

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2000-08-04** | Period of Report: **2000-07-31**
SEC Accession No. **0000950131-00-004638**

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FILER

SYSTEM SOFTWARE ASSOCIATES INC

CIK: **808207** | IRS No.: **363144515** | State of Incorporation: **DE** | Fiscal Year End: **1031**
Type: **8-K** | Act: **34** | File No.: **000-15322** | Film No.: **686311**
SIC: **7372** Prepackaged software

Business Address
500 W MADISON ST 32ND FLR
CHICAGO IL 60661
3126412900

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): July 31, 2000

System Software Associates, Inc.
(Exact Name of Registrant as Specified in Charter)

<TABLE>

<S>	<C>	<C>
Delaware	0-15322	36-3144515
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

</TABLE>

500 West Madison Street, Chicago, IL 60661
(Address of Principal Executive Offices, Including Zip Code)

(312) 258-6000
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

N/A

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

On July 31, 2000, System Software Associates, Inc. (the "Company") completed the sale of substantially all of the Company's assets to SSA Acquisition Corporation ("Newco") pursuant to the Asset Purchase Agreement dated May 3, 2000, as amended (the "Asset Purchase Agreement"). Consideration received by the Company consisted of:

. \$44,599,677, which was used to retire all amounts owing to the Company's senior secured lenders under the Company's pre-bankruptcy and debtor-in-possession loan agreements;

. \$1,585,049, to be used to pay amounts owed to parties whose agreements with the Company were assigned to Newco as part of the sale;

- . \$2,000,000, to be used to pay administrative and priority claims arising out of the Company's bankruptcy proceeding;

- . 20% of the initial common equity of Newco (the "SSA Common Stock Allocation");

- . Rights (the "SSA Rights") to purchase units of stock in Newco representing, in the aggregate, up to \$5.3565 million face amount of preferred stock in Newco and 20% of Newco's common stock for an aggregate purchase price of \$6.4278 million; and

- . The assumption of certain liabilities specified in the Asset Purchase Agreement and the Schedules thereto.

Prior to the closing, the Company, Newco and Gores Technology Group ("GTG") entered into a Fourth and Fifth Amendment to the Asset Purchase Agreement that, among other things:

- . Increased the aggregate exercise price of the SSA Rights from \$5.3565 million to \$6.4278 million;

- . Clarified the liabilities to be assumed by Newco at closing; and

- . Required Newco to provide certain administrative assistance to the Company after the closing.

Copies of the Fourth and Fifth Amendments are attached as Exhibits 99.1 and 99.2 hereto and copies of revised Schedules 1.01(a), 1.01(b), 1.02 and 1.04 to the Asset Purchase Agreement are attached as Exhibit 99.3 hereto.

Victor Shepherd, the current Chief Executive Officer and a Director of the Company, is also the Chief Executive Officer and a Director of Newco. The following officers of the Company also have been offered employment by Newco in the capacities indicated below: Kirk Isaacson (Vice President, General Counsel and Secretary), Chuck Biebighauser (Senior Vice President -

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Global Services & Marketing), Howard Sproxton (Vice President - Research & Development), Rick Gonzales (President - North America), Graeme Cooksley (President - Asia Pacific Japan), Phil Gray (President - Europe Middle East Africa), Martin Ambrose (Vice President - Solutions Management), Julie Paul (Treasurer) and Carol Wolniakowski (Corporate Counsel and Assistant Secretary).

Newco obtained the funds for the acquisition from (i) a \$15.0 million equity investment by an investment vehicle formed by Cerberus Partners L.P. on behalf of various funds and accounts managed by it (the "Investor Group") and (ii) a \$55.35 senior secured loan facility from Ableco Finance LLC (an affiliate of Cerberus Partners L.P.) and Foothill Capital Corporation.

The initial equity of Newco was allocated as follows:

- . 60% of the common equity, together with preferred stock with a liquidation preference of \$15.0 million, to the Investor Group in exchange for the equity investment described above;

- . 20% of the common equity to GTG, in exchange for management services to be provided to Newco; and

. 20% of the common equity to the Company, as partial payment of the purchase price for the Company's assets.

If Newco does not redeem at least \$5 million of preferred stock held by Cerberus within the earlier of 30 days after consummation of the Company's plan of reorganization or liquidation or 180 days after the closing of the sale to Newco, the Investor Group will receive warrants (the "Investor Warrants") to acquire an additional ten percent (10%) of the initial common equity of Newco at a strike price of \$.01 per share. If issued, these warrants will effectively reduce the SSA Equity Allocation from 20% to 10% of the initial common equity. Newco's senior lenders also have received warrants (the "Senior Lender Warrants") to purchase 35% of the common equity of Newco on a fully-diluted basis at a strike price of \$0.01 per share.

If both the Investor Warrants and Senior Lender Warrants are issued and exercised, then, without taking the SSA Rights into account, the SSA Common Stock Allocation would be reduced to 6.5% of the common equity of Newco, as opposed to the 25% provided for in the original Asset Purchase Agreement. If, in addition, all of the SSA Rights are exercised, the SSA Common Stock Allocation and the SSA Rights would represent an aggregate of 18.2% of the common stock of Newco. The per unit purchase price provided for in the SSA Rights is equal to 120% of the per unit purchase price paid by Cerberus for its preferred stock.

As noted above, \$2,000,000 of the cash consideration received by the Company has been allocated to pay administrative and priority claims arising out of the Company's bankruptcy proceeding. Such administrative and priority claims will not be known with certainty until a bar date has occurred and any such claims are reconciled and allowed. Accordingly, there can be no assurance that \$2,000,000 will be sufficient to pay all such claims. If the funds are sufficient, the Company intends to submit to the Bankruptcy Court, within six months after the closing, a plan of reorganization or liquidation that would provide for the distribution of the SSA Common Stock Allocation and the SSA Rights in Newco to creditors of the Company holding unsecured,

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pre-bankruptcy claims not assumed by Newco, including holders of the Company's 7% Convertible Subordinated Notes due 2002. Those creditors would then be entitled to exercise the SSA Rights during a limited period of time after the distribution. Any such plan and distribution would be subject to, among other things, bankruptcy court approval.

If \$2,000,000 is not sufficient to pay all administrative and priority claims arising out of the Company's bankruptcy proceeding, some or all of the SSA Common Stock Allocation and SSA Rights may need to be liquidated or otherwise allocated to pay such claims. Thus, there can be no assurance that the Company's unsecured, pre-bankruptcy creditors will receive any distribution in the bankruptcy proceeding. As previously disclosed, the Company does not expect the bankruptcy proceeding to result in any distribution to holders of its preferred or common stock.

Newco is currently privately held, and financial information regarding Newco is not publicly available. If the SSA Common Stock Allocation and SSA Rights are distributed to the Company's unsecured, pre-bankruptcy creditors, Newco is expected to become a public company subject to the reporting requirements of the Securities Exchange Act of 1934, as amended.

The statements contained in this Form 8-K and the exhibits hereto regarding the timing, process and results of the bankruptcy proceeding are "forward-looking" statements subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. Where possible, the words "intend," "expect," "believe," and "belief" and similar expressions, as they relate to the Company, have been used to identify such forward-looking statements. These statements reflect current beliefs and specific assumptions of the Company with respect to future events and are based on information currently available to it. Accordingly, the statements are subject to significant risks, uncertainties and contingencies, which could cause the results of the bankruptcy proceedings to differ from the results expressed in, or implied by, these statements.

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ITEM 7. FINANCIAL STATEMENTS, PRO FORMA
FINANCIAL INFORMATION AND EXHIBITS

(a) Financial Statements of Businesses Acquired:
Not applicable

(b) Pro Forma Financial Information:
Not applicable

(c) Exhibits:

- 99.1 Fourth Amendment to Asset Purchase Agreement dated as of July 26, 2000
- 99.2 Fifth Amendment to Asset Purchase Agreement dated as of July 31, 2000
- 99.3 Final Versions of Schedules 1.01(a), 1.01(b), 1.02 and 1.04 to the Asset Purchase Agreement. The Company will furnish supplementally a copy of all other schedules to the Asset Purchase Agreement upon request.

SIGNATURE

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

System Software Associates, Inc.

By: /s/ Kirk J. Isaacson

Kirk J. Isaacson
Vice President and General
Counsel

Dated: August 4, 2000

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EXHIBIT INDEX

99.1 Fourth Amendment to Asset Purchase Agreement dated as of July 26, 2000

- 99.2 Fifth Amendment to Asset Purchase Agreement dated as of July 31, 2000
- 99.3 Final Versions of Schedules 1.01(a), 1.01(b), 1.02 and 1.04 to the Asset Purchase Agreement.

FOURTH AMENDMENT TO
ASSET PURCHASE AGREEMENT

This Fourth Amendment to Asset Purchase Agreement (this "Amendment") is made as of July 26, 2000, to that certain Asset Purchase Agreement, dated as of May 3, 2000, as amended by an Amendment dated as of June 5, 2000, a Second Amendment dated as of June 9, 2000 and a Third Amendment dated as of July 10, 2000 (the "Agreement"), by and among SYSTEM SOFTWARE ASSOCIATES, INC., a Delaware corporation, GORES TECHNOLOGY GROUP, a California corporation, and SSA ACQUISITION CORPORATION, a Delaware corporation.

WHEREAS, the parties hereto have entered into the Agreement and now desire to further amend certain provisions of the Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED, by and among the parties hereto, as follows:

1. Defined Terms. Any capitalized terms used but not defined herein

shall have the meaning set forth in the Agreement.

2. Amendments to the Agreement.

Section 9.01 of the Agreement is amended by deleting the definition of "Seller Rights" in its entirety and inserting in lieu thereof the following:

"Seller Rights" means the right of Seller to purchase units of stock of Purchaser consisting of \$5,356,500 face amount of Purchaser's preferred stock and twenty percent (20%) of Purchaser's common stock, at an aggregate cost of \$6,427,800. The terms of the preferred stock shall be the same as the preferred stock issued to the Investor."

3. Effect on the Agreement. Except as specifically set forth herein,

the Agreement shall remain in full force and effect. In the event of any conflict between the terms of the Agreement and the terms of this Amendment, the terms of this Amendment shall govern.

4. Governing Law. This Amendment shall be governed by the laws of

the State of Delaware without regard to the conflict of laws of the State of Delaware or any other jurisdiction.

5. Counterparts. This Amendment may be executed in two or more

counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement. This Amendment shall become effective when each party hereto shall have received counterparts thereof signed by all the other parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

SYSTEM SOFTWARE ASSOCIATES, INC.

By: /s/ Kirk Isaacson

Name: Kirk Isaacson

Title: Vice President & General Counsel

GORES TECHNOLOGY GROUP (for purposes of Article 4 only)

By: /s/ David McGovern

Name: David McGovern

Title: Vice President

SSA ACQUISITION CORPORATION

By: /s/ Victor Shepherd

Name: Victor Shepherd

Title: Chief Executive Officer

FIFTH AMENDMENT TO
ASSET PURCHASE AGREEMENT

This Fifth Amendment to Asset Purchase Agreement (this "Amendment") is made as of July 31, 2000, to that certain Asset Purchase Agreement, dated as of May 3, 2000, as amended by an Amendment dated as of June 5, 2000, a Second Amendment dated as of June 9, 2000, a Third Amendment dated as of July 10, 2000 and a Fourth Amendment dated as of July 26, 2000 (the "Agreement"), by and among SYSTEM SOFTWARE ASSOCIATES, INC., a Delaware corporation, GORES TECHNOLOGY GROUP, a California corporation, and SSA ACQUISITION CORPORATION, a Delaware corporation.

WHEREAS, the parties thereto have entered into the Agreement and now desire to further amend certain provisions of the Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED, by and among the parties hereto, as follows:

1. Defined Terms. Any capitalized terms used but not defined herein

shall have the meaning set forth in the Agreement.

2. Amendments to the Agreement.

(a) Subparagraph (a) of Section 1.06 of the Agreement is amended by deleting that subparagraph in its entirety and substituting the following in place thereof.

"(a) In consideration for the Acquired Assets, the Purchaser shall pay to Seller at the Closing (i) cash by wire transfer in an amount determined pursuant to the first sentence of Section 1.06(b) below (the "Cash Proceeds") plus (ii) a number of shares equal to 20% of Purchaser's common stock, par value \$.01 per share, to be outstanding immediately after the Closing (the "Stock Proceeds") plus (iii) the Seller Rights (as defined in Section 9.01 below) (the Seller Rights together with the Cash Proceeds and the Stock Proceeds, the "Purchase Price"). Seller recognizes the percentage of common stock to be issued to Seller pursuant to clause (ii) hereof will be adjusted if warrants are issued to the Investor; and provided further that Seller shall be required to transfer the Dilution Amount (as defined in Section 9.01 below), if any, to Purchaser if a Dilution Event (as defined in Section 9.01 below) occurs."

(b) Section 1.07 of the Agreement is amended by deleting the last two sentences in their entirety and adding the following sentences at the end of such Section:

"If the Closing occurs or if the Closing does not occur for any reason other than as set in Section 7.02(b), the Deposit, together with any interest earned thereon, shall be returned to the Purchaser. If the Closing does not occur for a

reason set forth in Section 7.02(b), the Deposit, together with any interest earned thereon, shall be paid to Seller."

(c) Clause (3) of Section 2.02 is hereby amended by deleting the phrase "less the Deposit".

(d) The defined term "Investor" in Section 9.01 of the Agreement is amended and restated to read as follows:

"Investor" means an entity to be formed by Cerberus Partners L.P. (on behalf of various funds and accounts managed by it)."

(e) Item 3 of Schedule 1.04 is hereby amended to read as follows:

"All expenses and obligations of Seller incurred in the ordinary course of business after the Petition Date and prior to the Closing Date but unpaid as of the Closing Date, so long as payment of amounts so incurred plus the amount required to retire the DIP Financing (without regard to the fees and expenses of the lenders referred to in Section 1.06(b)(i)(c)) does not exceed \$11,740,000, it being understood that notwithstanding anything to the contrary contained herein or in any document approved by the Bankruptcy Court: (i) the Assumed Liabilities shall not include any unpaid fees, expenses or other amounts owed by the Seller to Gores, or any affiliate thereof; (ii) the Assumed Liabilities shall not include any fees or expenses owed to professionals retained by Seller's estate pursuant to Sections 330 or 506 of the Bankruptcy Code or otherwise, regardless of whether the payment of such fees and expenses would have been provided for by the existing \$400,000 'carveout' contained in the existing DIP loan facility provided to the Seller by Foothill Capital Corporation and Ableco Finance LLC (the "DIP Lenders"), and the DIP Lenders shall have no further obligation for the payment of any such professional fees and expenses; (iii) the Purchaser shall be responsible for the payment of up to the first \$100,000 in fees and expenses awarded by the Bankruptcy Court, after notice and a hearing, to Manchester Companies, Inc., but shall have no obligation for any fees or expenses awarded by

the Bankruptcy Court which exceed this \$100,000 amount; and (iv) the Assumed Liabilities shall not include any amounts owing to employees on account of unpaid prepetition compensation, vacation pay, unpaid benefits, or unpaid reimbursed expenses, even if said claims would be considered priority claims under the relevant provisions of the Bankruptcy Code, subject to the statutory dollar limitations contained therein.

3. Waivers. (a) Gores hereby waives all unpaid fees, expenses or other

amounts that may be owed to it by Seller.

(b) The parties hereby acknowledge that the Acquired Assets include a loan in the approximate principal amount of \$250,000 from Seller to Joe Skadra (the "Skadra Loan"). Purchaser hereby agrees that, if requested by Seller, Purchaser will release, discharge and forgive

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all amounts owed under the Skadra Loan on such terms and conditions as may be requested by Purchaser.

4. Administrative Assistance. Purchaser agrees to provide to Seller,

at no cost to Seller and during regular business hours, such assistance from the officers, employees and agents of Purchaser (including, without limitation, employees of Gores) in the administration and "wind down" of the Seller's bankruptcy estate, as may be reasonably requested by Seller or the Seller's Committee of Unsecured Creditors (the "Creditors Committee"), to the extent such assistance does not unreasonably interfere with Purchaser's business and operations or result in unreasonable cost. Such assistance shall include, without limitation:

(i) furnishing information required and assisting the Seller and its counsel in their preparation of financial reports, tax returns, and other requisite filings, including monthly bankruptcy reports, SEC filings and any other report required to be filed by the Seller (including any amendment or supplement required to the schedules or statement of financial affairs);

(ii) furnishing (to the extent reasonably available) information relating to, and making available former Seller employees who have information that would assist Seller in its evaluation and resolution of, scheduled and filed claims;

(iii) advising and consulting with the Seller or the Creditor's Committee, as the case may be, in connection with their preparation of a plan of liquidation or reorganization; and

(iv) general use of available space at Purchaser's premises in Chicago by a single officer/employee of Seller (but not a designated office), together with related office services such as secretarial services (but not a dedicated secretary) and telephone and fax services.

Notwithstanding the foregoing, nothing in this paragraph 4 shall require Purchaser (a) to retain or otherwise pay for any professionals or other third party service providers, other than persons made available to Purchaser pursuant to the Management Agreement between Purchaser and Gores, or (b) to allocate personnel solely or primarily to perform the functions listed above.

5. In the event that the Closing occurs on July 28, 2000 but the payment of the Obligations (as defined in that certain "payoff" letter dated as of July 31, 2000 between Seller, Purchaser and Foothill Capital Corporation) occurs after the Closing, all interest accruing on the Obligations from July 28, 2000 through the date of such payment shall be paid by Purchaser.

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6. Effect on the Agreement. Except as specifically set forth herein,

the Agreement shall remain in full force and effect. In the event of any conflict between the terms of the Agreement and the terms of this Amendment, the terms of this Amendment shall govern.

7. Governing Law. This Amendment shall be governed by the laws of

the State of Delaware without regard to the conflict of laws of the State of Delaware or any other jurisdiction.

8. Counterparts. This Amendment may be executed in two or more

counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement. This Amendment shall become effective when each party hereto shall have received counterparts thereof signed by all the other parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

SYSTEM SOFTWARE ASSOCIATES, INC.

By: /s/ Kirk Isaacson

Name: Kirk Isaacson

Title: Vice President

GORES TECHNOLOGY GROUP (for purposes of Article 4
of the Asset Purchase Agreement and Paragraph 3
(a) hereof)

By: /s/ David McGovern

Name: David McGovern

Title: Vice President

SSA ACQUISITION CORPORATION

By: /s/ Catherine B. Scanlon

Name: Catherine B. Scanlon

Title: Vice President and Chief Financial Officer

Schedule 1.01(a)

The Section 363 Assigned Assets shall include, without limitation, all of the following:

1. Cash and investments and similar accounts and the contents thereof (other than the Cash Proceeds of \$3,585,049).
2. Lockbox accounts.
3. Accounts receivable, trade receivable and similar rights, including intercompany receivables.
4. Notes and other receivable and similar rights.
5. Prepaid assets and credits.
6. Property, plant and equipment, including without limitation, assets used by Retained Employees, equipment, machinery, computer hardware and software and related items, furniture, fixtures, telecommunications equipment.
7. Books and records.
8. Customer lists.
9. Internet and intranet websites, including all data, code and content.
10. Telephone numbers.
11. Stock of all subsidiaries other than those excluded on Schedule 1.02.
12. Causes of action in favor of Seller or the Business.
13. Permits.
14. Guarantees, warranties, indemnities and similar rights in favor of the Seller or the Business.
15. Intellectual property, goodwill and other intangible assets.
16. General intangibles.

Schedule 1.01(b)
Section 365 Assumed Rights

IBM CORPORATION SUPPLY CHAIN CONFERENCE 3200 WINDY HILL ROAD, MSWG16B ATLANTA, GA 30339	Advertising	\$ 10,000
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IBM SERVER MARKETING COMMUNICATION	Advertising	\$ 190,000
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LYNDA NICKELSEN
ROUTE 100, BUILDING 4
SOMERS, NY 10589

IBM CORPORATION - BC5 Lease \$ 103,982
P.O. BOX 91222
CHICAGO, IL 60693

GARTNER GROUP Analyst \$ 170,750
P.O. BOX 911319
DALLAS, TX 75391

FORT KNOX ESCROW SERVICE INC Escrow Service \$ 9,130
2100 NORCROSS PARKWAY
SUITE 150
NORCROSS, GA 30071

NETWORK ASSOCIATES, INC. Lease \$ 2,046
135 S. LASALLE
DEPT. 1729
CHICAGO, IL 60674

NETWORK ASSOC FINANCIAL SVC Lease \$ 231
PROCESSING CENTER
21886 NETWORK PLACE
CHICAGO, IL 60673

PITNEY BOWES INC. Lease \$ 3,426
FACSIMILE DIVISION
P.O. BOX 85210
LOUISVILLE, KY 402855210

LPI SOFTWARE FUNDING GROUP Lease \$ 50,052
P.O. BOX 797
SOUTHEASTERN, PA 193990797

NEWCOURT FINANCIAL Lease \$ 158
AT&T CAPITAL LEASING
P.O. BOX 93000
CHICAGO, IL 60673

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MAVERICK TECHNOLOGY SOLUTIONS Distribution Service \$ 5,790
1345 LAKESIDE DRIVE
ROMEDEVILLE, IL 60446

STEELCASE FINANCIAL SERV INC. Lease \$ 24,947
P.O. BOX 91200
CHICAGO, IL 60693

RECALL CHICAGO Offsite Storage-Tapes \$ 4,058

P.O. BOX 101370
ATLANTA, GA 303921370

CYBORG SYSTEMS, INC. Payroll System \$ 6,372
P.O. BOX 6197
CHICAGO, IL 60680

FRANCOTYP-POSTALIA, INC. Shipping Service/freight \$ 234
P.O. BOX 4272
CAROL STREAM, IL 60197

FRANCOTYP-POSTALIA, INC. Shipping Service/freight \$ 799
1980 UNIVERSITY LANE
LISLE, IL 60532

UNITED PARCEL SERVICE Shipping Service/freight \$ 14
P.O. BOX 630016
DALLAS, TX 630016

UNITED PARCEL SERVICE Shipping Service/freight \$ 23
P.O. BOX 505820
THE LAKES, NV 88905

UNITED PARCEL SERVICE Shipping Service/freight \$ 191
P.O. BOX 4980
HAGERSTOWN, MD 217474980

UNITED PARCEL SERVICE Shipping Service/freight \$ 10,964
P.O. BOX 505820
THE LAKES, NV 88905

UNITED PARCEL SERVICE Shipping Service/freight \$ 26,627
P.O. BOX 660586
DALLAS, TX 75266

UPS CUSTOMHOUSE BROKERAGE Shipping Service/freight \$ 7,294
P.O. BOX 34486
LOUISVILLE, KY 40232

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ADAYTUM SOFTWARE Software Supplier \$ 5,917
2051 KILLEBREW DRIVE
SUITE 400
MINNEAPOLIS, MN 55425

KPMG LLP Sub contractor \$ 52,200
ATTN: CHERYL LAMAR
303 EAST WACKER DRIVE
CHICAGO, IL 60601

EQUANT NETWORK SERVICES, INC. Telephone Provider \$ 224,414
DEPT. AT49928
ATLANTA, GA 31192

MCI TELECOMMUNICATIONS P.O. BOX 70699 CHICAGO, IL 606730699	Telephone Provider	\$ -844
MCI WESTERN UNION INTERNATL P.O. BOX 60000, FILE #42144 SAN FRANCISCO, CA 941602144	Telephone Provider	\$ 4,738
MCI WORLDCOM EQUIPMENT 901 STEWART AVENUE GARDEN CITY, NY 11530	Telephone Provider	\$ 118
INT'L.COM ATTN: ACCOUNTS RECEIVABLE P.O. BOX 9437 BOSTON, MA 2209	Translation	\$ 32,154
CURTY PAYEN FEDERAL-MOGUL SEALING SYSTEMS ATTN.: PIERRE MARIE- PICARD 25 RUE ARRESTED BRAINED 69800 PRIEST FRANCE	Client Settlement/ licensee	\$ 24,000
ACTIS KURFURSTENDAMM 119 BERLIN, GERMANY, 10711	Partners	\$ 132,045
ORACLE 500 ORACLE PARKWAY REDWOOD SHORES, CA 94065	Application Specific Sublicense	\$ 108,453
ORACLE CORPORATION P.O. BOX 71028 CHICAGO, IL 606941028	Intern training	\$ 132,251
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PROTOVIEW DEVELOPMENT CORP. 2540 ROUTE 130 CRANBURY, NEW JERSEY 08512	License Agreement	\$ 4,750
TOTAL SOLUTIONS GROUP 1101 E. 78TH STREET, SUITE 100 BLOOMINGTON, MN 55432 612-831-8320	Partner Agreement	\$ 150,400
CONNECTICUT GENERAL LIFE INSURANCE COMPANY P.O. BOX 93024 CHICAGO,, IL 60673	Insurance provider	

METROPOLITAN LIFE INSURANCE CO
DEPARTMENT CH 10579
PALATINE, IL 60055-0579

Insurance provider

AGREX KK
ODAKYU NISHISHINJUKU BLDG.
5F, 47-1 HATSUDAI - 1 CHOME
SHIBUYA-KU
TOKYO
JAPAN
151-0061

Affiliate Agreement

APPLICOM SYSTEMS (postal address)
P.O. BOX 2016
HERZELIYA
ISRAEL
46120

Affiliate Agreement

APPLICOM SYSTEMS, LTD.
MERKAZIM BUILDING 2001
39, HAGALIM BLVD
HERZELIYA
ISRAEL
46725

Affiliate Agreement

COMPUTER SYSTEMS LTD
COLUMBO
SRI LANKA 2
CSK NETWORK SYSTEMS CORP.
SHINJUKU SUMITOMO BLDG, 16TH FLOOR
2-6-1 NISHI-SHINJUKU
SHINJUKU-KU
TOKYO, JAPAN
163-0216

Affiliate Agreement

Affiliate Agreement

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ENTERPRISE-WIDE SOLUTIONS
12/F L TOWER
444 EDSA GUADALUPE VIEJO
MAKATI CITY
PHILIPPINES

Affiliate Agreement

HITACHI INFORMATION SYSTEM LTD
16-3 DOGENZAKA
1 CHOME
SHIBUYA-KU
TOKYO
JAPAN
150-8540

Affiliate Agreement

IBM JAPAN
19-21
NIHONBASHI HAKOZAKI-CHO CHUO-KU

Affiliate Agreement

TOKYO
JAPAN
103-8510

INES
3-9-2 USHIKUBO
TAKATSU-KU
YOKOHAMA-SHI
KANAGAWA
JAPAN
224 8507

Affiliate Agreement

KUNMING JIN DING WEISITING
INFORMATION TECHNOLOGY CO LTD
KINMING HIGH AND NEW TECH ZONE
GUANG MING PC TOWN F-305
KUNMING PRC
CHINA
650011

Affiliate Agreement

mitsui knowledge industry co., ltd.
7-14 HIGASHINAKANO
2-CHOME
NAKANO-KU
TOKYO
JAPAN
164-8555

Affiliate Agreement

NIPPON OFFICE SYSTEMS LTD.
URBANNET GOTANDA NN BLDG
3-7-10 NISHIGOTANDA
SHINAGAWA -KU
TOKYO
JAPAN
141-0031

Affiliate Agreement

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PRASETIO STRATEGIC CONSULTING
WISMA 46 KOTA BNI
LEVELS 25-28
JL.JEND. SUDIRMAN KAV.1
JARKARTA, INDONESIA
10220

Affiliate Agreement

P.T. PERKOM INDAH MURNI
MID PLAZA 2, 19TH FLOOR
J1 JENDRAL SUDIRMAN KAV. 10-11
JAKARTA
INDONESIA
10220

Affiliate Agreement

P.T. INTIKOM BERLAIN MUSTIKA
BCA BUILDING, 7TH FLOOR
J1 MATRAMAN RAYA 14-16

Affiliate Agreement

JAKARTA
INDONESIA
13140

PRO-SOFT CO., LTD
468 RATCHADAPISEK ROAD
SAMSAEN NOK HUAY KWANG
BANGKOK
THAILAND
10320

Affiliate Agreement

PT MITRA INTEGRASI INFORATIKA
WISMA METROPOLITAN 1 16TH FLOOR
JLN JEND SUDIRMAN KAV 29-31
JAKARTA
INDONESIA
12920

Affiliate Agreement

TATO CO. LTD
7FKOJIMACHI-NAKATA BLDG, 5-3
KOJI-MACHI
CHIYODA-KU
TOKYO
JAPAN

Affiliate Agreement

ARBOUR GROUP
500 WEST MONROE STREET
CHICAGO, IL 60661

Vendor Product Finder's Fee Agreement

6

<TABLE>

<S>
CORVU AUSTRALASIA PTY LTD
LEVEL 4
1 JAMES PLACE
NORTH SYDNEY NSW 2060
AUSTRALIA

<C>
Software Partner /BPCS value-add

<C>

CORVU NORTH AMERICA, INC.
3400 WEST 66TH STREET
SUITE 445
EDINA, MN 55435

Partner

GLOBAL TRADE PARTNER LTD
THE OLD BREWHOUSE,
LOWER CHARLTON TRADING ESTATE,
SHEPTON MALLETT,
SOMERSET
BA4 5QE
ENGLAND

Cooperative Marketing Agreement

ISM
INTERNATIONAL SOFTWARE MARKETING LTD,

Alliance Software Agreement

\$ 37,712

1 AMBERLEY COURT,
WHITWORTH RD,
COUNTY OAK,
CRAWLEY,
WEST SUSSEX
RH11 7XL
ENGLAND

LOGICAL
1750 S. TELEGRAPH RD.
BLOOMFIELD HILLS, MI 48302
248-380-2181

Hardware Partner

OMTOOL
8 INDUSTRIAL WAY
SALEM, NH 03079

Omtool Reseller Agreement

OPTIO SOFTWARE
4800 RIVER GREEN PARKWAY
DULUTH, GA 30096

Cooperative Marketing Agreement

SAI
Marketing Agreement
SOFTWARE ARCHITECTS INTERNATIONAL
SAI HOUSE
THE NATIONAL TECHNOLOGICAL PARK
LIMERICK
IRELAND

Cooperative Marketing Agreement

SYNQUEST INC.
3500 PARKWAY LANE
SUITE 555
NORCROSS, GA 30092
</TABLE>

Distributor Agreement

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TAYLOR MANUFACTURING SYSTEMS
5255 TRIANGLE PARKWAY #500
NORCROSS, GA 30092

Cooperative Marketing Agreement

TRADEPAQ CORPORATION
KENT HOUSE, 1ST FLOOR, STE. 1
41, EAST STREET
BROMLEY
KENT
BR1 1QQ

Cooperative Marketing Agreement \$ 9,000

TRILOGY
6034 WEST COURTYARD DRIVE
AUSTIN, TX 78730

Reseller Agreement

2B CONSULTING
PLACE FRANCOIS MITTERAND
01 TOUR CREDIT LYONNAIS
EURAILLIE, FRANCE
EURAILLIE
FRANCE

Affiliate Agreement

F-59777

ACSIOR, LTD.
8B, CHRISTO GEORGIEV
1504 SOFIA
SOFIA
BULGARIA

Affiliate Agreement

ACTION INFORMATIQUE
29 RUE MOULAY MOHAMED EL BAAMRANI
EX RUE DE LA SOMME
CASABLANCA
MOROCCO
21000

Affiliate Agreement

ARMADA, INC.
BULDING 5, 1ST FLOOR
HARROWDENE OFFICE PARK
WESTERN SERVICE ROAD
WOODMEAD, JOHANNESBURG
SOUTH AFRICA
2157

Affiliate Agreement

AIMTEC A.S.
HALKOVA 32
PLZEN
CZECH REPUBLIC
30122

Affiliate Agreement

8

APS
DUBRAVSKA CESTA 2
BRATISLAVA
SLOVAK REPUBLIC
84105

Affiliate Agreement

ARABIAN COMPUTER PROJECTS LTD.
P.O. BOX 87068
RIYADH
SAUDIA ARABIA
11642

Affiliate Agreement

B & M, LTD.
BAGDAT CADDESI MURUVET APT. 497-78
SUADIYE-KADIKOY
ISTANBUL
TURKEY
81110

Affiliate Agreement

BILTAS A.S.
DR. MUSTAFABEY CAD
BERKL. APT. 1/1
IZMIR
TURKEY

Affiliate Agreement

BRUMA SRL

Affiliate Agreement

VIA 9 LAZZARONI 4
MILAN
ITALY
20121

BSA A.S.
MARAKOVA 8
160 00 PRAHA 6
PRAHA 6
CZECH REPUBLIC

Affiliate Agreement

CONSORT CONSULTING
159, AVENUE CHARLES DEGAULLE
92200 NEUILLY SUR SEINE
FRANCE

Affiliate Agreement

CSS INDUSTRIAL APPLICATIONS
BOULEVARD PAEPSEM
PAEPSEMLAAN 11
BRUSSELS
BELGIUM
B-1070

Affiliate Agreement

DIS S.A.
208 EGNATIAS STREET
THESSALONIKI
GREECE
GR 546 39

Affiliate Agreement

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ENIAC ERP SERVICES
UTRECHTSEWEG 340
P.O. BOX 123
DE BILT
NETHERLANDS
3730AC

Affiliate Agreement

ENTERPRISE SOLUTIONS
FIRST FLOOR HANNAN CENTRE
55 DACHS BLOCK 7&8
MAIN SHAREA FAISAL
KARACHI
PAKISTAN

Affiliate Agreement

FOCAL SYSTEMS PTY., LTD.
643 MURRAY STREET, 1ST FLOOR
WEST PERTH
AUSTRALIA
WA 6005

Affiliate Agreement

IBM GLOBAL SERVICES INDIA PVT LTD
MIDAS, GR FLR.
SAHAR PLAZA COMPLES
MV ROAD, ANDHERI (EAST)
MUMBAI
INDIA
400 059

Affiliate Agreement

ITS INTERNATIONAL
ROOM 310
LEONTIEVSKY PER, 10
MOSCOW
RUSSIA
103009

Affiliate Agreement

KONCAR-POSLOVNA INFORMATICA DD
FALLEROVO SETALISTE 22
HR - 10 000
ZAGREB, CROATIA
MCC INTER-CONSULT
P.O. BOX 23094
SAFAT
KUWAIT
13091

Affiliate Agreement

Affiliate Agreement

MFI
1 AVENUE GEORGES POMPIDOU
LE CHALLENGER
LYON
FRANCE
F-69003

Affiliate Agreement

MHT
VIA ROMA, 4D
LANCENIGO TV
ITALY
31020

Affiliate Agreement

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OY INTERNATIONAL BUS. MACH.
P.O. BOX 265
HELSINKI
FINLAND
00101

Affiliate Agreement

P T BARUNA HARUM GEMILANG
JL KESEHATAN RAYA NO 7-7A
MALMO
SWEDEN

Affiliate Agreement

SIS DATENVERARBEITUNG GmbH
HOFZEILE 24
VIENNA
A-1190
AUSTRIA

Affiliate Agreement

SZINTEZIS COMPUTER RENDSZERHAZ KFT (hq)
9024 GYOR
TIHANYI ARPAD UT 2
GYOR
HUNGARY

Affiliate Agreement

WM DATA A/S
SVOVEL STIKKA 1
P.O. BOX 6432
ETTERSTAD
OSLO

Affiliate Agreement

NORWAY
N-0605

DCS
VICTORIA HOUSE
LAWNSWOOD BUSINESS PARK
REDVERS CLOSE
LEEDS
LS16 6QY
UK

Partners

SRC E-COMMERCE BV
NIEUWE STEEN 2D
POSTBUS 417,1620
AK HOORN,

Sub contractor \$ 12,000

SUMITOMO FUDONSAN KK
7F, NICHIREI-HIGASHIGINZA BD.
6-19-20, TSUKIJI, CHUO-KU
TOKYO, JAPAN
104

Rental property

OLIVER ALLEN CORPORATION
801 LARKSPUR LANDING CIRCLE
LARKSPUR, CA 94939

Lease \$ 13,799

SIEMENS BUSINESS COMMUNICATION
C/O SIEMENS CREDIT CORPORATION
ON991 U.S. HIGHWAY 22, SUITE 300
BRIDGEWATER, NJ 88072956

Lease #629-0000845-000 \$ 14,010

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All professional service agreements and all software license agreements except agreements with (a) any client whose agreement is related to the litigation listed in Schedule 3.11; and (b) the following parties:

ABBOTT LABORATORIES
ACER PERIPHERALS, INC.
ADCOCK INGRAM LIMITED
ADWEST GROUP PLC
AIR PRODUCTS AND CHEMICALS, INC.
ALBERT TROSTEL & SONS COMPANY
AMATI-DENAK
ASTEC INTERNATIONAL
AVENOR, INC.
AVENOR, INC. - WHITE PAPER DIVISION
BELL SPORTS
BRITISH AMERICAN TOBACCO CO LTD.
BURNS PHILP FOOD, INC.
CANANDAIGUIA WINE COMPANY, INC.
CEPA SA
CERAMITA SA
CHARLES INDUSTRIES
CHINA FIRST AUTOMOTIVE
CLOROX SERVICES COMPANY
COOPERS & LYBRAND LLP (AVON)

CORESA SA
CROMPTON & KNOWLES CORP
DENTSPLY INTERNATIONAL
DP FITNESS (DIVERSIFIED PROD.)
EAST ASIATIC COMPANY LTD
EATON CORPORATION
EBEL (ORGANIZACION EBEL INT'L) COLUMBIA
ELGINKAN HOLDING AS
ER WAGNER MANUFACTURING CO.
FARMA CENTRAL SA (FARMA ANDINA SA)
FONDA GROUP, INC.
GENCOR INDUSTRIES, INC.
GODREJ-GE APPLIANCES LTD.
GOLDKIST, INC.
GRIVAL/GRIFOS Y VALVULAS SA
HAFELE UK LIMITED
HARVESTIME LTD (DCS)
HAYNES INTERNATIONAL INC.
HEWLETT-PACKARD COMPANY
ICI AMERICAS, INC.
IMPERIAL CHEMICAL INDUSTRIES (ICI)
INGENIERIA GASTRONOMICA
INTERNATIONAL BEVERAGE MGMT CORP. (BAESA)
INTERNATIONAL ENVELOPE
ITT FLUID TECHNOLOGY CORP.
KENDALL COMPANY
KENWOOD CORPORATION
KRUEGER INTERNATIONAL INC.
LABORATORIOS CALIFORNIA
LABORATORIOS ROWE
LLOREDA GRASAS SA
LOZIER CORPORATION
LYNDALE FOODS LIMITED

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MARIETTA CORPORATION
MANCESA SA (Manufacturas de Ceramica)
MURPHY FARMS, INC.
NAE
NEWARK ELECTRONICS
NYPRO INC.
OCCIDENTAL CHEMICAL CORPORATION
ORGANIZATION CORONA
PABIANUCKIE ZAKLADY FARMACEUTY
POLAR CORPORATION
PORTMEIRON POTTERIES LTD
QUAKER FABRIC CORPORATION OF FALL RIVER
QUIMCA COMERCIAL ANDINA SA & DISTRIBUDORA ANDINA SA
RANDELL MANUFACTURING, INC.
ROEMMERS SAICF
ROFINA SA
ROLEC
SC JOHNSON & SON INC.
SEALED AIR
SWARZEDZKIMI FABRYKAMI BEBLI SA (SFM)
SHOP VAC CORPORATION
STANDARD PRODUCTS COMPANY
STORK SCREENS AMERICA INC.
SUMICOL
SUMINISTROS DE COLOMBIA SA

SUNRISE MEDICAL INC.
THORLO, INC.
UWAJIMAYA, INC.
WHITTMAN-HART, INC.
WINDFALL PRODUCTS, INC.
ARAGONESAS AGRO SA
CZEWO DATA GmbH
DESEILLES TEXTILES
DOYEN
LIBELTEX
JOUAN
KERKSTOEL
KONG WAH HOLDINGS LTD.
MECCANO
MEERSEEN PAPIER
OGIHARA EUROPE, LTD.
SPL TECHNOLOGY

ABBOTT ARGENTINA (PS)
AKAPOL SA
ALBAYDA S.A.
ALLERGAN ARGENTINA
ALLERGAN LOA S.A. (PS)
AMP ARGENTINA (PS)
AMP RAYCHEM
ASYTEC SISTEMAS
ASYTECSISTEMAS SRL (PS)
AURORA (PS)
BAESA ARGENTINA (PS)

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BGH S.A.
BOEHRINGER INGELHEIM S.A. - ARGENTINA
BRISTOL MYERS SQUIBB ARGENTINA S.A.
BUENOS AIRES EMBOTELLAD-BAESA
BULL SACI - ARGENTINA
BYK LIPRANDI
C.E.P.A.SA
CALF
CALSA
CARDED DNS S.A.
CASA ISENBECK
CELULOSA ARGENTINA S.A. (PS)
CERAMICA ZANON S.A.C.I. E-10
CERAMICA ZANON S.A.C.I. E-35
CETCO YANBAL ARGENTINA (PS)
CIBA ESPECIALIDADES QUIMICAS S.A.
CIBA GEIGY ARGENTINA S.A.
CIGARRERA BIGOTT ARG. (P/S)
CLOROX ARGENTINA
CORESA (ARGENTINA)
DELLA PENA SAN LUIS S.A. (PS)
DIAL ARGENTINA
DIAL CORPORATION ARGENTINA
DISTRIB. DE GAS PAMPEANA
DOMINION NONWOVENS SUDAMERICA
ELECTRODOMESTICOS AURORA
ELI LILLY ARGENTINA
ELVETIUM S.A.
ESTUDIO MENDOZA

FAPLAC SA (HIERROMAT) (PS)
FAPLAC SA F-10 HIERROMAT
FARLOC ARGENTINA S.A.
FERRERO - ARGENTINA (P/S)
FERRO ENAMEL - ARGENTINA
FIPLASTO
FIPLASTO S.A.
FRENOS VARGA ARGENTINA SA
GADOR PS
GBM ARGENTINA (PS)
GEORGALOS HNOS S.A.I.C.A.
GEORGALOS HNOS. PS
GIVAUDAN ROURE (PS)
GLAXO WELLCOME S.A. - ARGENTINA
NEUMATICOS GOODYEAR S.R.L.
GROUPE SCHNEIDER ARG
GRUNENTHAL ARGENTINA
GRUNENTHAL PERUANA ARGENT. PS
GUIVAUDAN ROURE
HEWLETT PACKARD ARGENTINA
HEWLETT PACKARD ARGENTINA
HIERROMAT CORDOBA
HIERROMAT F 04
HIERROMAT MENDOZA
HIERROMAT S.A.
HIERROMAT VICENTE LOPEZ
HILOS CADENA S.A.

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HOECHST ARGENTINA S.A.
HOECHST VENEZUELA ARGENT. (PS)
HOSPITAL ITALIANO
IBM ARGENTINA S.A.
IBM CELULOSA (PS)
IBM PARAGUAY
IBM TERRABUSI
ICI INTEC ARG. PS
INDECO H MINOLI SACI
INDUSTRIAS LEAR DE ARGENTINA
INFORMIX
INGENIERIA GASTRONOMICA
INSPECTORATE
INSTITUTO MASSONE
INSTITUTO SIDUS ICSA
JOHNSON & JOHNSON DE ARGENTINA S.A.C.E.I.
KASDORF
KEYSTONE DO BRAZIL (ARGENTINA)
LA PREVISION (IBM)
LA PREVISION COOPERATIVA
LABORATORIOS COLUMBIA SA DE CV
LABORATORIOS DR GADOR Y CIA
LABORATORIOS RICHET (ARG)
LABORATORIOS RICHET PS
LABORATORIOS RICHMOND
LABORATORIOS ROWE-R.DOMINICANA
LITORAL GAS SA
LONGVIE S.A.
MANUFACTURAS DE MOTORES ARGENT
MASSUH SA
MERCANTIL ANDINA

MERCK QUIMICA ARGENTINA S.A.I.
MIRGOR S.A.
MIRGOR SA PS
MUSIMUNDO S.A.
MUSIMUNDO S.A. D-20
NABISCO TERRABUSSI
NEWSAN
NEW-SAN S.A.
NIDERA PTA V TUERTO
NIDERA PTA VALENTIN ALSINA
NIDERA SISTEMAS
NOBLEZA PICCARDO
NOVARTIS ARGENTINA S.A.
OCCIDENTAL CHILE ARGENTINA (PS)
ORGANON (PS)
ORGANON ARGENTINA S.A.
PARMALAT ARGENTINA S.A.
PARMALAT URUGUAY
PARMALAT VENEZUELA
PHARMACIA AND UPJOHN S.A. - ARGENTINA
PHILCO USHUAIA S.A. (PS)
PRODUCTOS ROCHE
PRODUCTOS ROCHE SAQEL ARG. (PS)
RASIC HNOS S.A
RAYMOND ROY S.A

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RECKITT & COLMAN ARGENTINA S.A.
REYNOLDS LATOS DE ALUMINIO ARGENTINA S.A.
ROBERT BOSCH ARGENTINA SA
ROBERT BOSCH S.A.
ROEMMERS - ARGENTINA
ROEMMERS - URUGUAY
ROFINA S.A.
S.C.JOHNSON ARGENTINA
SCAVONE HNOS SA
SIRTI
SOL Y ORO S.A.I.C.F.E.I
SONY ARGENTINA S.A.
SWIFT ARMOUR SA
SYSWARE S.A.
TDI SA
TELSYS SA
TERRABUSI S.A. & ESTABLECIMINETOS MODELO TERRABUSI S.A.I.C.
TFL ARGENTINA
TOP & BEST S.A.
TRANSOT S.A.
TTI
UNIFARMA
UNIFARMA S.A.
UNION CARBIDE ARGENTINA SAICS
UNION CARBIDE S.A.
VAN LEER-ARGENTINA
VCC ARGENTINA (PS)
VIALORENZ S.A.
VIDEO CABLE COMUNICACION (VCC)
VILMAX S.A.
Y.P.F. S.A.
ZANON (IBM) (PS)
ACEROS REVESTIDOS S.A.

AGFA GEVAERT - ARGENTINA
 ALCATEL-IND. ARGENTINAS DE TELE
 ARAGONE POR MAYOR, S.A.
 ASER S.A.
 BAHCO SUDAMERICANA S.A.C.I.
 BIOGENESIS S.A.
 BRASSOVORA S.A.
 BRUGAL Y CIA.
 BUROTTO Y ASOC S.R.L.
 BYK LIPRANDI
 CARTELCO S.A.
 CELULOSA ARGENTINA S.A
 CERAMICA SAN LORENZO
 CERAMICA SAN LORENZO-SITE 2
 COLORIN SA
 COMPUTEC SISTEMAS
 COMPUTEC SISTEMAS S.A.
 CREDOMATIC
 CYANAMID DE ARGENTINA, S.A.
 EL GATO NEGRO S.A. DE C.V.
 ESSEN S.A.
 FUNDACION UNIVERSIDAD BELGRANO

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HIERROMAT SA F10
 ICI ARGENTINA
 INDUSTRIAS EUREKA S.A
 IPAKO INDUST. PETROQUIM. ARGEN
 LAB PROMECO (ARG)
 LAMINFER
 LEDESMA S.A (DEPFLE)
 MOORE COMMERCIAL S.A. DE C.V
 NOBLEZA-PICCARDO SAICYF (BAT)
 NOBLEZA-PICCARDO SAICYF (BAT)
 PFIZER - ARGENTINA
 PITTSBURGH S.A.C.I.F.I.
 RHODIA ARGENTINA QUIMICA Y TEX
 SOPORTE DE SISTEMAS
 SULLAIR ARGENTINA
 SURREY
 TURNER Y CIA.

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Schedule 1.02
 Excluded Assets

1. Any subsidiary or branch office not listed below:

<TABLE>
 <CAPTION>

Entity	Jurisdiction Incorporation	% owned SSA, Inc.	Status
-----	-----	-----	-----
<S>	<C>	<C>	<C>
North America			
SSA Canada Corporation	Canada	100%	Active
System Software Japan Corporation	Delaware	100%	Active
System Software Pacific Rim Corporation	Delaware	100%	Active

- System Software Associates Japan, LLC	Delaware	100%	Active
Europe			
System Software Associates Limited	England	100%	Active
-SSA Limited	England	100%	Inactive
SSA Acclaim Limited	England	81%	Active
-SSA Acclaim Resource Management, Ltd.	England	100%	Inactive
-Acclaim Computer Systems, Ltd.	England	100%	Inactive
SSA Softwright Limited	England	100%	Active
-Kiosk Company Limited	England	100%	Inactive
-Mediabright Limited	England	10%	Active
SSA Iberica S.A.	Spain	100%	Active
SSA Catalunya S.A.	Spain	19%	Active
SSA France S.A.	France	100%	Active
System Software Associates GmbH	Germany	100%	Active
SSA Italia SpA	Italy	99%	Active
SSA Benelux B.V.	Netherlands	100%	Active
-Solid-csf BV	Netherlands	100%	Inactive
-SSA Belgium (branch office)	Belgium	100%	Active
System Software Associates AG, Basel	Switzerland	100%	Active
Wallop Investments (Proprietary) Ltd	South Africa	100%	Inactive
Asia/Pacific			
System Software Associates Asia Pacific Pte. Ltd.	Singapore	100%	Active
-SSA (Beijing) Co. Ltd.	China	100%	Active
-SSA Taiwan (branch office)		100%	
SSA Pte. Ltd.	Singapore	100%	Inactive
System Software Services Pty Ltd.	Australia	100%	Active
- SSA Pacific (NZ) Ltd.	New Zealand	100%	Active
SSA Korea Ltd.	Korea	100%	Active
SSA Software (Malaysia) Sdn Bhd	Malaysia	100%	Active
SSA Hong Kong Ltd.	Hong Kong	100%	Active
Latin America			
System Software Associates Do Brasil Ltda	Brazil	100%	Active
SSA de Mexico, S.A. de C.V.	Mexico	100%	Active

</TABLE>

2. Except as otherwise provided above, all properties and assets of SSA Sucursal Argentina.

Schedule 1.04
Assumed Liabilities

1. Accrued compensation (but excluding vacation) and benefits with respect to the Transferred Employees.
2. Deferred revenue to the extent contract obligation is assumed.
3. All expenses and obligations of Seller incurred in the ordinary course of business after the Petition Date and prior to the Closing Date but unpaid as of the Closing Date, so long as payment of amounts so incurred plus the amount required to retire the DIP Financing (without regard to the fees and expenses of the lenders referred to in Section 1.06(b) (i) (c)) does not exceed \$11,740,000, it being understood that notwithstanding anything to the contrary contained herein or in any document approved by the Bankruptcy Court: (i) the Assumed Liabilities shall not include any unpaid fees, expenses or other amounts owed by the Seller to Gores, or any affiliate thereof; (ii) the Assumed Liabilities shall not include any fees or expenses owed to professionals retained by Seller's estate pursuant to

Sections 330 or 506 of the Bankruptcy Code or otherwise, regardless of whether the payment of such fees and expenses would have been provided for by the existing \$400,000 `carveout' contained in the existing DIP loan facility provided to the Seller by Foothill Capital Corporation and Ableco Finance LLC (the "DIP Lenders"), and the DIP Lenders shall have no further obligation for the payment of any such professional fees and expenses; (iii) the Purchaser shall be responsible for the payment of up to the first \$100,000 in fees and expenses awarded by the Bankruptcy Court, after notice and a hearing, to Manchester Companies, Inc., but shall have no obligation for any fees or expenses awarded by the Bankruptcy Court which exceed this \$100,000 amount; and (iv) the Assumed Liabilities shall not include any amounts owing to employees on account of unpaid prepetition compensation, vacation pay, unpaid benefits, or unpaid reimbursed expenses, even if said claims would be considered priority claims under the relevant provisions of the Bankruptcy Code, subject to the statutory dollar limitations contained therein.

4. All WARN obligations pursuant to Section 5.06(c) (ii)