

FORM S-8

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

TELETECH HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation or organization)

84-1291044
(I.R.S. Employer Identification No.)

1700 DENVER STREET, SUITE 1400
DENVER, COLORADO
(Address of Principal Executive Offices)

80203
(Zip Code)

1998 EQUITY INCENTIVE PLAN
1996 EQUITY INCENTIVE PLAN
OPTIONS GRANTED UNDER NONSTATUTORY STOCK OPTION AGREEMENTS
(Full title of the plans)

JAMES B. KAUFMAN, ESQ.
SENIOR VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY
TELETECH HOLDINGS, INC.
1700 LINCOLN STREET, SUITE 1400
DENVER, COLORADO 80203
(303) 894-4000
(Name, address and telephone number of agent for service)

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per share (2)	Proposed maximum aggregate offering price (2)	Amount of registration fee
COMMON STOCK, PAR VALUE \$.01	1,222,403 (3)	\$0.63 - \$21.64	\$11,363,317.44	\$3,000

- (1) Pursuant to Rule 416 under the Securities Act of 1933, this registration statement covers, in addition to the number of shares of common stock shown above, an indeterminate number of shares of common stock that may be issued as a result of anti-dilution provisions contained in the Plans.
- (2) Estimated pursuant to Rule 457(h) under the Securities Act solely for purposes of calculating the amount of the registration fee. The price per share and aggregate offering price are based upon the actual exercise price for shares subject to outstanding stock options previously granted under Newgen Results Corporation's 1996 Equity Incentive Plan, 1998 Equity Incentive Plan and nonstatutory stock option agreements to which Newgen Results Corporation is a party (collectively the "Plans").

Type of Shares	Number of Shares	Offering Price Per Share	Aggregate Offering Price
Common Stock issuable pursuant to outstanding options under the 1996 Equity Incentive Plan	8,920	\$0.63	\$5,619.60
Common Stock issuable pursuant to outstanding options under the 1996 Equity Incentive Plan	22,756	\$0.94	\$21,390.64
Common Stock issuable pursuant to outstanding	167,024	\$1.13	\$188,737.12

options under the 1996 Equity Incentive Plan

Common Stock issuable pursuant to outstanding	148,000	\$11.10	\$1,642,800
options under the 1996 Equity Incentive Plan			

Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	174,545	\$5.63	\$982,688.35
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	10,840	\$6.56	\$71,110.40
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	96,000	\$11.10	\$1,065,600
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	10,000	\$11.25	\$112,500
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	163,088	\$11.56	\$1,885,297.28
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	10,000	\$12.19	\$121,900
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	182,658	\$12.98	\$2,370,900.84
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	29,000	\$13.20	\$382,800
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	80	\$13.60	\$1,088
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	14,744	\$14.14	\$208,480.16
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	7,200	\$14.69	\$105,768
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	40,000	\$15.00	\$600,000
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	400	\$15.16	\$6,064
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	800	\$15.31	\$12,248
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	12,000	\$15.63	\$187,560
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	400	\$15.94	\$6,376
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	2,000	\$17.19	\$34,380
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	400	\$17.35	\$6,940
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	11,911	\$18.44	\$219,638.84
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	13,809	\$18.60	\$256,847.40
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	600	\$19.06	\$11,436
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	160	\$19.38	\$3,100.80
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	1,600	\$19.85	\$31,760
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	400	\$20.00	\$8,000
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	11,359	\$20.48	\$232,632.32
Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	16,909	\$21.41	\$362,021.69

Common Stock issuable pursuant to outstanding options under the 1998 Equity Incentive Plan	800	\$21.64	\$17,312
Common Stock issuable pursuant to outstanding options issued under nonstatutory stock option agreements	64,000	\$3.13	\$200,320

(3) Represents shares of common stock issuable upon exercise of stock options outstanding as of the date hereof under the Plans, as assumed by the registrant.

PART I

INFORMATION REQUIRED IN THE SECTION 10(A) PROSPECTUS

- ITEM 1. PLAN INFORMATION.*
- ITEM 2. REGISTRANT INFORMATION AND EMPLOYEE PLAN ANNUAL INFORMATION.*

* The documents containing the information specified in Part I will be sent or given to employees participating in Newgen Results Corporations' 1998 Equity Incentive Plan, 1996 Equity Incentive Plan and nonstatutory stock option agreements to which Newgen Results Corporation is a party as specified by Rule 428(b)(1) under the Securities Act of 1933, as amended (the "Securities Act"). According to the Note to Part I of Form S-8, such documents will not be filed with the Securities and Exchange Commission (the "SEC") either as part of this registration statement or as prospectuses or prospectus supplements pursuant to Rule 424 under the Securities Act. These documents and the documents incorporated by reference pursuant to Item 3 of Part II of this registration statement, taken together, constitute the prospectus as required by Section 10(a) of the Securities Act.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

- ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The following documents which have been filed by TeleTech Holdings, Inc. (the "Registrant") with the SEC are hereby incorporated herein by reference:

- (a) the Registrant's Annual Report on Form 10-K for its fiscal year ended December 31, 1999;
- (b) the Registrant's Quarterly Reports on Form 10-Q for its fiscal quarters ended March 31, 2000, June, 30, 2000 and September 30, 2000;
- (c) the Registrant's Current Reports on Form 8-K which were filed with the SEC on August 25, 2000, September 6, 2000 and October 30, 2000; and
- (d) the description of the Registrant's common stock contained in its registration statement on Form 8-A which was filed on July 19, 1996 pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

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

In addition, any statement contained in a document incorporated or deemed to be incorporated by reference into this registration statement will be deemed to be modified or superseded for purposes of this registration statement to the extent that a statement contained in this registration statement or any other subsequently filed document which also is or is deemed to be incorporated into this registration statement modifies or supersedes that statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

ITEM 4. DESCRIPTION OF SECURITIES.

Not applicable. (The common stock is registered under Section 12 of the Exchange Act.)

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

Not applicable.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Under Delaware General Corporation Law, a corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful.

Although Delaware General Corporation Law permits a corporation to indemnify any person referred to above against expenses (including attorney fees) that are actually and reasonably incurred by such person ("Expenses"), in connection with the defense or settlement of an action by or in the right of the corporation, provided that such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the corporation's best interests, if such person has been judged liable to the corporation, indemnification is for such expenses only permitted to the extent that the Court of Chancery, or the court in which the action or suit was brought, determines that, despite the adjudication of liability, such person is entitled to indemnity for such Expenses as the Court of Chancery, or such other court, deems proper.

The determination, with respect to a person who is a director of officer at the time of such determination, as to whether a person seeking indemnification has met the required standard of conduct is to be made (i) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (iv) by the stockholders.

Delaware General Corporation Law also provides that to the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise defense of any action, suit or proceeding covered by the statute, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith. In addition, Delaware General Corporation Law provides for the general authorization of advancement of a director's or officer's litigation expenses, subject to an undertaking by such person to repay any such advancements if such person is ultimately found not to have been entitled to reimbursement for such expenses and that indemnification and advancement of expenses provided by the statute shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise. TeleTech's Restated Certificate of Incorporation provides that TeleTech shall indemnify its directors, officers, employees and agents to the fullest extent permitted by Delaware General Corporation Law. TeleTech also is authorized to secure

insurance on behalf of any person it is required or permitted to indemnify. Pursuant to this provision, TeleTech maintains liability insurance for the benefit of its directors and officers.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Not applicable.

ITEM 8. EXHIBITS.

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
5.1*	Opinion of Hogan & Hartson L.L.P. with respect to the legality of the common stock registered hereby.
23.1*	Consent of Arthur Andersen LLP, Independent Public Accountants, with respect to the Registrant.
23.2*	Consent of Hogan & Hartson L.L.P. (contained in its opinion filed as Exhibit 5.1).
24.1*	Power of Attorney (included on the signature page to this registration statement).
99.1**	1996 Equity Incentive Plan (the "1996 Plan").
99.2**	Form of Stock Option Agreement pursuant to the 1996 Plan.
99.3**	1998 Equity Incentive Plan (the "1998 Plan").
99.4**	Form of Stock Option Agreement pursuant to the 1998 Plan.
99.5*	Form of Nonstatutory Stock Option Agreement with Fred Wallace
99.6*	Form of Nonstatutory Stock Option Agreement with Mario Sanchez

* Filed herewith.

** Filed as an exhibit to Newgen Results Corporation's Registration Statement on Form S-1 (No. 333-62703) originally filed on September 2, 1998, as amended through the date hereof, and incorporated herein by reference.

ITEM 9. UNDERTAKINGS.

(a) The Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933 (the "Securities Act");

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement.

PROVIDED, HOWEVER, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act, that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than for the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Denver, State of Colorado on December 20, 2000.

TELETECH HOLDINGS, INC.

By: /s/ Scott D. Thompson

Scott D. Thompson
Chief Executive Officer

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Scott D. Thompson and Margot O'Dell, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, to sign, execute and file with the Securities and Exchange Commission (or any other governmental or regulatory authority), for us and in our names in the capacities indicated below, this registration statement on Form S-8 (including all amendments thereto) with all exhibits and any and all documents required to be filed with respect thereto, granting unto said attorneys-in-fact and agents and each of them, full power and authority to do and to perform each and every act and thing necessary or desirable to be done in and about the premises in order to effectuate the same as fully to all intents and purposes as he himself might or could do if personally present, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement on Form S-8 has been signed on December 20, 2000 by the following persons in the capacities indicated:

SIGNATURE

TITLE

- - - - -

- - - - -

/s/ Scott D. Thompson
- - - - -
Scott D. Thompson

Chief Executive Officer
(Principal Executive Officer)

/s/ Margot O'Dell
- - - - -
Margot O'Dell

Chief Financial Officer
(Principal Financial and Accounting Officer)

/s/ Kenneth D. Tuchman
- - - - -
Kenneth D. Tuchman

Chairman of the Board

/s/ James E. Barlett
- - - - -
James E. Barlett

Director

/s/ Rod Dammeyer
- - - - -
Rod Dammeyer

Director

/s/ Dr. George H. Heilmeier Director

Dr. George H. Heilmeier

/s/ Morton H. Meyerson Director

Morton H. Meyerson

/s/ Alan Silverman Director

Alan Silverman

/s/ Scott D. Thompson Director

Scott D. Thompson

EXHIBIT INDEX

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December 20, 2000

Board of Directors
TeleTech Holdings, Inc.
1700 Lincoln Street, Suite 1400
Denver, CO 80203

Ladies and Gentlemen:

This firm has acted as special counsel to TeleTech Holdings, Inc., a Delaware corporation (the "Company"), in connection with its registration, pursuant to a registration statement on Form S-8 (the "Registration Statement"), of 1,222,403 shares (the "Shares") of common stock, par value \$.01 per share, of the Company, issuable under the terms of the Plans (as defined below). Of such Shares, (i) 346,700 shares are issuable upon exercise of options outstanding under Newgen Results Corporation's ("Newgen") 1996 Equity Incentive Plan (the "1996 Plan") on the date hereof; (ii) 811,703 shares are issuable upon exercise of options outstanding under Newgen's 1998 Equity Incentive Plan (the "1998 Plan") on the date hereof; and (iii) 64,000 shares are issuable upon exercise of options outstanding under nonstatutory stock option agreements to which Newgen is a party (the "Option Agreements," and together with the 1996 Plan and the 1998 Plan, the "Plans") on the date hereof. This letter is furnished to you at your request to enable you to fulfill the requirements of Item 601(b)(5) of Regulation S-K, 17 C.F.R. Section 229.601(b)(5), in connection with such registration.

For purposes of this opinion letter, we have examined copies of the following documents:

1. An executed copy of the Registration Statement.
2. A copy of the 1996 Plan, as certified by the Secretary of the Company on the date hereof as being complete, accurate and in effect.
3. A copy of the 1998 Plan, as certified by the Secretary of the Company on the date hereof as being complete, accurate and in effect.
4. Copies of the Option Agreements, as certified by the Secretary of the Company on the date hereof as being complete, accurate and in effect.
5. The Agreement and Plan of Merger (the "Merger Agreement"), dated August 21, 2000, by and among the Company, Newgen and NG Acquisition Corp.

6. The Restated Certificate of Incorporation of the Company, as certified by the Secretary of State of the State of Delaware on November 16, 2000 and as certified by the Secretary of the Company on the date hereof as being complete, accurate and in effect.
7. The Amended and Restated Bylaws of the Company, as certified by the Secretary of the Company on the date hereof as being complete, accurate and in effect.
8. A certificate of good standing of the Company issued by the Secretary of State of the State of Delaware dated December 20, 2000.
9. Resolutions of the Board of Directors of the Company adopted at a meeting held on August 16, 2000, as certified by the Secretary of the Company on the date hereof as being complete, accurate and in effect.
10. A certificate of an officer of the Company, dated December 20, 2000, as to certain facts relating to the Company.

In our examination of the aforesaid documents, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy and completeness of all documents submitted to us, the authenticity of all original documents, and the conformity to authentic original documents of all documents submitted to us as copies (including telecopies). This opinion letter is given, and all statements herein are made, in the context of the foregoing.

This opinion letter is based as to matters of law solely on the Delaware General Corporation Law, as amended. We express no opinion herein as to any other laws, statutes, ordinances, rules, or regulations. As used herein, the term "Delaware General Corporation Law, as amended" includes the statutory provisions contained therein, all applicable provisions of the Delaware Constitution and reported judicial decisions interpreting these laws.

Based upon, subject to and limited by the foregoing, we are of the opinion that following (i) effectiveness of the Registration Statement, (ii) issuance of the Shares on the terms contemplated in the Merger Agreement and pursuant to the Plans and (iii) receipt by the Company of the consideration for the Shares specified in the resolutions of the Board of Directors authorizing the issuance thereof (the form of which is in accordance with applicable law), the Shares will be validly issued, fully paid, and nonassessable.

This opinion letter has been prepared for your use in connection with the Registration Statement and speaks as of the date hereof. We assume no obligation to advise you of any changes in the foregoing subsequent to the delivery of this opinion letter.

We hereby consent to the filing of this opinion letter as Exhibit 5.1 to the Registration Statement. In giving this consent, we do not thereby admit that we are an "expert" within the meaning of the Securities Act of 1933, as amended.

Very truly yours,

/s/ HOGAN & HARTSON L.L.P.

HOGAN & HARTSON L.L.P.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement of our report dated February 14, 2000 (except with respect to the matters discussed in Note 16, as to which the date is August 31, 2000), included in TeleTech Holdings, Inc.'s current report on Form 8-K filed on October 30, 2000 and to the incorporation by reference of our report dated February 14, 2000 (except for the matters discussed in Note 16, as to which the date is August 31, 2000), included in TeleTech Holdings, Inc.'s Form 10-K for the year ended December 31, 1999 and to all references to our Firm included in this registration statement on Form S-8.

/s/ Arthur Andersen LLP

Denver, Colorado
December 20, 2000

NEWGEN RESULTS CORPORATION
NONSTATUTORY STOCK OPTION

FRED WALLACE, Optionee:

Newgen Results Corporation (a California corporation hereinafter referred to as the "Company"), has granted to you, the optionee named above, an option to purchase shares of the common stock of the Company ("Common Stock"). This option is NOT intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

The grant hereunder is intended to comply with the provisions of (i) Rule 701 promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act") and (ii) Section 25102(f) of the California Corporations Code.

The details of your option are as follows:

1. TOTAL NUMBER OF SHARES SUBJECT TO THIS OPTION. The total number of shares of Common Stock subject to this option is forty thousand (40,000) shares.

2. VESTING. Subject to the limitations contained herein, twenty-five percent (25%) of the shares will vest (i.e., become exercisable) on July 31, 1999 and an additional twenty-five percent (25%) will vest on each anniversary thereafter until this option is fully vested, unless prior to a vesting date you cease to provide services to the Company for any reason. All vesting shall cease upon termination of your services with the Company for any reason.

3. EXERCISE PRICE AND METHOD OF PAYMENT.

(a) EXERCISE PRICE. The exercise price of this option is two dollars and fifty cents (\$2.50) per share, this being the price established by the Company's Board of Directors (the "Board").

(b) METHOD OF PAYMENT. Payment of the exercise price per share is due in full upon exercise of all or any part of each installment which has accrued to you. You may elect to make payment of the exercise price either in cash or by check.

4. WHOLE SHARES. This option may not be exercised for any number of shares which would require the issuance of anything other than whole shares.

5. SECURITIES LAW COMPLIANCE. Notwithstanding anything to the contrary contained herein, this option may not be exercised unless the shares issuable upon exercise of this option are then registered under the Securities Act or, if such shares are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act.

6. TERM.

(a) The term of this option commences on July 1, 1998, the date of grant, and expires on June 30, 2008 (the "Expiration Date"), unless this option expires sooner as set forth below. In no event may this option be exercised after the Expiration Date. This option shall terminate prior to the Expiration Date as follows: ninety (90) days after the date of termination of your service with the Company unless one of the following circumstances exists:

(i) If during any part of such ninety-day period you may not exercise this option solely because of the condition set forth in paragraph 5 above, then this option will not expire until the earlier of the Expiration Date set forth above or until this option shall have been exercisable for an aggregate period of ninety (90) days after your termination of service.

(ii) If your exercise of this option within ninety (90) days after termination of your service with the Company would result in liability under section 16(b) of the Securities Exchange Act of 1934, then this option will expire on the earlier of (A) the Expiration Date set forth above, (B) the tenth (10th) day after the last date upon which exercise would result in such liability or (C) six (6) months and ten (10) days after the termination of your service with the Company.

(b) This option may be exercised following termination of service with the Company only as to that number of shares as to which it was exercisable on the date of termination of service with the Company under the provisions of paragraph 2 of this option.

7. EXERCISE.

(a) This option may be exercised, to the extent vested pursuant to Section 2, by delivering a notice of exercise, in a form determined by the Company, together with the exercise price to the Secretary of the Company, or to such other person as the Company may designate, during regular business hours, together with such additional documents as the Company may then reasonably require.

(b) The Company (or a representative of the underwriters) may, in connection with the first underwritten registration of the offering of any securities of the Company under the Act, require that you not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any shares of Common Stock or other securities of the Company held by you, for a period of time specified by the underwriter(s) (not to exceed one hundred eighty (180) days) following the effective date of a registration statement of the Company filed under the Act. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company and/or the underwriter(s) which are consistent with the foregoing or which are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your Common Stock until the end of such period.

8. ADJUSTMENTS UPON CHANGES IN STOCK.

(a) If any change is made in the stock subject to this option (through merger, consolidation, reorganization, recapitalization, stock dividend, dividend in property other than

cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other transaction not involving the receipt of consideration by the Company), this option will be appropriately adjusted in class, maximum number of shares subject to, and the exercise price per share thereof. Such adjustments shall be made by the Board and shall be final, binding and conclusive. (The conversion of any convertible securities of the Company shall not be treated as a "transaction not involving the receipt of consideration by the Company.")

(b) In the event of: (i) a dissolution, liquidation or sale of all or substantially all of the assets of the Company; (ii) a merger or consolidation in which the Company is not the surviving corporation, and in which the shareholders of the Company prior to such transaction do not possess beneficial ownership, directly or indirectly, of at least a majority of the voting shares of the surviving corporation immediately following such transaction; or (iii) a reverse merger in which the Company is the surviving corporation but the shares of the Company's common stock outstanding immediately preceding the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise, and in which the shareholders of the Company prior to such transaction do not possess beneficial ownership, directly or indirectly, of at least a majority of the voting shares of the surviving corporation immediately following such transaction; then to the extent permitted by applicable law, and if more than one alternate outcome is possible, as determined by the Board: (A) any surviving corporation or successor to the Company's business may assume this option or substitute a similar option (including an option to acquire the same consideration paid to the shareholders in the transaction described in subsection 8(b)(iii) hereof), or (B) if the Company is the surviving corporation, this option may continue in full force and effect, or (C) if the Company does not survive the transaction and no surviving corporation assumes this option or substitutes a similar option, then this option shall terminate automatically upon the closing of such transaction.

9. REPRESENTATIONS. By executing this option agreement, you hereby warrant and represent that you are acquiring this option for your own account and that you have no intention of distributing, transferring or selling all or any part of this option except in accordance with the terms of this option agreement and Section 25102(f) of the California Corporations Code. You also hereby warrant and represent that you have either (i) preexisting personal or business relationships with the Company or any of its officers, directors or controlling persons, or (ii) the capacity to protect your own interests in connection with the grant of this option by virtue of the business or financial expertise of any of your professional advisors who are unaffiliated with and who are not compensated by the Company or any of its affiliates, directly or indirectly.

10. TRANSFERABILITY. This option is not transferable, except by will or by the laws of descent and distribution, and is exercisable during your life only by you. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party who, in the event of your death, shall thereafter be entitled to exercise this option. Shares received upon exercise of this option shall be transferable only in accordance with this option agreement, the Company's Bylaws and applicable laws. The Company shall not be required to transfer on its books any portion of the shares purchased by exercise of this option which shall have been sold or transferred in violation of any of the provisions of this option, the Company's Bylaws or applicable laws, or to treat as the owner of

such shares or to accord the right to vote as such owner or to pay distributions to any transferee to whom such shares shall have been so transferred.

11. ACCELERATION OF VESTING.

(a) Notwithstanding anything herein to the contrary, in the event your service with the Company is involuntarily terminated at any time without Cause (as defined below) either at the time of or within six (6) months following the occurrence of an event specified in any of the following events: (i) a dissolution, liquidation, or sale of all or substantially all of the assets of the Company; (ii) a merger or consolidation in which the Company is not the surviving corporation; or (iii) a reverse merger in which the Company is the surviving corporation but the shares of the Company's common stock outstanding immediately preceding the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise (a "Change in Control"), then the vesting of your option and the time during which your option may be exercised immediately shall be accelerated as to all shares subject to this option which have not previously been exercised. "Cause" means misconduct, including but not limited to: (i) conviction of any felony or any crime involving moral turpitude or dishonesty, (ii) participation in a fraud or act of dishonesty against the Company, (iii) conduct by you which, based upon a good faith and reasonable factual investigation and determination by the Board of Directors of the Company, demonstrates gross unfitness to serve, or (iv) the material violation of any contract between you and the Company or any statutory duty to the Company that is not corrected within thirty (30) days after written notice to you thereof. Your physical or mental disability shall not constitute "Cause."

(b) Notwithstanding anything herein to the contrary, in the event you voluntarily terminate your service with the Company for Good Reason (as defined below) either at the time of or within six (6) months following the occurrence of a Change in Control, then the vesting of your option and the time during which your option may be exercised immediately shall be accelerated as to all shares subject to this option which have not previously been exercised. "Good Reason" means (i) reduction of your rate of compensation as in effect immediately prior to the occurrence of a Change in Control, (ii) failure to provide a package of welfare benefit plans which, taken as a whole, provides substantially similar benefits to those in which you are entitled to participate immediately prior to the occurrence of the Change in Control (except that employee contributions may be raised to the extent of any cost increases imposed by third parties) or any action by the Company which would adversely affect your participation or reduce your benefits under any of such plans, (iii) change in your responsibilities, authority, title or office resulting in diminution of position, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith which is remedied by the Company promptly after notice thereof is given by you, (iv) request that you relocate to a worksite that is more than fifty (50) miles from your prior worksite, unless you accept such relocation opportunity, (v) failure or refusal of a successor to the Company to assume the Company's obligations under your option, or (vi) material breach by the Company or any successor to the Company of any of the material provisions of your option.

(c) In the event that any such accelerated option vesting received or to be received by you pursuant to the above (the "Benefit") would constitute a "parachute payment"

within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), then the six-month period specified above shall be extended to thirteen (13) months.

(d) In the event that any such Benefit would constitute a "parachute payment" within the meaning of Section 280G of the Code and but for this provision be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then such Benefit shall be reduced to the extent necessary so that no portion of the Benefit would be subject to the Excise Tax, as determined in good faith by the Company; provided, however, that if, in the absence of any such reduction (or after such reduction), you believe that the Benefit or any portion thereof (as reduced, if applicable) would be subject to the Excise Tax, the Benefit shall be reduced (or further reduced) to the extent determined by you in your discretion so that the Excise Tax would not apply. If, notwithstanding any such reduction (or in the absence of such reduction), the Internal Revenue Service ("IRS") determines that you are liable for the Excise Tax as a result of the Benefit, then you shall be obligated to return to the Company, within thirty (30) days of such determination by the IRS, a portion of the Benefit sufficient such that none of the Benefit retained by you constitutes a "parachute payment" within the meaning of Code Section 280G that is subject to the Excise Tax.

12. OPTION NOT A SERVICE CONTRACT. This option is not a service contract (whether as an employee, director or consultant) and nothing in this option shall be deemed to create in any way whatsoever any obligation on your part to continue in the service of the Company, or of the Company to continue your service with the Company. In addition, nothing in this option shall obligate the Board, or the Company's shareholders, officers or other employees to continue any relationship which you might have as a consultant to the Company.

13. RESTRICTIVE LEGENDS. Shares issued pursuant to this option shall be endorsed with appropriate legends determined by the Company.

14. NOTICES. Any notices provided for in this option shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the address specified below or at such other address as you hereafter designate by written notice to the Company.

15. GOVERNING AUTHORITY. This option is subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted by the Company. This authority shall be exercised by the Board, or by a committee of one or more members of the Board in the event that the Board delegates its authority to a committee. The Board, in the exercise of this authority, may correct any defect, omission or inconsistency in this option in a manner and to the extent the Board shall deem necessary or desirable to make this option fully effective. References to the Board also include any committee appointed by the Board to administer and interpret this option. Any interpretations, amendments, rules and

regulations promulgated by the Board shall be final and binding upon the Company and its successors in interest as well as you and your heirs, assigns, and other successors in interest.

Dated the 1st day of July, 1998.

Very truly yours,

NEWGEN RESULTS CORPORATION

By:

Duly authorized on behalf of the Board of
Directors

ATTACHMENT: Notice of Exercise

The undersigned:

(a) Acknowledges receipt of the foregoing option and the attachments referred to therein and understands that all rights and liabilities with respect to this option are set forth in the option; and

(b) Acknowledges that as of the date of grant of this option, it sets forth the entire understanding between the undersigned optionee and the Company and its affiliates regarding the acquisition of stock in the Company and supersedes all prior oral and written agreements on that subject.

FRED WALLACE

Address: -----

NOTICE OF EXERCISE

Newgen Results Corporation
12680 High Bluff Drive, Ste. 300
San Diego, CA 92130

Date of Exercise: _____

Ladies and Gentlemen:

This constitutes notice under my nonstatutory stock option that I elect to purchase the number of shares for the price set forth below.

Stock option dated: _____

Number of shares as
to which option is
exercised: _____

Certificate to be
issued in name of: _____

Total exercise price: \$ _____

Cash payment (or check)
delivered herewith: \$ _____

By this exercise, I agree to provide such additional documents as you may reasonably require. I understand that my right to receive the shares otherwise issuable to me upon the exercise of the option is contingent upon my satisfaction of these requirements.

I hereby make the following statements with respect to the shares of Common Stock (the "Shares"), which are being acquired by me for my own account upon this exercise of the option as set forth above:

I warrant and represent that I am acquiring the Shares for my own account and that I have no intention of distributing, transferring or selling all or any part of the Shares except in accordance with the terms of the option agreement and Section 25102(f) of the California Corporations Code. I also hereby warrant and represent that I have either (i) preexisting personal or business relationships with the Company or any of its officers, directors or controlling persons, or (ii) the capacity to protect my own interests in connection with the sale of the Shares by virtue of the

business or financial expertise of my professional advisors who are unaffiliated with and who are not compensated by the Company or any of its affiliates, directly or indirectly.

I acknowledge that the Shares have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), and are deemed to constitute "restricted securities" under Rule 701 and Rule 144 promulgated under the Securities Act. I am aware that among the conditions imposed on the transfer of the Shares is the availability of current information to the public about the Company and that the Company has not made such information available and has no present plans to do so. I warrant and represent to the Company that I have no present intention of distributing or selling said Shares, except as permitted under the Securities Act and any applicable state securities laws.

I acknowledge and agree that the Shares being acquired by me must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. I acknowledge and agree that the Company has no obligation to register the Shares or to comply with any exemption from such registration.

I acknowledge and agree that under Rule 701 I will not be able to resell the Shares for at least ninety (90) days after the stock of the Company becomes publicly traded (I.E., subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended) and that more restrictive conditions apply to affiliates of the Company under Rule 144.

I acknowledge and agree that all certificates representing any of the Shares subject to the provisions of the option shall have endorsed thereon appropriate legends reflecting the foregoing limitations, as well as any legends reflecting restrictions pursuant to the Company's Articles of Incorporation, Bylaws and/or applicable securities laws.

I further agree that, if required by the Company (or a representative of the underwriters) in connection with the first underwritten registration of the offering of any securities of the Company under the Act, I will not to sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any Shares or other securities of the Company held by me, for a period of time specified by the underwriter(s) (not to exceed one hundred eighty (180) days) following the effective date of a registration statement of the Company filed under the Act. I further agree to execute and deliver such other agreements as may be reasonably requested by the Company and/or the underwriter(s) which are consistent with the foregoing or which are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to my Shares until the end of such period.

Very truly yours,

FRED WALLACE

NEWGEN RESULTS CORPORATION
NONSTATUTORY STOCK OPTION

MARIO SANCHEZ, Optionee:

Newgen Results Corporation (a California corporation hereinafter referred to as the "Company"), has granted to you, the optionee named above, an option to purchase shares of the common stock of the Company ("Common Stock"). This option is NOT intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

The grant hereunder is intended to comply with the provisions of (i) Rule 701 promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act") and (ii) Section 25102(f) of the California Corporations Code.

The details of your option are as follows:

1. TOTAL NUMBER OF SHARES SUBJECT TO THIS OPTION. The total number of shares of Common Stock subject to this option is forty thousand (40,000) shares.

2. VESTING. Subject to the limitations contained herein, twenty-five percent (25%) of the shares will vest (i.e., become exercisable) on July 31, 1999 and an additional twenty-five percent (25%) will vest on each anniversary thereafter until this option is fully vested, unless prior to a vesting date you cease to provide services to the Company for any reason. All vesting shall cease upon termination of your services with the Company for any reason.

3. EXERCISE PRICE AND METHOD OF PAYMENT.

(a) EXERCISE PRICE. The exercise price of this option is two dollars and fifty cents (\$2.50) per share, this being the price established by the Company's Board of Directors (the "Board").

(b) METHOD OF PAYMENT. Payment of the exercise price per share is due in full upon exercise of all or any part of each installment which has accrued to you. You may elect to make payment of the exercise price either in cash or by check.

4. WHOLE SHARES. This option may not be exercised for any number of shares which would require the issuance of anything other than whole shares.

5. SECURITIES LAW COMPLIANCE. Notwithstanding anything to the contrary contained herein, this option may not be exercised unless the shares issuable upon exercise of this option are then registered under the Securities Act or, if such shares are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act.

6. TERM.

(a) The term of this option commences on July 1, 1998, the date of grant, and expires on June 30, 2008 (the "Expiration Date"), unless this option expires sooner as set forth below. In no event may this option be exercised after the Expiration Date. This option shall terminate prior to the Expiration Date as follows: ninety (90) days after the date of termination of your service with the Company unless one of the following circumstances exists:

(i) If during any part of such ninety-day period you may not exercise this option solely because of the condition set forth in paragraph 5 above, then this option will not expire until the earlier of the Expiration Date set forth above or until this option shall have been exercisable for an aggregate period of ninety (90) days after your termination of service.

(ii) If your exercise of this option within ninety (90) days after termination of your service with the Company would result in liability under section 16(b) of the Securities Exchange Act of 1934, then this option will expire on the earlier of (A) the Expiration Date set forth above, (B) the tenth (10th) day after the last date upon which exercise would result in such liability or (C) six (6) months and ten (10) days after the termination of your service with the Company.

(b) This option may be exercised following termination of service with the Company only as to that number of shares as to which it was exercisable on the date of termination of service with the Company under the provisions of paragraph 2 of this option.

7. EXERCISE.

(a) This option may be exercised, to the extent vested pursuant to Section 2, by delivering a notice of exercise, in a form determined by the Company, together with the exercise price to the Secretary of the Company, or to such other person as the Company may designate, during regular business hours, together with such additional documents as the Company may then reasonably require.

(b) The Company (or a representative of the underwriters) may, in connection with the first underwritten registration of the offering of any securities of the Company under the Act, require that you not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any shares of Common Stock or other securities of the Company held by you, for a period of time specified by the underwriter(s) (not to exceed one hundred eighty (180) days) following the effective date of a registration statement of the Company filed under the Act. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company and/or the underwriter(s) which are consistent with the foregoing or which are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your Common Stock until the end of such period.

8. ADJUSTMENTS UPON CHANGES IN STOCK.

(a) If any change is made in the stock subject to this option (through merger, consolidation, reorganization, recapitalization, stock dividend, dividend in property other than

cash, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other transaction not involving the receipt of consideration by the Company), this option will be appropriately adjusted in class, maximum number of shares subject to, and the exercise price per share thereof. Such adjustments shall be made by the Board and shall be final, binding and conclusive. (The conversion of any convertible securities of the Company shall not be treated as a "transaction not involving the receipt of consideration by the Company.")

(b) In the event of: (i) a dissolution, liquidation or sale of all or substantially all of the assets of the Company; (ii) a merger or consolidation in which the Company is not the surviving corporation, and in which the shareholders of the Company prior to such transaction do not possess beneficial ownership, directly or indirectly, of at least a majority of the voting shares of the surviving corporation immediately following such transaction; or (iii) a reverse merger in which the Company is the surviving corporation but the shares of the Company's common stock outstanding immediately preceding the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise, and in which the shareholders of the Company prior to such transaction do not possess beneficial ownership, directly or indirectly, of at least a majority of the voting shares of the surviving corporation immediately following such transaction; then to the extent permitted by applicable law, and if more than one alternate outcome is possible, as determined by the Board: (A) any surviving corporation or successor to the Company's business may assume this option or substitute a similar option (including an option to acquire the same consideration paid to the shareholders in the transaction described in subsection 8(b)(iii) hereof), or (B) if the Company is the surviving corporation, this option may continue in full force and effect, or (C) if the Company does not survive the transaction and no surviving corporation assumes this option or substitutes a similar option, then this option shall terminate automatically upon the closing of such transaction.

9. REPRESENTATIONS. By executing this option agreement, you hereby warrant and represent that you are acquiring this option for your own account and that you have no intention of distributing, transferring or selling all or any part of this option except in accordance with the terms of this option agreement and Section 25102(f) of the California Corporations Code. You also hereby warrant and represent that you have either (i) preexisting personal or business relationships with the Company or any of its officers, directors or controlling persons, or (ii) the capacity to protect your own interests in connection with the grant of this option by virtue of the business or financial expertise of any of your professional advisors who are unaffiliated with and who are not compensated by the Company or any of its affiliates, directly or indirectly.

10. TRANSFERABILITY. This option is not transferable, except by will or by the laws of descent and distribution, and is exercisable during your life only by you. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party who, in the event of your death, shall thereafter be entitled to exercise this option. Shares received upon exercise of this option shall be transferable only in accordance with this option agreement, the Company's Bylaws and applicable laws. The Company shall not be required to transfer on its books any portion of the shares purchased by exercise of this option which shall have been sold or transferred in violation of any of the provisions of this option, the Company's Bylaws or applicable laws, or to treat as the owner of

such shares or to accord the right to vote as such owner or to pay distributions to any transferee to whom such shares shall have been so transferred.

11. ACCELERATION OF VESTING.

(a) Notwithstanding anything herein to the contrary, in the event your service with the Company is involuntarily terminated at any time without Cause (as defined below) either at the time of or within twelve (12) months following the occurrence of an event specified in any of the following events: (i) a dissolution, liquidation, or sale of all or substantially all of the assets of the Company; (ii) a merger or consolidation in which the Company is not the surviving corporation; or (iii) a reverse merger in which the Company is the surviving corporation but the shares of the Company's common stock outstanding immediately preceding the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise (a "Change in Control"), then the vesting of your option and the time during which your option may be exercised immediately shall be accelerated as to all shares subject to this option which have not previously been exercised, so that all such options will vest immediately upon a change of control, and may be exercised immediately. "Cause" means misconduct, including but not limited to: (i) conviction of any felony or any crime involving moral turpitude or dishonesty, (ii) participation in a fraud or act of dishonesty against the Company, (iii) conduct by you which, based upon a good faith and reasonable factual investigation and determination by the Board of Directors of the Company, demonstrates gross unfitness to serve, or (iv) the material violation of any contract between you and the Company or any statutory duty to the Company that is not corrected within thirty (30) days after written notice to you thereof. Your physical or mental disability shall not constitute "Cause."

(b) Notwithstanding anything herein to the contrary, in the event you voluntarily terminate your service with the Company for Good Reason (as defined below) either at the time of or within twelve (12) months following the occurrence of a Change in Control, then the vesting of your option and the time during which your option may be exercised immediately shall be accelerated as to all shares subject to this option which have not previously been exercised. "Good Reason" means (i) reduction of your rate of compensation as in effect immediately prior to the occurrence of a Change in Control, (ii) failure to provide a package of welfare benefit plans which, taken as a whole, provides substantially similar benefits to those in which you are entitled to participate immediately prior to the occurrence of the Change in Control (except that employee contributions may be raised to the extent of any cost increases imposed by third parties) or any action by the Company which would adversely affect your participation or reduce your benefits under any of such plans, (iii) change in your responsibilities, authority, title or office resulting in diminution of position, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith which is remedied by the Company promptly after notice thereof is given by you, (iv) request that you relocate to a worksite that is more than fifty (50) miles from your prior worksite, unless you accept such relocation opportunity, (v) failure or refusal of a successor to the Company to assume the Company's obligations under your option, or (vi) material breach by the Company or any successor to the Company of any of the material provisions of your option.

(c) In the event that any such accelerated option vesting received or to be received by you pursuant to the above (the "Benefit") would constitute a "parachute payment"

within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), then the six-month period specified above shall be extended to thirteen (13) months.

(d) In the event that any such Benefit would constitute a "parachute payment" within the meaning of Section 280G of the Code and but for this provision be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then such Benefit shall be reduced to the extent necessary so that no portion of the Benefit would be subject to the Excise Tax, as determined in good faith by the Company; provided, however, that if, in the absence of any such reduction (or after such reduction), you believe that the Benefit or any portion thereof (as reduced, if applicable) would be subject to the Excise Tax, the Benefit shall be reduced (or further reduced) to the extent determined by you in your discretion so that the Excise Tax would not apply. If, notwithstanding any such reduction (or in the absence of such reduction), the Internal Revenue Service ("IRS") determines that you are liable for the Excise Tax as a result of the Benefit, then you shall be obligated to return to the Company, within thirty (30) days of such determination by the IRS, a portion of the Benefit sufficient such that none of the Benefit retained by you constitutes a "parachute payment" within the meaning of Code Section 280G that is subject to the Excise Tax.

12. OPTION NOT A SERVICE CONTRACT. This option is not a service contract (whether as an employee, director or consultant) and nothing in this option shall be deemed to create in any way whatsoever any obligation on your part to continue in the service of the Company, or of the Company to continue your service with the Company. In addition, nothing in this option shall obligate the Board, or the Company's shareholders, officers or other employees to continue any relationship which you might have as a consultant to the Company.

13. RESTRICTIVE LEGENDS. Shares issued pursuant to this option shall be endorsed with appropriate legends determined by the Company.

14. NOTICES. Any notices provided for in this option shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the address specified below or at such other address as you hereafter designate by written notice to the Company.

15. GOVERNING AUTHORITY. This option is subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted by the Company. This authority shall be exercised by the Board, or by a committee of one or more members of the Board in the event that the Board delegates its authority to a committee. The Board, in the exercise of this authority, may correct any defect, omission or inconsistency in this option in a manner and to the extent the Board shall deem necessary or desirable to make this option fully effective. References to the Board also include any committee appointed by the Board to administer and interpret this option. Any interpretations, amendments, rules and

regulations promulgated by the Board shall be final and binding upon the Company and its successors in interest as well as you and your heirs, assigns, and other successors in interest.

Dated the 1st day of July, 1998.

Very truly yours,

NEWGEN RESULTS CORPORATION

By:

Duly authorized on behalf of the Board of
Directors

ATTACHMENT: Notice of Exercise

The undersigned:

(a) Acknowledges receipt of the foregoing option and the attachments referred to therein and understands that all rights and liabilities with respect to this option are set forth in the option; and

(b) Acknowledges that as of the date of grant of this option, it sets forth the entire understanding between the undersigned optionee and the Company and its affiliates regarding the acquisition of stock in the Company and supersedes all prior oral and written agreements on that subject.

MARIO SANCHEZ

Address: -----

NOTICE OF EXERCISE

Newgen Results Corporation
12680 High Bluff Drive, Ste. 300
San Diego, CA 92130

Date of Exercise: _____

Ladies and Gentlemen:

This constitutes notice under my nonstatutory stock option that I elect to purchase the number of shares for the price set forth below.

Stock option dated: _____

Number of shares as
to which option is
exercised: _____

Certificate to be
issued in name of: _____

Total exercise price: \$ _____

Cash payment (or check)
delivered herewith: \$ _____

By this exercise, I agree to provide such additional documents as you may reasonably require. I understand that my right to receive the shares otherwise issuable to me upon the exercise of the option is contingent upon my satisfaction of these requirements.

I hereby make the following statements with respect to the shares of Common Stock (the "Shares"), which are being acquired by me for my own account upon this exercise of the option as set forth above:

I warrant and represent that I am acquiring the Shares for my own account and that I have no intention of distributing, transferring or selling all or any part of the Shares except in accordance with the terms of the option agreement and Section 25102(f) of the California Corporations Code. I also hereby warrant and represent that I have either (i) preexisting personal or business relationships with the Company or any of its officers, directors or controlling persons, or (ii) the capacity to protect my own interests in connection with the sale of the Shares by virtue of the

business or financial expertise of my professional advisors who are unaffiliated with and who are not compensated by the Company or any of its affiliates, directly or indirectly.

I acknowledge that the Shares have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), and are deemed to constitute "restricted securities" under Rule 701 and Rule 144 promulgated under the Securities Act. I am aware that among the conditions imposed on the transfer of the Shares is the availability of current information to the public about the Company and that the Company has not made such information available and has no present plans to do so. I warrant and represent to the Company that I have no present intention of distributing or selling said Shares, except as permitted under the Securities Act and any applicable state securities laws.

I acknowledge and agree that the Shares being acquired by me must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. I acknowledge and agree that the Company has no obligation to register the Shares or to comply with any exemption from such registration.

I acknowledge and agree that under Rule 701 I will not be able to resell the Shares for at least ninety (90) days after the stock of the Company becomes publicly traded (I.E., subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended) and that more restrictive conditions apply to affiliates of the Company under Rule 144.

I acknowledge and agree that all certificates representing any of the Shares subject to the provisions of the option shall have endorsed thereon appropriate legends reflecting the foregoing limitations, as well as any legends reflecting restrictions pursuant to the Company's Articles of Incorporation, Bylaws and/or applicable securities laws.

I further agree that, if required by the Company (or a representative of the underwriters) in connection with the first underwritten registration of the offering of any securities of the Company under the Act, I will not to sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any Shares or other securities of the Company held by me, for a period of time specified by the underwriter(s) (not to exceed one hundred eighty (180) days) following the effective date of a registration statement of the Company filed under the Act. I further agree to execute and deliver such other agreements as may be reasonably requested by the Company and/or the underwriter(s) which are consistent with the foregoing or which are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to my Shares until the end of such period.

Very truly yours,

MARIO SANCHEZ