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

SCHEDULE 13D
(Amendment No. 2)

Under the Securities Exchange Act of 1934

VERINT SYSTEMS INC.
(Name of Issuer)

Common Stock, par value $0.001 per share
(Title of class of securities)

92343X100
(CUSIP number)

Shefali A. Shah, Esq.
Comverse Technology, Inc.
810 Seventh Avenue
New York, NY 10019
(212) 739-1000

with a copy to:

David E. Zeltner, Esq.
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
(Name, address and telephone number of person authorized to receive notices and communications)

January 10, 2011
(Date of event which requires filing of this statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box [_].

1.	NAME OF REPORTING PERSON: COMVERSE TECHNOLOGY, INC.		
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:		(a) [ ] (b) [ ]
3.	SEC USE ONLY		
4.	SOURCE OF FUNDS: Not applicable		
5.	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e): [ ]		
6.	CITIZENSHIP OR PLACE OF ORGANIZATION: NEW YORK		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER:	28,859,718*
	8.	SHARED VOTING POWER:	- 0 -
	9.	SOLE DISPOSITIVE POWER:	28,859,718*
	10.	SHARED DISPOSITIVE POWER:	- 0 -
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:		28,859,718*
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:		[ ]
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):		61.3%*
14.	TYPE OF REPORTING PERSON:		CO

*Reflects beneficial ownership prior to the sale of any shares of Common Stock of the Issuer by the Reporting Person pursuant to the Underwriting Agreement (as defined in Item 4 below) and assumes conversion of Series A Convertible Perpetual Preferred Stock (the "Series A Preferred Stock") on the date of this Amendment. The percentage of class is calculated based upon 47,062,156 shares of Common Stock outstanding, representing 36,791,461 shares of Common Stock outstanding as of December 24, 2010 and 10,270,695 shares of Common Stock issuable to the Reporting Person assuming conversion of the Series A Preferred Stock, as reported by the Issuer in its Registration Statement on Form S-1/A filed with the Securities and Exchange Commission on January 7, 2011.

This Amendment No. 2 (this "Amendment") amends the Schedule 13D filed by Comverse Technology, Inc., a New York corporation (the "Reporting Person") with the Securities and Exchange Commission (the "Commission") on June 1, 2007, as amended on July 19, 2010 (the "Schedule 13D"), and is being filed by the Reporting Person with respect to the common stock, par value $0.001 per share (the "Common Stock") of Verint Systems Inc., a Delaware corporation (the "Issuer"). Capitalized terms used herein but not defined shall have the meaning attributed to them in the Schedule 13D.

Item 2.

Item 2(b) – (f) is supplemented as follows:

(b) – (c) The name, residence or business address, present principal occupation or employment of each director and executive officer of the Reporting Person is set forth on Schedule A hereto, and is incorporated herein by reference.

(d) Neither the Reporting Person, nor to the best knowledge of the Reporting Person, any of the persons identified on Schedule A hereto has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) Neither the Reporting Person, nor to the best knowledge of the Reporting Person, any of the persons identified on Schedule A hereto has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) The citizenship of each of the persons identified on Schedule A hereto is set forth in Schedule A hereto and is incorporated herein by reference.

Item 4. Purpose of Transaction.

Item 4 is supplemented as follows:

The Reporting Person entered into an Underwriting Agreement (the "Underwriting Agreement"), dated as of January 10, 2011, with the Issuer and the representative of the underwriters named therein, pursuant to which the Reporting Person agreed to sell to the underwriters an aggregate of 2,000,000 shares of Common Stock owned by the Reporting Person (the "Offered Securities") at a purchase price of $35.00 per share less the underwriting discounts and commissions.

The Underwriting Agreement provides that the underwriters are obligated to purchase the Offered Securities. The Underwriting Agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

The Reporting Person has granted to the underwriters a 30-day option to purchase an aggregate of 300,000 additional shares of Common Stock (the "Optional Securities") at the public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of Common Stock.

Pursuant to a written demand made by the Reporting Person on July 16, 2010, the Issuer filed with the Commission a registration statement on Form S-1 (No. 333-169025), covering the registration of the Offered Securities and the Optional Securities under the Securities Act of 1933, as amended (the "Act"), and such registration statement, as amended, was declared effective under the Act on January 10, 2011.

The Issuer and the Reporting Person have agreed not to directly or indirectly offer, sell or otherwise dispose of any shares of Common Stock or securities that may be converted into or exchanged or exercised for shares of Common Stock for a period of 90 days after January 10, 2011, subject to certain exceptions or with the prior written consent of the representative of the underwriters. These lock-up provisions will not apply to certain transactions, including the following:

- the issuance by the Issuer of securities in an amount not to exceed in the aggregate 15% of the Issuer's outstanding capital stock as of January 10, 2011 as consideration in, or in a capital raising transaction the proceeds of which are used for, any merger, acquisition, or other business combination, subject to the recipients agreeing to be bound by the terms of a similar lock-up agreement;
- any transfer by the Reporting Person of the Issuer's securities pursuant to a merger, acquisition, or other business combination involving the Issuer or a tender offer for any or all outstanding shares of Common Stock; and
- following the 45th day (trigger date) after January 10, 2011, (i) any transfer by the Reporting Person of the Issuer's securities representing not more than 10% of the Issuer's securities outstanding as of January 10, 2011 in a transaction that does not require the registration of the securities under the Act, (ii) the transfer by the Reporting Person of all of the Issuer's securities held by it, or (iii) any grant by the Reporting Person of a security interest in the Issuer's securities held by it for the benefit of a lender, provided in each case that the transferee or grantee, as applicable, agrees to be bound by the terms of a similar lock-up agreement.

The executive officers and directors of the Issuer as of the date of the offering, certain of whom are officers or directors of the Reporting Person, have agreed not to directly or indirectly offer, sell or otherwise dispose of any shares of Common Stock or securities that may be converted into or exchanged or exercised for shares of Common Stock for a period of 45 days after January 10, 2011, subject to certain exceptions or with the prior written consent of the representative of the underwriters. These lock-up provisions will not apply to certain transactions by such executive officers and directors, including any transfer of the Issuer's securities:

- by such person pursuant to a merger, acquisition, or other business combinations involving the Issuer or a tender offer for any or all outstanding shares of Common Stock; and

- solely to pay any withholding taxes in connection with the scheduled vesting of restricted stock and restricted stock unit grants during the lock-up period (representing the sale of approximately 90,000 shares of Common Stock in the aggregate).

In the event that either (1) during the last 17 days of the relevant lock-up period or the last 17 days prior to the trigger date, the Issuer releases earnings results or material news or a material event relating to the Issuer occurs or (2) prior to the expiration of the relevant lock-up period or prior to the trigger date, the Issuer announces that it will release earnings results during the 16-day period beginning on the last day of the relevant lock-up period or on the trigger date, then in each case the relevant lock-up period or the trigger date will be extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the occurrence of the material news or material event, as applicable, unless the representative of the underwriters waives, in writing, such extension.

The foregoing description of the Underwriting Agreement is not complete and is qualified in its entirety by the Underwriting Agreement, a copy of which is attached to this Amendment as Exhibit 1 and is incorporated herein by reference.

Although the Reporting Person has agreed to sell up to 2,300,000 shares of Common Stock pursuant to the Underwriting Agreement, it intends to continue to retain beneficial ownership of equity securities of the Issuer that represents a majority of the voting power of the Issuer with respect to the election of directors.

Item 5. Interests in the Securities of the Purchaser.

Item 5 is supplemented as follows:

(a) and (b) The responses of the Reporting Person to Rows (7) through (13) of the cover pages of this Amendment are incorporated herein by reference. As of the date of this Amendment, the Reporting Person holds 18,589,023 shares of Common Stock and 293,000 shares of Series A Preferred Stock.

Each share of Series A Preferred Stock is convertible, at the option of the holder, into a number of shares of Common Stock equal to the liquidation preference then in effect divided by the conversion price then in effect, which was initially set at $32.66, subject to adjustment. The liquidation preference is an amount equal to the issue price of $1,000 per share of Series A Preferred Stock plus the sum of all accrued and unpaid dividends, whether or not declared. The initial conversion rate, which is subject to adjustment, was 30.6185 shares of Common Stock for each share of Series A Preferred Stock. In addition, each share of Series A Preferred Stock entitles its holder to the number of votes equal to the number of shares of Common Stock into which such share of Series A Preferred Stock was initially convertible based on a conversion rate equal to the issue price of $1,000 per share of Series A Preferred Stock divided by $32.66, the conversion price in effect on the issue date.

In addition, cash dividends are cumulative and are accrued quarterly on the Series A Preferred Stock at a specified dividend rate on the liquidation preference at such time. Dividends are paid only if declared by the Issuer's board of directors. Initially, the specified annual

dividend rate was 4.25%. Effective February 1, 2008, the dividend rate on the Series A Preferred Stock was reset to 3.875%. This rate was only subject to future change in the event that the Issuer was unable to obtain approval of the issuance of shares of Common Stock underlying the Series A Preferred Stock upon conversion. On October 5, 2010, the Issuer's stockholders approved the issuance of the shares of Common Stock underlying the Series A Preferred Stock and accordingly, the dividend rate is no longer subject to change. The Issuer is currently prohibited from paying cash dividends on the Series A Preferred Stock under the terms of a covenant in the Issuer's credit agreement. The Issuer may, in its absolute discretion, pay such dividends in shares of Common Stock. The Common Stock issued in payment or partial payment of a dividend, when and if declared, would be valued for such purpose at 95% of the average of the daily volume weighted average stock price for each of the five consecutive trading days ending on the second trading day immediately prior to the record date for such dividend. Through the date of this Amendment, no dividends have been declared or paid on the Series A Preferred Stock. Through October 31, 2010, cumulative, undeclared dividends on the Series A Preferred Stock were $42.4 million.

On the date of this Amendment, the 18,589,023 shares of Common Stock held by the Reporting Person represent a beneficial ownership of approximately 50.5% of the outstanding Common Stock (which percentage is calculated based upon 36,791,461 shares of Common Stock outstanding as of December 24, 2010, as reported in the Issuer's Registration Statement on Form S-1/A filed with the Commission on January 7, 2011). If, on the date of this Statement, the Reporting Person had converted the Series A Preferred Stock into Common Stock, the Reporting Person would have beneficially owned 28,859,718 shares of Common Stock representing approximately 61.3% of the Common Stock (which percentage is calculated based upon 47,062,156 shares of Common Stock outstanding, representing the number of shares of Common Stock outstanding as of December 24, 2010, as reported in the Issuer's Registration Statement on Form S-1/A filed with the Commission on January 7, 2011, and the shares of Common Stock issuable to the Reporting Person assuming conversion of the Series A Preferred Stock). The Reporting Person has the sole voting power and sole dispositive power with respect to all of the shares of Common Stock beneficially owned by it.

Except as described above, neither the Reporting Person nor, to the best knowledge of the Reporting Person, any of the persons listed on Schedule A hereto beneficially owns any shares of Common Stock.

(c) Neither the Reporting Person nor, to the best of knowledge of the Reporting Person, any of the persons listed on Schedule A hereto has effected any transactions in shares of Common Stock in the past sixty days.

(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Item 6 is supplemented as follows:

The information set forth in Item 4 of this Amendment in respect of the Underwriting Agreement is incorporated herein by reference. The description of such agreement is qualified in its entirety by reference to such agreement.

Except as disclosed in this Amendment, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 (as it relates to any of the persons listed on Schedule A hereto, to the best knowledge of the Reporting Person) and between such persons and any other person with respect to any of the securities of the Issuer, including, but not limited to, transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

Item 7. Material to be Filed as Exhibits.

Exhibit No.	Description
1	Underwriting Agreement, dated as of January 10, 2011, by and among Verint Systems Inc., Comverse Technology, Inc. and Credit Suisse Securities (USA) LLC, acting on behalf of itself and as representative of the underwriters.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: January 11, 2011

COMVERSE TECHNOLOGY, INC.

By: /s/ Shefali A. Shah
Name: Shefali A. Shah
Title: Senior Vice President and General Counsel

Exhibit Index

Exhibit No.	Description
1	Underwriting Agreement, dated as of January 10, 2011, by and among Verint Systems Inc., Comverse Technology, Inc. and Credit Suisse Securities (USA) LLC, acting on behalf of itself and as representative of the underwriters.

DIRECTORS AND EXECUTIVE OFFICERS
OF COMVERSE TECHNOLOGY, INC.

The name, residence or business address, title, present principal occupation or employment of each of the directors and executive officers of Comverse Technology, Inc. are set forth below.

Name	Residence or Business Address	Occupation or Employment	Citizenship
Raz Alon (Director)	2225 East BayShore Road, Suite 219 Palo Alto, CA 94303	Chairman, TopView Ventures LLC	United States; Israel
Susan D. Bowick (Director)	191 Clayton Lane, #404 Denver, CO 80206	Consultant to Joint Venture of Nokia Corporation and Siemens A.G.	United States
Charles J. Burdick (Chairman of the Board)	810 Seventh Avenue New York, NY 10019	Former Chief Executive Officer, HIT Entertainment Plc	United States
Andre Dahan (Director)	810 Seventh Avenue New York, NY 10019	President and Chief Executive Officer	United States; Israel
Robert Dubner (Director)	810 Seventh Avenue New York, NY 10019	Independent Consultant	United States
Richard N. Nottenburg (Director)	71 Ettl Circle Princeton, NJ 08540	Former President, Chief Executive Officer and Director, Sonus Networks Inc.	United States
Joseph O'Donnell (Director)	810 Seventh Avenue New York, NY 10019	Former Chief Executive Officer, Inmar Inc.	United States
Augustus K. Oliver (Director)	152 West 57th Street, 46th Floor New York, NY 10019	Managing Member, Oliver Press Partners, LLC	United States
A. Alexander Porter, Jr. (Director)	666 Fifth Avenue, Suite 3403 New York, NY 10103	Founder and Principal, Porter Orlin LLC	United States
Theodore H. Schell (Director)	1230 Avenue of the Americas New York, NY 10020	Managing Director, Liberty Associated Partners LLP	United States
Mark C. Terrell (Director)	810 Seventh Avenue New York, NY 10019	Former Partner in Charge and Executive Director of KPMG's Audit Committee Institute	United States
Dror Bin	29 Habarzel Street Tel Aviv, Israel 69710	Executive Vice President and President, Global Sales of Comverse, Inc.	Israel

Joel Legon	810 Seventh Avenue New York, NY 10019	Senior Vice President and Interim Chief Financial Officer	United States
Gabriel Matsliach	1025 Briggs Road Suite 100 Mt. Laurel, NJ 08054	Senior Vice President, Global Products and Operations of Comverse, Inc.	United States; Israel
Philip H. Osman	80 Cottontail Lane Somerset, NJ 08873	Senior Vice President, Global Services of Comverse, Inc.	United States
Shefali A. Shah	810 Seventh Avenue New York, NY 10019	Senior Vice President, General Counsel and Corporate Secretary	United States

Exhibit 1

EXECUTION VERSION

2,000,000

VERINT SYSTEMS INC.

Common Stock

UNDERWRITING AGREEMENT

January 10, 2011

Credit Suisse Securities (USA) LLC ("**Credit Suisse**")
As Representative of the Several Underwriters ("**Representative**"),
Eleven Madison Avenue
New York, N.Y. 10010-3629

Dear Sirs:

1 . *Introductory*. Verint Systems Inc., a Delaware corporation ("**Company**"), and Comverse Technology, Inc., a New York corporation (" **Selling Stockholder**"), confirm their respective agreements set forth herein with the several Underwriters named in Schedule A hereto (**"Underwriters"**) and the Selling Stockholder agrees with the Underwriters to sell to the several Underwriters 2,000,000 outstanding shares of the Company's Common Stock, $0.001 par value per share ("**Securities**") (such 2,000,000 shares of Securities being hereinafter referred to as the "**Firm Securities**"), and the Selling Stockholder also agrees to sell to the Underwriters, at the option of the Underwriters, not more than 300,000 additional outstanding shares ("**Optional Securities**") of the Company's Securities, as set forth below. The Firm Securities and the Optional Securities are herein collectively called the "**Offered Securities**".

2. *Representations and Warranties of the Company and the Selling Stockholder*. (a) The Company represents and warrants to, and agrees with, the several Underwriters that:

(i) *Filing and Effectiveness of Registration Statement; Certain Defined Terms*. The Company has filed with the Commission a registration statement on Form S-1 (No. 333-169025) covering the registration of the Offered Securities under the Act, including a related preliminary prospectus or prospectuses. At any particular time, this initial registration statement, in the form then on file with the Commission, including all material then incorporated by reference therein, all information contained in the registration statement (if any) pursuant to Rule 462(b) and then deemed to be a part of the initial registration statement, and all 430A Information and all 430C Information, that in any case has not then been superseded or modified, shall be referred to as the "**Initial Registration Statement**". The Company may also have filed, or may file with the Commission, a Rule 462(b) registration statement covering the registration of Offered Securities. At any particular time, this Rule 462(b) registration statement, in the form then on file with the Commission, including the contents of the Initial Registration Statement incorporated by reference therein and including all 430A Information and all 430C Information, that in any case has not then been superseded or modified, shall be referred to as the "**Additional Registration Statement**".

As of the time of execution and delivery of this Agreement, the Initial Registration Statement has been declared effective under the Act and is not proposed to be amended. Any Additional Registration Statement has or will become effective upon filing with the Commission pursuant to Rule 462(b) and is not proposed to be amended. The Offered Securities all have been or will be duly registered under the Act pursuant to the Initial Registration Statement and, if applicable, the Additional Registration Statement.

For purposes of this Agreement:

"**430A Information**", with respect to any registration statement, means information included in a prospectus and retroactively deemed to be a part of such registration statement pursuant to Rule 430A(b).

"**430C Information**", with respect to any registration statement, means information included in a prospectus then deemed to be a part of such registration statement pursuant to Rule 430C.

"**Act**" means the Securities Act of 1933, as amended.

"**Applicable Time**" means 5:00 P.M. (Eastern time) on the date of this Agreement.

"**Closing Date"** has the meaning defined in Section 3 hereof.

"**Commission**" means the Securities and Exchange Commission.

"**Effective Time**" with respect to the Initial Registration Statement or, if filed prior to the execution and delivery of this Agreement, the Additional Registration Statement means the date and time as of which such Registration Statement was declared effective by the Commission or has become effective upon filing pursuant to Rule 462(c). If an Additional Registration Statement has not been filed prior to the execution and delivery of this Agreement but the Company has advised the Representative that it proposes to file one, "**Effective Time**" with respect to such Additional Registration Statement means the date and time as of which such Registration Statement is filed and becomes effective pursuant to Rule 462(b).

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Final Prospectus**" means the Statutory Prospectus that discloses the public offering price, other 430A Information and other final terms of the Offered Securities and otherwise satisfies Section 10(a) of the Act.

The Initial Registration Statement and the Additional Registration Statement are referred to collectively as the "**Registration Statements**" and individually as a "**Registration Statement**". A "**Registration Statement**" with reference to a particular time means the Initial Registration Statement and any Additional Registration Statement as of such time. A "**Registration Statement**" without reference to a time means such Registration Statement as of its Effective Time. For purposes of the foregoing definitions, 430A Information with respect to a Registration Statement shall be considered to be included in such Registration Statement as of the time specified in Rule 430A.

"**Rules and Regulations**" means the rules and regulations of the Commission.

"**Securities Laws**" means, collectively, the Sarbanes-Oxley Act of 2002 ("**Sarbanes-Oxley**"), the Act, the Exchange Act, the Rules and Regulations, the auditing principles, rules, standards and practices applicable to auditors of "issuers" (as defined in Sarbanes-Oxley) promulgated or approved by the Public Company Accounting Oversight Board and the rules of the NASDAQ Stock Market ("**Exchange Rules**").

"**Statutory Prospectus**" with reference to a particular time means the prospectus included in a Registration Statement immediately prior to that time, including any document incorporated by reference therein and any 430A Information or 430C Information with respect to such Registration Statement. For purposes of the foregoing definition, 430A Information shall be considered to be included in the Statutory Prospectus as of the actual time that form of prospectus is filed with the Commission pursuant to Rule 424(b) or Rule 462(c) and not retroactively.

Unless otherwise specified, a reference to a "rule" is to the indicated rule under the Act.

(ii) *Compliance with Securities Act Requirements*. (i) (A) At their respective Effective Times, (B) on the date of this Agreement and (C) on each Closing Date, each of the Initial Registration Statement and the Additional Registration Statement (if any) conformed and will conform in all material respects to the requirements of the Act and (ii) on its date, at the time of filing of the Final Prospectus pursuant to Rule 424(b) or (if no such filing is required) at the Effective Time of the Additional Registration Statement in which the Final Prospectus is included, and on each Closing Date, the Final Prospectus will conform in all material respects to the requirements of the Act and the Rules and Regulations and will not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. The preceding sentence does not apply to statements in or omissions from any such document based upon written information furnished to the Company by any Underwriter through the Representative specifically for use therein, it being understood and agreed that the only such information is that described as such in Section 8(c) hereof.

(iii) *General Disclosure Package*. As of the Applicable Time, the preliminary prospectus, dated January 6, 2011 (which is the most recent Statutory Prospectus distributed to investors generally), including the documents incorporated by reference therein, and the other information, if any, stated in Schedule B to this Agreement to be included in the General Disclosure Package, all considered together (collectively, the "**General Disclosure**

Package"), did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements in or omissions from any Statutory Prospectus in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representative specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 8(c) hereof.

(iv) *Good Standing of the Company.* The Company has been duly incorporated and is existing and in good standing under the laws of the State of Delaware, with corporate power and authority to own its properties and conduct its business as described in the General Disclosure Package; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except as would not reasonably be expected to have a material adverse effect on the condition (financial or otherwise), results of operations, business, properties or prospects of the Company and its subsidiaries taken as a whole (a **"Material Adverse Effect"**).

(v) *Subsidiaries.* Each significant subsidiary, as defined in Rule 1-02(w) of Regulation S-X (each, a "**Significant Subsidiary**") of the Company has been duly incorporated or organized and is existing and, if applicable, in good standing under the laws of the jurisdiction of its incorporation or organization, with power and authority (corporate or other) to own its properties and conduct its business as described in the General Disclosure Package; and each Significant Subsidiary of the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification; in each case except as would not reasonably be expected to have a Material Adverse Effect. The Company does not own or control, directly or indirectly, any Significant Subsidiary other than the subsidiaries listed in Schedule C hereto.

(vi) *Offered Securities*. The Offered Securities and all other outstanding shares of capital stock of the Company have been duly authorized; the authorized equity capitalization of the Company is as disclosed in the General Disclosure Package; all outstanding shares of capital stock of the Company, including the Offered Securities, are validly issued (except for those shares issued as disclosed in the last paragraph of Part II, Item 15 of the Initial Registration Statement in effect on the date hereof), fully paid and nonassessable; the stockholders of the Company have no preemptive rights with respect to the Offered Securities; and none of the outstanding shares of capital stock of the Company has been issued in violation of any preemptive or similar rights of any security holder.

(vii) *No Finder's Fee.* Except as disclosed in the General Disclosure Package, there are no contracts, agreements or understandings between the Company and any person that would give rise to a valid claim against the Company or any Underwriter for a brokerage commission, finder's fee or other like payment in connection with the offering of the Offered Securities.

(viii) *Registration Rights.* Except as disclosed in the General Disclosure Package, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to a Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Act (collectively, "**registration rights**"), and any person to whom the Company has granted registration rights has agreed not to exercise such rights until the after expiration of the lock-up agreement of the Selling Stockholder to be delivered pursuant to Section 7(i) hereof.

(ix) *Listing.* The Offered Securities are listed on the NASDAQ Global Market.

(x) *Absence of Further Requirements.* No consent, approval, authorization, or order of, or filing or registration with, any person (including any governmental agency or body or any court) (each, an "**Authorization"**) is required to be obtained or made by the Company for the performance of its obligations under this Agreement in connection with the sale of the Offered Securities, except such as have been obtained, or made and such as may be required under state securities laws, and except where the failure to obtain any such Authorization would not reasonably be expected to have a Material Adverse Effect.

(xi) *Absence of Defaults and Conflicts Resulting from Transaction.* The execution, delivery and performance of this Agreement by the Company will not result in a breach or violation of any of the terms and provisions of, or constitute a default or a Debt Repayment Triggering Event (as defined below) under, or result in the imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, (a) the charter or by-laws of the Company, (b) any statute, rule, regulation or order of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Company or any of its subsidiaries or any of their properties, or (c) any agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the properties of the Company or any of its subsidiaries is subject except, in the case of clauses (b) and (c), as would not reasonably be expected to have a Material Adverse Effect. A " **Debt Repayment Triggering Event**" means any event or condition that gives, or with the giving of notice or lapse of time would give, the holder of any note, debenture, or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its subsidiaries.

(xii) *Absence of Existing Defaults and Conflicts.* Neither the Company nor any of its subsidiaries is in violation of its respective charter or by-laws or in default (or with the giving of notice or lapse of time would be in default) under any existing obligation, agreement, covenant or condition contained in any indenture, loan agreement, mortgage, lease or other agreement or instrument to which any of them is a party or by which any of them is bound or to which any of the properties of any of them is subject, except such defaults that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(xiii) *Authorization of Agreement.* This Agreement has been duly authorized, executed and delivered by the Company.

(xiv) *Possession of Licenses and Permits.* The Company and its subsidiaries possess, and are in compliance with the terms of, all certificates, authorizations, franchises, licenses and permits ("**Licenses**") necessary or material to the conduct of the business now conducted or proposed in the General Disclosure Package to be conducted by them and have not received any notice of proceedings relating to the revocation or modification of any Licenses that, if determined adversely to the Company or any of its subsidiaries, would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(xv) *Absence of Labor Dispute.* No labor dispute with the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is imminent that would reasonably be expected to have a Material Adverse Effect.

(xvi) *Possession of Intellectual Property.* The Company and its subsidiaries own, possess, or can acquire on reasonable terms adequate rights to sufficient trademarks, trade names, patent rights, copyrights, domain names, trade secrets, inventions, technology, know-how and other intellectual property and similar rights, including registrations and applications for registration thereof (collectively, "**Intellectual Property Rights**") necessary or material to the conduct of the business now conducted or proposed in the General Disclosure Package to be conducted by them, except where the failure to own, possess, license or acquire on reasonable terms any such Intellectual Property Rights would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and except as described in the General Disclosure Package, the expected expiration of any such Intellectual Property Rights would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as disclosed in the General Disclosure Package (i) to the knowledge of the Company and its subsidiaries there is no material infringement, misappropriation or other violation of Intellectual Property Rights owned by the Company or its subsidiaries by a third party, and no event has occurred that with notice or the passage of time would constitute any of the foregoing; (ii) there is no pending or threatened action, suit, proceeding or claim by others challenging the Company's or any subsidiary's rights in or to, or alleging the violation of any Intellectual Property Rights owned by the Company or its subsidiaries; (iii) there is no pending or threatened action, suit, proceeding or claim by others challenging the validity, enforceability or scope of any such Intellectual Property Rights; (iv) there is no pending or threatened action, suit, proceeding or claim by others that the Company or any subsidiary infringes, misappropriates or otherwise violates or conflicts with any Intellectual Property Rights or other proprietary rights of others; and (v) none of the Intellectual Property Rights used by the Company or its subsidiaries in their businesses has been obtained or is being used by the Company or its subsidiaries in violation of any contractual obligation binding on the Company, any of its subsidiaries and in violation of the rights of any persons,

except in each case covered by clauses (i) through (v) such as would not, if determined adversely to the Company or any of its subsidiaries, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(xvii) *Environmental Laws.* Except as disclosed in the General Disclosure Package, neither the Company nor any of its subsidiaries (i) is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances, or petroleum or petroleum products or by-products, or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances, or petroleum or petroleum products or by-products (collectively, "**environmental laws**"); (ii) owns or operates any real property contaminated with any substance that is subject to any environmental laws; (iii) is liable for any off-site disposal or contamination pursuant to any environmental laws; or (iv) is subject to any pending claim relating to any environmental laws, or is aware of any pending investigation which would reasonably be expected to lead to such a claim relating to any environmental laws, which violation, contamination, liability, claim or investigation specified in clauses (i) through (iv) would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(xviii) *Accurate Disclosure.* The statements in the General Disclosure Package and the Final Prospectus under the heading "Certain United States Federal Income Tax Considerations Applicable to Non-U.S. Holders" and "Description of Capital Stock", insofar as such statements summarize legal matters, agreements, documents or proceedings discussed therein, are accurate and fair summaries of such legal matters, agreements, documents or proceedings and present the information required to be shown.

(ixx) *Absence of Manipulation*. The Company has not taken, directly or indirectly, any action that is designed to or that has constituted or that would reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Offered Securities.

(xx) *Internal Controls and Compliance with the Sarbanes-Oxley Act.* Except as disclosed in the General Disclosure Package, the Company, its subsidiaries and the Company's Board of Directors (the "**Board**") are in compliance with Sarbanes-Oxley and all applicable Exchange Rules. Except as disclosed in the General Disclosure Package, the Company maintains a system of internal controls, including, but not limited to, disclosure controls and procedures, internal controls over accounting matters and financial reporting, an internal audit function and legal and regulatory compliance controls (collectively, "**Internal Controls**") that comply with the Securities Laws and are sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. General Accepted Accounting Principles and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Internal Controls are overseen by the Audit Committee (the "**Audit Committee**") of the Board in accordance with Exchange Rules. Except as disclosed in the General Disclosure Package, since the end of the Company's most recent audited fiscal year, there has been (i) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (ii) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(xxi) *Litigation*. Except as disclosed in the General Disclosure Package, there are no pending actions, suits or proceedings (including any inquiries or investigations by any court or governmental agency or body, domestic or foreign) against or affecting the Company, any of its subsidiaries or any of their respective properties and that, if determined adversely to the Company or any of its subsidiaries, would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, or to materially and adversely affect the ability of the Company to perform its obligations under this Agreement, and no such actions, suits or proceedings (including any inquiries or investigations by any court or governmental agency or body, domestic or foreign) are threatened or, to the Company's knowledge, contemplated.

(xxii) *Financial Statements.* Except as disclosed in the General Disclosure Package, the financial statements included in each Registration Statement and the General Disclosure Package present fairly in all material respects the financial position of the Company and its consolidated subsidiaries as of the dates shown and their results of operations and cash flows for the periods shown, and, except as otherwise disclosed in the General Disclosure Package, such

financial statements have been prepared in conformity with the generally accepted accounting principles in the United States applied on a consistent basis in all material respects.

(xxiii) *No Material Adverse Change in Business.* Except as disclosed in or contemplated by the General Disclosure Package, since the end of the period covered by the latest audited financial statements included in the General Disclosure Package (i) there has been no change, nor any development or event involving a prospective change, that would reasonably be expected to have a material adverse effect on the condition (financial or otherwise), results of operations, business, properties or prospects of the Company and its subsidiaries taken as a whole, (ii) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock and (iii) there has been no material adverse change in the capital stock, short-term indebtedness, long-term indebtedness, net current assets or net assets of the Company and its subsidiaries.

(xxiv) *Investment Company Act.* The Company is not an "investment company" as defined in the Investment Company Act of 1940 (the "**Investment Company Act**").

(xxv) *Anti-bribery.* Neither the Company nor any of its subsidiaries or affiliates, nor to the Company's knowledge, any director, officer, or employee, agent or representative of the Company or of any of its subsidiaries or affiliates, has taken or will take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any "government official" (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) to improperly influence official action or secure an improper advantage; and the Company and its subsidiaries and affiliates have conducted their businesses in compliance in all material respects with applicable anti-corruption laws and have instituted and maintain and intend to continue to maintain policies and procedures designed to promote and achieve compliance with such laws and with the representation and warranty contained herein.

(xxvi) *Anti-money Laundering.* The operations of the Company and its subsidiaries are and have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements, including those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable anti-money laundering statutes of jurisdictions where the Company and its subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the Company's knowledge, threatened.

(xxvii) *OFAC.* Neither the Company nor any of its subsidiaries has in the past knowingly engaged in or is now knowingly engaged in any dealings or transactions with any person, or in any country or territory, that at the time of the dealing or transaction was or is the subject of sanctions administered by the U.S. Department of Treasury's Office of Foreign Assets Control.

(xxviii) *Ratings.* No "nationally recognized statistical rating organization" as such term is as defined in Section 3(a)(62) of the Exchange Act has assigned a rating to the Company or any securities of the Company.

(b) The Selling Stockholder represents and warrants to, and agrees with, the several Underwriters that:

(i) *Free Writing Prospectuses.* Neither the Selling Stockholder nor any person acting on behalf of the Selling Stockholder (other than, if applicable, the Company and the Underwriters) has used or will use any "free writing prospectus" (as defined in Rule 405), relating to the Securities.

(ii) *Title and Security Entitlement.* The Selling Stockholder has, and immediately prior to any date on which the Selling Stockholder is selling shares of Securities, the Selling Stockholder will have, good and valid title to, or a valid "security entitlement" within the meaning of Section 8-501 of the New York Uniform Commercial Code (the "**UCC**") in respect of, the shares of Securities to be sold by the Selling Stockholder hereunder on such

date, free and clear of all liens, encumbrances, equities or claims, except for any liens, encumbrances, equities or claims arising under this Agreement.

(iii) *DTC.* Upon payment for the Securities to be sold by the Selling Stockholder, delivery of such Securities, as directed by the Underwriters, to Cede & Co. ("**Cede**") or such other nominee as may be designated by The Depository Trust Company ("**DTC**"), registration of such Securities in the name of Cede or such other nominee and the crediting of such Securities on the books of DTC to securities accounts of the Underwriters (assuming that neither DTC nor any such Underwriter has notice of any adverse claim (within the meaning of Section 8-105 of the UCC) to such Securities), (i) under Section 8-501 of the UCC, the Underwriters will acquire a valid security entitlement in respect of such Securities and (ii) no action based on any "adverse claim", within the meaning of Section 8-102 of the UCC, to such Securities may be successfully asserted against any of the Underwriters with respect to such security entitlement. For purposes of this representation, such Selling Stockholder may assume that when such payment, delivery and crediting occur, (A) such Securities will have been registered in the name of Cede or another nominee designated by DTC, in each case on the Company's share registry in accordance with its certificate of incorporation, bylaws and applicable law, (B) DTC will be registered as a "clearing corporation" within the meaning of Section 8-102 of the UCC and (C) appropriate entries to the accounts of the several Underwriters on the records of DTC will have been made pursuant to the UCC.

(iv) *Absence of Defaults and Conflicts Resulting from Transaction*. The execution, delivery and performance of this Agreement by the Selling Stockholder and the consummation of the transactions herein contemplated by the Selling Stockholder will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, or result in the imposition of any lien, charge or encumbrance upon any property or assets of the Selling Stockholder pursuant to, any statute, any rule, regulation or order of any governmental agency or body or any court having jurisdiction over the Selling Stockholder or any of its properties or any agreement or instrument to which the Selling Stockholder is a party or by which the Selling Stockholder is bound or to which any of the properties of the Selling Stockholder is subject, or the charter or by-laws of the Selling Stockholder.

(v) *Selling Stockholder Information*. The Selling Stockholder Information will not (A) on the date hereof, (B) at the respective Effective Time of each of the Initial Registration Statement and the Additional Registration Statement (if any), (C) the date of the Final Prospectus and the time of its filing pursuant to Rule 424(b) or (if no such filing is required) at the Effective Time of the Additional Registration Statement in which the Final Prospectus is included, and (D) on each Closing Date, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of the Final Prospectus, in light of the circumstances under which they were made). "**Selling Stockholder Information**" means the information in the aforementioned documents relating to the Selling Stockholder and its directors and officers, it being understood and agreed that such information consists solely of the information in a Registration Statement or any Statutory Prospectus (i) relating to the Selling Stockholder set forth under the heading "Principal and Selling Stockholders," (ii) set forth under the heading "Business—Legal Proceedings—Comverse Investigation—Related Matters" and (iii) contained in the twelfth paragraph under the heading "Underwriting."

(vi) *No Undisclosed Material Information*. The sale of the Offered Securities by the Selling Stockholder pursuant to this Agreement is not prompted by any material information concerning the Company or any of its subsidiaries that is not disclosed in the General Disclosure Package.

(vii) *Authorization of Agreement.* This Agreement has been duly authorized, executed and delivered by the Selling Stockholder.

(viii) *No Finder's Fee.* Except as disclosed in the General Disclosure Package, there are no contracts, agreements or understandings between the Selling Stockholder and any person that would give rise to a valid claim against the Selling Stockholder or any Underwriter for a brokerage commission, finder's fee or other like payment in connection with the offering of the Offered Securities.

(x) *Absence of Manipulation*. The Selling Stockholder has not taken, directly or indirectly, any action that is designed to or that has constituted or that would reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Offered Securities.

3. *Purchase, Sale and Delivery of Offered Securities*. On the basis of the representations, warranties and agreements and subject to the terms and conditions set forth herein, the Selling Stockholder agrees to sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Selling Stockholder, at a purchase price of $33.25 per share, the Firm Securities set forth opposite the name of such underwriter on Schedule A hereto.

The Selling Stockholder will deliver the Firm Securities to or as instructed by the Representative for the accounts of the several Underwriters in a form reasonably acceptable to the Representative, against payment of the purchase price by the Underwriters in Federal (same day) funds by wire transfer to an account at a bank acceptable to Credit Suisse drawn to the order of "Comverse Technology, Inc.", at the office of Shearman & Sterling LLP, 599 Lexington Avenue, New York, NY 10022 at 9:00 A.M., New York time, on January 14, 2011, or at such other time not later than seven full business days thereafter as Credit Suisse, the Selling Stockholder and the Company determine, such time being herein referred to as the "**First Closing Date**". For purposes of Rule 15c6-1 under the Securities Exchange Act of 1934, the First Closing Date (if later than the otherwise applicable settlement date) shall be the settlement date for payment of funds and delivery of securities for all the Offered Securities sold pursuant to the offering of the Offered Securities. The Firm Securities so to be delivered or evidence of their issuance will be made available for checking at the above office of Shearman & Sterling LLP at least 24 hours prior to the First Closing Date.

In addition, upon written notice from Credit Suisse given to the Company and the Selling Stockholder from time to time not more than 30 days subsequent to the date of the Final Prospectus, the Underwriters may purchase all or less than all of the Optional Securities at the purchase price per Security to be paid for the Firm Securities. The Selling Stockholder agrees to sell to the Underwriters the number of shares of Optional Securities specified in such notice and the Underwriters agree, severally and not jointly, to purchase such Optional Securities. Such Optional Securities shall be purchased for the account of each Underwriter in the same proportion as the number of Firm Securities set forth opposite such Underwriter's name bears to the total number of Firm Securities (subject to adjustment by Credit Suisse to eliminate fractions) and may be purchased by the Underwriters only for the purpose of covering over-allotments made in connection with the sale of the Firm Securities. No Optional Securities shall be sold or delivered unless the Firm Securities previously have been, or simultaneously are, sold and delivered. The right to purchase the Optional Securities or any portion thereof may be exercised from time to time and to the extent not previously exercised may be surrendered and terminated at any time upon notice by Credit Suisse to the Company and the Selling Stockholder.

Each time for the delivery of and payment for the Optional Securities, being herein referred to as an "**Optional Closing Date**", which may be the First Closing Date (the First Closing Date and each Optional Closing Date, if any, being sometimes referred to as a "**Closing Date**"), shall be determined by Credit Suisse but shall be not later than five full business days after written notice of election to purchase Optional Securities is given. The Selling Stockholder will deliver the Optional Securities being purchased on each Optional Closing Date to or as instructed by Credit Suisse for the accounts of the several Underwriters, in a form reasonably acceptable to Credit Suisse against payment of the purchase price therefore in Federal (same day) funds by wire transfer to an account at a bank acceptable to Credit Suisse drawn to the order of "Comverse Technology, Inc.", at the above office of Shearman & Sterling LLP. The Optional Securities being purchased on each Optional Closing Date or evidence of their issuance will be made available for checking at the above office of Shearman & Sterling LLP at a reasonable time in advance of such Optional Closing Date.

4. *Offering by Underwriters*. It is understood that the several Underwriters propose to offer the Offered Securities for sale to the public as set forth in the Final Prospectus.

5. *Certain Agreements of the Company and the Selling Stockholder*.

(a) *Additional Filings*. Unless filed pursuant to Rule 462(c) as part of the Additional Registration Statement in accordance with the next sentence, the Company will file the Final Prospectus, in a form approved by the Representative, with the Commission pursuant to and in accordance with Rule 424(b) not later than the earlier of (A) the second business day following the execution and delivery of this Agreement or (B) the fifteenth business day after the Effective Time of the Initial Registration Statement. The Company will advise the Representative promptly of any such filing pursuant to Rule 424(b) and provide satisfactory evidence to the Representative of such timely filing. If an Additional Registration Statement is necessary to register a portion of the Offered Securities under the Act but the

Effective Time thereof has not occurred as of the execution and delivery of this Agreement, the Company will file the Additional Registration Statement or, if filed, will file a post-effective amendment thereto with the Commission pursuant to and in accordance with Rule 462(b) on or prior to 10:00 P.M., New York time, on the date of this Agreement or, if earlier, on or prior to the time the Final Prospectus is finalized and distributed to any Underwriter, or will make such filing at such later date as shall have been consented to by the Representative.

(b) *Filing of Amendments: Response to Commission Requests.* The Company will promptly advise the Representative of any proposal to amend or supplement at any time the Initial Registration Statement, any Additional Registration Statement or any Statutory Prospectus and will not effect such amendment or supplementation without the Representative's consent which shall not be unreasonably withheld; and the Company will also advise the Representative promptly of (i) the effectiveness of any Additional Registration Statement (if its Effective Time is subsequent to the execution and delivery of this Agreement), (ii) any amendment or supplementation of a Registration Statement or any Statutory Prospectus, (iii) any request by the Commission or its staff for any amendment to any Registration Statement, for any supplement to any Statutory Prospectus or for any additional information, (iv) the institution by the Commission of any stop order proceedings in respect of a Registration Statement or the threatening of any proceeding for that purpose, and (v) the receipt by the Company of any notification with respect to the suspension of the qualification of the Offered Securities in any jurisdiction or the institution or threatening of any proceedings for such purpose. The Company will use its reasonable best efforts to prevent the issuance of any such stop order or the suspension of any such qualification and, if issued, to obtain as soon as possible the withdrawal thereof.

(c) *Continued Compliance with Securities Laws.* If, at any time when a prospectus relating to the Offered Securities is (or but for the exemption in Rule 172 would be) required to be delivered under the Act by any Underwriter or dealer, any event occurs as a result of which the Final Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Registration Statement or supplement the Final Prospectus to comply with the Act, the Company will promptly notify the Representative of such event and will promptly prepare and file with the Commission and furnish, at its own expense, to the Underwriters and the dealers and any other dealers upon request of the Representative, an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance. Neither the Representative's consent to, nor the Underwriters' delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 7 hereof.

(d) *Rule 158.* As soon as practicable, but not later than the Availability Date (as defined below), the Company will make generally available to its security holders an earning statement covering a period of at least 12 months beginning after the Effective Date of the Initial Registration Statement (or, if later, the Effective Time of the Additional Registration Statement) which will satisfy the provisions of Section 11(a) of the Act and Rule 158 under the Act. For the purpose of the preceding sentence, "**Availability Date**" means the day after the end of the fourth fiscal quarter following the fiscal quarter that includes such Effective Time on which the Company is required to file its Form 10-Q for such fiscal quarter except that, if such fourth fiscal quarter is the last quarter of the Company's fiscal year, "Availability Date" means the day after the end of such fourth fiscal quarter on which the Company is required to file its Form 10-K.

(e) *Furnishing of Prospectuses.* The Company will furnish to the Representative copies of each Registration Statement (three of which will be signed and will include all exhibits) each related Statutory Prospectus, and, so long as a prospectus relating to the Offered Securities is (or but for the exemption in Rule 172 would be) required to be delivered under the Act, the Final Prospectus and all amendments and supplements to such documents, in each case in such quantities as the Representative reasonably requests. The Final Prospectus shall be so furnished on or prior to 3:00 P.M., New York time, on the business day following the execution and delivery of this Agreement. All other such documents shall be so furnished as soon as available. The Company will pay the expenses of printing and distributing to the Underwriters all such documents.

(f) *Blue Sky Qualifications.* The Company will arrange for any required qualification of the Offered Securities for sale under the laws of such jurisdictions as the Representative designates and will continue such qualifications in effect so long as required for the distribution.

(g) *Payment of Expenses.* The Company agrees with the several Underwriters that it will pay all expenses

incident to the performance obligations of the Company under this Agreement, including but not limited to any filing fees and other expenses (including fees and disbursements of counsel to the Underwriters) incurred in connection with any required qualification of the Offered Securities for sale under the laws of such jurisdictions as the Representative designates and the preparation and printing of memoranda relating thereto, costs and expenses related to any required review by the Financial Industry Regulatory Authority, Inc. of the Offered Securities (including filing fees and the fees and expenses of counsel for the Underwriters relating to such review), costs and expenses relating to investor presentations or any "road show" in connection with the offering and sale of the Offered Securities including, without limitation, any travel expenses of the Company's officers and employees and any other expenses of the Company including actually incurred expenses for the chartering of airplanes, fees and expenses incident to listing the Offered Securities on the NASDAQ Global Market, fees and expenses in connection with any required registration of the Offered Securities under the Exchange Act, and expenses incurred in distributing preliminary prospectuses and the Final Prospectus (including any amendments and supplements thereto) to the Underwriters. The Selling Stockholder agrees with the several Underwriters that it will pay (i) all transfer taxes on the sale by the Selling Stockholder of the Offered Securities to the Underwriters and (ii) all other expenses incident to the performance of its obligations under this Agreement, except those to be paid by the Company pursuant to this Section 5(g) or the registration rights agreement, dated as of January 31, 2002, between the Company and the Selling Stockholder.

(h) *Absence of Manipulation*. The Company and the Selling Stockholder will not take, directly or indirectly, any action designed to or that would constitute or that would reasonably be expected to cause or result in, stabilization or manipulation of the price of any securities of the Company to facilitate the sale or resale of the Offered Securities.

(i) *Restriction on Sale of Securities by Company.* For the period specified below (the "**Lock-Up Period**"), the Company will not, directly or indirectly, take any of the following actions with respect to its Securities or any securities convertible into or exchangeable or exercisable for any of its Securities ("**Lock-Up Securities**"): (i) offer, sell, issue, contract to sell, pledge or otherwise dispose of, directly or indirectly, Lock-Up Securities, (ii) offer, sell, issue, contract to sell, contract to purchase or grant any option, right or warrant to purchase Lock-Up Securities, (iii) enter into any swap, hedge or any other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Lock-Up Securities, (iv) establish or increase a put equivalent position or liquidate or decrease a call equivalent position in Lock-Up Securities within the meaning of Section 16 of the Exchange Act or (v) file with the Commission a registration statement under the Act relating to Lock-Up Securities, or publicly disclose the intention to take any such action, without the prior written consent of the Representative (whether any transaction mentioned in (i) through (iii) is to be settled by delivery of the Securities or such other securities, in cash or otherwise), except (A) the issuance of Lock-Up Securities pursuant to the terms of an employee benefit plan, qualified stock option plan or other director or employee compensation plan, or an agreement existing pursuant to such plan, in effect on the date hereof, (B) the performance by the Company of its obligations under the registration rights agreements between the Company and the Selling Stockholder or the certificate of designations for the Company's Class A Convertible Preferred Stock, each as disclosed in the General Disclosure Package, or (C) the issuance of Lock-Up Securities in an amount not to exceed in the aggregate 15% of the Company's outstanding common stock on the date hereof as consideration in, or in a capital raising transaction the proceeds of which are used for, any merger, acquisition or other business combination, subject to the recipients of such issuance being bound by the terms of a similar lock-up agreement and no public disclosure being made in connection with such issuance during the Lock-Up Period unless required under the Exchange Act. The initial Lock-Up Period will commence on the date hereof and continue for 90 days after the date hereof or such earlier date that the Representative agrees to in writing; *provided*, *however*, that if (1) during the last 17 days of the initial Lock-Up Period, the Company releases earnings results or material news or a material event relating to the Company occurs or (2) prior to the expiration of the initial Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the initial Lock-Up Period, then in each case the Lock-Up Period will be extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the occurrence of the materials news or material event, as applicable, unless the Representative waives, in writing, such extension. The Company will provide the Representative with notice of any announcement described in clause (2) of the preceding sentence that gives rise to an extension of the Lock-Up Period.

6. *Free Writing Prospectuses*. Each of the Company and Selling Stockholder represents and agrees that it has not made and will not make any offer relating to the Offered Securities that would constitute a "free writing prospectus," as defined in Rule 405, required to be filed with the Commission.

7. *Conditions of the Obligations of the Underwriters*. The obligations of the several Underwriters to purchase and pay for the Firm Securities on the First Closing Date and the Optional Securities to be purchased on each Optional Closing Date will be subject to the accuracy of the representations and warranties of the Company and the Selling Stockholder herein (as though made on such Closing Date), to the performance by the Company and the Selling Stockholder of their obligations hereunder and to the following additional conditions precedent:

(a) *Accountants' Comfort Letter.* The Representative shall have received letters, dated, respectively, the date hereof and each Closing Date, of Deloitte & Touche LLP confirming that they are a registered public accounting firm and independent public accountants within the meaning of the Securities Laws and in form and substance satisfactory to the Representative, together with signed or reproduced copies of such letters for each of the other Underwriters containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statements, the General Disclosure Package and, in the letters dated each Closing Date, the Final Prospectus.

(b) *Effectiveness of Registration Statement.* If the Effective Time of the Additional Registration Statement (if any) is not prior to the execution and delivery of this Agreement, such Effective Time shall have occurred not later than 10:00 P.M., New York time, on the date of this Agreement or, if earlier, the time the Final Prospectus is finalized and distributed to any Underwriter, or shall have occurred at such later time as shall have been consented to by the Representative. The Final Prospectus shall have been filed with the Commission in accordance with the Rules and Regulations and Section 5(a) hereof. Prior to such Closing Date, no stop order suspending the effectiveness of a Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of the Selling Stockholder, the Company or the Representative, shall be contemplated by the Commission.

(c) *No Material Adverse Change.* Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) any change, or any development or event involving a prospective change, in the condition (financial or otherwise), results of operations, business, properties or prospects of the Company and its subsidiaries taken as a whole which, in the judgment of the Representative, is material and adverse and makes it impractical or inadvisable to market the Offered Securities; (ii) any change in U.S. or international financial, political or economic conditions or currency exchange rates or exchange controls the effect of which is such as to make it, in the judgment of the Representative, impractical to market or to enforce contracts for the sale of the Offered Securities, whether in the primary market or in respect of dealings in the secondary market; (iii) any suspension or material limitation of trading in securities generally on the NASDAQ Global Market, or any setting of minimum or maximum prices for trading on such exchange; (iv) any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (v) any banking moratorium declared by any U.S. federal or New York authorities; (vi) any major disruption of settlements of securities, payment or clearance services in the United States or any other country where such securities are listed; or (vii) any attack on, outbreak or escalation of hostilities or act of terrorism involving the United States, any declaration of war by Congress or any other national or international calamity or emergency if, in the judgment of the Representative, the effect of any such attack, outbreak, escalation, act, declaration, calamity or emergency is such as to make it impractical or inadvisable to market the Offered Securities or to enforce contracts for the sale of the Offered Securities.

(d) *Opinion of Counsel for the Company.* The Representative shall have received opinions, dated such Closing Date, of Jones Day, counsel for the Company, and the Chief Legal Officer of the Company, in the form agreed to by the Representative on or prior to the date hereof.

(e) *Opinion of Counsel for Selling Stockholder.* The Representative shall have received an opinion, dated such Closing Date, of Weil, Gotshal & Manges LLP, counsel for the Selling Stockholder, in the form agreed to by the Representative on or prior to the date hereof.

(f) *Opinion of Counsel for Underwriters.* The Representative shall have received from Shearman & Sterling LLP, counsel for the Underwriters, such opinion or opinions, dated such Closing Date, with respect to such matters as the Representative may require, and the Selling Stockholder and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(g) *Officers' Certificate.* The Representative shall have received a certificate, dated such Closing Date, of an executive officer of the Company and a principal financial or accounting officer of the Company in which such officers

shall state that: the representations and warranties of the Company in this Agreement are true and correct; the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to such Closing Date; no stop order suspending the effectiveness of any Registration Statement has been issued and no proceedings for that purpose have been instituted or, to the best of their knowledge and after reasonable investigation, are contemplated by the Commission; the Additional Registration Statement (if any) satisfying the requirements of subparagraphs (1) and (3) of Rule 462(b) was timely filed pursuant to Rule 462(b), including payment of the applicable filing fee in accordance with Rule 111(a) or (b) of Regulation S-T of the Commission; and, subsequent to the date of the most recent financial statements in the General Disclosure Package, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or otherwise), results of operations, business, properties or prospects of the Company and its subsidiaries taken as a whole except as set forth in the General Disclosure Package or as described in such certificate.

(h) *Certificate of Selling Stockholder*. The Representative shall have received a certificate, dated such Closing Date, of an executive officer of the Selling Stockholder in which such officer shall state that: the representations and warranties of the Selling Stockholder in this Agreement are true and correct; and the Selling Stockholder has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to such Closing Date.

(i) *Lock-Up Agreements.* On or prior to the date hereof, the Representative shall have received lock-up agreements from each of the executive officers and directors of the Company and the Selling Stockholder.

(j) *Tax Withholding*. To avoid a 28% backup withholding tax the Selling Stockholder will deliver to the Representative a properly completed and executed United States Treasury Department Form W-9 (or other applicable form or statement specified by Treasury Department regulations in lieu thereof).

(k) *CFO Certificates.* The Representative shall have received written certificates in the form agreed to by the Representative on or prior to the date hereof, dated, respectively, the date hereof and such Closing Date, executed by the Chief Financial Officer of the Company.

The Selling Stockholder and the Company will furnish the Representative with such conformed copies of such opinions, certificates, letters and documents as the Representative reasonably request. The Representative may in their sole discretion waive on behalf of the Underwriters compliance with any conditions to the obligations of the Underwriters hereunder, whether in respect of an Optional Closing Date or otherwise.

8. *Indemnification and Contribution*. (a) *Indemnification of Underwriters by Company.* The Company will indemnify and hold harmless each Underwriter, its partners, members, directors, officers, employees, agents, affiliates and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act (each an "**Indemnified Party**"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject, under the Act, the Exchange Act, other Federal or state statutory law or regulation or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any part of any Registration Statement at any time, any Statutory Prospectus as of any time or the Final Prospectus, or arise out of or are based upon the omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Indemnified Party for any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending against any loss, claim, damage, liability, action, litigation, investigation or proceeding whatsoever (whether or not such Indemnified Party is a party thereto), whether threatened or commenced, and in connection with the enforcement of this provision with respect to any of the above as such expenses are incurred; *provided*, *however*, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representative specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in subsection (c) below.

(b) *Indemnification of Underwriters by Selling Stockholder.* The Selling Stockholder will indemnify and hold harmless each Underwriter, its partners, members, directors, officers, employees, agents, affiliates and each person, if

any, who controls such Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act (each a "**Selling Stockholder Indemnified Party**"), against any and all losses, claims, damages or liabilities, joint or several, to which such Selling Stockholder Indemnified Party may become subject, under the Act, the Exchange Act, other Federal or state statutory law or regulation or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any part of any Registration Statement at any time, any Statutory Prospectus as of any time or the Final Prospectus, or arise out of or are based upon the omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Selling Stockholder Indemnified Party for any legal or other expenses reasonably incurred by such Selling Stockholder Indemnified Party in connection with investigating or defending against any loss, claim, damage, liability, action, litigation, investigation or proceeding whatsoever (whether or not such Selling Stockholder Indemnified Party is a party thereto), whether threatened or commenced, and in connection with the enforcement of this provision with respect to any of the above as such expenses are incurred; *provided*, *however*, that the Selling Stockholder shall be liable only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission has been made in any part of a Registration Statement, any Statutory Prospectus, or the Final Prospectus in reliance upon and conformity with the Selling Stockholder Information; and *provided, further,* that the liability of the Selling Stockholder under this subsection shall be limited to an amount equal to the total proceeds (before deducting expenses) from the sale of the Offered Securities hereunder, less any underwriting discounts and commissions received by the Underwriters (the "**Total Net Proceeds**").

(c) *Indemnification of Company and Selling Stockholders.* Each Underwriter will severally and not jointly indemnify and hold harmless the Company, each of its directors and each of its officers who signs a Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, and the Selling Stockholder (each, an "**Underwriter Indemnified Party**") against any losses, claims, damages or liabilities to which such Underwriter Indemnified Party may become subject, under the Act, the Exchange Act, or other Federal or state statutory law or regulation or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement at any time, any Statutory Prospectus at any time, the Final Prospectus or arise out of or are based upon the omission or the alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representative specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by such Underwriter Indemnified Party in connection with investigating or defending against any such loss, claim, damage, liability, action, litigation, investigation or proceeding whatsoever (whether or not such Underwriter Indemnified Party is a party thereto), whether threatened or commenced, based upon any such untrue statement or omission, or any such alleged untrue statement or omission as such expenses are incurred, it being understood and agreed that the only such information furnished by any Underwriter consists of (i) the following information in the Final Prospectus furnished on behalf of each Underwriter: the concession figure appearing in the seventh paragraph under the caption "Underwriting" and the information contained in the thirteenth and fifteenth paragraphs under the caption "Underwriting."

(d) *Actions against Parties; Notification.* Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under subsection (a), (b) or (c) above, notify the indemnifying party of the commencement thereof; but the failure to notify the indemnifying party shall not relieve it from any liability that it may have under subsection (a), (b) or (c) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided further* that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under subsection (a), (b) or (c) above. In case any such action is brought against any indemnified party and it notifies an indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No

indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of an indemnified party. No indemnified party shall, without the prior written consent of the indemnifying party, effect any settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder; *provided, however,* that if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel in accordance with the provisions of this Section 8, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by this Section 8 effected without its written consent if (i) such settlement is entered into in good faith by the indemnified party more than 45 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(e) *Contribution*. If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a), (b) or (c) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a), (b) or (c) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholder on the one hand and the Underwriters on the other from the offering of the Offered Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Selling Stockholder on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholder on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering of the Offered Securities (before deducting expenses) received by the Selling Stockholder bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, the Selling Stockholder or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (e). Notwithstanding the provisions of this subsection (e), (i) no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission and (ii) the Selling Stockholder shall not be required to contribute any amount in excess of the Total Net Proceeds. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (e) to contribute are several in proportion to their respective underwriting obligations and not joint. The Company, the Selling Stockholder and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 8(e) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 8(e).

9. *Default of Underwriters*. If any Underwriter or Underwriters default in their obligations to purchase Offered Securities hereunder on either the First or any Optional Closing Date and the aggregate number of shares of Offered Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the total number of shares of Offered Securities that the Underwriters are obligated to purchase on such Closing Date, Credit Suisse may make arrangements satisfactory to the Company and the Selling Stockholder for the purchase of such Offered Securities by other persons, including any of the Underwriters, but if no such arrangements are made by such Closing Date, the non-defaulting Underwriters shall be obligated severally, in proportion to their respective

commitments hereunder, to purchase the Offered Securities that such defaulting Underwriters agreed but failed to purchase on such Closing Date. If any Underwriter or Underwriters so default and the aggregate number of shares of Offered Securities with respect to which such default or defaults occur exceeds 10% of the total number of shares of Offered Securities that the Underwriters are obligated to purchase on such Closing Date and arrangements satisfactory to Credit Suisse, the Company and the Selling Stockholder for the purchase of such Offered Securities by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter, the Company or the Selling Stockholder, except as provided in Section 10 (*provided* that, if such default occurs with respect to Optional Securities after the First Closing Date, this Agreement will not terminate as to the Firm Securities or any Optional Securities purchased prior to such termination). As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section. Nothing herein will relieve a defaulting Underwriter from liability for its default.

10. *Survival of Certain Representations and Obligations.* The respective indemnities, agreements, representations, warranties and other statements of the Selling Stockholder or of the Company, or their respective officers, and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter, the Selling Stockholder, the Company or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Offered Securities. If the purchase of the Offered Securities by the Underwriters is not consummated solely because of the Selling Stockholder's failure to perform its obligations pursuant to Section 3 of this Agreement or because the conditions specified in Sections 7(e), 7(h), 7(i) (with respect to the lock-up agreement of the Selling Stockholder) or 7(j) of this Agreement have not been satisfied (each, a "**Selling Stockholder Default**"), the Selling Stockholder will reimburse the Underwriters for all out-of-pocket expenses (including fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Offered Securities, and the respective obligations of the Company, the Selling Stockholder and the Underwriters pursuant to Section 8 hereof shall remain in effect. If the purchase of the Offered Securities by the Underwriters is not consummated for any reason other than solely because of the termination of this Agreement pursuant to Section 9 hereof or a Selling Stockholder Default, the Company will reimburse the Underwriters for all out-of-pocket expenses (including fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Offered Securities, and the respective obligations of the Company, the Selling Stockholder and the Underwriters pursuant to Section 8 hereof shall remain in effect. In addition, if any Offered Securities have been purchased hereunder, the representations and warranties in Section 2 and all obligations under Section 5 shall also remain in effect.

11. *Notices*. All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed or delivered to Credit Suisse Securities (USA) LLC, Eleven Madison Avenue, New York, N.Y. 10010-3629, Attention: LCD-IBD, and c/o Morgan Stanley & Co. Incorporated, 1585 Broadway, New York, N.Y. 10036, Attention: ECM Syndicate Desk, or, if sent to the Company, will be mailed or delivered to it at Verint Systems Inc., 330 South Service Road, Melville, NY 11747, Attention: Chief Legal Officer, or, if sent to the Selling Stockholder, will be mailed or delivered to Comverse Technology, Inc. at 810 Seventh Avenue, New York, NY 10019, Attention: General Counsel.

12. *Successors*. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 8, and no other person will have any right or obligation hereunder.

13. *Representation*. The Representative will act for the several Underwriters in connection with the transactions contemplated by this Agreement, and any action under this Agreement taken by the Representative will be binding upon all the Underwriters.

14. *Counterparts*. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

15. *Absence of Fiduciary Relationship.* The Company and the Selling Stockholder acknowledge and agree that:

(a) *No Other Relationship.* The Representative has been retained solely to act as underwriter in connection with the sale of the Offered Securities and that no fiduciary, advisory or agency relationship between the Company or the Selling Stockholder, on the one hand, and the Representative, on the other, has been created in respect of any of the transactions contemplated by this Agreement or the Final Prospectus, irrespective of whether the Representative has advised or are advising the Company or the Selling Stockholder on other matters;

(b) *Arms' Length Negotiations.* The price of the Offered Securities set forth in this Agreement was established by the Selling Stockholder following discussions and arms-length negotiations with the Representative and the Selling Stockholder is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement;

(c) *Absence of Obligation to Disclose.* The Company and the Selling Stockholder have been advised that the Representative and its affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company or the Selling Stockholder and that the Representative has no obligation to disclose such interests and transactions to the Company or the Selling Stockholder by virtue of any fiduciary, advisory or agency relationship; and

(d) *Waiver.* The Company and the Selling Stockholder waive, to the fullest extent permitted by law, any claims they may have against the Representative for breach of fiduciary duty or alleged breach of fiduciary duty and agree that the Representative shall have no liability (whether direct or indirect) to the Company or the Selling Stockholder in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of the Company, including stockholders, employees or creditors of the Company.

16. *Applicable Law*. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

The parties hereto hereby submit to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. The parties hereto irrevocably and unconditionally waive any objection to the laying of venue of any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby in Federal and state courts in the Borough of Manhattan in the City of New York and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such suit or proceeding in any such court has been brought in an inconvenient forum.

If the foregoing is in accordance with the Representative's understanding of our agreement, kindly sign and return to the Company one of the counterparts hereof, whereupon it will become a binding agreement among the Selling Stockholder, the Company and the several Underwriters in accordance with its terms.

Very truly yours,

Verint Systems Inc.

By: /s/ Douglas E. Robinson
Name: Douglas E. Robinson
Title CFO

Comverse Technology, Inc.

By: /s/ Shefali A. Shah
Name: Shefali A. Shah
Title: Senior Vice President and General Counsel

The foregoing Underwriting Agreement is hereby confirmed and accepted as of the date first above written.

Credit Suisse Securities (USA) LLC

By: /s/ Orlando Knauss
Name: Orlando Knauss
Title: Managing Director

Acting on behalf of itself and as the Representative of the several Underwriters.

SCHEDULE A

Underwriter	Total Number of Firm Securities to be Purchased
Credit Suisse Securities (USA) LLC	1,100,000
Barclays Capital Inc	288,000
Morgan Stanley & Co. Incorporated.	288,000
RBC Capital Markets, LLC	198,000
Oppenheimer & Co. Inc.	126,000
	2,000,000

SCHEDULE B

The following information is included in the General Disclosure Package:

1. The initial price to the public of the Offered Securities.

SCHEDULE C

SUBSIDIARY	STATE/COUNTRY OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION
Syborg GmbH	Germany
Verint Americas Inc.	Delaware
Verint Systems Canada Inc.	Canada
Verint Systems GmbH	Germany
Verint Systems Ltd.	Israel
Verint Systems U.K. Ltd.	United Kingdom
Verint Systems (Singapore) Pte. Ltd.	Singapore
Verint Video Solutions Inc.	Nevada