

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 22, 2011

LivePerson, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

0-30141

(Commission File Number)

13-3861628

(IRS Employer Identification No.)

462 Seventh Avenue

New York, New York 10018

(Address of principal executive
offices, with zip code)

(212) 609-4200

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e)

Adoption of LivePerson, Inc. Incentive Plan

On April 22, 2011, the Compensation Committee of the Board of Directors (the “Committee”) of LivePerson, Inc. (the “Company”) approved the LivePerson, Inc. Incentive Plan (the “Incentive Plan”). The Incentive Plan is effective as of April 1, 2011 and shall continue in effect until modified or terminated by the Committee. The purpose of the Incentive Plan is to drive performance of the Company and its affiliates and operating units, and to align, motivate and reward eligible employees by making a portion of their cash compensation dependent on the achievement of certain performance goals related to such Company performance as well as to retain key employees.

Bonuses paid under the plan will be based on the attainment of performance goals, which may include corporate and strategic business objectives, a participant’s individual performance and contribution to the Company, and/or any other factor deemed appropriate by the Committee. The Committee will establish the performance period or periods for the plan (which may include, without limitation, the Company’s fiscal year, multiple fiscal years or any other period longer than one fiscal year or shorter than one fiscal year), the performance goals for each performance period and the target bonus amount for each participant. Performance goals and target bonus amounts may be established, and once established, may be modified, by the Committee at any time, as determined appropriate in the Committee’s sole discretion. Corporate objectives may include one or more objective measurable performance factors, including, but not limited to, the following: (i) operating income; (ii) earnings before interest, taxes, depreciation and amortization (“EBITDA”); (iii) earnings; (iv) cash flow; (v) market share; (vi) sales or revenue; (vii) expenses; (viii) cost of goods sold; (ix) profit/loss or profit margin; (x) working capital; (xi) return on equity or assets; (xii) debt or debt-to-equity; (xiii) accounts receivable; (xiv) writeoffs; (xv) cash; (xvi) assets; (xvii) liquidity; (xviii) operations; (xvix) product development; (xx) regulatory activity; (xxi) management; (xxii) human resources; (xxiii) corporate governance; (xxiv) information technology; (xxv) business development; (xxvi) strategic alliances, licensing and partnering; (xxvii) mergers and acquisitions or divestitures; and/or (xxviii) financings, each with respect to the Company and/or one or more of its affiliates or operating units.

The Committee has reserved the right, in its sole discretion, to increase, reduce or eliminate the amount of a bonus otherwise payable to a participant with respect to any performance period. A participant must be on the company’s payroll at the end of the applicable performance period to be eligible to receive a bonus under the plan. Bonuses paid under the plan will be paid in cash as soon as practicable following the end of the applicable performance period; provided, that no bonus will be payable with respect to any performance period until the applicable results have been verified by the Committee and the Committee otherwise determines that the underlying terms and conditions of the bonus have been satisfied.

A copy of the Incentive Plan is attached hereto as Exhibit 10.1 and incorporated by reference herein.

Compensation Changes Relating to Chief Executive Officer

On April 22, 2011, the Committee, following consideration and discussion of market data and compensation benchmarking data, competitive factors, and the Company's overall strategic and organizational development plans, took the following actions with respect to the compensation of the Company's Chief Executive Officer, Robert P. LoCascio:

(1) The Committee approved an increase to the annual base salary of Mr. LoCascio from \$325,000 to \$500,000, effective April 1, 2011.

(2) The Committee established that, effective for the fiscal year beginning January 1, 2011, Mr. LoCascio's annual target incentive award will be set at \$375,000 and payable in accordance with applicable performance measures as well as the Company's bonus policies and practices pursuant to the Incentive Plan. Mr. LoCascio will have the potential to under- or over-achieve such annual target incentive award based on applicable performance measures to be set by the Committee pursuant to the Incentive Plan and related to the Company's fiscal performance and achievement of strategic goals. Consistent with past practice as discussed in the Company's proxy statement filed with the U.S. Securities and Exchange Commission on April 30, 2010, payment of the annual target bonus award will be further subject to the discretion of the Committee.

(3) The Committee approved a grant of 400,000 options to Mr. LoCascio, at an exercise price of \$13.28, which shall vest 25% on each of the first four anniversaries of the date of grant.

(4) The terms of Mr. LoCascio's employment agreement dated January 1, 1999, filed with the U.S. Securities and Exchange Commission on January 28, 2000, were not otherwise modified by the foregoing actions of the Committee.

Compensation Relating to Certain Other Executive Officers

In addition, the following base salaries and bonus targets are in effect for the Company's other executive officers as of April 1, 2011.

	Base Salary	Bonus Target
President & CFO, Timothy Bixby	\$325,000(1)	\$200,000(1)
EVP, General Manager, Israel, Eli Campo	\$290,000	\$104,167
SVP, General Counsel, Monica Greenberg	\$276,000	\$100,000
SVP, Corporate Controller, Michael Kovach	\$260,000	\$110,000
Chief Technology Officer, Yaron Zeidman	\$190,000	\$ 63,333

(1) As previously disclosed in a Form 8-K filed on November 4, 2010 and a Form 8-K filed on April 7, 2011, Mr. Bixby will be leaving the Company as of May 13, 2011 and all actual 2011 compensation payments to Mr. Bixby will be governed by the Separation Agreement and General Release entered into between the Company and Mr. Bixby dated November 2, 2010, as amended by the parties as of April 1, 2011.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	LivePerson, Inc. Incentive Plan

SIGNATURES

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

LIVEPERSON, INC.
(Registrant)

Date: April 28, 2011

By: /s/ Timothy E. Bixby
Timothy E. Bixby
President and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10.1	LivePerson, Inc. Incentive Plan

**LIVEPERSON, INC.
INCENTIVE PLAN**

1. PURPOSE

The purpose of this Incentive Plan (the "Plan") is to drive superior performance of LivePerson, Inc. (the "Company") and its affiliates and operating units to align, motivate and reward eligible employees by making a portion of their cash compensation dependent on the achievement of certain performance goals related to such performance and to retain key employees.

2. EFFECTIVE DATE

The Plan is effective as of April 1, 2011 and shall continue in effect until modified or terminated by the Compensation Committee of the Company's Board of Directors. This Plan supercedes all prior bonus or commission incentive plans with respect to employees eligible to participate in this Plan or any written or verbal representations regarding the subject matter of the Plan.

3. ADMINISTRATION

- (a) The Plan shall be administered by the Compensation Committee of the Company's Board of Directors (the "Administrator"). The Administrator shall have all powers and discretion necessary or appropriate to administer the Plan and to control its operation, including, but not limited to, the power to (i) determine which employees are eligible to participate in the Plan, (ii) establish target bonus amounts and Performance Goals (as defined below) for such target bonus amounts for each Performance Period (as defined below) under the Plan, (iii) prescribe all of the terms and conditions applicable to Plan bonuses hereunder, (iv) determine the extent of the achievement of the Performance Goals and the amount of bonuses to be paid hereunder, (v) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, and (vi) interpret, amend or revoke any such rules.
- (b) The Administrator, in its sole discretion and on such terms and conditions as it may provide, may delegate all or part of its authority and powers under the Plan to one or more directors and/or executives of the Company.
- (c) All determinations and decisions made by the Administrator and any delegate thereof pursuant to the provisions of the Plan shall be final, conclusive, and binding on all persons, and shall be given the maximum deference permitted by law.
- (d) The Company shall communicate individually with each participant in the Plan regarding his or her level of participation in the Plan.

4. ELIGIBILITY

Officers and other key employees of the Company designated by the Administrator to participate in the Plan shall be eligible to participate in this Plan, provided the Administrator has not, in its sole discretion, withdrawn such designation and he or she meets the following conditions (each such person is referred to herein as a "Participant"):

- (a) is a full-time regular employee of the Company as of the last day of the applicable Performance Period; and
- (b) is not subject to disciplinary action, is in good standing with the Company and is not subject to a performance improvement plan.

5. PERFORMANCE PERIODS AND PERFORMANCE GOALS

- (a) The Administrator shall establish the performance period or periods for the Plan, which may include the Company's fiscal year, multiple fiscal years or any other period longer than one fiscal year, and/or a portion of the Company's fiscal year ("Performance Periods"). The Administrator may establish multiple Performance Periods under the Plan and such Performance Periods may be successive or may overlap.
- (b) The Administrator shall establish performance goals for each Performance Period, which may include corporate and strategic business objectives, a Participant's individual performance and contribution to the Company, and/or any other factor deemed appropriate by the Administrator. Corporate objectives may include, but shall not be limited to, one or more objective measurable performance factors as determined by the Administrator, including, but not limited to: (i) operating income; (ii) earnings before interest, taxes, depreciation and amortization ("EBITDA"); (iii) earnings; (iv) cash flow; (v) market share; (vi) sales or revenue; (vii) expenses; (viii) cost of goods sold; (ix) profit/loss or profit margin; (x) working capital; (xi) return on equity or assets; (xii) debt or debt-to-equity; (xiii) accounts receivable; (xiv) writeoffs; (xv) cash; (xvi) assets; (xvii) liquidity; (xviii) operations; (xvix) product development; (xx) regulatory activity; (xxi) management; (xxii) human resources; (xxiii) corporate governance; (xxiv) information technology; (xxv) business development; (xxvi) strategic alliances, licensing and partnering; (xxvii) mergers and acquisitions or divestitures; and/or (xxviii) financings, each with respect to the Company and/or one or more of its affiliates or operating units. Such Performance Goal(s) may be established, and once established, may be modified, by the Administrator at any time, as determined appropriate in the Administrator's sole discretion.
- (c) Bonuses paid to Participants pursuant to the Plan may take into account other factors which may not be performance based.

6. AMOUNT OF BONUS

With respect to each Participant, the Administrator will establish an individual target bonus amount (which may be, but is not required to be, based on the Participant's base salary for the Performance Period). Such target bonus amount shall be established, and once established, may be modified, by the Administrator at any time, as determined appropriate, in the Administrator's sole discretion.

If a target bonus is measured by reference to a Participant's base salary for a Performance Period, base salary shall be the Participant's base salary actually paid to the Participant for the Performance Period. Except as otherwise required by applicable law, base salary shall not include salary paid during any paid leave of absence or any variable forms of compensation including, but not limited to, overtime, on-call pay, lead premiums, shift differentials, bonuses, incentive compensation, commissions, stock options, restricted stock units, restricted stock, stock appreciation rights, or expense allowances or reimbursements. Nothing in the Plan, or arising as a result of a Participant's participation in the Plan, shall prevent the Company from changing a Participant's base salary at any time based on such factors as the Company shall in its discretion determine appropriate.

Bonuses may be pro-rated on any basis determined appropriate in the Administrator's sole discretion, including, but not limited to, in connection with transfers to new positions or new locations, new hires, Participants on a leave of absence for all or any portion of a Performance Period, or Participants working less than full-time. The Administrator reserves the right, in its sole discretion, to increase, reduce or eliminate the amount of a bonus otherwise payable to a Participant with respect to any Performance Period.

7. PAYMENT OF BONUS

- (a) A Participant must be on the Company's payroll at the end of the applicable Performance Period in order to be eligible to receive a bonus for such Performance Period.
- (b) Bonus payments under the Plan shall be made in cash.
- (c) Any distribution made under the Plan shall occur as soon as practicable following the end of the applicable Performance Period; provided, that no bonus shall become payable with respect to any Performance Period until the applicable results have been verified by the Administrator and the Administrator otherwise determines that the underlying terms and conditions of the bonus have been satisfied.

8. GENERAL

- (a) Each Participant shall be required to make adequate provision for federal, state or other applicable tax, withholding obligations, required deductions or other payments, if any, which arise in connection with any bonus or bonus opportunity under this Plan, whether by withholding, direct payment to the Company, or otherwise, as determined by the Company in its sole discretion.
- (b) Nothing in the Plan shall confer upon any Participant the right to continued employment with the Company or any of its affiliates, or affect in any way the right of the Company or any affiliate to terminate the Participant's employment at any time, and for any reason, or change the Participant's responsibilities.
- (c) Bonus opportunities under the Plan represent unfunded and unsecured obligations of the Company and a holder of any right hereunder in respect of any bonus shall have no rights other than those of a general unsecured creditor of the Company.
- (d) A Participant's rights and interests under the Plan, or any amounts payable under the Plan, may not be assigned, pledged, or transferred except, in the event of a Participant's death, to a designated beneficiary as may be permitted by the Administrator, or in the absence of such designation, by will or the laws of descent and distribution.
- (e) Each member of the Administrator and each employee of the Company or an affiliate who is delegated a duty under the Plan shall be indemnified and held harmless by the Company from and against any loss, cost, liability or expense that may be imposed upon or reasonably incurred by him in connection with or resulting from any claim, action, suit or proceeding to which he may be a party or in which he may be involved by reason of any action or failure to act under the Plan and against and from any and all amounts paid by him in satisfaction of judgment in any such action, suit or proceeding against him, provided such loss, cost, liability or expense is not attributable to such person's willful misconduct. Any person seeking indemnification under these provisions shall give the Company prompt notice of any claim and shall give the Company an opportunity, at its own expense, to handle and defend the same before the person undertakes to handle and defend it on his own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or By-Laws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

- (f) The expenses of administering the Plan shall be borne by the Company.
- (g) The Administrator may amend, suspend or terminate the Plan at any time, without regard to whether the amendment, suspension or termination occurs prior to, during or following any Performance Period.
- (h) The validity, construction, and effect of the Plan, any rules and regulations relating to the Plan, and any bonus, shall be determined in accordance with the laws of the State of New York (without giving effect to principles of conflicts of laws thereof).
- (i) In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.
- (j) The Plan, and any resolutions of the Administrator in adopting or administering the Plan, is the entire understanding between the Company and the Participant regarding the subject matter of the Plan and supersedes all prior bonus or commission incentive plans or any written or verbal representations regarding the subject matter of the Plan. Participation in the Plan during a Performance Period will not convey any entitlement to participate in this or future plans or to the same or similar bonus benefits. Payments under the Plan are an extraordinary item of compensation that is outside the normal or expected compensation for the purpose of calculating any extra benefits, termination, severance, redundancy, end-of-service premiums, bonuses, long-service awards, overtime premiums, pension or retirement benefits or other similar payment.