reported by the Nasdaq Global Market on that date. For purposes of this disclosure, shares of common stock held by persons who hold more than 5% of the outstanding shares of common stock and shares held by officers and directors of the registrant have been excluded in that such persons may be deemed to be affiliates.

At April 25, 2012, registrant had 27,058,435 shares of Common Stock, \$0.001 par value, outstanding.

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## EXPLANATORY NOTE

Rainmaker Systems, Inc. (“Rainmaker”, “we”, “our” or the “Company”) is filing this Amendment No. 1 on Form 10-K/A (the “Amendment”) to amend its Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (the “Annual Report”), which was filed with the Securities and Exchange Commission (the “SEC”) on March 30, 2012 for the sole purpose of disclosing the information required in Part III, Items 10 through 13. The reference on the cover page of the Annual Report to the incorporation by reference of portions of our definitive proxy statement into Part III of the Form 10-K is hereby deleted.

In accordance with Rule 12b-5 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), (i) Part III, Items 10 through 13 of the Annual Report are hereby amended and restated in their entirety, and (ii) Part IV, Item 15 of the Annual Report is hereby amended and restated in its entirety, with the only changes being the addition of the new Exhibits 31.1 and 31.2 filed herewith. Except as described above, this Amendment does not update or change any other items or disclosures in the Annual Report. Accordingly, this Amendment should be read in conjunction with the Annual Report and all subsequent filings with the SEC.

**RAINMAKER SYSTEMS, INC.**  
**Form 10-K/A**  
**For the Fiscal Year Ended December 31, 2011**  
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### PART III

#### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

##### Directors and Executive Officers of the Registrant

The following table provides the name, age and positions of our directors and executive officers as of April 25, 2012.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Michael Silton	47	President, Chief Executive Officer and Chairman
Timothy Burns	37	Chief Financial Officer and Corporate Secretary
James Chung	41	Chief Technology Officer
Pamela Baker	51	Vice President, Global Client Services and Operations
Gary Briggs	49	Lead Independent Director
Mitchell Levy (1)(2)(3)	51	Director
Bradford Peppard (1)(2)(3)	57	Director
Charles Geiger (1)	45	Director

- (1) Member of the Audit Committee  
(2) Member of the Governance and Nominating Committee  
(3) Member of the Compensation Committee

Set forth below is a description of the backgrounds, including business experience over the past five years, for each of our directors and executive officers.

*Michael Silton, 47*, has served as Chief Executive Officer of our Company since it became publicly listed in November 1999 and as President of our Company since March 2005. He has served as Chairman of the Board since November 2011 and also served as Chairman of the Board from our Company's inception through July 2003. In 1991, he founded our former business UniDirect, which specialized in the direct marketing and sales of business software. Mr. Silton was nominated as a director of our Company due to his extensive marketing experience and background working in various capacities in the software industry and his extensive knowledge of our business and industry. Mr. Silton's work experience enables him to bring valuable perspectives that are core to our Company's business.

*Timothy Burns, 37*, joined our Company in November 2010 as Corporate Controller. Mr. Burns has over thirteen years of finance and accounting experience. Prior to joining Rainmaker, Mr. Burns spent nine years at Dean Foods Company where he served as the Director of Corporate Accounting from March 2008 to November 2010 and Assistant Controller from February 2007 to February 2008. Mr. Burns began his career at Deloitte & Touche USA, LLP. Mr. Burns is a licensed CPA in the state of Texas and has a Master's degree in Professional Accounting from the University of Texas at Austin and a Bachelor of Science degree in Accounting from the University of Southern California. Mr. Burns was promoted to Chief Financial Officer of the Company effective upon the departure of the Company's former CFO in April 2011.

*James Chung, 41*, joined our Company in November 2011 as Chief Technology Officer. Mr. Chung, a Web technology executive with 18 years of experience in high growth start-ups and Fortune 500 companies, is charged with taking the Rainmaker B2B, SaaS-based eCommerce platform forward while leading and optimizing the Company's global IT, Development, Quality Assurance, Product Management, Professional Services and Corporate Security functions. Mr. Chung's career covers a blend of IT, engineering and e-commerce with technology leadership experience. He served most recently, as the Director of Global eCommerce Engineering at Intuit, Inc. from April 2009 to December 2010. From April 2008 to March 2009, Mr. Chung served as Head of Engineering for Apple, Inc.'s B2B Online Store and, from January 2005 to March 2008, as the Director of Engineering, Financial Systems at PayPal, Inc. Mr. Chung studied Industrial and Systems Engineering at San Jose State University and received a B.S. in Management Information Systems from the University of Phoenix.

*Pamela Baker, 51*, joined our Company in April 2011 as Vice President of Global Client Services. In November 2011, Ms. Baker was promoted to Vice President of Global Client Services and Operations. Ms. Baker has over 24 years of experience in global business development and service operations. Her responsibilities include Rainmaker's global operations and client strategy development and implementation, as well as client revenue optimization. Prior to joining Rainmaker, Ms. Baker served as the New Business Acquisitions and Integration Operations Senior Consultant at Cisco Systems from April 2008 to March 2011. From July 1994 to July 2000, Ms. Baker also held several roles at Sun Microsystems, including Global Service Programs and Field Development Director. Ms. Baker holds a Bachelor of Science in Business Administration from San Jose State University.

*Gary Briggs, 49*, has served as a director of our Company since March 2010 and has been our Lead Independent Director



since November 2011. Mr. Briggs has served as Vice President of Consumer Marketing at Google since October 2010. Mr. Briggs is Chairman of the Board of privately held Plastic Jungle, a leading web-based gift card exchange where he also served as the Chief Executive Officer from November 2008 through October 2010. Prior to his position at Plastic Jungle, Mr. Briggs served as Senior Vice President and Chief Marketing Officer at eBay from February 2006 to March 2008, where he was responsible for eBay's branding and marketing activities in North America, including advertising, Internet marketing, direct marketing, onsite merchandising, partner relationships and core category initiatives. Prior to such role, from 2002 to 2006, Mr. Briggs held numerous positions at eBay, including VP of Consumer Marketing for eBay U.S., VP of Global Marketing for PayPal and General Manager for eBay Canada. He earned a Bachelor of Arts degree in 1984 from Brown University and a Masters in Business Administration in 1989 from J.L. Kellogg Graduate School of Management, Northwestern University. The Board nominated Mr. Briggs in consideration of his strong marketing and e-commerce background that includes extensive expertise and experience with both large and small companies and the additional leadership qualities that he brings to the Board.

*Mitchell Levy, 51*, has served as a director of our Company since 2004 and is currently Chairman of the Governance and Nominating Committee and Chairman of the Compensation Committee, as well as a member of our Audit Committee. Since September 2004, he has served as Chief Executive Officer of Happy About, a quick2publish book publishing company. Additionally, he has served as a partner in CXOnetworking since May 2007 and as President and CEO of ECnow.com, a strategic consulting firm, since November 1997, and served as a director of the Silicon Valley Executive Business Program from March 2003 to May 2009. Mr. Levy is an author, consultant, educator, and evangelist of strategic management, and a frequent public speaker on business trends. Previously, he was the conference chair at four Comdex conferences, founded and operated the E-Commerce Management Program at San Jose State University and spent nine years at Sun Microsystems, the last four of which he ran the eCommerce component of Sun Microsystems' supply chain. The Board nominated Mr. Levy in consideration of his extensive eCommerce experience, as well as the strategic vision he offers to provide valuable guidance to our Company.

*Bradford Peppard, 57*, has served as a director of our Company since 2004 and is currently Chairman of the Audit Committee and a member of our Governance and Nominating Committee and our Compensation Committee. Since 2002, Mr. Peppard has been President of Lime Tree Productions, a strategic marketing consulting firm. Mr. Peppard also served as a Director of International Sales at Smith Micro. From 1999 to 2002, Mr. Peppard was President of CinemaScore Online, an online source of movie rating information. Prior to that, Mr. Peppard held Vice President of marketing positions at Aladdin Systems, Software Publishing Corporation and Quarterdeck Office Systems. Mr. Peppard's financial experience includes positions as Treasurer of Trader Joe's, Director of Finance and Administration (Controller) for CBS TV and CBS/Fox Studios, an MBA from Stanford Business School with a concentration in Finance, and prior audit committee experience with a number of public companies, including: Aladdin Systems, Monterey Bay Technology, and Oppenheimer Industries. The Board nominated Mr. Peppard in consideration of his extensive sales and marketing experience in various industries together with his deep finance experience, which allows him to provide valuable guidance to our Company.

*Charles Geiger, 45*, was appointed to the board of directors of our Company effective June 2011. Mr. Geiger has served in his current role of Chief Technology Officer at Chegg, an online textbook rental company, since June 2009. From June 2007 to May 2009, Mr. Geiger was a partner with the Silicon Valley Product Group. Mr. Geiger brings more than 20 years of experience running technology and product organizations at some of the largest online e-commerce sites in the world, including serving as Chief Technology Officer at PayPal, Ask.com, and Wine.com, as well as VP of Product Development at eBay and other senior-level positions at Travelocity and Texas Instruments. Mr. Geiger brings a strong technical background and significant e-commerce experience and expertise to our Board, and he will be a valuable asset as Rainmaker creates a leadership position in B2B e-commerce.

#### **Section 16(a) Beneficial Ownership Reporting Compliance**

Our directors, officers and persons who hold more than ten percent (10%) of the Company's outstanding Common Stock are subject to the reporting requirements of Section 16(a) of the Exchange Act, which require them to file reports with respect to their ownership of the Common Stock and their transactions in such Common Stock. To the Company's knowledge, based solely on review of the copies of such reports furnished to the Company and written representation that no other reports were required, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent shareholders were complied with, except as follows: a Form 4 for our former Senior Vice President of Sales and Marketing, Tom Venable was filed late. Mr. Venable received an initial grant of restricted shares on January 17, 2011; however, the Form 4 relating to his January 2011 restricted share grant was filed late on January 21, 2011. Our board members each received a grant of restricted shares on May 19, 2011; however, the Form 4s relating the grants were filed late on June 21, 2011. On January 18, 2012, Timothy Burns, Chief Financial Officer and Corporate Secretary, surrendered shares to cover tax withholding for the vesting of restricted shares. The related Form 4 was filed late on January 24, 2012.



## Code of Ethics

Our directors, officers and employees are required to comply with our Standards of Business Ethics and Conduct. The purpose of our Standards of Business Ethics and Conduct is to deter wrongdoing and to promote, among other things, honest and ethical conduct and to ensure to the greatest possible extent that our business is conducted in a consistently legal and ethical manner. The Standards of Business Ethics and Conduct is intended to cover the requirement of a Code of Ethics for senior financial officers as provided by the SEC's rules with respect to Section 406 of the Sarbanes-Oxley Act. Employees may submit concerns or complaints regarding ethical issues on a confidential basis by means of a telephone call to an assigned voicemail box or via e-mail. The Audit Committee investigates all such concerns and complaints.

Our Standards of Business Ethics and Conduct is posted on our website, at [www.rainmakersystems.com](http://www.rainmakersystems.com), under the investors / corporate governance link. We will also disclose any amendment to, or waiver from, a provision of the Standards of Business Ethics and Conduct that applies to a director or officer in accordance with applicable Nasdaq and SEC requirements.

## Procedures for Shareholder Recommendations of Nominees to the Board of Directors

As of the date of this Amendment No. 1, there have been no material changes to the procedures described in our Proxy Statement relating to the 2011 Annual Meeting of Stockholders by which stockholders may recommend nominees to our Board of Directors.

## Audit Committee

We have a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Audit Committee presently consists of Messrs. Levy, Geiger and Peppard. The Board has determined that Mr. Peppard, Chairman of the Audit Committee, is an "audit committee financial expert" as defined under applicable SEC rules. The Board of Directors has also determined that Mr. Peppard is an "independent director" as defined under Nasdaq's rules relating to listing on the Nasdaq Capital Market.

## ITEM 11. EXECUTIVE COMPENSATION

### Compensation Committee Report—Executive Summary

Rainmaker's executive compensation program for our named executive officers (NEOs) is administered by the Compensation Committee of the Board of Directors. The Compensation Committee currently consists of non-employee directors Bradford Peppard and Mitchell Levy. None of the Company's executive officers serves as a member of the Compensation Committee of the Company. The Compensation Committee acts pursuant to a written charter, a copy of which is available on our website at [www.rainmakersystems.com](http://www.rainmakersystems.com).

The Compensation Committee is responsible for (i) reviewing and approving matters relating to employee compensation and benefit plans, (ii) reviewing and determining the salaries and bonuses of executive officers of the Company, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), and (iii) establishing the general compensation policies for such individuals. During 2008, the Compensation Committee delegated limited authority to our CEO to increase the base salary for the NEO's, other than himself, by up to ten percent. With NEO retention as its purpose, this limited delegation of authority provides the CEO with an ability to negotiate to retain an executive officer if he deem necessary. As of April 25, 2012, our CEO has not exercised his discretionary authority. We believe that the compensation programs for the Company's NEOs should reflect the Company's performance and the value created for the Company's stockholders. In addition, the compensation programs should support the short-term and long-term strategic goals and values of the Company, and should reward individual contributions to the Company's success.

On behalf of our stockholders, the Compensation Committee has carefully monitored our executive compensation programs. The Compensation Discussion and Analysis and tables that follow will show, we believe, structures for executive compensation that are appropriate and carefully considered in view of the Company's objectives and industry conditions and practices. It is our general objective to provide our NEOs with (i) base salary at levels appropriate for our economic circumstances and the goals set for our management and (ii) performance-based incentives that reward solid financial performance with cash bonuses, restricted stock, and stock option awards.

Overall, the Compensation Committee believes that the compensation provided for NEOs in 2011 was appropriate based upon our financial performance, general economic conditions, our analysis of compensation of surveyed companies, our assessments of individual and corporate performance, and other relevant factors.

### 1. Named Executive Officers

This Compensation Discussion and Analysis explains how our compensation program is designed and operates with respect

to our NEOs. Our NEOs include (i) our CEO, (ii) our two most highly compensated executive officers in the fiscal year ended December 31, 2011 and (iii) a departing executive that would have qualified as an NEO if still employed with us at December 31, 2011. Our NEOs are identified in the Summary Compensation Table that appears following this Compensation Discussion and Analysis.

## ***2. Overview of Executive Compensation Philosophy and Objective***

Our Compensation Committee firmly believes that the compensation provided to our NEOs should directly reflect the financial performance of the Company, and be closely tied to stockholder value. Our compensation plans are consequently designed to link individual rewards with the Company's performance by applying objective, quantitative factors including the Company's own business performance and general economic factors. We also rely upon subjective and qualitative factors such as technical expertise, leadership and management skills when structuring executive compensation in a manner consistent with our pay-for-performance philosophy.

In addition to providing our NEOs with compensation opportunities that are based upon their personal performance, the financial performance of the Company and their individual contribution to that performance, our Compensation Committee generally provides our NEOs with compensation that is competitive enough to retain highly skilled individuals. The Company is engaged in a very competitive industry, and the Company's success depends upon its ability to attract and retain qualified executives through the competitive compensation packages it offers to such individuals.

## ***3. Procedures for Determining Executive Compensation***

In making its decision, the Compensation Committee considers all aspects of NEO compensation, and takes into account (i) our corporate performance, (ii) the CEO's recommendations with respect to the total compensation for all NEOs, including his own, and (iii) the Radford Executive Compensation Survey data that our Human Resources department summarizes for the Compensation Committee. In its sole discretion, the Compensation Committee may accept or reject, in whole or in part, the recommendations of our CEO. The Compensation Committee does not use a consultant, but has received some advice from Paul, Hastings LLP, its outside legal counsel about industry practices generally. For 2011, the Compensation Committee reviewed the recommendations of our CEO with respect to the compensation of our NEOs, determined the appropriateness of the recommendations in accordance with the market data and our corporate performance, and approved such recommendations without adjustment.

## ***4. Elements of Executive Compensation***

The material components of compensation for our NEOs from year to year, as well as the specific principles and purpose of each component, are set forth below. We believe that these components of compensation are necessary and appropriate in order to attract and retain qualified executive officers. The compensation of our NEOs consists primarily of four major components:

- Base salary;
- Annual bonus;
- Stock-based awards; and
- Employee benefits programs:
  - Perquisites and other personal benefits
  - Severance and change in control benefits

*(a) Base Salary.* In general, base salary is the compensation for services rendered in the position that the NEO serves. We establish base salaries after considering a variety of factors including each NEO's qualifications and experience, prior employment, industry knowledge, scope of responsibilities, and individual performance, as well as internal pay equity and market survey data. Specific weightings are not applied to these factors. Base salaries are generally reviewed annually as part of the compensation review process.

*(b) Annual Bonus.* Our pay-for-performance philosophy ensures that annual incentive compensation awards are tied to the achievement of business specific goals. Certain of the Company's executive officers, including the CEO and CFO, have entered into employment agreements which provide for, in addition to base salary, bonuses to be awarded on the basis of the Company's attainment of pre-established revenue and net income goals. It is the intent of the Compensation Committee to use these bonuses, in conjunction with the executive officer's equity incentives, to tie a potentially large portion of the executive officer's total compensation to the financial performance of the Company.

Our NEOs typically participate in the Rainmaker Systems, Inc. Corporate Bonus Plan, which was established in 2009 for the benefit of our executive officers. The Corporate Bonus Plan is generally structured as follows, with changes made from year-to-year to reflect changing business needs and competitive circumstances:

- At the beginning of each fiscal year, our CEO and CFO recommend quarterly and annual financial performance targets, as discussed below, subject to the approval of the Compensation Committee.

- At the close of each quarter of the fiscal year, the Compensation Committee assesses the Company's performance against the pre-established quarterly metrics. Provided that the Company achieves at least 80 percent of its quarterly goals, the NEOs receive after the close of such quarter a bonus based on their individual payout target percentage and the weighted value of the applicable goal.
- Similarly, at the close of the fiscal year, the Compensation Committee assesses the Company's performance against the pre-established annual metrics. Provided that the Company achieves at least 80 percent of its annual goals, the NEOs receive after the close of the fiscal year a bonus based on their individual payout target percentage and the weighted value of the applicable goal.

The Corporate Bonus Plan provides for cash bonuses to be paid quarterly and annually when the predetermined performance targets are achieved. The amount of the quarterly and annual bonuses that we pay to our NEOs participating in the plan is determined by a formula that weighs our quarterly and annual achievement of pre-established revenue and income goals. A bonus is only paid in the event the Company achieves at least 80 percent of its performance target. If our performance for any measure falls between 80 percent and 100 percent, we interpolate to determine the applicable payout percentage. If our performance for any measure exceeds 100 percent, the bonus amount payable to each such officer in respect of such component of the bonus formula shall be increased by 2.5% for each whole 1% increment achieved above such 100% attainment. The table below sets forth the bonus plan in which each NEO participated in 2011, the bonus opportunity (expressed as a percentage of compensation), the performance targets and the weights assigned to each target. All NEOs who participated in the Corporate Bonus Plan voluntarily forfeited any potential payment in 2011.

#### Fiscal Year 2011 Annual Bonus Plan

Executive	Plan	Target (% of base salary)	Performance Targets	Weight
<b>Corporate Bonus Plan</b>				
Company's achievement of:				
<b>Michael Silton</b> President, CEO and Chairman	Corporate Bonus Plan	100%		
<b>Philip Johnson</b> VP, Human Resources	Corporate Bonus Plan	40%	<ul style="list-style-type: none"> <li>• Quarterly revenue 40%</li> <li>• Quarterly profitability 40%</li> <li>• Annual profitability 20%</li> </ul>	
<b>Timothy Burns</b> CFO	Corporate Bonus Plan	30%		
<b>Tom Venable</b> Sr. VP, Sales and Marketing	Individual Bonus Plan (1)	100%		

- (1) Mr. Venable's individual bonus plan was established in connection with his hiring by the Company. The plan is structured into three performance measures: (a) 48% calculated based on new business revenue, (b) 24% calculated based on new eCommerce or Logo agreements, and (c) 28% calculated basis on our quarterly gross margin percentage.

No bonus payment was made to any of the NEOs for 2011 pursuant to the Corporate Bonus Plan, as each NEO agreed to forego any bonus payments during 2011. A bonus was paid to Mr. Venable under his individual bonus plan as a result of the achievement of performance goals under his plan.

(c) *Stock-based Awards.* The Company maintains the 2003 Stock Incentive Plan (the 2003 Plan), which permits the Company's Board of Directors or Compensation Committee to make awards of incentive stock options, non-qualified stock options, stock appreciation rights, shares, and restricted stock. These awards are designed to create a meaningful opportunity for stock ownership based upon the NEO's current position with the Company, the NEO's personal performance in recent periods and his or her potential for future responsibility and promotion over the term of the award. The relevant weight given to each of these factors varies from individual to individual. Each grant is also designed to align the interests of the executive officer with those of the stockholders and provide each individual with a significant incentive to manage the Company from the perspective of an owner with an equity stake in the business. In past years, the Company has annually granted restricted stock awards, incentive stock options (subject to the volume limitations contained in the Internal Revenue Code) and non-qualified stock options under the 2003 Plan to certain executive officers. Our Board has established the third Monday of November as the day on which to make annual grants of restricted stock awards and stock option awards. The Board selected this time for grants because the annual grant dates in November generally fall within the middle of the fourth fiscal quarter (when the trading window is expected to be open). The Board has the flexibility to set grants at other dates during the year, but prefers this annual grant date in order to ensure that there is no timing, nor reason to time, our release of material non-public information for the purpose of affecting the value of executive compensation. Through authority delegated by the Board, the Chairman of the Compensation Committee may approve stock grants to new employees on the third Monday of each month following a new hire.



Regardless of when grants occur, the exercise price for stock options is always determined based on the closing market price of the Company's common stock on the date of grant. Each stock option generally becomes exercisable in a series of installments over a four-year period, contingent upon the executive officer's continued employment with the Company. Stock option awards generally vest 25% at the end of one year following the grant date and 1/36 each month during the following three years. Restricted stock awards generally vest quarterly over a two-year period following the award date. The Company does not have stock ownership requirements.

*(d) Perquisites and Other Personal Benefits.* Certain NEOs receive perquisites, principally pursuant to their employment agreements that were in effect in 2011. The perquisites include personal expense reimbursements relating to health care and life insurance premiums, car allowance and financial and tax planning.

*(e) Severance and Change in Control Payments.* Our NEOs are entitled to severance and change-in-control benefits pursuant to employment agreements or pursuant to offer letters entered into at the time of hire. As of April 25, 2012, the Company currently has employment agreements with Michael Silton, President, Chief Executive Officer and Chairman, and Timothy Burns, Chief Financial Officer and Corporate Secretary. In addition, the Company had employment contracts with Philip Johnson and Tom Venable, who resigned from the Company effective January 20, 2012, and November 14, 2011, respectively.

The employment agreement, as amended, for Mr. Silton generally provides that if Mr. Silton's employment is constructively terminated or terminated by the Company without cause, then Mr. Silton shall receive, with no duty to mitigate, the following: (i) an amount equal to one and one-quarter times Mr. Silton's base salary and target annual bonus, to be paid not later than two and one-half months after the end of the calendar year in which his employment is terminated; (ii) up to twelve months of health and life insurance benefits; and (iii) continued vesting of all unvested stock options and restricted stock awards for up to fifteen months.

To the extent not already vested, restricted stock awards and options to purchase common stock held by Mr. Silton will immediately become vested in the event of a merger or other transaction in which more than 50% of the Company's outstanding securities are transferred to persons different from those persons who are the Company's stockholders prior to the merger or other transaction or upon the sale of all or substantially all the Company's assets in complete liquidation or dissolution. Mr. Silton shall have not less than twelve months to exercise his unexercised options.

The employment agreement for Mr. Burns generally provides that if his employment is constructively terminated or terminated by the Company without cause, then Mr. Burns shall receive, with no duty to mitigate, an amount equal to three months base salary.

The employment agreements for Mr. Johnson and Mr. Venable each provided that if their employment was constructively terminated or terminated by the Company without cause, then they would receive, with no duty to mitigate, an amount equal to three months base salary.

*(f) Inter-Relationship of Elements.* The Compensation Committee reviews overall compensation including base salary, bonus and stock/option grants to make sure they are commensurate with the executive's position and experience, and determines the weighting of each component of compensation based on market survey information from the Radford Executive Compensation Survey data. The Compensation Committee allocates between long-term and currently-paid out compensation, based on market survey data, which shows the allocation of current paid-out compensation and long-term compensation for comparable positions in the same general geographic area. Quarterly and annual cash bonuses are intended to provide each executive incentives to achieve the financial objectives for the current fiscal period, whereas equity compensation is structured to reward the executive for long-term performance of the Company, since equity vests over a number of years—usually two to four years.

*(g) Adjustment or Recovery of Awards.* Under Section 304 of Sarbanes-Oxley, if the Company is required to restate its financials due to material noncompliance with any financial reporting requirements as a result of misconduct, the CEO and CFO must reimburse us for (1) any bonus or other incentive-based or equity-based compensation received during the 12 months following the first public issuance of the non-complying document, and (2) any profits realized from the sale of securities during those 12 months. The Company does not have other policies or recovery rights with respect to NEO compensation, other than the vesting schedules described below.

*(h) Financial Accounting Considerations.* The relative expense associated with stock option and restricted stock awards factored into the Compensation Committee's decision to consider restricted stock awards in addition to stock options, because of the volatility of the Company's common stock and the resulting FASB ASC 718 stock option expense attached to stock options. The Compensation Committee feels that the option value for purposes of computing the FASB ASC 718 expense attached to stock options is disproportionately high and that restricted stock provides NEOs with an appropriate long term incentive.

*(i) Tax Considerations.* Section 162(m) of the Internal Revenue Code imposes a limitation on the deductibility for federal

income tax purposes of compensation exceeding \$1.0 million paid to certain executive officers. Compensation above \$1.0 million is not subject to the limitation if it is “performance-based compensation” within the meaning of the Internal Revenue Code. The Company anticipates that any compensation deemed paid by it (whether by the disqualifying disposition of incentive stock options or the exercise of non-statutory stock options) in connection with options with exercise prices equal to the fair market of option shares on the grant date will qualify as performance-based compensation for purposes of Section 162(m) of the Internal Revenue Code and will not have to be taken into account for purposes of the \$1.0 million limitation per covered individual. Because all compensation paid to the executive officers has not approached the Section 162(m) limitation, the Compensation Committee has not had to use any of the available exemptions from the deduction limit.

We have granted stock options as incentive stock options in accordance with Section 422 of the Internal Revenue Code, subject to the volume limitations. Generally, the exercise of an incentive stock option does not trigger any recognition of income or gain to the holder. If the stock is held until at least one year after the date of exercise (or two years from the date the option is granted, whichever is later), all of the gain on the sale of the stock, when recognized for income tax purposes, will be capital gain rather than ordinary income to the recipient. Consequently, we do not receive a tax deduction. For stock options that do not qualify as incentive stock options, we are entitled to a tax deduction in the year in which the stock options are exercised equal to the spread between the exercise price and the fair market value of the stock for which the stock option was exercised. The holders of the non-qualified stock options are generally taxed on this same amount in the year of exercise.

### Compensation Earned

The table below summarizes the compensation paid by the Company to our named executive officers for the fiscal years ended December 31, 2011 and 2010.

#### Summary Compensation

Name and Principal Position	Year	Salary (\$)	Bonus (\$)(2)	Stock Awards (\$)(3)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)(4)	Nonqualified deferred compensation earnings (\$)	All Other Compensation (\$)(5)	Total (\$)
Michael Silton	2011	405,000	—	—	—	—	—	61,259	466,259
<i>President, Chief Executive Officer and Chairman</i>	2010	389,942	(1)	552,000	—	—	—	56,922	998,863
Timothy Burns (6)	2011	161,307	4,500	107,400	—	—	—	—	273,207
<i>Chief Financial Officer</i>	2010	10,769	—	38,400	—	—	—	—	49,169
Philip Johnson	2011	200,000	—	71,400	—	—	—	6,546	277,946
<i>Vice President, Human Resources</i>	2010	192,564	(1)	115,000	—	—	—	12,717	320,280
Tom Venable (7)	2011	221,154	—	286,000	—	152,794	—	62,500	722,448
<i>Senior Vice President of Sales and Marketing</i>	2010	19,230	—	—	—	—	—	—	19,230

- (1) As a temporary response to the broad economic downturn that affected the Company and its industry in early 2009, the Company’s Board of Directors decided on March 16, 2009, to reduce NEO salaries by 20% for the six-month period that began April 1, 2009. When economic conditions improved later in 2009, the Company’s Board of Directors restored each NEO’s salary reductions by reinstating one-half such reductions on December 1, 2009, and the other half on March 1, 2010.
- (2) In 2011, Mr. Burns received a discretionary bonus related to his responsibilities as Corporate Controller. Other bonuses related to discretionary compensation were not awarded in 2010 or 2011.
- (3) In 2011, Messrs. Burns, Johnson and Venable each received restricted stock awards pursuant to the 2003 Plan, vesting in equal quarterly amounts over two years following the award date, in the case of Messrs. Burns and Johnson, and vesting 50% in quarterly amounts over one year and 50% in annual amounts over four years, in the case of Mr. Venable. Mr. Burns also received a restricted stock award, vesting in equal quarterly amounts over four years, in April 2011 when promoted to Acting CFO. In 2010, Messrs. Silton, Burns and Johnson each received restricted stock awards pursuant to the 2003 Plan, vesting in equal quarterly amounts over the two years following the award date, in the case of Messrs. Silton and Johnson, and vesting in equal annual amounts over four years for Mr. Burns. Stock award amounts in this table relate to the aggregate grant date fair value of restricted stock awards granted to the NEO during the respective year calculated in accordance with FASB ASC Topic 718. Please see Note 9 in the Notes to the Consolidated Financial Statements included in the Company’s Form 10-K for the year ended December 31, 2011 for assumptions used in calculating these amounts.
- (4) Our NEOs are eligible to receive non-equity incentive plan compensation, which is a bonus paid based on a measurable attainment schedule. During 2010, the performance goals were not achieved and no bonus was paid to any NEO. For 2011, no bonus was paid to Messrs. Silton,

Burns and Johnson, as these NEOs agreed to forego any bonus payments. A bonus was paid to Mr. Venable as a result of the achievement of performance goals under his individual bonus plan.



(5) The figures reported in the “All Other Compensation” column above for 2011 include the following items:

Executive	Company-paid Medical	Financial Planning	Auto Allowance	Company-paid Life Insurance	Severance Payment	Total
Michael Silton	\$ 16,062	\$ 3,173	\$ 24,000	\$ 18,024	\$ —	\$ 61,259
Philip Johnson	6,546	—	—	—	—	6,546
Tom Venable	—	—	—	—	62,500	62,500

(6) Timothy Burns was hired as Corporate Controller on November 30, 2010. He was named Acting CFO on April 20, 2011 and was promoted to CFO on November 4, 2011.

(7) Tom Venable’s hire date was December 6, 2010, and he resigned effective November 14, 2011.

### Outstanding Equity Awards

The following table sets forth certain information regarding the stock option grants and stock awards to the named executive officers as of the end of 2011.

### Outstanding Equity Awards at December 31, 2011

Name and Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options	Option Exercise Price (\$/Share)	Option Expiration Date	Stock Awards				
						Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(1)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Right That Have Not Vested (\$/Share)	
Michael Silton										
11/15/2010	—	—	—	—	—	240,000	\$ 196,800	—	—	—
11/17/2008	—	—	—	—	—	130,000	\$ 106,600	—	—	—
Timothy Burns										
11/21/2011	—	—	—	—	—	85,000	\$ 69,700	—	—	—
4/18/2011	—	—	—	—	—	22,500	\$ 18,450	—	—	—
11/15/2010	—	—	—	—	—	26,250	\$ 21,525	—	—	—
Philip Johnson										
11/21/2011	—	—	—	—	—	85,000	\$ 69,700	—	—	—
11/15/2010	—	—	—	—	—	50,000	\$ 41,000	—	—	—
11/17/2008	—	—	—	—	—	22,750	\$ 18,655	—	—	—

(1) Market value of shares that have not vested was calculated by using our closing market price at December 31, 2011 of \$0.82.

### Compensation of Directors

The following table summarizes the compensation paid by the Company to its non-employee directors for the year ended December 31, 2011.

### 2011 Director Compensation

Name and Title	Fees Earned or Paid in Cash (\$) (1)	Stock Awards (\$) (2)	Option Awards (\$) (2)	Non-Equity Incentive Plan Compensation (\$) (2)	Nonqualified Deferred Compensation Earnings (\$) (2)	All Other Compensation (\$) (2)	Total (\$) (2)
Alok Mohan, Chairman (3)	106,458	51,500	—	—	—	—	157,958



Gary Briggs, Lead Independent Director	50,004	20,600	—	—	—	—	70,604
Robert Leff, Director (3)	51,246	20,600	—	—	—	—	71,846
Bradford Peppard, Director	50,004	20,600	—	—	—	—	70,604
Mitchell Levy, Director	50,004	20,600	—	—	—	—	70,604
Chuck Geiger, Director	—	—	12,303	—	—	—	12,303

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(1) Includes retainer fees as applicable to each director's position on the Board and their participation in additional committees as well

as any reimbursement for travel or other fees. Effective November 2011, the Company's Board of Directors agreed to eliminate each non-employee director's monthly fees until November 2012.

- (2) Stock award amounts in the table relate to the aggregate grant date fair value of restricted stock awards and stock option awards granted to the director during the respective year calculated in accordance with FASB ASC Topic 718. Please see Note 9 to the Consolidated Financial Statements included in the Company's Form 10-K for the year ended December 31, 2011 for assumptions used in calculating these amounts.
- (3) On November 9, 2011 and November 11, 2011, respectively, Mr. Leff and Mr. Mohan resigned their positions as directors of the Company.

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

### Equity Compensation Plans

The following table sets forth information as of December 31, 2011 with respect to shares of the Company's Common Stock that may be issued under the Company's existing equity compensation plan, the 2003 Stock Incentive Plan.

<u>Plan Category</u>	<u>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</u>	<u>Weighted Average Exercise Price of Outstanding Options, Warrants and Rights</u>	<u>Number of Securities Remaining Available for Future Issuance</u>
Equity compensation plans approved by security holders	3,945,142	\$ 1.31	403,189
Equity compensation plans not approved by security holders	—	\$ —	—
<b>Total</b>	<b>3,945,142</b>	<b>\$ 1.31</b>	<b>403,189</b>

### Ownership of Securities

The following table sets forth certain information as of April 25, 2012, regarding the ownership of our common stock by (i) each person, to our knowledge, who is known by us to beneficially own more than five percent of our common stock, (ii) each named executive officer, (iii) each of our Company's directors, and (iv) all of our Company's directors and executive officers as a group. This table lists applicable percentage ownership based on 27,058,435 shares of common stock outstanding as of April 25, 2012. Beneficial ownership is determined in accordance with the rules and regulations of the SEC. Shares subject to options or warrants that are exercisable currently or within 60 days of April 25, 2012, are deemed to be outstanding and beneficially owned by the person for the purpose of computing share and percentage ownership of that person. They are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person. Except as indicated in the footnotes to this table and as affected by applicable community property laws, all persons listed have sole voting and investment power for all shares shown as beneficially owned by them. Unless otherwise indicated, all addresses for the stockholders set forth below is c/o Rainmaker Systems, Inc., 900 East Hamilton Avenue, Suite 400, Campbell, California 95008.

<u>Name of Beneficial Owner</u>	<u>Number of Shares Beneficially Owned (Including the Number of Shares Shown in the Second Column)</u>	<u>Number of Shares Owned as a Result of Options and Warrants Exercisable Within 60 Days of April 25, 2012</u>	<u>Percentage of Shares Outstanding</u>
Perkins Capital Management, Inc. (1)	2,651,264	—	9.8%
Michael Silton	2,257,455	23,255	8.3
Lacuna Hedge Fund LLP (2)	2,128,731	—	7.9
Diker Management, LLC (3)	1,607,687	—	5.9
Stephen Feinberg (4)	1,549,000	—	5.7
Bradford Peppard	174,165	56,551	0.6
Philip Johnson (5)	172,060	—	0.6
Mitchell Levy	156,821	56,551	0.6
Timothy Burns	137,459	—	0.5
Tom Venable (6)	83,071	—	0.3
Gary Briggs	78,760	35,504	0.3
Chuck Geiger	15,252	10,601	0.1

All directors and officers as a group (8 persons)	3,021,799	182,463	11.2%
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- (1) Beneficial ownership information is based on information contained in Schedule 13G filed with the SEC on February 3, 2012 by Perkins Capital Management, Inc. on behalf of itself and affiliated persons and entities.
- (2) Beneficial ownership information is based on information contained in Schedule 13D filed with the SEC on December 19, 2011 by Lacuna Hedge Fund LLLP on behalf of itself and affiliated persons and entities.
- (3) Beneficial ownership information is based on information contained in Amendment No. 8 to Schedule 13G filed with the SEC on February 14, 2012 by Diker Management, LLC on behalf of itself and affiliated persons and entities.
- (4) Beneficial ownership information is based on information contained in Schedule 13G filed with the SEC on July 8, 2011 by Stephen Feinberg on behalf of himself and affiliated persons and entities.
- (5) Philip Johnson resigned from the Company effective January 20, 2012 and therefore shares beneficially owned by him are not included in the total amount owned by all directors and officers as a group.
- (6) Tom Venable resigned from the Company effective November 14, 2011 and therefore shares beneficially owned by him are not included in the total amount owned by all directors and officers as a group.

## **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

### **Transactions with Related Persons**

In June 2011, we issued and sold 3.7 million shares of our common stock, together with warrants to purchase up to an aggregate 1.5 million additional shares, in a public offering. Members of our board of directors purchased 135,660 shares at a price of \$1.29 per share. They also received warrants to purchase up to an additional 54,264 shares with an initial exercise price of \$1.40 per share.

Although no formal written policy is in place, our Board of Directors is responsible for reviewing and approving the terms and conditions of all significant related party transactions.

### **Director Independence**

The Board of Directors has determined that each of Messrs. Levy, Geiger, Peppard and Briggs is “independent,” as that term is defined by applicable rules of the SEC and the Nasdaq Capital Market.

## **PART IV**

## **ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

The following documents are filed as part of this report or incorporated by reference.

### **1. Financial Statements**

See Item 8 of the Annual Report on Form 10-K filed on March 30, 2012 for a list of financial statements.

### **2. Financial Statement Schedules**

See Item 8 of the Annual Report on Form 10-K filed on March 30, 2012 for a list of financial statement schedules. All other schedules have been omitted because they are not applicable or the required information is shown elsewhere in the Financial Statements or notes thereto.

### **3. Exhibit Index**

The following Exhibits are incorporated herein by reference or are filed with the report as indicated below.

Restated Certificate of Incorporation of Rainmaker Systems, Inc. (Incorporated by reference to Exhibit A to the Definitive Proxy Statement on Schedule 14A filed by Rainmaker on April 21, 2006.)

Bylaws of Rainmaker Systems, Inc. (Incorporated by reference to the similarly numbered Exhibit to the Registration Statement on Form S-1/A filed by Rainmaker on October 22, 1999 (Reg. No. 333-86445).)

Specimen certificate representing shares of common stock of Rainmaker Systems, Inc. (Incorporated by reference to the similarly numbered Exhibit to the Registration Statement on Form S-1/A filed by Rainmaker on October 22, 1999 (Reg. No. 333-86445).)

Purchase Agreement dated as of February 19, 2004, by and among Rainmaker Systems, Inc. and the purchasers set forth on the signature pages thereto. (Incorporated by reference to Exhibit 4.4 to the Registration Statement on Form S-3 filed by Rainmaker on March 22, 2004 (Reg. No. 333-113812).)



- 4.3 Stock Purchase Agreement dated as of June 10, 2004, by and among ABS Capital Partners III, L.P., Tarentella, Inc., Rainmaker Systems, Inc., and the purchasers identified on the schedule thereto. (Incorporated by reference to Exhibit 99.2 to the Current Report on Form 8-K filed by Rainmaker on June 18, 2004.)
- 4.4 Registration Rights Agreement dated as of June 10, 2004, by and among ABS Capital Partners III, L.P., Tarentella, Inc., Rainmaker Systems, Inc., the purchasers identified on the schedule thereto and SDS Capital Group SPC, Ltd. (Incorporated by reference to Exhibit 99.3 to the Current Report on Form 8-K filed by Rainmaker on June 18, 2004.)
- 4.5 Form of Stock Purchase Agreement dated as of June 15, 2005, by and among Rainmaker Systems, Inc., and the purchasers identified on the signature page thereto. (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Rainmaker on June 16, 2005.)
- 4.6 Form of Registration Rights Agreement dated as of June 15, 2005, by and among Rainmaker Systems, Inc. and the purchasers identified on the signature page thereto. (Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by Rainmaker on June 16, 2005.)
- 4.7 Securities Purchase Agreement dated February 7, 2006, by and among the Company and the investors party thereto. (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Rainmaker on February 10, 2006.)
- 4.8 Securities Purchase Agreement dated February 7, 2006, by and among the Company and the investors party thereto. (Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by Rainmaker on February 10, 2006.)
- 4.9 Form of Warrant (Incorporated by reference to Exhibit 4.1 to the Current Report on Form 8 filed by Rainmaker on June 23, 2011.)
- 10.1\* Form of Indemnification Agreement. (Incorporated by reference to the similarly numbered Exhibit to the Registration Statement on Form S-1/A filed by Rainmaker on October 22, 1999 (Reg. No. 333-86445).)
- 10.2\* 1999 Stock Incentive Plan. (Incorporated by reference to the similarly numbered Exhibit to the Registration Statement on Form S-1/A filed by Rainmaker on October 22, 1999 (Reg. No. 333-86445).)
- 10.3\* 1999 Stock Purchase Plan. (Incorporated by reference to the similarly numbered Exhibit to the Registration Statement on Form S-1/A filed by Rainmaker on October 22, 1999 (Reg. No. 333-86445).)
- 10.4\* Form of Notice of Grant of Stock Option. (Incorporated by reference to Exhibit 99.2 to the Registration Statement on Form S-8 filed by Rainmaker on November 17, 1999 (Reg. No. 333-91095).)
- 10.5\* Form of Stock Option Agreement. (Incorporated by reference to Exhibit 99.3 to the Registration Statement on Form S-8 filed by Rainmaker on November 17, 1999 (Reg. No. 333-91095).)
- 10.6† Internet Applications Division (IAD) Reseller Agreement dated March 22, 1999 between Sybase, Inc. and Rainmaker Systems, Inc. (Incorporated by reference to Exhibit 10.20 to the Quarterly Report on Form 10-Q filed by Rainmaker on May 15, 2000.)
- 10.7† Amendment No. 1, dated February 5, 2001, to Internet Applications Division (IAD) Reseller Agreement dated March 22, 1999 between Sybase, Inc. and Rainmaker Systems, Inc. (Incorporated by reference to Exhibit 10.26 to the Quarterly Report on Form 10-Q filed by Rainmaker on May 2, 2001.)
- 10.8† Non Technical Services Agreement, dated April 6, 2001 between Rainmaker Systems, Inc. and International Business Machines Corporation. (Incorporated by reference to Exhibit 10.27 to the Quarterly Report on Form 10-Q filed by Rainmaker on August 10, 2001.)
- 10.09 Option Exchange Offer, dated November 30, 2001. (Incorporated by reference to Exhibit (a)(1) to the Tender Offer Statement on Form SC TO-I filed by Rainmaker on November 30, 2001 (Reg. No 005-58179).)
- 10.10†\* Employment Agreement with Michael Silton, dated January 1, 2001. (Incorporated by reference to Exhibit 10.18 to the Annual Report on Form 10-K filed by Rainmaker on March 29, 2002.)
- 10.11† Services Sales Outsourcing Partner Agreement dated September 25, 2000, between Rainmaker Systems, Inc. and Hewlett-Packard Company. (Incorporated by reference to Exhibit 10.21 to the Quarterly Report on Form 10-Q filed by Rainmaker on November 14, 2002.)

10.12† Services Sales Outsourcing Partner Agreement, Amendment No. 1 dated January 2, 2001, between Rainmaker Systems, Inc. and Hewlett-Packard Company. (Incorporated by reference to Exhibit 10.22 to the Quarterly Report on Form 10-Q filed by Rainmaker on November 14, 2002.)

- 10.13† Schedule 4, Operational Plan/Business Rules Document to Service Sales Outsourcing Partner Agreement dated September 25, 2000, between Rainmaker Systems, Inc. and Hewlett-Packard Company. (Incorporated by reference to Exhibit 10.23 to the Quarterly Report on Form 10-Q filed by Rainmaker on November 14, 2002.)
- 10.14† Services Sales Outsourcing Partner Agreement dated August 1, 2002, between Rainmaker Systems, Inc. and Hewlett-Packard Company. (Incorporated by reference to Exhibit 10.24 to the Quarterly Report on Form 10-Q filed by Rainmaker on November 14, 2002.)
- 10.15† Business Rules Approval dated September 5, 2002, between Rainmaker Systems, Inc. and Hewlett-Packard Company (amend/adds to Exhibit 10.23). (Incorporated by reference to Exhibit 10.25 to the Quarterly Report on Form 10-Q filed by Rainmaker on November 14, 2002.)
- 10.16† Amendment to Internet Applications Division (IAD) Reseller Agreement and Outsourcing Addendum dated June 12, 2002, between Rainmaker Systems, Inc. and Sybase, Inc. (Incorporated by reference to Exhibit 10.26 to the Quarterly Report on Form 10-Q filed by Rainmaker on November 14, 2002.)
- 10.17 Business Rules Approval dated February 6, 2003, between Rainmaker Systems, Inc. and Hewlett-Packard Company (amends/adds to Schedule 4, Operational Plan/Business Rules Document to Service Sales Outsourcing Partner Agreement dated September 25, 2000, filed as Exhibit 10.23 to the Report on Form 10-Q filed by Rainmaker Systems, Inc. on November 14, 2002). (Incorporated by reference to Exhibit 10.31 to the Quarterly Report on Form 10-Q filed by Rainmaker on May 15, 2003.)
- 10.18 Statement of Work for IBM ServicePac Sales Under IBM Non-Technical Service Agreement #4901AD0002 between International Business Machines and Rainmaker Systems, Inc. dated June 16, 2003 (amends/adds to the IBM Non-Technical Service Agreement #4901AD0002 dated April 6, 2001 filed as Exhibit 10.27 to the Report on Form 10-Q filed by Rainmaker Systems, Inc. on August 10, 2001). (Incorporated by reference to Exhibit 10.32 to the Quarterly Report on Form 10-Q filed by Rainmaker on August 14, 2003.)
- 10.22 Agreement and Plan of Merger, dated as of February 8, 2005, by and among Rainmaker Systems, Inc., CW Acquisition, Inc., Quarter End, Inc., the individuals listed on Exhibit A thereto and Jeffrey T. McElroy. (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Rainmaker on February 11, 2005.)
- 10.23\* Amendment of Employment Agreement between Rainmaker Systems, Inc. and Michael Silton dated February 24, 2005. (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Rainmaker on February 25, 2005.)
- 10.24\* Employment Agreement between Rainmaker Systems, Inc. and Steve Valenzuela dated February 24, 2005. (Incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed by Rainmaker on February 25, 2005.)
- 10.25 Asset Purchase Agreement, dated as of July 1, 2005, by and among Rainmaker Systems, Inc., Sunset Direct, Inc., Launch Project LLC, The Members Identified on the signature page thereto, and Chad Nuss, as Representative. (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Rainmaker on July 5, 2005.)
- 10.26 Asset Purchase Agreement, dated as of May 12, 2006, by and among Rainmaker Systems, Inc., Business Telemetry, Inc., The Shareholders identified on the signature page thereto, and Kenneth S. Forbes, III, as Representative. (Incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by Rainmaker on May 16, 2006.)
- 10.27 Asset Purchase Agreement by and among Rainmaker Systems, Inc., ViewCentral, Inc., certain shareholders of ViewCentral and Dan Tompkins, as representative. (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Rainmaker on September 19, 2006.)
- 10.28† Standard Services Agreement dated November 6, 2006 between Rainmaker Systems, Inc. and Hewlett Packard Company, a Delaware corporation. (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Rainmaker on November 13, 2006.)
- 10.29† Asset Purchase Agreement by and among Rainmaker Systems, Inc., Rainmaker Systems (Canada) Inc., CAS Systems, Inc., certain shareholders of CAS, Barry Hanson, as representative, and 3079028 Nova Scotia Company in respect of the purchase of substantially all of the assets of CAS Systems, Inc. (Incorporated by reference to Exhibit 99.2 to the Current Report on Form 8-K filed by Rainmaker on January 31, 2007.)
- 10.30† Asset Purchase Agreement by and among Rainmaker Systems, Inc., Rainmaker Systems (Canada) Inc., CAS Systems, Inc., certain shareholders of CAS, Barry Hanson, as representative, and 3079028 Nova Scotia Company in respect of the purchase of



substantially all of the assets of 3079028 Nova Scotia Company. (Incorporated by reference to Exhibit 99.3 to the Current Report on Form 8-K filed by Rainmaker on January 31, 2007.)

10.31 Promissory note between Rainmaker Systems, Inc. and CAS Systems, Inc. (Incorporated by reference to Exhibit 99.4 to the Current Report on Form 8-K filed by Rainmaker on January 31, 2007.)

- 10.32 Promissory note between Rainmaker Systems (Canada) Inc., a Canadian federal corporation, and 3079028 Nova Scotia Company, a Nova Scotia unlimited liability company. (Incorporated by reference to Exhibit 99.5 to the Current Report on Form 8-K filed by Rainmaker on January 31, 2007.)
- 10.33\* Amendment to Executive Employment Agreement, dated as of February 1, 2007, by and among Rainmaker Systems, Inc. and Michael Silton. (Incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by Rainmaker on February 5, 2007.)
- 10.34\* Amendment to Executive Employment Agreement, dated as of February 1, 2007, by and among Rainmaker Systems, Inc. and Steve Valenzuela. (Incorporated by reference to Exhibit 99.2 to the Current Report on Form 8-K filed by Rainmaker on February 5, 2007.)
- 10.35† Stock Purchase Agreement by and among Rainmaker Systems, Inc., Qinteraction Limited, and James F. Bere, as representative. (Incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by Rainmaker on July 24, 2007.)
- 10.36\* Amended and Restated Executive Employment Agreement, dated as of September 17, 2007, by and among Rainmaker Systems, Inc. and Moe Bawa. (Incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by Rainmaker on September 20, 2007.)
- 10.37\* Amendment of Employment Agreement, dated as of November 19, 2007, by and among Rainmaker Systems, Inc. and Michael Silton. (Incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by Rainmaker on November 21, 2007.)
- 10.38\* Amendment of Employment Agreement, dated as of November 19, 2007, by and among Rainmaker Systems, Inc. and Steve Valenzuela. (Incorporated by reference to Exhibit 99.2 to the Current Report on Form 8-K filed by Rainmaker on November 21, 2007.)
- 10.39\* 2003 Stock Incentive Plan, as amended and restated effective May 15, 2008. (Incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by Rainmaker on May 21, 2008.)
- 10.40\* Executive Employment Agreement, dated as of June 9, 2008, by and among Rainmaker Systems, Inc. and Mark de la Vega. (Incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by Rainmaker on July 2, 2008.)
- 10.41 Lease Agreement, dated as of September 24, 2008, by and among Rainmaker Systems (Canada) Ltd. as Tenant and 2748134 Canada Inc. as Landlord. (Incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by Rainmaker on October 7, 2008.)
- 10.42\* Amendment of Employment Agreement, dated as of January 1, 2009, by and among Rainmaker Systems, Inc. and Michael Silton. (Incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by Rainmaker on January 7, 2009.)
- 10.43† Global Inside Sales Program Statement of Work, dated as of March 31, 2009, and effective as of April 1, 2009, between Rainmaker Systems, Inc. and Sun Microsystems, Inc. (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Rainmaker on September 30, 2009.)
- 10.44† Addendum No. 1 to the Master Purchase Agreement, dated as of March 31, 2009, between Rainmaker Systems, Inc. and Sun Microsystems, Inc. (Incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed by Rainmaker on September 30, 2009.)
- 10.45† Contact Center Master Services Agreement, dated as of August 30, 2009, between Rainmaker Systems, Inc. and Hewlett-Packard Company. (Incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q filed by Rainmaker on November 13, 2009.)
- 10.46 Second Amendment to Lease Agreement, dated as of October 14, 2009, between Rainmaker Systems, Inc. and Legacy III Campbell, LLC. (Incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q filed by Rainmaker on November 13, 2009.)
- 10.47 Loan and Security Agreement, dated as of November 17, 2009, between Rainmaker Systems, Inc. and Bridge Bank, N.A. (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Rainmaker on December 8, 2009.)
- 10.48† Master Services Agreement, dated as of June 29, 2006, between Rainmaker Systems, Inc. and Symantec Corporation. (Incorporated by reference to Exhibit 10.46 to the Annual Report on Form 10-K filed by Rainmaker on March 31, 2010.)



- 10.49† Symantec Outsourced North American (NAM) Renewals Statement of Work effective as of April 1, 2008 between Rainmaker Systems, Inc. and Symantec Corporation. (Incorporated by reference to Exhibit 10.47 to the Annual Report on Form 10-K filed by Rainmaker on March 31, 2010.)
- 10.50† Amendment Two to the Symantec Outsourced NAM Renewals Statement of Work, dated as of April 1, 2010 between Rainmaker Systems, Inc. and Symantec Corporation. (Incorporated by reference to Exhibit 10.48 to the Annual Report on Form 10-K filed by Rainmaker on March 31, 2010.)
- 10.51 Loan and Security Modification Agreement, dated as of September 28, 2010, between Rainmaker Systems, Inc. and Bridge Bank, N.A. (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Rainmaker on October 4, 2010.)
- 10.52† Vendor Services Agreement, dated as of February 26, 2010, between Rainmaker Systems, Inc. and Microsoft Corporation. (Incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q/A filed by Rainmaker on February 28, 2011.)
- 10.53† Statement of Work to the Vendor Services Agreement, dated as of September 20, 2010, between Rainmaker Systems, Inc. and Microsoft Corporation. (Incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q filed by Rainmaker on November 12, 2010.)
- 10.54\* Offer letter, dated November 16, 2010, between Rainmaker Systems, Inc. and Thomas Venable. (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Rainmaker on December 8, 2010.)
- 10.55 Placement Agent Agreement dated as of June 22, 2011 between Rainmaker Systems, Inc. and Merriman Capital, Inc. (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Rainmaker Systems, Inc. on June 23, 2011.)
- 10.56 Form of Subscription Agreement dated as of June 22, 2011 between Rainmaker Systems, Inc. and certain investors. (Incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed by Rainmaker Systems, Inc. on June 23, 2011.)
- 10.57† Statement of Work dated as of July 12, 2011 between Rainmaker Systems, Inc. and Microsoft Corporation and Change Order drafted August 1, 2011. (Incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q filed by Rainmaker Systems, Inc. on August 15, 2011.)
- 10.58\* Executive Employment Agreement dated November 4, 2011, between Rainmaker Systems, Inc. and Timothy Burns. (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Rainmaker on November 10, 2011.)
- 10.59 Loan and Security Modification Agreement dated as of November 15, 2011 between Rainmaker Systems, Inc. and Bridge Bank, N.A. (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by Rainmaker on December 6, 2011.)
- 14 Standards of Business Ethics and Conduct. (Incorporated by reference to Exhibit 14 to the Annual Report on Form 10-K filed by Rainmaker on March 18, 2004.)
- 21.1 List of Subsidiaries. (Incorporated by reference to Exhibit 21.1 to the Annual Report on Form 10-K filed by Rainmaker on March 30, 2012.)
- 23.1 Consent of Independent Registered Public Accounting Firm. (Incorporated by reference to Exhibit 23.1 to the Annual Report on Form 10-K filed by Rainmaker on March 30, 2012.)
- 31.1 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Incorporated by reference to Exhibit 32.1 to the Annual Report on Form 10-K filed by Rainmaker on March 30, 2012.)
- 32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Incorporated by reference to Exhibit 32.1 to the Annual Report on Form 10-K filed by Rainmaker on March 30, 2012.)

101.INS XBRL Instance Document. (Incorporated by reference to Exhibit 101.INS to the Annual Report on Form 10-K filed by Rainmaker on March 30, 2012.)

101.SCH XBRL Taxonomy Extension Schema Document. (Incorporated by reference to Exhibit 101.SCH to the Annual Report on Form 10-K filed by Rainmaker on March 30, 2012.)

101.CAL XBRL Taxonomy Extension Calculation Linkbase Document. (Incorporated by reference to Exhibit 101.CAL to the Annual Report on Form 10-K filed by Rainmaker on March 30, 2012.)

101.DEF XBRL Taxonomy Extension Definition Linkbase Document. (Incorporated by reference to Exhibit 101.DEF to the Annual Report on Form 10-K filed by Rainmaker on March 30, 2012.)

101.LAB XBRL Taxonomy Extension Label Linkbase Document. (Incorporated by reference to Exhibit 101.LAB to the Annual Report on Form 10-K filed by Rainmaker on March 30, 2012.)

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document. (Incorporated by reference to Exhibit 101.PRE to the Annual Report on Form 10-K filed by Rainmaker on March 30, 2012.)

Attached as Exhibit 101 to this report are documents formatted in XBRL (Extensible Business Reporting Language). Users of this data are advised that, pursuant to Rule 406T of Regulation S-T, the interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is otherwise not subject to liability under these sections.

† Confidential treatment has previously been granted by the Commission for certain portions of the referenced exhibit.

\* Management contracts or compensatory plan or arrangement.



**CERTIFICATION**

I, Michael Silton, certify that:

1. I have reviewed this annual report on Form 10-K/A of Rainmaker Systems, Inc. (“Rainmaker”); and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 30, 2012

/s/ MICHAEL SILTON

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**Michael Silton**  
**President, Chief Executive Officer and Chairman**  
**(Principal Executive Officer)**



**CERTIFICATION**

I, Timothy Burns, certify that:

1. I have reviewed this annual report on Form 10-K/A of Rainmaker Systems, Inc. (“Rainmaker”); and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 30, 2012

/s/ TIMOTHY BURNS

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**Timothy Burns**  
**Chief Financial Officer**  
**(Principal Financial Officer and**  
**Principal Accounting Officer)**