



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

FORM 10-K

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

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

For the fiscal year ended: December 31, 2002

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: 0-29357

CHORDIANT SOFTWARE, INC.

(Exact name of registrant as specified in its charter)

Delaware
 (State or other jurisdiction of
 incorporation or organization)

93-1051328
 (I.R.S. Employer
 Identification Number)

**20400 Stevens Creek Blvd., Suite 400
 Cupertino, California 95014**
 (Address of principal executive offices, including zip code)

(408) 517-6100
 (Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act: None

Securities Registered Pursuant to Section 12(g) of the Act:

Common Stock \$.001 Par Value per Share
 (Title of Class)

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of June 28, 2002, the last business day of the registrant's most recently completed second fiscal quarter: \$74,718,948.

As of March 19, 2003, there were 64,416,911 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, not later than April 30, 2003, in connection with the registrant's 2003 Annual Meeting of Stockholders, are incorporated herein by reference into Part II and Part III of this Annual Report on Form 10-K.



PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our common stock is traded on the Nasdaq National Market under the symbol "CHRD." The following table shows, for the periods indicated, the high and low per share sales prices of our common stock, as reported by the Nasdaq National Market.

| | <u>High</u> | <u>Low</u> |
|------------------------------|-------------|------------|
| Year Ended December 31, 2002 | | |
| First Quarter | \$8.86 | \$4.11 |
| Second Quarter | \$7.53 | \$1.60 |
| Third Quarter | \$2.40 | \$0.57 |
| Fourth Quarter | \$2.01 | \$0.74 |
| Year Ended December 31, 2001 | | |
| First Quarter | \$4.94 | \$2.63 |
| Second Quarter | \$3.52 | \$2.75 |
| Third Quarter | \$3.10 | \$1.87 |
| Fourth Quarter | \$8.00 | \$1.80 |

As of March 19, 2003, there were approximately 267 holders of record of our common stock. Because many of such shares are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders. We have never paid or declared any cash dividends. We currently expect to retain earnings for use in the operation and expansion of our business and therefore do not anticipate paying any cash dividends.

In response to the SEC's adoption of Rule 10b5-1 under the Securities Exchange Act, we approved amendments to our insider trading policy on July 20, 2001 to permit our directors, executive officers and certain key employees to enter into trading plans or arrangements for systematic trading in our securities. We have been advised that certain of our directors and officers have entered into trading plans for selling shares in our securities. As of December 31, 2002, the directors and officers who have entered into trading plans include Stephen Kelly, Sam Spadafora, Steve Vogel, Don Morrison and Allen Swann. We anticipate that, as permitted by the Rule 10b5-1 and our insider trading policy, some or all of our directors, executive officers and key employees may establish trading plans at some date in the future.