

ACORN FACTOR, INC.  
Form 8-K  
January 03, 2007

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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) December 28, 2006**

**ACORN FACTOR, INC.**  
**(Exact name of Registrant as Specified in its Charter)**

Delaware (State or Other Jurisdiction of Incorporation)	0-19771 (Commission file Number)	22-2786081 (IRS Employer Identification No.)
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200 Route 17, Mahwah, New Jersey (Address of Principal Executive Offices)	07430 (Zip Code)
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Registrant's telephone number, including area code (201) 529-2026

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-2 under the Exchange Act (17 CFR 240.14a-2)
- 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))



**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On December 28, 2006 the Registrant entered into letter agreements with officers John A. Moore, President and Chief Executive Officer, and Michael Barth, Chief Financial Officer, which modify the exercise prices of certain stock options previously granted to them. By the terms of the letter agreements the exercise prices of the stock options were increased to the fair market value of the Registrant's common stock on the original date of grant. As a result, the exercise prices of the options have been modified as follows:

Optionee	Original Grant Date	Original Exercise Price	Modified Exercise Price
John A. Moore	March 27, 2006	\$2.00	\$2.60
John A. Moore	March 27, 2006	\$2.25	\$2.60
Michael Barth	July 21, 2006	\$2.65	\$3.00

Except as so modified the terms of the options remain as originally reported.

The modifications to the stock options were made pursuant to transition relief provided under Internal Revenue Code Section 409A and the regulations thereunder.

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 on this 3rd day of January 2007.

ACORN FACTOR, INC.

By: /s/ Sheldon Krause

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Name: Sheldon Krause

Title: Secretary and General Counsel