BROADVISION INC
Form 10-K/A
April 27, 2018

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K/A

(Amendment No. 1)

FOR ANNUAL AND TRANSITION REPORTS PURSUANT TO SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended December 31, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number 001-34205

BROADVISION, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	94-3184303 (I.R.S. Employer Identification No.)
1700 Seaport Blvd, Suite 210 Redwood City, California (Address of principal executive offices)	94063 (Zip code)

(650) 331-1000

(Registrant's telephone number, including area code)

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

Title of Each Class	Name of Exchange on Which Registered
Common Stock, $0.0001 par value per share	The Nasdaq Stock Market LLC (Nasdaq Capital Market)

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark if the disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) 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.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer”, “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

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

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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

As of June 30, 2017, based on the closing sales price as reported by the Nasdaq Market, 3,292,189 shares of Common Stock, having an aggregate market value of approximately $14,650,241 were held by non-affiliates. For purposes of the above statement only, all directors and executive officers of the registrant are assumed to be affiliates.

As of February 28, 2018, the registrant had 4,994,888 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this “Form 10-K/A”) to the Annual Report on Form 10-K of BroadVision, Inc. for the fiscal year ended December 31, 2017, filed with the Securities and Exchange Commission (the “SEC”) on April 2, 2018 (the “Original 10-K”) is being filed solely for the purpose of including the information required by Part III of Form 10-K as well as to update Part I, Item 1 – Business, Part I, Item 1A – Risk Factors and certain of the information included on the cover page of the Original 10-K.

As required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), in connection with this Form 10-K/A, the Company's Chief Executive Officer and Interim Chief Financial Officer is providing Rule 13a-14(a) certifications as included herein. Accordingly, Item 15 of Part IV has also been amended to reflect the filing of these new certifications and to update certain other exhibits.

Except as described above, this Form 10-K/A does not modify or update disclosure in, or exhibits to, the Original 10-K. Furthermore, this Form 10-K/A does not change any previously-reported financial results. Information not affected by this Form 10-K/A remains unchanged and reflects the disclosures made at the time the Original 10-K was filed.

BROADVISION, INC.

ANNUAL REPORT ON FORM 10-K/A

YEAR ENDED DECEMBER 31, 2017

Amendment No. 1

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References in this prospectus to "we", "us" and "our" refer to BroadVision, Inc. and its subsidiaries. BroadVision, Clearvale, the Clearvale logo, and Interleaf are our registered trademarks in the United States and/or other countries. Trademarks, service marks and trade names of other companies appearing in this report are the property of their respective holders.

PART I

ITEM 1. BUSINESS

Overview and Industry Background

Our Business

Since 1993, BroadVision has been a pioneer and consistent innovator of e-business solutions. We deliver a combination of technologies and services into the global market that enable customers of all sizes to power mission-critical e-business initiatives that ultimately deliver high value to their bottom line. Our offering consists of a robust framework for secure, mobile and cloud-based collaboration, information sharing, and knowledge management, which enables our customers to deploy enterprise-class employee and customer engagement, knowledge management, and e-commerce solutions.

Corporate Information

We were incorporated in Delaware in 1993 and have been a publicly traded corporation since 1996. From 2001 to date, our annual revenue has declined and as of December 31, 2017, we had an accumulated deficit of approximately $1.3 billion. The majority of our accumulated deficit to date has resulted from non-cash charges associated with our 2000 acquisition of Interleaf, Inc. and restructuring charges related to excess real estate lease obligations.

Our principal executive offices are located at 1700 Seaport Boulevard, Suite 210, Redwood City, CA 94063. Our telephone number is (650) 331-1000. Our website address is www.broadvision.com. We make available free of charge through our website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to these reports as soon as reasonably practicable after filing, by providing a hyperlink to the Securities and Exchange Commission's website (www.sec.gov) directly to our reports. The contents of our website are not incorporated by reference into this report.

Industry Background

E-business has become an integral part of work life and organizations are looking for ways to reduce costs, improve productivity and increase revenues by moving their business onto mobile and cloud platforms. By providing a way to quickly assemble and engage employees and customers via mobile and cloud-based solutions organizations can deliver better engagement experiences to get more done with fewer resources. A significant number of industry analysts have highlighted the ways in which organizations can reduce costs and improve customer satisfaction by implementing mobile and cloud solutions which can leverage key resources anytime and from anywhere. In addition to accelerating the response time to customers, e-business engagement applications also enable organizations to deliver higher quality services through more effective collaboration among providers of products and services.

Building on the solid foundation of BroadVision's personalization and transaction management capabilities, BroadVision has introduced the Clearvale family of Enterprise Social Networking (ESN) solutions to include engagement of partners, suppliers and customers through mobile and social technologies in order to meet our customers' needs. In January 2016, BroadVision launched Vmoso, a mobile collaboration tool meeting industry standards of security which helps enterprises safeguard and leverage corporate knowledge to increase productivity in internal and customer facing initiatives.

Recent Developments—MyVmoso Network Product Development Initiatives

In 2018, we began working on initiatives to develop and advance a new platform, MyVmoso Network (MVN), a personal digital hub that will utilize our Vmoso platform in conjunction with blockchain technology to act as a bank for consumers' personal data, as well as provide secure, personalized, persistent, symmetrical engagement channels between consumers and the businesses with which they have relationships. We are developing MVN to provide secure storage for important data such as health records, financial transactions, product purchases and warranties, such that users can trust, unify, manage and monetize their personal data. We are designing MVN to provide:

- a place for users to communicate with organizations that they deal with on their terms;
- a platform for businesses to build blockchain-enabled applications for customer engagement;
- a way for users to monetize their personal data by allowing third parties to use it in exchange for compensation;
- a consent audit trail for users to keep track of who they have allowed to access their data, for what purpose and for how long; and
- a toolkit for exercising data-related digital rights.

We will make MVN available to consumers at no charge, and MVN users will be able to receive compensation for various actions in the form of a new cryptocurrency called the My Vmoso Token (MVT) or possibly an existing cryptocurrency. Examples of the types of actions that would entitle a user to receive cryptocurrency tokens from third parties include loading personal profile information, purchasing history and other personal data into the network, allowing a third party to use personal data for a specified purpose, and responding to a third-party product offer or survey. We would be compensated through small transaction fees paid by the third parties.

Blockchain is a continuously growing list of records, called “blocks,” linked together via a “chain,” where each block containing data and timestamp is secured with a cryptographic hash key based on the previous block in the chain, thereby ensuring the security and immutability of its data, including its entire transactional history. A cryptocurrency is a digital asset designed to work as a medium of exchange that uses cryptography to secure its transactions, control the creation of additional units and verify the transfer of assets. The decentralized control of a cryptocurrency works through blockchain technology.

We expect to launch MVN in 2018. We intend to form a new wholly-owned subsidiary, Vmoso, Inc. (VMSO) by the end of the second quarter of 2018 through which we will develop, launch, operate and expand MVN. We have a 25-year history in the web personalization business and a team of approximately 50 employees with experience in building, operating, selling and marketing personalized web applications that we intend to contribute to VMSO for the development of MVN. Since 2008, we have invested over $70 million on research and development, most of which was for our Vmoso platform, and have received two critical U.S. patents related to permission-based content sharing and distributed public/private hybrid cloud architecture, all of which we intend to fully leverage into MVN. For information about some of the risks associated with this new product development initiative, see Part I, Item 1A –Risk Factors—Risks relating to our MVN initiatives.

Software Products

Our primary product offerings are software solutions. We also offer a toolkit, framework and library for extending our solutions. Our offerings have the following characteristics and advantages:

- Track record -- Experience from over 1,000 implementations over 20 years.
- Agility, extensibility and configurability -- Integrated tools for rapidly creating e-business applications with modular out-of-the-box capabilities and custom development.
- Scalability -- Advanced load balancing and multi-layered caching for high concurrent users and transactions.
- Personalization -- Session and event-based observations for dynamic and targeted navigation.
- Secure transaction processing -- A wide range of commercial functions including order processing, discount, incentive, tax computation, shipping and handling charges, payment processing and order tracking.
- Multi-platform -- Support for major operating systems (Linux, Solaris, Windows, HP-UX, and AIX), application servers (WebLogic, WebSphere and JBoss) and databases (Oracle, Sybase, IBM, mySQL and SQL Server).
- Low total cost of ownership -- Support for open source platforms in addition to commercial platforms.
- Cloud -- Hosted SaaS (Software-as-a-Service) with our Clearvale and Vmoso products for allowing customers to access enterprise-quality software without traditional IT overhead.
- Mobile -- Native mode application support for Apple iOS, Android as well as support for leading browsers which extends access of our cloud applications and services to most connected devices.

Solutions

1. Business Agility Suite is a portal that provides personalized views of information and processes from diverse internal, external and legacy sources. It supports collaboration both inside and outside the enterprise. It manages web content throughout its lifecycle: creation, review, approval, version control, deployment, distribution and audit trail.

2. Commerce Agility Suite is our e-commerce system for transacting business on the web, from lead generation, navigation, category management, incentive, shopping cart, order execution, to customer care. It supports both Business-to-Business (B2B) and Business-to-Consumer (B2C) commerce. Additionally, it has the full capabilities of our Business Agility Suite.
3. Clearvale is our enterprise social network solution, aimed at revolutionizing enterprise knowledge flows. Beyond individual social networks, it organizes multiple social networks into ecosystems, and manages them coherently. It has three variations. Clearvale Express is free, for entry-level capabilities; Clearvale Enterprise is for full capabilities. We operate these two variations as SaaS over the cloud. The third variation, Clearvale PaasPort is a platform for partners who want to resell our enterprise social network solution.
4. Clear, formerly named CHRM, is a collaborative human resources management system. It is a Portal-based human resources management system solution developed by our subsidiary BroadVision OnDemand, headquartered in Beijing, China, using our Kukini toolkit and Kona framework. It facilitates collaboration by members of a customer's organization in each phase of the HR management life cycle.
5. QuickSilver is a high-end publishing system for large and complex documents. Some typical uses are aircraft manuals, weapon system manuals and massive customizable insurance policies. It supports multiple output formats, such as HTML, PDF and Postscript. It also includes a complete XML authoring environment.
6. Vmoso is a cloud application for conducting virtual enterprise communication, mobile workgroup collaboration, and social business engagement. It unifies five workplace activities in one platform: email, instant messaging, content sharing, workflow, and social networking. It empowers users and their extended organizations to communicate and collaborate whenever, wherever and on whatever device they choose, allowing for greater productivity in less time and at lower cost.

Vmoso Developer Kit

The Vmoso Developer Kit allows developers to easily leverage Vmoso's open APIs to create rich interfaces, plugins and extensions to the Vmoso mobile communication and collaboration application.

Developer Toolkit: Kukini

Kukini is a visual workbench for designing, implementing and deploying e-business applications rapidly. It facilitates effective collaboration of people with different skills. Its resulting applications run with a customer's J2EE application environment of choice, and leverage our Kona framework and services library.

Framework: Kona

Kona is the common J2EE-based infrastructure underlying our Business Agility Suite, Commerce Agility Suite and Clear solutions. It provides a standard-based and portable environment across many operating systems, application servers and databases. It comes with rich APIs, schemas and utilities needed for building scalable and robust e-business applications. It allows modular services to be easily added and configured, for extension and integration with other systems. We often refer to Kukini and Kona together as K2.

Library of Services

These services are modular building blocks that extend the capabilities of our various frameworks. Some of the services are pre-packaged into our applications and platforms. These include:

a. Portal Services for organizing and presenting information with navigation hierarchy, content categorization, personalization, and plugable portlets for integration.
b. Commerce Services for transacting business on the web with catalog management, pricing, shopping cart, checkout and order management capabilities.
c. Process Services for transforming people-intensive processes and collaborations into web-based self-service applications rapidly.
d. Content Services for managing web content throughout its lifecycle: creation, review, approval, version control, deployment, distribution and audit trail.
e. Staging Services for moving content from multiple development environments to production environment.
f. Search for full-text and field searching of online content and referenced external files with relevance ranking. It also supports query searches using a broad spectrum of search operators
g. Unified Stream Services for unification and integration of information from various sources presented in time and sort preferences
h. Notification/Push Services: Event driven services utilized to deliver notifications via various messaging platforms.
i. Migration Services data moving across platforms.

Services

We provide a full spectrum of global consulting services to customers to realize the value from their investment in BroadVision's solutions. These consulting services include: business consulting; implementation services; integration and package services; upgrade and migration services; and performance tuning. In addition we also enable our partners so that they can offer these services to their end customers.

Vmoso Enterprise Transformation (VET)

Vmoso Enterprise Transformation, or VET, is a proprietary implementation approach for the Vmoso collaborative solution. When you enroll in VET, our BroadVision Global Services representative will take you through a process of planning, establishing and refining your communication, collaboration and engagement practices. This is an iterative process to instill new habits and ways of working that supports the way you are currently working—it's gradual transformation, not a dramatic shift. This can lead to an empowered and organized workforce, engaged and delighted customers, and a productive organization with an improved bottom line.

Education Services

BroadVision offers a comprehensive range of in-depth, focused training courses and self-study materials for both customers and partners to develop the knowledge they need to properly install, implement, and fully leverage the features of BroadVision's solutions. These services are backed up by train-the-trainer programs for in-house deployment and online testing to validate training effectiveness.

Support and Maintenance Services

We offer a tiered support and maintenance program to better serve the needs of our global customer base. Standard Support provides technical assistance during regular business hours; Enterprise Support is designed for customers with mission-critical environments, providing customers with access to support experts 24 hours a day, 7 days a week; and Personalized Support assigns a specific individual to a customer along with other customer specified support services, including on-site support engineers. We have technical support centers in North America, Europe and Asia. Under our standard maintenance agreement, we provide telephone support and upgrade rights to new releases, including patch releases (as necessary) and product enhancements (when and if available).

Customers

For the year ended December 31, 2017, Indian Railways Catering and Tourism Corporation Limited (IRCTC) accounted for 13% of our total revenues and NTT Communications Corporation (NTTCC) accounted for 11% of our revenues. For the year ended December 31, 2016, IRCTC accounted for 12% of our total revenues. We do not believe that the loss of any single customer would have a material adverse effect on our business or results of operations.

Sales and Marketing

We market our products primarily through a direct sales organization with operations in North America, Europe and Asia/Pacific. On December 31, 2017, our direct sales organization included 19 sales representatives, managers and sales support personnel.

We have sales offices located throughout the world to support the sales and marketing of our products. In support of the Americas organizations, offices located in the United States are in California and Massachusetts. Offices for our Europe region are located in Italy. Our sales and marketing offices in the Asia Pacific/Japan/India region are located in India, China, Taiwan, and Japan.

We derive a significant portion of our revenue from our operations outside North America. In the twelve months ended December 31, 2017, approximately 53% of our revenues were derived from international sales. In the twelve months ended December 31, 2016, approximately 54% of our revenue was derived from international sales. If we are unable to manage or grow our existing international operations, we may not generate sufficient revenue required to establish and maintain these operations, which could slow our overall growth and impair our operating margins.

Initial sales activities typically involve discussion and review of the potential business value associated with the implementation of a BroadVision solution, a demonstration of our applications capabilities online or at the prospect's site, followed by one or more detailed technical reviews. The sales process usually involves collaboration with the prospective customer in order to specify the scope of the solution. Our Global Services Organization helps customers to customize, develop and deploy their e-business solutions.

As of December 31, 2017, we had 2 employees engaged in a variety of marketing activities, including product planning, marketing material development, public relations, identifying potential customers, establishing and maintaining close relationships with recognized industry analysts and maintaining our website.

Alliances

We recognize that today's organizations require an open, partner-based approach to e-business. Accordingly, we have assembled a global team of partners with the skills, services and value-added products necessary to develop, market, sell and deliver competitive e-business solutions.

Clearvale Reseller Partners

In late 2010 we introduced Clearvale PaasPort, a channel program that enables partners to resell, customize and add value to our Clearvale ESN solutions.

Consulting Partners

Our systems integration and consulting services partners deliver strategic business solutions to our global customers. These partners offer deployment experience, strong vertical market expertise, and process-based solutions. We structure our contractual arrangements with these consulting partners to motivate them to develop an expertise in our technology and sell our products and services to potential customers, thus enabling us to extend the reach of our products and services.

Technology/OEM Partners

Our technology partners include Value-Added Resellers (VAR) and Independent Software Vendors (ISV) who build and deploy BroadVision-based vertical and horizontal software solutions. Revenue generated from technology/OEM partners in recent years has not been significant.

Competition

If we fail to compete successfully with current or future competitors, we may lose market share. The market for e-business is intensely competitive. Our customers' requirements and the technology available to satisfy those requirements will continually change. We expect competition in this market to intensify. Our primary competition currently includes:

- in-house development efforts by prospective customers or partners;
- other vendors of application software or application development platforms and tools directed at interactive commerce and portal applications, such as JDA, IBM Corporation, Microsoft, Oracle and SAP;
- other vendors of enterprise social networking and collaboration platforms or solutions, such as Microsoft’s Yammer, Jive Software, Salesforce Chatter, Slack, and Facebook’s Facebook@Work; and

- web content developers that develop custom software or integrate other application software into custom solutions.

The principal competitive factors affecting the market for our products are:

- depth and breadth of functionality offered;
- availability of knowledgeable developers;
- time required for application deployment;
- reliance on industry standards;
- product reliability;
- proven track record;
- scalability;
- maintainability;
- product quality;
- price, including total cost of ownership; and
- technical support.

Compared to us, many of these competitors and other current and future competitors may have longer operating histories and significantly greater financial, technical, sales, marketing and other resources. As a result, they may be able to respond more quickly to new or changing opportunities, technologies and customer requirements. Many of these companies can use their greater name recognition and more extensive customer base to gain market share. Competitors may be able to undertake more extensive promotional activities, adopt more aggressive pricing policies and offer more attractive terms to purchasers. Current and potential competitors may bundle their products to discourage users from purchasing our products. In addition, competitors have established or may establish cooperative relationships among themselves or with third parties to enhance their products. Accordingly, it is possible that new competitors or alliances among competitors may emerge and rapidly acquire significant market share. Competitive pressures may make it difficult for us to acquire and retain customers.

Intellectual Property and Other Proprietary Rights

Our success and ability to compete are dependent to a significant degree on our proprietary technology. We hold a U.S. patent, issued in 2017, on systems and methods for secure sharing of task data over one or more networks. This patent will expire in March of 2037. We also hold a U.S. patent, issued in 2014, on the unique concepts and features in our online solution that allows subscribers to connect with other people and share tasks and content. The patent will expire in January 2034. In addition, we hold a patent issued in 2004 on mechanisms for translating between a word processing document and an XML file. This patent will expire in March 2020. Although we hold these patents, they may not provide an adequate level of intellectual property protection. In addition, litigation may be necessary in the future to enforce our intellectual property rights, to protect our trade secrets, to determine the validity and scope of the proprietary rights of others, or to defend against claims of infringement or invalidity. We cannot guarantee that infringement or other claims will not be asserted or prosecuted against us in the future, whether resulting from our intellectual property or licenses from third parties. Claims or litigation, whether successful or unsuccessful, could result in substantial costs and diversions of resources, either of which could harm our business.

We also rely on a combination of copyright, trademark, service mark, trade secret laws and contractual restrictions to protect our proprietary rights in products and services. We have registered "BroadVision", "Clearvale", the Clearvale logo and "Interleaf" as trademarks in the United States and/or in other countries. It is possible that our competitors or other companies will adopt product names similar to these trademarks, impeding our ability to build brand identity and possibly confusing customers.

As a matter of our company policy, we enter into confidentiality and assignment agreements with our employees, consultants, partners and vendors. We also control access to and distribution of our software, documents and other proprietary information. Notwithstanding these precautions, it may be possible for an unauthorized third party to copy or otherwise obtain and use our software or other proprietary information or to develop similar software independently. Policing unauthorized use of our products will be difficult, particularly because the global nature of the Internet makes it difficult to control the ultimate destination or security of software and other transmitted data. The laws of other countries may afford us little or no effective protection of our intellectual property.

Research and Development

As of December 31, 2017, we had 56 employees dedicated to research and development. Our research and development expenses consist primarily of salaries, employee-related benefit costs and consulting fees incurred in association with the development of our products. Research and development expenses are expensed as incurred. Our future success depends, in part, upon our ability to develop new products and new versions of our products with new and expanded features. We believe that continued investment in our technology is important for our future growth, and as a result, we expect to incur material research and development expenses for the foreseeable future.

Research and development expenses were $6.6 million for the year ended December 31, 2017, and $6.9 million for the year ended December 31, 2016.

Employees

As of December 31, 2017, we employed a total of 104 full-time employees, of whom 39 are based in North America, 16 in Europe and 49 in Asia. Of these full-time employees, 21 are in sales and marketing, 56 are in product development, 7 are in global services and client support, and 20 are in operations, administration and finance.

We believe that our future success depends on attracting and retaining highly skilled personnel. We may be unable to attract and retain high-caliber employees. Our employees are not represented by any collective bargaining unit. We have never experienced a work stoppage and consider our employee relations to be good.

ITEM 1A. RISK FACTORS

The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. If any of the following risks actually occur, our business could be harmed. In that event, the trading price of our common stock could decline.

Risks related to our business and industry

Our business currently depends on revenue related to BroadVision e-business solutions, and we expect that this revenue will continue to decline.

We generate a large portion of our revenue from legacy products, including Business Agility Suite, Commerce Agility Suite and QuickSilver. We expect that these products, and future upgraded versions, will continue to account for a large portion of our revenue in the foreseeable future. We expect that our future financial performance, until we establish a significant installed base of new product revenues, will depend on our ability to sustain our legacy business, which we expect to continue to decline as the result of a decrease in market demand for these products and related products and services. If we fail to deliver the product enhancements that customers want, or if competitors overtake our legacy customers, demand for our legacy products and services, and our revenue, may further decline.

We continue to introduce new products, services and technologies and our business will be harmed if we are not successful in selling these offerings to our existing customers and new customers.

We entered into the business of ESN with the initial release of Clearvale in 2009. We announced the integration of Clearvale's social and mobile capabilities into our legacy products, as BroadVision 9 in 2013. We have been actively enhancing Clearvale, by adding new functions and editions. We have spent significant resources in developing these offerings and training our employees to implement, support, operate, sell and market the offerings. In February 2015 we launched our newest communication and collaboration offering, Vmoso, and we announced a major incremental release of our Vmoso platform with a range of new functionality across several key modules in September 2016. To date our Vmoso, Clearvale and BroadVision 9 offerings have only contributed to a minor portion of our revenue. We do not yet know whether any of these new offerings will grow into a significant business line, and if so, whether sales of these new offerings will be sufficient for us to offset the costs of development, implementation, support, operation, sales and marketing. Although we have performed extensive testing of our products and technologies, their broad-based implementation may require more support than we anticipate, which would further increase our expenses. If sales of our new products, services and technologies are lower than we expect, or if we must lower our prices or delay implementation to fix unforeseen problems and develop modifications, our operating margins are likely to decrease and we may not be able to operate profitably.

We have introduced Cloud-based offerings. Our business will be harmed and our growth potential will be limited, if we are unable to provide reliable, scalable, and cost-efficient Cloud hosting operation.

Historically, BroadVision has offered perpetual software licenses, with customers responsible for the IT equipment needed for running BroadVision software. The Vmoso, Clearvale and Clear products, on the other hand, include Cloud-based offerings, where BroadVision provides hosted IT equipment and operation for subscribing customers. The Cloud model is also known as Software-as-a-Service, or SaaS. Our SaaS operations rely upon a distributed computing infrastructure platform for business operations. We have designed our software and computer systems so as to utilize data processing, storage capabilities and other services provided by cloud computing service providers. Currently, our worldwide cloud service providers include leading cloud infrastructure providers such as Amazon. Any disruption of or interference with our use of cloud computing services would impact our operations and our business would be adversely impacted. BroadVision has limited prior experience in operating Cloud hosting. We may be unable to timely provide adequate computing capacity to keep up with business growth and performance requirements. Our hosted operation may fail due to hardware problems, software problems, power problems, network problems, scalability problems, human errors, hacker attacks, disasters, third-party data center problems and other reasons. The failures may cause us to compromise security, lose customer data or identity, endure prolonged downtime, etc., all of which will harm our business and limit our growth. BroadVision has limited prior experience in estimating the costs of Cloud hosting. If we underestimate the costs or under-charge customers, we may not have adequate margins to sustain our Cloud hosting operation. Vmoso and Clearvale allow customers to use basic functions for free, a business practice gaining popularity in our industry. If we do not have enough customers upgrading to for-fee premium packages, we may be unable to sustain our Cloud hosting operation economically.

Current and potential competitors could make it difficult for us to acquire and retain customers now and in the future.

The market for our products is intensely competitive. We expect competition in this market to persist and increase in the future. If we fail to compete successfully with current or future competitors, we may be unable to attract and retain customers. Increased competition could also result in price reductions for our products and lower profit margins and reduced market share, any of which could harm our business, results of operations and financial condition.

Many of our competitors have significantly greater financial, technical, marketing and other resources, greater name recognition, a broader range of products and a larger installed customer base, any of which could provide them with a significant competitive advantage. In addition, new competitors, or alliances among existing and future competitors, may emerge and rapidly gain significant market share. Some of our competitors, particularly established software vendors, may also be able to provide customers with products and services comparable to ours at lower or at aggressively reduced prices in an effort to increase market share or as part of a broader software package they are selling to a customer. We may be unable to match competitor's prices or price reductions, and we may fail to win customers that choose to purchase an information technology solution as part of a broader software and services package. As a result, we may be unable to compete successfully with current or new competitors.

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If we are unable to keep pace with the rapid technological changes in online commerce, portal, social networking and enterprise software, our products and services may fail to be competitive.

Our products and services may fail to be competitive if we do not maintain or exceed the pace of technological developments in mobile, cloud-computing, social and enterprise solutions. Failure to be competitive could cause our revenue to decline. The information services, software and communications industries are characterized by rapid technological change, changes in customer requirements, frequent new product and service introductions and enhancements and evolving industry standards and practices. The introduction of products and services embodying new technologies and the emergence of new industry standards and practices can render existing products and services obsolete. Our future success will depend, in part, on our ability to:

- develop leading technologies;
- enhance our existing products and services;
- develop new products and services that address the increasingly sophisticated and varied needs of our prospective customers; and
- respond to technological advances and emerging industry standards and practices on a timely and cost-effective basis.

We have a history of losses and our future profitability on a quarterly or annual basis is uncertain, which could have a harmful effect on our business and the value of BroadVision common stock.

Our quarterly operating results have fluctuated in the past and may fluctuate significantly in the future as a result of a variety of factors, many of which are outside of our control.   As of December 31, 2017, we had an accumulated deficit of approximately $1.3 billion.

For the foreseeable future we expect our results of operations to fluctuate, and during this period we may incur losses and/or negative cash flows. If our revenue does not increase or if we fail to maintain our expenses at an amount less than our projected revenue, we will not be able to achieve or sustain operating profitability on a consistent basis.

Our failure to operate profitably or control negative cash flows on a quarterly or annual basis could harm our business and the value of BroadVision common stock. If the negative cash flow continues, our liquidity and ability to operate our business would be severely and adversely impacted. Additionally, our ability to raise financial capital may be hindered due to our operational losses and negative cash flows, reducing our operating flexibility.

Our quarterly operating results are volatile and difficult to predict, and our stock price may decline if we fail to meet the expectations of securities analysts or investors.

Historically our quarterly operating results have varied significantly from quarter to quarter and are likely to continue to vary significantly in the future. If our revenues, operating results, earnings or projections are below the levels expected by securities analysts or investors, our stock price is likely to decline.

We are likely to continue to experience significant fluctuations in our future results of operations due to a variety of factors, some of which are outside of our control, including:

- introduction of products and services and enhancements by us and our competitors;
- competitive factors that affect our pricing;
- market acceptance of new products;
- the mix of products sold by us;
- the timing of receipt, fulfillment and recognition as revenue of significant orders;
- changes in our pricing policies or our competitors;
- changes in our sales incentive plans;
- the budgeting cycles of our customers;
- customer order deferrals in anticipation of new products or enhancements by our competitors or us or because of macro-economic conditions;
- nonrenewal of our maintenance agreements, which generally automatically renew for one-year terms unless earlier terminated by either party upon 90 days notice;
- product life cycles;
- changes in strategy;
- seasonal trends;
- the mix of distribution channels through which our products are sold;
- the mix of international and domestic sales;
- the rate at which new sales people become productive;
- changes in the level of operating expenses to support projected growth;
- increase in the amount of third party products and services that we use in our products or resell with royalties attached; and
- costs associated with litigation, regulatory compliance and other corporate events such as operational reorganizations.

As a result of these factors, we believe that quarter-to-quarter comparisons of our revenue and operating results are not necessarily meaningful, and that these comparisons are not accurate indicators of future performance. Because our staffing and operating expenses are based on anticipated revenue levels, and because a high percentage of our costs are fixed, small variations in the timing of the recognition of specific revenue could cause significant variations in operating results from quarter to quarter. If we were unable to adjust spending in a timely manner to compensate for any revenue shortfall, any significant revenue shortfall would likely have an immediate negative effect on our operating results. If

our operating results in one or more future quarters fail to meet the expectations of securities analysts or investors, we would expect to experience an immediate and significant decline in the trading price of our stock.

Our sales and product implementation cycles are lengthy and subject to delay, which make it difficult to predict our quarterly results.

Our sales and product implementation cycles generally span months. Delays in customer orders or product implementations, which are difficult to predict, can affect the timing of revenue recognition and can adversely affect our quarterly operating results. Licensing our products is often an enterprise-wide decision by prospective customers. The importance of this decision requires that we engage in a lengthy sales cycle with prospective customers. A successful sales cycle may last up to nine months or longer. Our sales cycle is also affected by a number of other factors, some of which we have little or no control over, including the volatility of the overall software market, the business condition and purchasing cycle of each prospective customer, and the performance of our technology partners, systems integrators and resellers. The implementation of our products can also be time and resource intensive, and subject to unexpected delays. Delays in either product sales or implementations could cause our operating results to vary significantly from quarter to quarter.

Because a significant portion of our sales activity occurs at the end of each fiscal quarter, delays in a relatively small number of license transactions could adversely affect our quarterly operating results.

A significant proportion of our sales are concentrated in the last month of each fiscal quarter. Gross margins are high for our license transactions. Customers and prospective customers may use these conditions in an attempt to obtain more favorable terms. While we endeavor to avoid making concessions that could result in lower margins, the negotiations often result in delays in closing license transactions. Small delays in a relatively small number of license transactions could have a significant impact on our reported operating results for that quarter.

We face liquidity challenges and will need additional financing in the future.

We currently expect to be able to fund our working capital requirements from our existing cash and cash equivalents and short-term investments through the next twelve months. However, we could experience unforeseen circumstances, such as an economic downturn, difficulties in retaining customers and/or employees, or other factors that could increase our use of available cash and require us to seek additional financing. We may find it necessary to obtain additional equity or debt financing due to the factors listed above or in order to support a more rapid expansion, develop new or enhanced products or services, respond to competitive pressures, acquire complementary businesses or technologies or respond to unanticipated requirements.

We have implemented cost reduction plans since the second half of 2017 and expect to reduce the cost of our operations by approximately $2 million in 2018 to cover our cash needs through the next twelve months. Management may implement further cost reductions in 2018 or seek financing from third parties as needed to ensure that our cash and cash equivalents and short-term investments are sufficient to fund operations for the next twelve months. However, further cost reductions may result in voluntary departures of highly skilled technical and managerial personnel from our company, which would have a material adverse effect on our business, internal controls, financial condition and results of operations. We may seek to raise additional funds through private or public sales of securities, strategic relationships, bank debt, financing under leasing arrangements or otherwise. If additional funds are raised through the issuance of equity securities, the percentage ownership of our current stockholders will be reduced, stockholders may experience additional dilution or any equity securities we sell may have rights, preferences or privileges senior to those of the holders of our common stock. We expect that obtaining additional financing on acceptable terms would be difficult. If adequate funds are not available or are not available on acceptable terms, we may be unable to pay our debts as they become due, develop our products, take advantage of future opportunities or respond to competitive pressures or unanticipated requirements, which could have a material adverse effect on our business, financial condition and future operating results. The outcome of these matters cannot be predicted at this time. Our ability to continue as a going concern is dependent upon our ability to successfully accomplish these plans and secure sources of financing and/or reduce costs and ultimately attain profitable operations.

If we are unable to maintain our disclosure controls and procedures, including our internal control over financial reporting, our ability to report our financial results on a timely and accurate basis may be adversely affected.

We have evaluated our "disclosure controls and procedures" as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended. Effective controls are necessary for us to provide reliable financial reports and effectively prevent fraud. If we cannot provide reliable financial reports or prevent fraud, our operating results could be harmed. Our internal control over financial reporting has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. For example, we delayed the filing of our Annual Report on Form 10-K for the year ended December 31, 2015, in connection with our discovery that a former employee of one of our wholly-owned German subsidiaries, Interleaf Germany, had fraudulently misappropriated funds from us and falsified records to conceal the theft.

We cannot assure you that our controls and procedures will prevent all errors or fraud, or that any related losses would be recoverable. We also cannot assure you that similar circumstances will not arise in the future that will cause us to delay the filing of our periodic consolidated financial reports and, if we are unable to produce accurate or timely consolidated financial statements, we may be subject to adverse regulatory consequences, including sanctions or investigations by the Securities and Exchange Commission, our stock price may be adversely affected, our reputation may suffer and we may be unable to maintain compliance with the Nasdaq Capital Market continued listing requirements. Further, our independent registered public accounting firm did not perform an evaluation of our internal control over financial reporting during the impacted periods in accordance with the provisions of the Sarbanes-Oxley Act. In light of the fraudulent activities that were identified as a result of the limited procedures performed, it is possible that, had our independent registered public accounting firm performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, additional instances of fraud, or significant deficiencies or material weaknesses, may have been identified.

In addition, maintaining sufficient expertise and historical institutional knowledge in our accounting and finance organization is dependent upon retaining existing employees and filling any open positions with experienced personnel in a timely fashion. In particular, in March 2018, Peter Chu resigned as our Chief Financial Officer and we do not yet have a replacement for him. The market for skilled accounting and finance personnel is competitive and we may have continued difficulty in retaining our staff because the region in which we compete consists of many established companies that can offer more lucrative compensation packages. Our inability to staff the department with competent personnel with sufficient training will affect our internal controls over financial reporting to the extent that we may not be able to prevent or detect material misstatements.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the U.S.

We prepare our financial statements in conformity with accounting principles generally accepted in the U.S. These accounting principles are subject to interpretation by the FASB and the SEC. A change in these policies or interpretations could have a significant effect on our reported financial results, may retroactively affect previously reported results, could cause unexpected financial reporting fluctuations, and may require us to make costly changes to our operational processes and accounting systems. In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers which supersedes nearly all existing U.S. GAAP revenue recognition guidance. The new standard became effective for us on January 1, 2018. Although we are continuing to assess all potential impacts of the standard on our financial statements or disclosures, it could change the way we account for certain of our revenue transactions. Adoption of the standard could have a significant impact on our financial statements and may retroactively affect the accounting treatment of transactions completed before adoption. See Note 1. Recent Accounting Pronouncements included herein for additional discussion of the accounting changes.

We are dependent on direct sales personnel and third-party distribution channels to achieve revenue growth.

To date, we have sold our products primarily through our direct sales force. Our ability to achieve significant revenue growth in the future largely will depend on our success in recruiting, training and retaining sufficient direct sales personnel and establishing and maintaining relationships with distributors, resellers and systems integrators. Our products and services require a sophisticated sales effort targeted at the senior management of our prospective customers. New hires as well as employees of our distributors, resellers and systems integrators require training and may take a significant amount of time before achieving full productivity. Our recent hires may not become as productive as necessary, and we may be unable to hire and retain sufficient numbers of qualified individuals in the future. We have entered into strategic alliance agreements with partners, under which partners have agreed to resell and support our current BroadVision product suite. These contracts are generally terminable by either party upon 30 days' notice of an uncured material breach or for convenience upon 90 days' notice prior to the end of any annual term. Termination of any of these alliances could harm our expected revenues. We may be unable to expand our other distribution channels, and any expansion may not result in revenue increases. If we fail to maintain and expand our direct sales force or other distribution channels, our revenues may not grow or they may decline. Revenue generated from third-party distributors in recent years has not been significant.

We may be unable to manage or grow our international operations and assets, which could impair our overall growth or financial position.

We derive a significant portion of our revenue from our operations outside North America. In the year ended December 31, 2017, approximately 53% of our revenue was derived from international sales. If we are unable to manage or grow our existing international operations, we may not generate sufficient revenue required to establish and maintain these operations, which could slow our overall growth and impair our operating margins.

As we rely materially on our operations outside of North America, we are subject to significant risks of doing business internationally, including:

- difficulties in staffing and managing foreign operations and safeguarding foreign assets;
- unexpected changes in regulatory requirements;
- export controls relating to encryption technology and other export restrictions;
- tariffs and other trade barriers;
- political and economic instability;
- fluctuations in currency exchange rates;
- reduced protection for intellectual property rights in some countries;
- cultural barriers;
- seasonal reductions in business activity during the summer months in Europe and certain other parts of the world; and
- potentially adverse tax consequences.

Our international sales growth could be limited if we are unable to establish additional foreign operations, expand international sales channel management and support, hire additional personnel, customize products for local markets and develop relationships with international service providers, distributors and system integrators. Even if we are able to successfully expand our international operations, we may not succeed in maintaining or expanding international market demand for our products.

Our success and competitive position will depend on our ability to protect our proprietary technology.

Our success and ability to compete are dependent to a significant degree on our proprietary technology. We hold a U.S. patent, issued in March 2017, related to the secure sharing of task data over one or more networks, and another U.S. patent, issued January 2014, on the elements of creating and sharing tasks over one or more networks. We also hold a U.S. patent, issued in January 2004, on elements of the BroadVision platform, which covers mechanisms for translating between a word processing document and an XML file. Although we hold these patents, they may not provide an adequate level of intellectual property protection. In addition, litigation may be necessary in the future to enforce our

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intellectual property rights, to protect our trade secrets, or to determine the validity and scope of the proprietary rights of others. Third parties have claimed and may claim in the future that we have infringed their patent, trademark, copyright or other proprietary rights. Claims may be made for indemnification resulting from allegations of infringement. Intellectual property infringement claims may be asserted against us as a result of the use by third parties of our products. Claims or litigation, with or without merit, could result in substantial costs and diversions of resources, either of which could harm our business.

We also rely on copyright, trademark, service mark, trade secret laws and contractual restrictions to protect our proprietary rights in products and services. We have registered "BroadVision", "Clearvale", "Interleaf" and the Clearvale logo as trademarks in the United States and/or in other countries. It is possible that our competitors or other companies will adopt product names similar to these trademarks, impeding our ability to build brand identity and possibly confusing customers.

As a matter of company policy, we enter into confidentiality and assignment agreements with our employees, consultants, partners and vendors. We also control access to and distribution of our software, documents and other proprietary information. Notwithstanding these precautions, it may be possible for an unauthorized third party to copy or otherwise obtain and use our software or other proprietary information or to develop similar software independently. Policing unauthorized use of our products will be difficult, particularly because the global nature of the Internet makes it difficult to control the ultimate destination or security of software and other transmitted data. The laws of other countries may afford us little or no effective protection of our intellectual property.

A breach of the encryption technology that we use could expose us to liability and harm our reputation, causing a loss of customers.

Cyber-attacks and other malicious Internet-based activity continue to increase generally. If any breach of the security technology embedded in our products or hosted Cloud operations were to occur, we would be exposed to liability and our reputation could be harmed, which could cause us to lose customers. A significant barrier to online commerce, portal, social networking and enterprise software is the secure exchange of valuable and confidential information over public networks. We rely on encryption and authentication technology, such as Open SSL, public key cryptography, encryption algorithms RC2 and MD5, digital certificates and HTTPS, to provide the security and authentication necessary to affect the secure exchange of confidential information. Advances in computer capabilities, new discoveries in the field of cryptography, new hacking methods, security holes in 3rd-party components (such as operating system bugs) or other events or developments could cause a breach of the above measures that we use to protect customer data and identity.

The loss or malfunction of technology from third parties could delay the introduction of our products and services.

We rely in part on technology that we license from third parties or we obtain from open sources, including cloud-based solutions from Amazon Web Services; relational database management systems from Oracle; Microsoft and MySQL; J2EE from Oracle and JBoss; and others. The loss or malfunction of any third-party technology could harm our business. We integrate or sublicense third-party technology with internally developed software to perform key functions. For example, our products and services incorporate data encryption and authentication technology from Open SSL. Third-party technology might not continue to be available to us on commercially reasonable terms, or at all. Moreover, third-party technology may contain defects that we cannot control. Problems with third-party technology could cause delays in introducing our products or services until equivalent technology, if available, is identified, licensed or obtained, and integrated. Delays in introducing our products and services could adversely affect our results of operations.

Our use of open source software could negatively affect our ability to sell our products and subject us to possible litigation.

We use open source software in our products and may continue to use open source software in the future. We may face claims from others claiming ownership of, or seeking to enforce the terms of, an open source license, including by demanding release of the open source software, derivative works, or our proprietary source code that was developed using such software. These claims could also result in litigation, require us to purchase a costly license, or require us to devote additional research and development resources to change our platform, any of which would have a negative effect on our business and operating results. In addition, if the license terms for the open source software we utilize change, we may be forced to reengineer or discontinue our products or incur additional costs. We cannot be certain that we have not incorporated open source software in our products in a manner that is inconsistent with our policies.

Our officers, and highly skilled technical and managerial personnel are critical to our business, and they may not remain with us.

Our performance substantially depends on the performance of our management team. We also rely on our ability to retain and motivate qualified personnel, especially our management and highly skilled development teams. The loss of the services of any of our officers or highly skilled technical and managerial personnel, particularly our founder, Chief Executive Officer, President and Interim Chief Financial Officer, Dr. Pehong Chen, could cause us to incur increased operating expenses and divert senior management resources in searching for replacements. In March 2018, Peter Chu resigned as our Chief Financial Officer and Vice President of Strategy and Product Management. In connection with Mr. Chu’s resignation, Dr. Chen was appointed as our Interim Chief Financial Officer. As a result of this change, Dr. Chen has taken on substantially more responsibility for the management of our business and of our financial reporting, which has resulted in greater workload demands and could divert his attention away from certain key areas of our business. Changes in our organization as a result of Mr. Chu’s departure may have a disruptive impact on our ability to implement our strategy and could have a material adverse effect on our business, internal controls, financial condition and results of operations. Management transition inherently causes some loss of institutional knowledge, which can negatively affect strategy and execution. Until we find and integrate a replacement for Dr. Chu, and unless his replacement is able to succeed in the position, we may be unable to successfully manage and grow our business, and our results of operations, internal controls and financial condition could suffer as a result. The loss of the services of our officers or other personnel also could harm our reputation if our customers were to become concerned about our future operations. We do not carry "key person" life insurance policies on any of our employees. Our future success also depends on our continuing ability to identify, hire, train and retain other highly qualified technical and managerial personnel. Competition for these personnel is intense, especially in the Internet industry. We have in the past experienced, and may continue to experience, difficulty in hiring and retaining sufficient numbers of highly skilled employees. The significant downturn in our business over the past several years has had and may continue to have a negative impact on our operations. We have restructured our operations by reducing our workforce and implementing other cost containment activities. These actions could lead to disruptions in our business, reduced employee morale and productivity, increased attrition, and problems with retaining existing and recruiting future employees.

Limitations on the online collection of profile information could impair the effectiveness of our products.

Online (web or mobile) users' resistance to providing personal data, and laws and regulations prohibiting use of personal data gathered online without express consent or requiring businesses to notify their web site visitors of the possible dissemination of their personal data, could limit the effectiveness of our products. This in turn could adversely affect our sales and results of operations.

One of the principal features of our products is the ability to develop and maintain profiles of online users to assist business managers in determining the nature of the content to be provided to these online users. Typically, profile information is captured when consumers, business customers and employees visit a web site or use applications and volunteer information in response to survey questions or to application forms concerning their backgrounds, interests and preferences. Profiles can be augmented over time through the subsequent collection of usage data. Although our products are designed to enable the development of applications that permit online users to prevent the distribution of any of their personal data beyond that specific web site or application services, privacy concerns may nevertheless cause visitors to resist providing the personal data necessary to support this profiling capability. The mere perception by prospective customers that substantial security and privacy concerns exist among online users, whether or not valid, may indirectly inhibit market acceptance of our products.

In addition, new laws and regulations could heighten privacy concerns by requiring businesses to notify online users that the data captured from them while online may be used by marketing entities to direct product messages to them. We are subject to increasing regulation at the federal and state levels relating to online privacy and the use of personal user information. Several states have proposed legislation that would limit the uses of personal user information gathered online. In addition, the U.S. Federal Trade Commission (the “FTC”), has urged Congress to adopt legislation regarding the collection and use of personal identifying information obtained from individuals when accessing web sites. The FTC has settled several proceedings resulting in consent decrees in which Internet companies have been required to establish programs regarding the manner in which personal information is collected from users and provided to third parties. While we adhere to the privacy policies published with our solutions, we could become a party to a similar enforcement proceeding. These regulatory and enforcement efforts could also harm our customers' ability to collect demographic and personal information from users, which could impair the effectiveness of our products.

In addition, the collection and use of personal data in the European Union, presently governed by the provisions of the Data Protection Directive, will be replaced with the General Data Protection Regulation, or GDPR, in May 2018. GDPR will impose several requirements relating to the collection, use, processing and transfer of personal data, such as requirements for using consent or other legal grounds to process personal data, providing information to individuals about how their personal data is used, maintaining adequate security and data protection measures, giving data breach notifications, complying with individuals’ requests to access, correct or delete their personal data and using third party processors of personal data. GDPR will also maintain the European Union’s strict rules limiting the transfer of personal data out of the European Economic Area. Failure to comply with the requirements of GDPR and the applicable national data protection laws of the European Union Member States may result in fines and other administrative penalties. GDPR will introduce substantial potential fines for violations and increase our responsibility and liability in relation to personal data that we process. To comply with the GDPR we may be required to put in place additional technical and administrative measures and controls mechanisms. This may be onerous and adversely affect our business, financial condition, results of operations and prospects.

We may not have adequate back-up systems, and natural or manmade disasters could damage our operations, reduce our revenue and lead to a loss of customers.

We may not have adequate back-up and redundant systems for both customer-used service and internal information technology. A natural or manmade disaster could severely harm our business because our service and operation could be interrupted for an indeterminate length of time. Our operations depend upon our ability to maintain and protect our computer systems at our facility in Redwood City, California, which reside on or near known earthquake fault zones. These systems are vulnerable to damage from fire, floods, earthquakes, power loss, cyber-attacks, acts of terrorism, telecommunications failures and similar events. We also have significantly reduced our workforce since 2000, which has placed different requirements on our systems and has caused us to lose personnel knowledgeable about our systems, both of which could make it more difficult to quickly resolve system disruptions. Disruptions in our internal business operations could harm our business by resulting in delays, disruption of our customers' business, loss of data, and loss of customer confidence.

We are subject to foreign currency exchange risk.

A total of 53% and 54% of our fiscal year 2017 and 2016 revenues, respectively, were derived from international operations for which we transact business in foreign currencies. International revenues and expenses denominated in foreign currencies translate into higher or lower revenues and expenses in U.S. Dollars as the U.S. Dollar weakens or strengthens against such other currencies. Substantially all of the revenues of our international operations are received, and substantially all expenses are incurred, in currencies other than the U.S. Dollar, which increases or decreases the related U.S. Dollar-reported revenues and expenses depending on the fluctuations in foreign currency exchange rates. These fluctuations could cause our revenues outside the United States and other results of operations to differ from our expectations or the expectations of our investors. Additionally, such foreign currency exchange rate fluctuations could make it more difficult to detect underlying trends in our business and results of operations. In addition, a total of 17% of our cash and cash equivalents as well as investments were denominated in foreign currencies as of December 31, 2017. Accordingly, changes in the value of foreign currencies relative to the U.S. dollar can affect our operating results due to transactional and translational re-measurements that are reflected in our results of operations. To the extent that fluctuations in currency exchange rates cause our results of operations to differ from our expectations or the expectations of our investors, the trading price of our common stock could be adversely affected.

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We do not engage in any hedging activities in order to manage any potential adverse financial impact resulting from unfavorable changes in foreign currency exchange rates. We cannot predict with any certainty changes in foreign currency exchange rates or the degree to which we can address these risks.

Our business could be negatively affected as a result of actions of activist stockholders.

The actions of activist stockholders could adversely affect our business. Specifically, responding to common actions of an activist stockholder, including without limitation public proposals, requests to pursue a strategic combination or other transaction or other special requests, could disrupt our operations, be costly and time-consuming or divert the attention of our management and employees. In addition, perceived uncertainties as to our future direction in relation to the actions of an activist stockholder may result in the loss of potential business opportunities or the perception that we are unstable as a company, which may be exploited by our competitors and make it more difficult to attract and retain personnel as well as consumers and service providers. Actions of an activist stockholder may also cause fluctuations in our stock price based on speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business.

Weakened global economic conditions or tariffs and other trade restrictions may harm our industry, business, and results of operations.

We derive revenue from clients in many countries, and our overall performance depends in part on worldwide economic conditions. Global financial developments and downturns seemingly unrelated to us, our products or our industry may harm us. The United States and other key international economies have been impacted by falling demand for a variety of goods and services, restricted credit, poor liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, bankruptcies, and overall uncertainty with respect to the economy. The revenue growth and potential profitability of our business depends on demand for our products generally. Historically, during economic downturns there have been reductions in spending on technology systems as well as pressure for extended billing terms and other financial concessions, which would negatively affect our operating results. These conditions affect the rate of technology spending and could adversely affect our customers' ability or willingness to purchase our products, delay prospective customers' purchasing decisions, reduce the value or duration of their subscriptions, or affect renewal rates, all of which could harm our operating results.

Additionally, the new U.S. presidential administration has called for substantial changes to foreign trade policy and has raised the possibility of imposing significant increases in tariffs on international trade. We also rely on various U.S. corporate tax provisions related to international commerce. If we are subject to new regulations, or if restrictions and tariffs increase our operating costs in the future, and we are not able to recapture those costs from our customers, or if such initiatives regulations, restrictions and tariffs make it more difficult for us to compete in overseas markets, our business, financial condition and results of operations could be adversely impacted.

Risks related to our MVN initiatives

We have no history operating and managing a platform utilizing blockchain-based technology, which makes it hard to evaluate our ability to generate revenue through operation of such a platform, and at the date of this filing, we have not generated revenue from any blockchain-based products.

We have no history or experience developing or operating a platform utilizing blockchain-based technology, such as MVN, which makes it difficult to evaluate our prospects for success with the MVN initiative. We are likely to encounter risks and difficulties frequently experienced by growing companies in rapidly developing and changing industries, including challenges in forecasting accuracy, determining appropriate uses of our limited resources, gaining market acceptance, managing a complex regulatory landscape and developing new products. We are still developing MVN and MVT, we have not generated revenue from any blockchain-based products and we may never generate revenue from MVN, MVT or any blockchain-based product or platform.

Our management has relatively little experience in the blockchain technology industry.

Our management only recently determined to dedicate significant corporate resources and management efforts towards the exploration of, and investment in, utilizing blockchain technology to develop MVN and MVT. Our management has limited experience in the blockchain technology industry. As a result, our management may be unable to successfully develop, launch, implement and maintain MVN and MVT.

Even if we successfully develop MVN, we may not be able to successfully market and launch MVN, or MVN and MVT may not be widely adopted.

MVN, if successfully developed, may not meet customer or user expectations. Furthermore, despite our efforts to develop and complete the launch of, and subsequently to maintain, MVN and MVT, it is possible that they will experience malfunctions or otherwise fail to be adequately secured and maintained. We may not have or may not be able to obtain the technical skills, expertise, or regulatory approvals needed to successfully develop MVN and MVT and progress them to a successful launch. In addition, there are significant legal and regulatory considerations that will need to be addressed in order to develop and maintain MVN, and addressing such considerations will require significant time and resources. There can be no assurance that we will be able to develop MVN in such a way that achieves all of the features we anticipate that it will provide, or that the features provided will be sufficient to attract a significant number of users such that MVN and MVT will be widely adopted.   If we are not successful in our efforts to demonstrate to customers and users the utility and value of MVN, there may not be sufficient demand for MVN and MVT, and our business would be materially adversely affected.

MVN and MVT, if successfully developed and launched, may not function properly.

MVN and MVT may not function properly or the technology may not operate as anticipated, which would have a material adverse effect on our plans, operations and financial condition. The technology may malfunction because of internal problems or as a result of cyber-attacks or external security breaches. Any problems in the functionality of the technology underlying MVN and MVT would have a direct materially adverse effect on our plans and expectations for revenues.

MVN and blockchains on which MVN and its associated cryptocurrency may rely may be the target of malicious cyber-attacks or may contain exploitable flaws in its underlying code, which may result in security breaches and the loss or theft of cryptocurrency tokens or other digital assets. If such attacks occur or security is compromised, this could expose us to liability and reputational harm and could seriously curtail the adoption and utilization of MVN and could result in claims against us. This is a significant risk in light of the importance of consumer trust to MVN's success.

If we successfully develop and launch MVN and MVT, our software, the software applications and other interfaces or applications upon which they rely, and any software that may be built upon MVN, will be unproven, and there can be no assurances that MVN and the creation, transfer or storage of its associated cryptocurrency will be uninterrupted or fully secure, which may result in impermissible or unauthorized transfers, a complete loss of users' cryptocurrency tokens or an unwillingness of customers and users to access, adopt and utilize MVN. MVT will be an ERC20-compliant token based on the Ethereum protocol. As such, any malfunction, unintended function, unexpected functioning of or attack on the Ethereum protocol may cause MVT to malfunction or function in an unexpected or unintended manner. Such attacks may come in anticipated forms or unanticipated forms.

We and our subsidiaries are, and MVN, if developed and launched, may be, subject to cyber-attacks, security risks and risks of security breaches. This is an especially significant risk for MVN, since its success is completely dependent on large numbers of consumers placing enough trust in the MVN's security to store their sensitive personal data on the network. An attack or a breach of security could result in a loss of private data, lost or stolen cryptocurrency tokens and an interruption of functionality or inability to access MVN for an extended period of time. Any such attack or breach could adversely affect our ability to effectively operate MVN, attract new users to MVN and retain existing users of MVN, which could have a material adverse effect on our operations and financial condition. Such an attack may also damage our reputation and any breach of data security that exposes or compromises the security of any of the private digital keys used to authorize or validate transactions within MVN, or that enables any unauthorized person to generate any of the private digital keys, could result in lost or stolen cryptocurrency tokens. The occurrence of any of the foregoing could result in claims against us and us and could have a material adverse effect on us and the holders of our common stock.

The prices of digital assets are extremely volatile. Fluctuations in the price of digital assets could materially and adversely affect our business.

The prices of cryptocurrencies, such as Bitcoin and Ether, and other digital assets have historically been subject to dramatic fluctuations and are highly volatile. A decrease in the price of a single digital asset may cause volatility in the entire digital asset and security token industry. For example, a security breach that affects purchaser or user confidence in Bitcoin or Ether may affect the industry as a whole. This volatility may adversely affect interest in and demand for MVN, which would materially adversely affect our business.

The value of existing blockchain assets such as Bitcoin and Ether has historically been subject to significant volatility. The market price of our common stock could be subject to similar volatility if the value of our business and common stock is viewed as being linked to the price and value of certain cryptocurrencies and blockchain assets.

Market prices for publicly traded common stock such as our common stock often are subject to arbitrary pricing factors that are not necessarily directly associated with traditional factors that influence stock prices or the value of non-cryptocurrency assets such as revenue, cash flows, profitability, growth prospects or corporate events such as new product introductions, entry into major contracts or achievement of other corporate milestones. As we develop, launch and implement MVN, the market price of shares of our common stock may be influenced by investors' perception of and speculative expectations regarding existing blockchain assets such as Bitcoin and Ether as well as future anticipated adoption or appreciation in value of cryptocurrencies, such as MVT, or overall growth in and demand for blockchain-based technologies, factors over which the Company has little or no influence or control. If investors view our business and the value of our common stock as dependent upon or linked to the value or growth of cryptocurrencies generally or blockchain assets, the price of such cryptocurrencies or blockchain asset may influence significantly the market price of shares of our common stock. The prices of blockchain assets such as Bitcoin have historically been subject to dramatic fluctuations and are highly volatile which may cause the market price of market price of our common stock to experience significant volatility.

The market price of shares of our common stock may also be subject to speculative forces—both positive and negative --following announcement of our intent to develop MVN due to the highly speculative investment environment currently surrounding blockchain technologies and cryptocurrencies. Growth in mainstream media coverage has resulted in investors that were previously unfamiliar with the cryptocurrency markets and digital assets now seeking out investment opportunities in these areas. With few or limited public company options for investment exposure to blockchain technologies or cryptocurrencies, interest in our common stock may be unusually high for a period of time, and our common stock price may continue to be volatile as we provide updates on the development, launch and implementation of MVN. If blockchain technology development or acceptance slows or is subject to unfavorable media coverage or investor sentiment, if the trading prices of cryptocurrency decrease or if we are unable to successfully develop and launch MVN and MVT in a timely way, the trading price of our common stock may decrease dramatically. When significant stock price volatility occurs, particularly when accompanied by signs of speculative trading, it is not uncommon for the Securities and Exchange Commission or other regulatory or self-regulatory authorities to investigate the circumstances, which can be costly and divert the attention of senior management from the management of normal business operations.

The regulatory regime governing blockchain technologies, cryptocurrencies, digital assets, MVN and distribution and utilization of digital assets such as MVT is uncertain, and new regulations or policies may materially adversely affect the development and the value of MVN and MVT.

The regulation of blockchain technologies and platforms like MVN, cryptocurrencies and other digital assets and cryptocurrency exchanges is currently undeveloped and uncertain and likely to rapidly evolve as government agencies take action to regulate and monitor them. Regulation also varies significantly among international, federal, state and local jurisdictions and is subject to significant uncertainty.

Various legislative and executive bodies in the United States and in other countries may in the future adopt laws, regulations, or guidance, or take other actions, which may severely impact the operability of MVN and permissibility of cryptocurrencies generally and the technology behind them or the means of transaction or in transferring them. Failure by us to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines.

Blockchain-based networks and distributed ledger technologies also face an uncertain regulatory landscape in many foreign jurisdictions such as the European Union, China and Russia. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that may conflict with those of the United States or may directly and negatively impact our business. The effect of any future regulatory change is impossible to predict, but such change could be substantial and materially adverse to our business.

The further development and acceptance of blockchain networks, which represent a new and rapidly changing industry, are subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of blockchain networks and blockchain assets would have a material adverse effect on our business plans and could have a material adverse effect on us.

The growth of the blockchain industry in general, as well as the blockchain networks on which MVN will rely, is subject to a high degree of uncertainty. The factors affecting the further development of the cryptocurrency and cryptosecurity industries, as well as blockchain networks, include uncertainty regarding:

- worldwide growth in the adoption and use of cryptocurrencies, and other blockchain technologies;
- government and quasi-government regulation of cryptocurrencies and other blockchain assets and their use, or restrictions on or regulation of access to and operation of blockchain networks or similar systems;
- the maintenance and development of the open-source software protocol of the blockchain networks;
- changes in consumer demographics and public tastes and preferences;
- the availability and popularity of other forms or methods of buying and selling goods and services, or trading assets including new means of using traditional currencies or existing networks;
- general economic conditions and the regulatory environment relating to cryptocurrencies; and
- The popularity or acceptance of Bitcoin or other blockchain-based tokens.

The cryptocurrency and cryptosecurities industries as a whole have been characterized by rapid changes and innovations and are continually evolving. Although blockchain networks and blockchain assets have experienced significant growth in recent years, the slowing or stopping of the development, general acceptance and adoption and usage of these networks and assets may materially adversely affect our business plans and results of operations.

The development and operation of MVN and MVT may require us to in-license technology and intellectual property rights.

Our ability to develop and operate MVN and MVT may depend on technology and intellectual property rights that we may license from unaffiliated third parties. If for any reason we were to fail to obtain or develop the technology and intellectual property that MVN or MVT requires or fail to comply with our obligations under any material license agreement, MVN might be unable to operate effectively, which would have a material adverse effect on our operations and financial condition and could have a material adverse effect on us.

MVN may face substantial competition from a number of known and unknown competitors. Alternative networks may be established that compete with or are more widely used than MVN.

It is possible that alternative networks or technologies could be established that utilize the same or similar open source code and protocol underlying MVN and attempt to facilitate services that are materially similar to the services and feature that we intend to make available on MVN. Additionally, existing technologies that do not rely on blockchain technologies may perform better or be more trusted by consumers than MVN. Competition with new and existing alternatives to MVN could negatively impact the success and adoption of MVN and MVT.

Risks related to BroadVision common stock

One stockholder beneficially owns a substantial portion of the outstanding BroadVision common stock, and as a result exerts substantial control over us.

As of December 31, 2017, Dr. Pehong Chen, our Chairman, President, Chief Executive Officer and Interim Chief Financial Officer, beneficially owned approximately 1.6 million shares of our common stock, which represents approximately 33% of the outstanding common stock as of such date. As a result, Dr. Chen exerts substantial control over all matters coming to a vote of our stockholders, including with respect to:

- the composition of our board of directors and, through it, any determination with respect to our business direction and policies, including the appointment and removal of officers;
- any determinations with respect to mergers and other business combinations;
- our acquisition or disposition of assets;
- our financing activities; and
- the payment of dividends on our capital stock.

This control by Dr. Chen could depress the market price of our common stock or delay or prevent a change in control of BroadVision.

We recently transferred the listing of our common stock from the Nasdaq Global Market to the Nasdaq Capital Market. If we fail to maintain the requirements for continued listing on the Nasdaq Capital Market, our common stock could be delisted from trading, which would adversely affect the liquidity of our common stock and our ability to raise additional capital.

In November 2017, we transferred the listing of our common stock from the Nasdaq Global Market to the Nasdaq Capital Market as our stockholders' equity had decreased from $12.1 million at June 30, 2017 to $9.7 million at September 30, 2017. We are required to meet specified listing criteria in order to maintain our listing on the Nasdaq Capital Market. If we fail to satisfy the Nasdaq Capital Market's continued listing requirements, our common stock could be delisted from the Nasdaq Capital Market, in which case we may be able to transfer to the over-the-counter bulletin board. For example, Nasdaq Rule 5550(b)(1) requires companies listed on the Nasdaq Capital Market to maintain a minimum of $2.5 million in stockholders' equity for continued listing. If our stockholders' equity falls below $2.5 million, the Nasdaq Capital Market may take formal action and determine that we are no longer suitable for listing and may commence delisting procedures. Any potential delisting of our common stock from the Nasdaq

Capital Market would make it more difficult for our stockholders to sell our stock in the public market and would likely result in decreased liquidity and increased volatility for our common stock.

Our stock price has been highly volatile.

The high and low price of BroadVision common stock on the Nasdaq Stock Market ranged from $2.66 per share to $8.06 per share between January 1, 2016 and December 31, 2017. Our stock price is subject to wide fluctuations in response to a variety of factors, including:

- quarterly variations in operating results;
- announcements of technological innovations;
- announcements of new software or services by us or our competitors;
- changes in financial estimates by securities analysts;
- low trading volume on the Nasdaq Stock Market;
- general economic conditions; or
- other events or factors that are beyond our control.

In addition, the stock market has experienced significant price and volume fluctuations that have particularly affected the trading prices of equity securities of many technology companies. These fluctuations have often been unrelated or disproportionate to the operating performance of these companies. Any negative change in the public's perception of the prospects of Internet, enterprise social networking or electronic commerce companies could further depress our stock price regardless of our results. Other broad market fluctuations may decrease the trading price of BroadVision common stock. In the past, following declines in the market price of a company's securities, securities class action litigation, such as the class action lawsuits filed against us and certain of our officers and directors in early 2001 has often been instituted against that company. Litigation could result in substantial costs and a diversion of management's attention and resources.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

DIRECTORS

The following table sets forth information about our directors. The respective age of each individual in the table below is as of the date of this report:

Name	Age	Position
Pehong Chen	60	Chairman, President, Chief Executive Officer and Interim Chief Financial Officer
James D. Dixon(1)(2)	74	Director
Robert Lee(1)(2)(3)	69	Director
François Stieger(1)(3)	68	Director

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Member of the Nominating and Corporate Governance Committee.

The following sets forth biographical information with respect to our directors:

Pehong Chen has served as our Chairman of the Board, Chief Executive Officer and President since our incorporation in May 1993, and as our Interim Chief Financial Officer since Peter Chu's resignation in March 2018. Dr. Chen also served as our Interim Chief Financial Officer during the period between William Meyer's departure in June 2006 and Shin-Yuan Tzou's appointment as Chief Financial Officer in January 2008. From 1992 to 1993, Dr. Chen served as the Vice President of Multimedia Technology at Sybase, Inc., a supplier of client-server software products. Dr. Chen founded and, from 1989 to 1992, served as President of Gain Technology, Inc., a provider of multimedia applications development systems, which was acquired by Sybase, Inc. Dr. Chen served on the board of directors of Sina Corporation from March 1999 through December 2015. Dr. Chen currently serves on the board of directors of Weibo Corporation, which he joined in January 2016. He received a B.S. in Computer Science from National Taiwan University, an M.S. in Computer Science from Indiana University and a Ph.D. in Computer Science from the University of California at Berkeley. We believe Dr. Chen's qualifications to sit on our Board of Directors include his decades of experience in the technology industry, including as our founder, and our Chairman, President and Chief Executive Officer for the past 20 years. The Committee believes that Dr. Chen's extensive experience with the Company brings necessary historical knowledge, industry experience and continuity to the board.

James D. Dixon has served as one of our directors since January 2003. Prior to his retirement from Bank of America in January 2002, Mr. Dixon served as an executive with bankofamerica.com. From September 1998 to February 2000, Mr. Dixon was Group Executive and Chief Information Officer of Bank of America Technology & Operations. From 1990 to 1998, before the merger of NationsBank Corporation and BankAmerica Corporation, Mr. Dixon was President of NationsBank Services, Inc. From 1986 to 1990, he also served as Chief Financial Officer for Citizens and Southern Bank/Sovran, a predecessor company to NationsBank. Mr. Dixon holds a B.A. from Florida State University, a J.D. from the University of Florida School of Law, and he is a graduate of the executive M.B.A. program at Stanford University. Mr. Dixon also previously served on the board of directors of CheckFree Corporation, a provider of financial electronic commerce services and products, 724 Solutions Inc., a provider of mobile internet, mobile broadband and IP messaging solutions and Rare Hospitality International, Inc., a restaurant operator and franchisor. Mr. Dixon's employment within the technology sector of the banking industry and his leadership role with several major national corporations give him the background to provide strategic financial guidance and leadership to the Company and the Board. Additionally, his extensive service on other boards of directors in the technology industry gives him substantial insight into the issues that arise in a technology-based business.

Robert Lee has served as one of our directors since August 2004. Mr. Lee was a corporate Executive Vice President and President of Business Communications Services at Pacific Bell, where he established two new subsidiaries: Pacific Bell Internet Services and Pacific Bell Network Integration. During his 26 year career at Pacific Bell, Mr. Lee managed groups in operations, sales and marketing. Mr. Lee served as Executive Vice President of Marketing and Sales from 1987 to 1992. Mr. Lee previously served on the board of directors of Corinthian Colleges, which operates as a post-secondary education company in North America, and Blue Shield of California, which provides health insurance to members in California. Mr. Lee also previously served on the board of directors of Web.com, a provider of online marketing services for small businesses, from April 1999 until September 2007 and Netopia, a provider of voice and data solutions, from November 2001 until February 2007. Mr. Lee holds a B.S. in Electrical Engineering from the University of Southern California and an M.B.A. from the University of California at Berkeley. The Company believes that Mr. Lee's extensive operations, sales and marketing expertise make him a valuable member of the board. His executive experience, along with his experience serving on other boards and his historical knowledge of our company, give him the qualifications and skills to serve as a director.

François Stieger has served as one of our directors since August 2006. Mr. Stieger has served as CEO and as a board member of Panoptic Sarl, located in Switzerland, since March 2016. Mr. Stieger served as Vice President EMEA at Typesafe Switzerland LLC from October 2012 until March 2016. From January 2006 until October 2012, Mr. Stieger led Intentional Software's international group as CEO of Intentional Software International Sarl. From April 2003 until January 2006, Mr. Stieger was senior vice president and general manager for Europe, Middle East and Africa for Verisign, the leading provider of critical infrastructure security services for the Internet and telecommunication markets. Mr. Stieger was responsible for Verisign's business throughout that region. Prior to joining Verisign, Mr. Stieger was a partner of Amadeus Capital, a leading European venture capital firm based in London. Mr. Stieger served as our Director, Worldwide Marketing Organization, from 1996 to 2001. While serving in that capacity, in 1996, he established our European operations. Under his management through mid-2001, these operations grew to more than 400 employees and US$104 million annual revenues. He was also personally involved in our initial public offering in June 1996, and our public offering on the Neuer Markt in Frankfurt in November 1999. From 1987-1992, as vice president, Mr. Stieger established and managed operations of Oracle Corporation for southern and central Europe. Mr. Stieger is a graduate of the University of Strasbourg's Institute of Technology. Mr. Steiger's experience as an executive of several international technology companies provides the board with a global perspective. Additionally, his experiences as a former Company executive provide him with a deep understanding of the Company that we believe to be valuable to the board.

EXECUTIVE OFFICERS

The following table sets forth information about our current executive officer. The respective age of the individual in the table below is as of the date of this report:

Name	Age	Position
Pehong Chen	60	Chairman, President, Chief Executive Officer, and Interim Chief Financial Officer

The biography for Dr. Chen appears earlier under the heading "Directors":

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than ten percent of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our Common Stock and other equity securities. Directors, officers and greater than ten percent stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, during the fiscal year ended December 31, 2017 all Section 16(a) filing requirements applicable to our officers, directors and greater than ten percent beneficial owners were complied with.

Code of Business Ethics and Conduct

We have adopted a Code of Business Ethics and Conduct (the “Code of Conduct”) that applies to all of our directors, officers and employees. The text of the Code of Conduct is posted on our website at www.broadvision.com. If we make any substantive amendment to the Code of Conduct or grant any waiver from a provision of the Code of Conduct to any executive officer or director, we intend to disclose the amendment or waiver on our website to the extent required by applicable rules and exchange requirements.

The Audit Committee

The Board of Directors has a separately designated standing Audit Committee. The Audit Committee is presently composed of three non-employee directors: Messrs. Dixon (Chairman), Lee and Stieger. The Board has determined that all members of our Audit Committee are independent (as independence is currently defined in Rule 5605(a)(2) of the Nasdaq listing standards). The Board has determined that Mr. Dixon qualifies as an “audit committee financial expert,” as defined in applicable Securities and Exchange Commission (“SEC”) rules.

ITEM 11. EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE FOR FISCAL 2017 AND 2016

The following table shows for the fiscal years ended December 31, 2017 and 2016, compensation paid to, or earned by, Dr. Pehong Chen, our Chief Executive Officer, President and Interim Chief Financial Officer, and Peter Chu, our former Chief Financial Officer and Vice President of Strategy and Product Management (the “Named Executive Officers”). Mr. Chu resigned as our Chief Financial Officer and Vice President of Strategy and Product Management in March 2018.

We do not consider any officer or other employee of the Company or any subsidiary of the Company to be an executive officer of the Company.

Name and Principal Position	Year	Salary ($)	Bonus ($) (1)	Stock Awards ($)	Option Awards ($) (1)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($) (2)	Total
Pehong Chen, CEO, President and Interim CFO	2017	$ 350,000	$ –	$ –	$ –	$ –	$ –	$ 2,000	$ 352,000
	2016	$ 350,000	$ –	$ –	$ –	$ –	$ –	$ 2,000	$ 352,000
Peter Chu, Former CFO and VP of Strategy and Product Management	2017	$ 200,000	$ 9,500 (3)	$ –	$ –	$ –	$ –	$ 2,000	$ 211,500
	2016	$ 200,000	$ 11,450(3)	$ –	$	$ –	$ –	$ 2,000	$ 214,103

(1) Represents the grant date fair value of stock options granted in the fiscal year, as calculated in accordance with FASB ASC Topic 718, using the Black-Scholes option valuation model. Assumptions used in the calculation of these amounts are included in the notes to our audited consolidated financial statements included in the Original 10-K. These amounts do not necessarily correspond to the actual value recognized or that may be recognized by the Named Executive Officers.

(2) Represents discretionary matching contributions under our 401(k) plan of $2,000 for each of Dr. Chen and Mr. Chu in each of 2016 and 2017.

(3) Represents discretionary cash bonuses based on Mr. Chu's performance in the specified years.

Employment, Severance and Change in Control

Each Named Executive Officer serves or served at the discretion of our Board of Directors. Our Named Executive Officers are or were at-will employees and have not entered into written employment contracts with the Company. In connection with our employment practices, each executive officer is entitled to participate in our Amended and Restated 2006 Equity Incentive Plan ("2006 Equity Incentive Plan") and to the benefits offered to other similarly situated employees as established by our Board of Directors from time to time.

Dr. Pehong Chen

Dr. Chen founded the Company in 1993 and has been our President and Chief Executive Officer since our founding. His base salary was set at $350,000 in 2002 and has not been increased or decreased since that time. In each of fiscal year 2016 and fiscal year 2017 the compensation committee decided not to change the base salary for Dr. Chen. Although we have been successful in controlling our expenses (which have been reduced through conscientious expense management and non-essential employee layoffs), the compensation committee did not feel that an increase in base salary or the grant of a stock or option award to Dr. Chen was appropriate given our operating performance. Additionally, the compensation committee has believed that a change in Dr. Chen's base salary or equity award is unnecessary to appropriately incentivize Dr. Chen, as his 32.3% ownership of the Company's common stock adequately incentivizes Dr. Chen to maximize stockholder value. The decisions with regard to Dr. Chen's salary were not based in any material respect on a comparison to a peer group.

Mr. Peter Chu

Mr. Chu joined the Company in October 2011 as Vice President of Strategy and Product Management. His initial base salary was set at $168,000 and he was eligible to receive a discretionary bonus of up to $40,000 a year based on a mixture of company and personal goals agreed upon by Mr. Chu and Dr. Chen on an annual basis. Each quarter, Dr. Chen determined the percentage of goals attained by Mr. Chu during the quarter and calculated the dollar value of the portion of the discretionary bonus to be paid for the quarter. Mr. Chu held the position of Chief Financial Officer and Vice President of Strategy and Product Management at the Company from July 2014 until his resignation in March 2018. In this role, Mr. Chu served as the Company's principal financial and accounting officer. On July 1, 2014, in connection with his role, Mr. Chu's annual salary was increased to $180,000 and he was eligible to receive an annual discretionary bonus of up to $20,000. In February 2015, at Dr. Chen's request, the compensation committee approved an increase in Mr. Chu's annual salary to $200,000 and a discretionary bonus of up to $20,000.

Stock Awards and Option Awards

Neither Dr. Chen nor Mr. Chu received any stock awards or option grants in fiscal years 2016 or 2017.

Perquisites

We maintain a 401(k) plan for our employees. Our Named Executive Officers are eligible to participate in the 401(k) plan on the same basis as our other employees. The 401(k) plan provides that each participant may defer eligible compensation subject to the statutory limit, which was $18,000 for each of calendar years 2016 and 2017. Participants that are 50 years or older can also make "catch-up" contributions, which for each of calendar years 2016 and 2017 was up to an additional $6,000, above the statutory limit. We also have a discretionary matching contribution feature for all employees participating in the 401(k) plan, including our Named Executive Officers. Discretionary matching contributions were made in January 2017 for the 2016 401(k) plan year and in January 2018 for the 2017 401(k) plan year. Each employee who participated in the 401(k) plan received up to a maximum of $2,000 in matching contributions provided that such employee was still employed by the Company as of the end of the applicable 401(k) plan year. Employees are immediately and fully vested in both their contributions and our matching contributions. As a tax-qualified retirement plan, contributions to the 401(k) plan and earnings on those contributions are not taxable to the employees until distributed from the 401(k) plan.

Our health and insurance plans for our Named Executive Officers are the same plans that we provide to all employees. As with our other employees, our Named Executive Officers pay 20% of the health insurance premium due under each executive’s respective health plans. We do not provide other perquisites such as life insurance premiums, country club memberships, use of jet aircraft, limousine service, estate or financial planning services to our Named Executive Officers. We do not provide pension arrangements or post-retirement health coverage for our executives, except in connection with the Severance Benefit Plan which is described below.

OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2017

The following table shows, for the fiscal year ended December 31, 2017, certain information regarding outstanding equity awards at fiscal year-end for our Named Executive Officers. Dr. Chen, our Chief Executive Officer, President and Interim Chief Financial Officer, did not hold any outstanding equity awards at December 31, 2017:

	Stock Awards								
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#) (1)	Option Exercise Price ($)	Option Expiration Date(6)	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have

								(#)	Not Vested ($)
Peter Chu	13,000	0	–	$ 9.96	10/19/2021(2)	–	–	–	–
	14,000	0	–	$ 9.45	9/18/2023 (3)	–	–	–	–
	10,500	1,500	–	$ 9.94	6/18/2024 (4)	–	–	–	–
	9,000	3,000	–	$ 6.01	12/17/2024(5)	–	–	–	–

(1) All our options were granted pursuant to our 2006 Equity Incentive Plan and are subject to time-based vesting.

(2) The option was granted on October 19, 2011 and has a 10 year term. The option vests monthly over 48 consecutive months and was fully vested on October 19, 2015.

(3) The option was granted on September 18, 2013 and has a 10 year term. The option vests monthly over 48 consecutive months and was fully vested on September 18, 2017.

(4) The option was granted on June 18, 2014 and has a 10 year term. The option vests monthly over 48 consecutive months and would have been fully vested on June 18, 2018, subject to the participant's continuous service as of each vesting date. However, Mr. Chu resigned as our Chief Financial Officer and Vice President of Strategy and Product Management in March 2018.

(5) The option was granted on December 17, 2014 and has a 10 year term. The option vests monthly over 48 consecutive months and would have been fully vested on December 17, 2018, subject to the participant's continuous service as of each vesting date. However, Mr. Chu resigned as our Chief Financial Officer and Vice President of Strategy and Product Management in March 2018.

(6) Mr. Chu resigned as our Chief Financial Officer and Vice President of Strategy and Product Management in March 2018. Pursuant to the terms of the option agreements governing his option grants, as a result of his resignation, Mr. Chu's options will generally expire three months after the date of his resignation.

PAYMENTS UNDER SEVERANCE BENEFIT PLAN

Severance Benefit Plan

On March 26, 2007, our Board approved our Severance Benefit Plan (the "Severance Plan") for certain of our eligible employees. The Severance Plan was amended on October 21, 2009 to alter the benefits accrual and caps on such accrual under the Severance Plan for certain eligible employees of the Company. The Severance Plan provides for the payment of certain benefits to employees if (i) the employee has been continuously employed by our company for a period of one year or more; (ii) if we terminate the employee's employment pursuant to (a) an involuntary termination without cause or (b) constructive termination within one month prior to or 24 months following a change of control; and (iii) we notify the employee in writing that he or she is eligible for participation in the Severance Plan. We, in our sole discretion, will determine whether employees are "eligible employees." Dr. Chen currently participates in the Severance Plan.

The Severance Plan provides for the following benefits:

No Change of Control

Designated eligible employees that experience an involuntary termination without cause that is not in connection with a change of control will receive a cash severance benefit in accordance with our then-current payroll practices as follows:

Employee Designation	Base	Accrual/Yr	Maximum
CEO	6.00 Mo.	1.00 Mo/Yr.	12.00 Mo.
EVP	3.00 Mo.	0.50 Mo/Yr.	6.00 Mo.
SVP	2.00 Mo.	0.50 Mo/Yr.	4.00 Mo.
VP	1.00 Mo.	0.50 Mo/Yr.	2.00 Mo.
All Other	0.50 Mo.	0.08 Mo./Yr.	1.00 Mo.

In addition, with respect to an eligible employee who is enrolled in a health, dental, or vision plan sponsored by the Company and who elects to continue coverage under such health, dental, or vision plan (or to convert to an individual policy), at the time of the eligible employee's termination of employment, the Company shall pay the portion of premiums for the eligible employee's health, dental and/or vision plan coverage, including coverage for the eligible employee's eligible dependents, that the Company paid prior to the eligible employee's termination of employment for the same number of months as such eligible employee is entitled to receive cash severance benefits as set forth above. Additionally, if an eligible employee elects to receive COBRA continuation coverage under the Company's health plans, the Company's payment, if any, of applicable insurance premiums, will be credited as payment by the eligible employee for purposes of the eligible employee's payment required under COBRA.

Under the Severance Plan, because Dr. Chen is our Chief Executive Officer and Interim Chief Financial Officer, if Dr. Chen experiences an involuntary termination without cause that is not in connection with a change of control, Dr. Chen's severance will consist of (i) payment of twelve months of his base salary and (ii) payment of the same portion of the premiums for continued medical and any other applicable health insurance coverage under COBRA as the Company paid prior to such termination for twelve months.

Change of Control

There are three categories of eligible employees covered in a change of control situation: Level I, Level II and Level III as hereinafter defined. Level I eligible employees are defined as those Company Executive Officers designated by the Compensation Committee as Level I eligible employees. Level II eligible employees are defined as those Non-Executive Company Officers who report directly to the Chief Executive Officer and who are designated by the Chief Executive Officer as Level II eligible employees. Level III eligible employees are defined as those Non-Executive Company Officers and Department Managers who report either directly to the Chief Executive Officer or to Level II eligible employees and who are designated by the Chief Executive Officer as Level III eligible employees. Dr. Chen is a Level I Eligible Employee and Mr. Chu was a Level III Eligible Employee.

Designated eligible employees who experience an involuntary termination without cause or constructive termination within one month prior to or 24 months following a change of control shall receive a cash severance benefit in accordance with our then-current payroll practices as follows:

Employee Level	Base (Number of Mo. Base Salary After 1 Year Tenure)	Accelerator (Number of Mo. Base Salary Accrued Per Each Yr. of Additional Tenure)	Maximum Years Tenure Accelerator Applied	Maximum Months Base Salary Accrual Allowed
Level I	9	1.25	12	24
Level II	6	1.00	9	15
Level III	3	0.75	8	9

The vesting and exercisability of unvested stock options held by an eligible employee that are outstanding as of the eligible employee's termination date, beginning with the earliest unvested installments, shall be accelerated according to the following chart:

Employee Level	Base (Percentage of Unvested Stock Options Accelerated After 1 Year Tenure)	Accelerator (Percentage of Unvested Stock Options Accelerated Per Each Yr. of Additional Tenure)	Maximum (Total % of Unvested Stock Options Allowed to be Accelerated)
Level I	30%	7.8%	100%
Level II	25%	6.1%	80%
Level III	20%	4.4%	60%

In addition, with respect to an eligible employee who is enrolled in a health, dental, or vision plan sponsored by the Company and who elects to continue coverage under such health, dental, or vision plan (or to convert to an individual policy), at the time of the eligible employee's termination of employment, the Company shall pay the portion of premiums for the eligible employee's health, dental and/or vision plan coverage, including coverage for the eligible employee's eligible dependents, that the Company paid prior to the eligible employee's termination of employment as follows: Level I shall receive a continuation of benefits (as in effect immediately prior to termination) for up to a maximum of 24 months; Level II shall receive continuation of benefits (as in effect immediately prior to termination) for up to a maximum of 15 months; Level III shall receive continuation of benefits (as in effect immediately prior to termination) for up to a maximum of 9 months. Additionally, if an eligible employee elects to receive COBRA continuation coverage under the Company's health plans, the Company's payment, if any, of applicable insurance premiums, will be credited as payment by the eligible employee for purposes of the eligible employee's payment required under COBRA.

Under the Severance Plan, if Dr. Chen experiences an involuntary termination without cause or constructive termination within one month prior to or 24 months following a change of control, Dr. Chen's severance will consist of (i) payment of twenty-four months of his base salary; (ii) payment of the same portion of the premiums for continued medical and any other applicable health insurance coverage under COBRA as the Company paid prior to the change of control for 24 months; and (iii) the vesting of 100% of any unvested stock options held by Dr. Chen as of the date of his termination.

Definitions

For purposes of our Severance Plan, an "involuntary termination without cause" means an eligible employee's involuntary termination of employment by the Company for a reason other than cause.

For purposes of our Severance Plan, "cause" generally means the occurrence of one or more of the following: (1) the eligible employee's conviction of, or plea of no contest with respect to, any crime involving fraud, dishonesty or moral turpitude; (2) the eligible employee's attempted commission of or participation in a fraud or act of dishonesty against the Company that results in (or might have reasonably resulted in) material harm to the business of the Company; (3) the eligible employee's intentional, material violation of any contract or agreement between the eligible employee and the Company or any statutory duty the eligible employee owes to the Company; (4) the eligible employee's conduct that constitutes gross misconduct, insubordination, incompetence or habitual neglect of duties and that results in (or might have reasonably resulted in) material harm to the business of the Company; or (5) the eligible employee's persistent unsatisfactory performance of his or her job duties. The conduct described in (3), (4) or (5) above will only constitute "cause" if such conduct is not cured within 15 days after the eligible employee's receipt of written notice from the Company or our Board of Directors specifying the particulars of the conduct that may constitute "cause".

For purposes of our Severance Plan, a "change of control" generally means the occurrence in a single transaction or in a series of related transactions of any one or more of the following events: (1) any person within the meaning of the Exchange Act becomes the owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction, other than any person who owns, as of the effective date of the Severance Plan, securities of the Company representing more than 15% of the combined voting power of the Company's then outstanding securities; (2) the consummation of a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not own, directly or indirectly, outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving entity in such merger, consolidation or similar transaction or more than 50% of the combined outstanding voting power of the parent of the surviving entity in such merger, consolidation or similar transaction; (3) the stockholders of the Company approve or our Board of Directors approves a plan of complete dissolution or liquidation of the Company, or a complete dissolution or liquidation of the Company shall otherwise occur; or (4) there is consummated a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries to an entity, more than 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale, lease, license or other disposition.

For purposes of our Severance Plan, a "constructive termination" means a termination of employment by an eligible employee after one of the following occurs following a change of control without the eligible employee's express written consent: (1) a substantial reduction in the eligible employee's duties or responsibilities (and not simply a change in title or reporting relationships) in effect immediately prior to the effective date of the change of control; (2) a material reduction by the Company in the eligible employee's annual base salary, as in effect on the effective date of the change of control or as increased thereafter; (3) any failure by the Company to continue in effect any benefit plan or program, including incentive plans or plans with respect to the receipt of securities of the Company, in which the eligible employee was participating immediately prior to the effective date of the change of control, or the taking of any action by the Company that would adversely affect the eligible employee's participation in or reduce the eligible employee's benefits under such plans or deprive the eligible employee of any fringe benefit that he or she enjoyed immediately prior to the effective date of the change of control; (4) a relocation of the eligible employee's business office to a location more than 50 miles from the location at which the eligible employee performed his or her duties as of the effective date of the change of control, except for required travel by the eligible employee on the Company's business to an extent substantially consistent with his or her business travel obligations prior to the effective date of the change of control; or (5) a material breach by the Company of any provision of any material agreement between the eligible employee and the Company concerning the terms and conditions of the eligible employee's employment.

DIRECTOR COMPENSATION FOR FISCAL 2017

The following table shows for the fiscal year ended December 31, 2017 certain information with respect to the compensation of all non-employee directors of the Company:

Name(1)	Fees Earned or Paid in Cash ($)	Stock Awards ($)(2)(3)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
James Dixon	$ -	$ 24,999	$ -	$ -	$ -	$ -	$ 24,999
Robert Lee	$ -	$ 19,996	$ -	$ -	$ -	$ -	$ 19,996
François Stieger	$ -	$ 19,996	$ -	$ -	$ -	$ -	$ 19,996

(1) Dr. Chen is not included in this table because, as our employee, he did not earn any additional compensation for his services as a director. The compensation earned by Dr. Chen as our employee is shown in the Summary Compensation Table above.

(2) The amounts reflect the grant date fair value of the stock awards granted in the 2017 fiscal year, as calculated in accordance with FASB ASC Topic 718. These amounts do not necessarily correspond to the actual value recognized or that may be recognized by our directors.

(3) The aggregate number of stock awards and stock option awards for each non-employee director that were outstanding at December 31, 2017 are as follows:

Name	Number of Shares Subject to Outstanding Restricted Stock Awards (#)	Number of Shares Subject to Outstanding Options (#)
James Dixon	2,940	-
Robert Lee	2,352	-
François Stieger	2,352	800

Overview of Director Compensation and Procedures

We compensate non-employee members of our Board of Directors through grants of restricted Common Stock. We do not pay our non-employee directors any cash remuneration other than reimbursement of travel expenses and de minimus items.

Pursuant to the 2006 Equity Incentive Plan, in 2017 each non-employee director was granted restricted Common Stock in an amount equal to $20,000 ($25,000, in the case of the individual serving as the audit committee chairman as of immediately following the Annual Meeting) divided by the last trading price of the Company’s Common Stock on the trading day immediately prior to the date of the annual meeting of stockholders as quoted on the principal trading market for the Common Stock. Each such grant vests over a one-year period measured from the date of the Annual Meeting, with one quarter of the shares included in each such grant vesting on each of the dates that are three months, six months, nine months and twelve months from the Annual Meeting, so long as the recipient continues to serve as a member of the Company’s board. These restricted shares are granted at 100% of the fair market value of the Common Stock on the date of grant. The annual grants are discretionary and are granted upon action by our Board of Directors.

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

Equity Compensation Plan Information

The following table provides certain information with respect to shares of our Common Stock that may be issued under our equity compensation plans in effect as of December 31, 2017:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options and Rights (a)	Weighted-Average Exercise Price of Outstanding Options and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders (1)	594,206(2)	$8.49	529,403 (4)
Equity compensation plans not approved by security holders (3)	--	--	72,625
Total	594,206	$8.49	602,028

(1) Consists of our Employee Stock Purchase Plan and our 2006 Equity Incentive Plan.

(2) Consists of 594,206 shares issuable upon exercise of options outstanding under our 2006 Equity Incentive Plan as of December 31, 2017.

(3) Consists of our 2000 Non-Officer Equity Incentive Plan (the “2000 Non-Officer Plan”), adopted in February 2000, under which shares of common stock may be issued to selected employees, consultants, and our affiliates who are not officers or directors. Under the 2000 Non-Officer Plan, we may grant non-statutory stock options at prices not less than 85% of the fair market value of our common stock at the date of grant. Options granted under the 2000 Non-Officer Plan generally vest over two years and are exercisable for not more than ten years.

(4) Includes 70,135 shares authorized for future issuance under our Employee Stock Purchase Plan as of December 31, 2017 and 459,268 shares of our Common Stock reserved for future issuance under our 2006 Equity Incentive Plan. On each January 1 through and including January 1, 2019, the number of authorized shares under our 2006 Equity Incentive Plan is automatically increased by the lesser of (i) four percent of the total number of outstanding shares of our Common Stock immediately prior to the increase and (ii) a number of shares such that, following the increase, the total number of shares that have been reserved for issuance under the 2006 Equity Incentive Plan equals 25% of the total number of outstanding shares of our Common Stock and (iii) a number of shares such that, following the increase, the total number of shares available for future issuance under the 2006 Equity Incentive Plan and not subject to outstanding stock awards equals 10% of the total number of shares of Common Stock outstanding on December 31st of the preceding calendar year.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the ownership of our Common Stock as of April 10, 2017 by: (a) each current director; (b) each of our Named Executive Officers; (c) all of our current executive officers and directors as a group; and (d) each person, or group of affiliated persons, known by us to beneficially own more than five percent of our Common Stock.

Beneficial Owner	Beneficial Ownership (1) Number of Shares (#)	Percent of Total (%)
5% Stockholders:		
Honu Holdings, LLC (2)	1,380,600	27.6 %
ESW Capital, LLC (3)	964,438	19.3 %
Marlin Capital Investments(4)	352,344	7.1 %
Named Executive Officers and Directors:		
Pehong Chen (5)	1,614,999	32.9 %
James D. Dixon (6)	28,347	*
Robert Lee (7)	22,336	*
François Stieger (8)	21,376	*
Peter Chu (9)	56,874	*
All Current Directors and Executive Officers as a group (5 persons)(10)	1,743,932	**34.9** %

*Less than one percent

(1)This table is based upon information supplied by officers, directors and principal stockholders, Schedules 13D and 13G and Form 4s filed with the SEC. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, we believe that each of the stockholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned. Applicable percentages are based on 4,996,779 shares outstanding as of April 10, 2018, adjusted as required by rules promulgated by the SEC. Unless otherwise indicated, the address of each of the named individuals is c/o BroadVision, Inc., 1700 Seaport Blvd., Suite 210, Redwood City, California 94063.

(2)Dr. Chen, our Chairman, President, Chief Executive Officer and Interim Chief Financial Officer is the sole member of Honu Holdings, LLC and has sole voting and dispositive power over the reported shares. The address of Honu Holdings, LLC is 1700 Seaport Blvd., Suite 210, Redwood City, California 94063.

(3)This information is derived solely from the Form 4 of ESW Capital, LLC, filed on May 16, 2016. The Form 4 reported that, as of May 12, 2016, Joseph Liemandt, the sole voting member of ESW Capital, LLC had sole voting and dispositive power with respect to all of the reported shares. The Form 4 further states that Mr. Liemandt disclaims beneficial ownership of the shares held by ESW Capital, LLC, except to the extent of his pecuniary interest therein. The address for each of ESW Capital, LLC and Joseph A. Liemandt is 401 Congress Avenue, Suite 2650, Austin, Texas 78701.

(4)This information is derived solely from the Schedule 13D of the following parties: Marlin Capital Investments, LLC and Barry Honig and Michael Brauser (each members of Marlin Capital Invesments LLC), filed pursuant to a joint filing agreement on January 30, 2015. The Schedule 13D reported that, as of January 30, 2015, Barry Honig, had sole voting and dispositive power with respect to 35,200 of the reported shares and shared voting and dispositive power over 144,909 of the reported shares, and that Michael Brauser had shared voting and dispositive power over 172,235 of the reported shares. The address of each of Marlin Capital Investments, LLC, Barry Honig and Michael Brauser is 4400 Biscayne Boulevard, Suite 850, Miami, Florida 33137.

(5)Includes all shares held by Honu Holdings, LLC discussed in footnote (2) and 234,999 shares held in trust by Dr. Chen and his wife for their benefit. Excludes 45,815 shares of Common Stock held in trust by independent trustees for the benefit of Dr. Chen’s children.

(6)Includes 1,470 shares subject to the vesting of restricted stock awards.

(7)Includes 41 shares held in trust by Mr. Lee and his wife for their benefit and 1,176 shares subject to the vesting of restricted stock awards.

(8)Includes 800 shares of Common Stock issuable upon the exercise of stock options exercisable within 60 days of April 10, 2018 and 1,176 shares subject to the vesting of restricted stock awards.

(9)Includes 49,000 shares of Common Stock issuable upon the exercise of stock options exercisable within 60 days of April 10, 2018. Mr. Chu resigned as our Chief Financial Officer and Vice President of Strategy and Product Management in March 2018.

(10)Includes 49,800 shares of Common Stock issuable upon the exercise of stock options exercisable within 60 days of April 10, 2018 and 3,822shares subject to the vesting of restricted stock awards.

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

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Except as set forth below, since January 1, 2016, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we were or are a party in which the amount involved exceeds or exceeded $120,000 or 1% of the average of the Company’s total assets at the end of the last two completed fiscal years and in which any director, executive officer or beneficial holder of more than 5% of any class of our voting securities or members of such person’s immediate family had or will have a direct or indirect material interest other than as described below. It is our policy that future transactions between us and any of our directors, executive officers or related parties will be subject to the review and approval of our Audit Committee or other committee comprised of independent, disinterested directors.

On November 14, 2008, BroadVision (Delaware) LLC, a Delaware limited liability company (“BVD”), which was then our wholly owned subsidiary, entered into a Share Purchase Agreement with CHRM LLC, a Delaware limited liability company, that is controlled by Dr. Chen, our Chairman, President, Chief Executive Officer, Interim Chief Financial Officer and largest stockholder, and in which our former Chief Financial Officer, Peter Chu holds a minority interest. We and CHRM LLC then entered into an Amended and Restated Operating Agreement of BroadVision (Delaware) LLC dated as of November 14, 2008 (the “BVD Operating Agreement”). Under these agreements, CHRM LLC received, in exchange for the assignment of certain intellectual property rights, 20 Class B Shares of BVD, representing the right to receive a portion of any distribution of Funds from “Capital Transactions” (as such term is defined in the BVD Operating Agreement), with the exact amount to be determined based on our and CHRM LLC’s capital account balances at the time of such distribution. A “capital transaction” under the BVD Operating Agreement is any merger or sale of substantially all of the assets of BVD as a result of which the members of BVD will nolonger have an interest in BVD or the assets of BVD will be distributed to its members. Class B Shares do not participate in any profits of BVD except for net profits related to a “capital transaction,” in which case the net profits are allocated to the owners of Class A and Class B Shares in proportion to their respective number of shares. To the extent BVD’s losses do not exceed undistributed net profits accumulated since the date of issuance of Class B Shares, such losses are allocated to Class A Shares. To the extent net losses exceed the undistributed net profits accumulated since the date of issuance of Class B Shares, such excess is allocated to the owners of Class A and Class B Shares in proportion to their respective cumulative capital contributions less any return of capital, until allocation of such losses results in having the capital account balances equal to zero. Then, net losses are allocated to the owners of Class A and Class B Shares in proportion to their respective number of shares. Upon liquidation the net assets of BVD are distributed to the owners of Class A and Class B in proportion to their capital account balances.

BVD is the sole owner of BroadVision (Barbados) Limited (“BVB”) and BVB is the sole owner of BroadVision On Demand, a Chinese entity (“BVOD”). We have made cumulative capital investments of approximately $9.0 million in BVOD (directly and through BVD and BVB) from 2007 through 2016, In 2014, we began making payments directly to BVOD for certain labor outsourcing services and expect to continue to pay BVOD for such services at the rate of approximately $550,000 per quarter for the foreseeable future.. We made aggregate payments to BVOD of $2.3 million and $2.0 million (based on the RMB to USD exchange rates on the applicable dates of payment) for such services in the years ended December 31, 2017 and 2016, respectively. These payments in part covered services rendered outside of the applicable years. We have a controlling voting interest in BVD. Pursuant to the terms of the BVD Operating Agreement, the Class B Shares held by CHRM LLC have no voting rights.

The 20 Class B Shares of BVD represent a non-controlling interest. We allocate profits and losses of BVD to the non-controlling interest under the Hypothetical Liquidation Book Value (“HLBV”) method. Under this method the profits and losses are allocated by reference to the profit sharing provisions in the BVD Operating Agreement assuming liquidation of BVD at its book value at the end of each reporting period. Profits and losses allocated to the balance of such interest under the HLBV method have not been material.

In April 2015, we executed a renewal contract with a SINA Corporation of which Dr. Pehong Chen, our Chairman, President, Chief Executive Officer, Interim Chief Financial Officer and largest stockholder, was a board member through December 2015, pursuant to which we provided HR information management hosting service, including software subscription, system upgrade and technical support, to SINA Corporation. The total license revenue that we were entitled to receive under that contract through its expiration in March 2016 was $184,000. We recognized $46,000 of license revenue in fiscal year 2016 related to the contract.

Director and Officer Indemnification

Our revised and restated certificate of incorporation contains provisions limiting the liability of directors. In addition, we have entered into agreements to indemnify our directors and executive officers to the fullest extent permitted under Delaware law.

We have entered into indemnity agreements with certain officers and directors that provide, among other things, that we will indemnify such officer or director, under the circumstances and to the extent provided for in such agreement, for expenses, damages, judgments, fines and settlements he or she may be required to pay in actions or proceedings to which he or she is or may be made a party be reason of his or her position as a director, officer or other agent of BroadVision, and otherwise to the full extent permitted under Delaware law and our Bylaws.

Independence of the Board of Directors

As required under Nasdaq listing standards, a majority of the members of a listed company’s board of directors must qualify as “independent,” as affirmatively determined by the board of directors. Consistent with these considerations, after review of all relevant identified transactions or relationships between each director, or any of his family members, and us, our senior management and our independent registered public accounting firm, the Board affirmatively has determined that all of current directors are independent directors within the meaning of the applicable Nasdaq listing standards other than Dr. Chen, our Chairman, Chief Executive Officer, President, Interim Chief Financial Officer and largest stockholder.

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ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following presents aggregate fees billed to us by OUM, our principal accountant for the years ended December 31, 2017 and 2016. All fees described were pre-approved by the Audit Committee.

Audit Fees. Audit fees billed were $215,707 for the year ended December 31, 2017 and $233,189 for the year ended December 31, 2016. The fees were for professional services rendered for the audit of our consolidated financial statements as of December 31, 2017, and the audit of our consolidated financial statements as of December 31, 2016, reviews of the financial statements included in our quarterly reports, consultations on matters that arose during our audit and reviews of SEC registration statements.

Audit-Related Fees. No audit-related fees were billed in the years ended December 31, 2017 and December 31, 2016.

Tax Fees. No tax fees were billed for the years ended December 31, 2017 and 2016.

Other Fees. There were no other fees billed in the years ended December 31, 2017 and 2016.

The Audit Committee has determined that the rendering of certain services other than audit services by OUM is compatible with maintaining the principal accountant’s independence, although no such services were provided in the years ended December 31, 2017 and 2016.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee has adopted a policy and procedures for the pre-approval of audit and non-audit services rendered by our independent registered public accounting firm. The policy generally pre-approves specified services in the defined categories of audit services, audit-related services, and tax services up to specified amounts. Pre-approval may also be given as part of the Audit Committee’s approval of the scope of the engagement of our independent registered public accounting firm or on an individual explicit case-by-case basis before the independent registered public accounting firm is engaged to provide each service. The pre-approval of services may be delegated to one or more of the Audit Committee’s members, but the decision must be reported to the full Audit Committee at its next scheduled meeting. All of the fees for the fiscal years ended December 31, 2017 and 2016 set forth above were preapproved by the Audit Committee.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(b) The exhibits listed below are filed as part of, or incorporated by reference into, this Form 10-K/A.

Exhibit	Description
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.3 to Amendment No. 2 to the Company's Registration Statement on Form S-1 filed on May 29, 1996 (File No. 333-03844)).
3.2	Certificate of Amendment of Certificate of Incorporation (incorporated by reference to Exhibit 4.6 to the Company's Form 10-K for the fiscal year ended December 31, 2006 filed on March 27, 2007 (File No. 000-28252)).
3.3	Certificate of Amendment of Certificate of Incorporation (incorporated by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, filed on November 6, 2008 (File No. 000-28252)).
3.4	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on October 16, 2008 (File No. 000-28252)).
4.1	References are hereby made to Exhibits 3.1 to 3.4.
4.2	Registration Rights Agreement, dated November 10, 2004, among the Company and certain investors listed on Exhibit A thereto (incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-1 filed on December 20, 2004 (File No. 333-121430)).
4.3	Registration Rights Agreement, dated March 8, 2006, between the Company and Honu Holdings LLC (incorporated by reference to Exhibit 4.5 to the Company's Annual Report on Form 10-K filed on June 9, 2006 (File No. 000-28252)).
10.1+	Employee Stock Purchase Plan, as amended (incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-8 filed on November 8, 2013 (File No. 333-192224)).
10.2+	BroadVision, Inc. Severance Benefit Plan, as amended, effective October 21, 2009 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 27, 2009 (File No. 001-34205)).
10.3+	2000 Non-Officer Equity Incentive Plan, as amended (incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-8 filed on October 15, 2003 (File No. 333-109709)).
10.4+	Form of Indemnity Agreement between the Company and each of its directors and executive officers (incorporated by reference to Exhibit 10.33 to the Company's Form 10-Q for the quarter ended September 30, 2002 filed on November 14, 2002 (File No. 000-28252)).
10.5	Securities Purchase Agreement, dated as of November 10, 2004, by and among the Company and the investors listed on Exhibit A thereto (incorporated by reference to Exhibit 10.45 to the Company's Current

	Report on Form 8-K filed on November 10, 2004 (File No. 000-28252)).
10.6	Debt Conversion Agreement, dated as of December 20, 2005, between the Company and Honu Holdings, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 22, 2005 (File No. 000-28252)).
10.7	Share Purchase Agreement, dated November 14, 2008, between BroadVision (Delaware) LLC and CHRM LLC (incorporated by reference to Exhibit 10.1to the Company's Current Report on Form 8-K filed on November 18, 2008 (File No. 001-34205)).
10.8+	Amended & Restated 2006 Equity Incentive Plan, as amended (incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-8 filed on May 8, 2009 (File No. 333-159075)).
10.9+	Form of Restricted Stock Bonus Agreement under the Amended and Restated 2006 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 30, 2007 (File No. 000-28252)).
10.10+	Form of Option Grant Notice and Stock Option Agreement under the Amended and Restated 2006 Equity Incentive Plan (incorporated by reference to Exhibit 99.2 to the Company's Registration Statement on Form S-8 filed on November 6, 2006 (File No. 333-138461)).
10.11	Lease Agreement, dated April 18, 2012, between the Company and VII PAC SHORES INVESTORS, L.L.C. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 20, 2012 (File No. 001-34205)).
10.12	First Amendment to Lease Agreement dated September 4, 2014 between BroadVision Inc. and VII Pac Shores Investors, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 15, 2014 (File No. 001-34205)).
10.13	Amended and Restated Operating Agreement of Broadvision (Delaware) LLC, dated November 14, 2008 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on November 18, 2008 (File No. 001-34205)).
21.1	Subsidiaries of the Company (incorporated by reference to Exhibit 21.1 to the Company's Annual Report on Form 10-K filed on April 2, 2018 (File No. 001-34205)).
23.1	Consent of OUM & Co. LLP, an independent registered public accounting firm (incorporated by reference to Exhibit 23.1 to the Company's Annual Report on Form 10-K filed on April 2, 2018 (File No. 001-34205)).
24.1	Power of Attorney (incorporated by reference to the signature page to the Company's Annual Report on Form 10-K filed on April 2, 2018 (File No. 001-34205)).
31.1	Certification of the Chief Executive Officer and Interim Chief Financial Officer of the Company pursuant to Exchange Act Rule13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer and Interim Chief Financial Officer of the Company pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (incorporated by reference to Exhibit 32.1 to the Company's Annual Report on Form 10-K filed on April 2, 2018 (File No. 001-34205)).
101.INS	XBRL Instance (incorporated by reference to Exhibit 101.INS to the Company's Annual Report on Form 10-K filed on April 2, 2018 (File No. 001-34205)).
101.SCH	XBRLTaxonomy Extension Schema (incorporated by reference to Exhibit 101.SCH to the Company's Annual Report on Form 10-K filed on April 2, 2018 (File No. 001-34205)).

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101.CAL	XBRLTaxonomy Extension Calculation (incorporated by reference to Exhibit 101.CAL to the Company's Annual Report on Form 10-K filed on April 2, 2018 (File No. 001-34205)).
101.LAB	XBRLTaxonomy Extension Labels (incorporated by reference to Exhibit 101.LAB to the Company's Annual Report on Form 10-K filed on April 2, 2018 (File No. 001-34205)).
101.PRE	XBRLTaxonomy Extension Presentations (incorporated by reference to Exhibit 101.PRE to the Company's Annual Report on Form 10-K filed on April 2, 2018 (File No. 001-34205)).
101.DEF	XBRLTaxonomy Extension Definition (incorporated by reference to Exhibit 101.DEF to the Company's Annual Report on Form 10-K filed on April 2, 2018 (File No. 001-34205)).

+ Represents a management contract or compensatory plan or arrangement.

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, in Redwood City, State of California, on this 27th day of April 2018.

BROADVISION, INC.

By: /s/ PEHONG CHEN
Pehong Chen
Chairman of the Board, President, Chief Executive Officer and Interim Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Pehong Chen Pehong Chen	Chairman of the Board, President, Chief Executive Officer and Interim Chief Financial Officer (Principal Executive, Financial and Accounting Officer)	April 27, 2018
* François Stieger	Director	April 27, 2018
*		April 27, 2018

James D. Dixon	Director	
*		April 27, 2018
Robert Lee	Director	

* By: /s/ Pehong Chen

Pehong Chen
As Attorney-in-Fact

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