

CICERO INC
Form 10-K/A
December 12, 2014

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K/A
(Amendment No. 1)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2013

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-26392

CICERO INC.

(Exact name of registrant as specified in its charter)

Delaware 11-2920559
(State of (I.R.S.
incorporation) Employer
Identification
No.)

8000 Regency Parkway, Suite 542, Cary, NC 27518
(Address of principal executive offices, including Zip Code)

(919) 380-5000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: NONE
Securities registered pursuant to Section 12(g) of the Act: Common Stock, \$.001 par value

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

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

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

Indicate by check mark whether the registrant is a shell company. Yes No

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

Large accelerated filer Accelerated filer Non - accelerated filer Smaller reporting company

Aggregate market value of the outstanding shares of common stock held by non-affiliates of the Registrant as of June 30, 2013 was approximately \$4,384,699 based upon the closing price quoted on the Over The Counter Bulletin Board.

There were 85,806,247 shares of Common Stock outstanding as of March 24, 2014.

Documents Incorporated by Reference: None

Explanatory Paragraph:

The purpose of filing the amendment is to file an amended auditor consent.

PART IV

Item 15. Exhibits

(B) Exhibits

The exhibits listed under the Exhibit Index are filed as part of this Annual Report on Form 10-K/A.

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Exhibit Index

Exhibit Number	Description
3.1	Certificate of Incorporation of Level 8 Systems, Inc., a Delaware corporation, as amended and restated December 29, 2006 (incorporated by reference to exhibit 3.1 to Level 8's Form 8-K filed January 17, 2007).
3.2	Certificate of Designation relating to Series A1 Convertible Redeemable Preferred Stock (incorporated by reference to exhibit 3.2 to Level 8's Form 8-K filed January 17, 2007).
3.3	Certificate of Incorporation of Level 8 Systems, Inc., a Delaware corporation, as amended August 4, 2003 (incorporated by reference to exhibit 3.1 to Level 8's Form 10-K filed March 31, 2004).
3.4	Bylaws of Level 8 Systems, Inc., a Delaware corporation (incorporated by reference to exhibit 3.2 to Level 8's Form 10-K filed April 2, 2002).
3.5	Certificate of Designation relating to Series B Convertible Redeemable Preferred Stock (incorporated by reference to exhibit 3.1 to Level 8's Form 8-K filed January 20, 2010).
4.1	Form of Long term Promissory Note Stock Purchase Warrant (incorporated by reference to exhibit 4.19 to Cicero Inc.'s Form 10-K filed March 31, 2008).
4.2	Form of Long term Promissory Note Stock Purchase Warrant (incorporated by reference to exhibit 4.17 to Cicero Inc.'s Form 10-K filed March 31, 2009).
4.3	Form of Amended Long term Promissory Note Stock Purchase Warrant (incorporated by reference to exhibit 4.3 to Cicero Inc.'s Form 10-K filed March 31, 2011).
4.4	Form of Investor Warrant Agreement (incorporated by reference to exhibit 4.4 to Cicero Inc., Form 10-K filed March 31, 2014)
10.2	Amended PCA Shell License Agreement, dated as of January 3, 2002, between Level 8 Systems, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (incorporated by reference to exhibit 10.2 to Level 8's Form 8-K, filed January 11, 2002).
10.3A	PCA Shell License Agreement between Level 8 Systems, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (incorporated by reference to exhibit 10.2 to Level 8's Report on Form 8-K, filed September 11, 2000).
10.3B	OEM License Agreement between Cicero Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (incorporated by reference to exhibit 10.12A to Cicero Inc.'s Form 10-K filed March 31, 2008).
10.3C	Software Support and Maintenance Schedule between Cicero Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (incorporated by reference to exhibit 10.12A to Cicero Inc.'s Form 10-K filed March 31, 2008).
10.6	

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	Level 8 Systems Inc. 1997 Stock Option Plan, as Amended and Restated (incorporated by reference to exhibit 10.2 to Level 8's Registration Statement on Form S-1/A, filed September 22, 2000, File No. 333-44588).*
10.7A	Fifth Amendment to Level 8 Systems Inc. 1997 Stock Option Plan (incorporated by reference to exhibit 10.9A to Level 8's Form 10-K filed April 2, 2002).*
10.8B	Seventh Amendment to Level 8 Systems Inc. 1997 Stock Option Plan (incorporated by reference to exhibit 10.14 B to Level 8's Form 10-K, filed March 31, 2004).*
10.9	Lease Agreement for Cary, N.C. offices, dated July 21, 2010, between Cicero Inc. and Regency Park Corporation (incorporated by reference to exhibit 10.9 to Cicero Inc.'s Form 10-K filed March 31, 2011).
10.1	Cicero Inc. 2007 Employee Stock Option Plan (incorporated by reference to exhibit 10.22 to Cicero Inc.'s Form 10-K filed March 31, 2008).
10.11	Agreement and Promissory Note of Cicero Inc., dated October 30, 2007 among Cicero Inc. and BluePhoenix Solutions Ltd. (incorporated by reference to exhibit 10.23 to Cicero Inc.'s Form 10-K filed March 31, 2008).
10.12	Promissory Note of Cicero Inc., dated October 29, 2007 among Cicero Inc. and John L. Steffens (incorporated by reference to exhibit 10.24 to Cicero Inc.'s Form 10-K filed March 31, 2008).
10.15	Revolving Loan Agreement dated November 3, 2008 among Cicero Inc. and Barbara Sivan (incorporated by reference to exhibit 10.15 to Cicero Inc., Form 10-K filed March 31, 2009).

10.16	Employment Agreement between John P. Broderick and the Company effective January 1, 2012 (incorporated by reference to exhibit 10.16 to Cicero Inc., Form 10-K filed April 16, 2012).
10.17	Form of Long Term Promissory Note dated March 31, 2009 (incorporated by reference to exhibit 10.17 to Cicero Inc., Form 10-K filed March 31, 2009).
10.18	Employment Agreement between Antony Castagno and the Company effective January 1, 2012 (incorporated by reference to exhibit 10.16 to Cicero Inc., Form 10-K filed April 16, 2012).*
10.19	Asset Purchase Agreement dated January 15, 2010 between Cicero Inc., Vertical Thought Inc., and SOAdesk LLC (incorporated by reference to exhibit 2.1 to Cicero's Form 8-K filed January 20, 2010).
10.2	Amendment No. 1 to the Purchase Agreement dated January 15, 2010 between Cicero Inc., Vertical Thought Inc., and SOAdesk LLC (incorporated by reference to exhibit 2.1 to Cicero's Form 8-K/A filed April 2, 2010).
10.21	Registration Rights Agreement, dated as of January 15, 2010, by and among Cicero Inc. and the Purchasers thereto (incorporated by reference to exhibit 4.4 to Cicero Inc.'s Form 8-K filed January 20, 2010)
10.22	Form of Short Term Secured Promissory Note of Cicero Inc. among Cicero Inc. and John Broderick (incorporated by reference to exhibit 10.22 to Cicero Inc., Form 10-K filed March 31, 2014).
10.23	Source Code License Agreement between Cicero Inc. and Convergys Customer Management Group Inc. (incorporated by reference to exhibit 10.16 to Cicero Inc., Form 10-K filed April 16, 2012).
10.24	Form of Short Term Promissory Note of Cicero Inc. among Cicero Inc. and John L. Steffens (incorporated by reference to exhibit 10.16 to Cicero Inc., Form 10-K filed April 16, 2012).
10.25	Form of Short Term Promissory Note of Cicero Inc. among Cicero Inc. and Antony Castagno (incorporated by reference to exhibit 10.25 to Cicero Inc., Form 10-K filed March 31, 2014).
10.26	Amended Employment Agreement between John P. Broderick and the Company effective January 1, 2012 (incorporated by reference to exhibit 10.26 to Cicero Inc., Form 10-K filed April 15, 2013)*
10.27	Registration Rights Agreement, dated as of March 20, 2013, by and among Cicero Inc. and the Purchasers thereto (incorporated by reference to exhibit 10.27 to Cicero Inc., Form 10-K filed March 31, 2014)
10.28	Form of Securities Purchase Agreement by and among Cicero, Inc. and the Purchasers thereto (incorporated by reference to exhibit 10.28 to Cicero Inc., Form 10-K filed March 31, 2014)
10.29	Amended Employment Agreement between Antony Castagno and the Company effective July 3, 2013 (incorporated by reference to exhibit 10.29 to Cicero Inc., Form 10-K filed March 31, 2014)*
14.1	Code of Ethics (incorporated by reference to exhibit 14.1 to Level 8's Form 10-K/A, filed March 31, 2004).

- 21.1 List of subsidiaries of the Company (filed herewith).
- 23.1 Consent of Cherry Bekaert LLP (filed herewith).
- 31.1 Certification of Chief Executive pursuant to Rule 13a-14(a) (filed herewith).
- 31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a) (filed herewith).
- 32.1 Certification of John P. Broderick pursuant to 18 USC § 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002 (filed herewith).

* Management contract or compensatory agreement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

CICERO INC.

Date: December 12, 2014

By: /s/ John P. Broderick
John P. Broderick
Chief Executive Officer and Chief
Financial Officer