PRESS RELEASE

SEC Announces Half-Million Dollar Clawback from CFOs of Silicon Valley Company That Committed Accounting Fraud

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Washington D.C., Feb. 10, 2015 — The Securities and Exchange Commission today announced that two former CFOs have agreed to return nearly a half-million dollars in bonuses and stock sale profits they received while their Silicon Valley software company was committing accounting fraud.

According to the SEC's order instituting a settled administrative proceeding, William Slater and Peter E. Williams III received $337,375 and $141,992 respectively during time periods when Saba Software presented materially false and misleading financial statements. While not personally charged with the company's misconduct, Slater and Williams are still required under Section 304 of the Sarbanes-Oxley Act to reimburse the company for bonuses and stock sale profits received while the fraud occurred. Saba Software overstated its pre-tax earnings and made material misstatements about its revenue recognition practices while Slater served as CFO from December 2008 to October 2011 and while Williams served as CFO from October 2011 to January 2012.

"During any period when a company materially misrepresents its financial results, even executives who were not complicit in the fraud have an obligation to return their bonuses and stock sale profits to the company for the benefit of the shareholders who were misled," said Jina L. Choi, Director of the SEC's San Francisco Regional Office.

Last year, the SEC charged Saba Software and two former executives responsible for the accounting fraud in which timesheets were falsified to hit quarterly financial targets. As part of that settlement, the SEC similarly reached an agreement with the former CEO to reimburse the company $2.5 million in bonuses and stock profits that he received while the accounting fraud was occurring, even though he was not charged with misconduct.

Slater and Williams each consented to the entry of the SEC's order without admitting or denying the finding that they violated Section 304 of the Sarbanes-Oxley Act.

The SEC's investigation was conducted by Mike Foley, Rebecca Lubens, and Erin Schneider of the San Francisco Regional Office.

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Related Materials

- SEC order