

TECHTEAM GLOBAL INC  
Form DEFA14A  
September 15, 2010

**Table of Contents**

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

**TechTeam Global, Inc.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials.

Edgar Filing: TECHTEAM GLOBAL INC - Form DEFA14A

- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

---

**Table of Contents**

**TECHTEAM GLOBAL, INC.  
27335 West 11 Mile Road  
Southfield, Michigan 48033**

September 15, 2010

Dear Stockholder:

On or about August 3, 2010, we first delivered to our stockholders a definitive proxy statement dated July 30, 2010 relating to a Special Meeting of Stockholders of TechTeam Global, Inc. ( TechTeam ) originally scheduled to be held on August 31, 2010, at 10:00 a.m. (local time), at The Langham Hotel, 250 Franklin Street, Boston, Massachusetts 02110 (the Special Meeting ), to consider and vote upon the following proposals:

- (i) a proposal to adopt and approve that certain Stock Purchase Agreement dated as of June 3, 2010 (the Stock Purchase Agreement ), by and among Jacobs Engineering Group Inc., Jacobs Technology Inc. (collectively, Jacobs ) and TechTeam, and the consummation of the transactions contemplated by the Stock Purchase Agreement and all other agreements, documents, certificates and instruments contemplated thereby (the Stock Sale );
- (ii) a proposal to adjourn the Special Meeting, if necessary, to facilitate the approval of the preceding proposal, including to permit the solicitation of additional proxies if there were not sufficient votes at the time of the Special Meeting to approve the preceding proposal; and
- (iii) such other business as properly may come before the Special Meeting.

As discussed in the definitive proxy statement, TechTeam had previously requested from Jacobs a waiver of a condition precedent to Jacobs' obligation to consummate the Stock Sale, which condition could not be satisfied prior to the closing of the Stock Sale. On August 27, 2010, Jacobs informed TechTeam by letter that Jacobs believed it had the right to terminate the Stock Purchase Agreement. Jacobs also stated that it continued to have an interest in acquiring TTGSI at a fair price that reflected its value, which it stated to be about \$38 million.

On August 31, 2010, after consultation with Jacobs, the Special Meeting was convened for the sole purpose of having TechTeam's stockholders consider the approval of the proposal to adjourn the Special Meeting to a later date in order to provide us with additional time to discuss with Jacobs the terms of a possible amendment to the Stock Purchase Agreement, including a revised net purchase price, revised escrow terms, and the waiver of certain conditions precedent to the parties' respective obligations to consummate the Stock Sale, that could facilitate the consummation of the Stock Sale upon such revised terms. The adjournment proposal was approved by more than a majority of the shares of common stock present, in person or represented by proxy, at the Special Meeting and entitled to vote on this matter.

On September 14, 2010, the parties entered into Amendment No. 1 to Stock Purchase Agreement and Limited Waiver (the Amendment ). The Amendment has the effect of, among other things, decreasing the net purchase price payable by Jacobs for TTGSI pursuant to the Stock Sale, from \$59,000,000 to \$43,000,000 and decreasing the aggregate amount to be placed in escrow accounts from \$17,520,294 to \$11,370,294, each subject to such additions, subtractions

and other adjustments provided for by, and the other provisions set forth in, the Stock Purchase Agreement, the Amendment and the Escrow Agreement, as amended.

---

**Table of Contents**

We agreed to reduce the net purchase price, as described above, following a reevaluation of the terms of the Stock Sale as a result of, among other things, the statements made by Jacobs in its August 27, 2010 letter, which indicated Jacobs' unwillingness to waive the conditions precedent to its obligation to consummate the Stock Sale under the terms of the Stock Purchase Agreement absent a reduction in the purchase price. In connection with the Amendment, the parties also agreed to waive and modify certain conditions to their obligations to consummate the Stock Sale that had been contained in the Stock Purchase Agreement, which we believe increases the likelihood that the closing might occur.

The full text of the Amendment and the amended form of Escrow Agreement are included as *Exhibits A and B*, respectively, to the proxy statement supplement that accompanies this letter. For a chronological description of the material contacts and events relating to the Amendment, see *Update to Proposal 1 Background of the Amendment*.

After careful consideration, our Board of Directors has unanimously approved the Amendment and determined that the Stock Purchase Agreement, as amended thereby, is expedient and in the best interests of us and our stockholders. Our Board of Directors has unanimously approved the Stock Sale (as so amended, the *Amended Stock Sale*) and unanimously recommends that you vote **FOR** the adoption and approval of the Amended Stock Sale.

The Special Meeting will be reconvened on Tuesday, September 28, 2010, at 10:00 a.m. (local time), at The Langham Hotel, 250 Franklin Street, Boston, Massachusetts 02110, for the purpose of approving the Amended Stock Sale. The record date for the Special Meeting has not changed. Only stockholders of record who owned shares of our common stock at the close of business on July 30, 2010, the record date for the Special Meeting, will be entitled to vote at the Special Meeting.

Attached to this letter is a supplement to the definitive proxy statement containing additional and updated information about us, the Amendment, the Amended Stock Sale and related matters. Please read this document carefully in its entirety. We also encourage you, if you have not done so already, to review carefully the definitive proxy statement that was previously sent to you. The proxy statement supplement is dated September 15, 2010 and is being first sent or given to TechTeam stockholders on September 15, 2010.

Pursuant to the Stock Purchase Agreement and the Amendment, the Amended Stock Sale must be approved by the affirmative vote of the holders of at least a majority of the outstanding shares of our common stock entitled to vote at the Special Meeting. Therefore, an abstention or failure to vote will have the same effect as a vote against the approval of the Amended Stock Sale.

**YOUR VOTE IS VERY IMPORTANT, REGARDLESS OF THE NUMBER OF SHARES YOU HOLD. IF YOU HAVE ALREADY DELIVERED A PROPERLY EXECUTED PROXY OR VOTING INSTRUCTION CARD, VOTED ELECTRONICALLY BY THE INTERNET OR BY TELEPHONE, OR OTHERWISE INSTRUCTED YOUR BROKER HOW TO VOTE YOUR SHARES, YOU DO NOT NEED TO DO ANYTHING UNLESS YOU WISH TO CHANGE YOUR VOTE OR REVOKE YOUR PROXY.**

If you have not previously voted, or if you wish to change your vote, whether or not you plan to attend the Special Meeting, please complete, date, sign and return the enclosed proxy or voting instruction card as soon as possible in the envelope provided, or vote electronically by the Internet or by telephone as provided in the proxy statement and the accompanying supplement to the proxy statement. Voting by proxy will ensure your representation at the Special Meeting if you do not attend in person and does not deprive you of your right to attend the Special Meeting and vote your shares in person. If you attend the Special Meeting, you can revoke your proxy at any time before it is exercised at the Special Meeting and vote your

**Table of Contents**

shares personally by following the procedures described in the proxy statement and the accompanying supplement to the proxy statement.

If you have any questions about the accompanying proxy statement supplement or the Special Meeting or require assistance in submitting your proxy card, please contact TechTeam Global, Inc., Attention: Investor Relations, 27335 West 11 Mile Road, Southfield, Michigan 48033, or by calling us at (248) 357-2866; or The Altman Group, Inc., the firm assisting us in the solicitation of proxies, 1200 Wall Street West, Lyndhurst, New Jersey 07071, toll-free at (877) 283-0320. Banks and brokerage firms can call The Altman Group collect at (201) 806-7300.

On behalf of the Board of Directors, thank you for your cooperation and continued support as a stockholder of TechTeam.

Sincerely,

Seth W. Hamot  
Chairman of the Board of Directors

---

**Table of Contents**

**TECHTEAM GLOBAL, INC.  
27335 West 11 Mile Road  
Southfield, Michigan 48033**

**NOTICE OF RECONVENED SPECIAL MEETING OF STOCKHOLDERS  
TO BE HELD ON SEPTEMBER 28, 2010**

TO OUR STOCKHOLDERS:

Notice is hereby given that a reconvened Special Meeting of Stockholders (the Special Meeting) of TechTeam Global, Inc. (the Company) will be held at The Langham Hotel, 250 Franklin Street, Boston, Massachusetts 02110, at 10:00 a.m. (local time) on Tuesday, September 28, 2010. The Special Meeting was initially convened and adjourned on Tuesday, August 31, 2010. The Special Meeting is being reconvened and held for the following purposes:

1. To adopt and approve (a) that certain Stock Purchase Agreement dated as of June 3, 2010, as amended by that certain Amendment No. 1 to Stock Purchase Agreement and Limited Waiver, dated as of September 14, 2010 (collectively, the Stock Purchase Agreement), by and among Jacobs Engineering Group Inc., Jacobs Technology Inc. and the Company, (b) the consummation of the sale of all of the outstanding capital stock of TechTeam Government Solutions, Inc. to Jacobs Technology Inc. pursuant to the terms of the Stock Purchase Agreement, and (c) the consummation of all of the other transactions contemplated by the Stock Purchase Agreement and all other agreements, documents, certificates and instruments required to be delivered pursuant thereto (the matters described in clauses (a), (b) and (c) above being referred to collectively as the Stock Sale Proposal); and
2. To transact such other business as may properly come before the Special Meeting, or any adjournment, postponement, continuation or rescheduling thereof.

The foregoing items of business are more fully described in the Company's definitive Proxy Statement dated July 30, 2010, and Supplement No. 1 thereto dated September 15, 2010 (the Supplement). A copy of the Supplement accompanies this notice.

**Our Board of Directors unanimously recommends that you vote FOR the approval of the Stock Sale Proposal. NO ACTION IS REQUIRED BY ANY STOCKHOLDER WHO HAS PREVIOUSLY SUBMITTED A PROXY OR PROVIDED VOTING INSTRUCTIONS TO SUCH STOCKHOLDER'S BROKER, BANK, FIDUCIARY, AGENT, CUSTODIAN OR OTHER NOMINEE, AND WHO DOES NOT WISH TO REVOKE SUCH PROXY OR CHANGE SUCH VOTING INSTRUCTIONS.**

**Stockholders who wish to vote or change their vote may do so using the enclosed proxy or voting instruction card or by voting by the Internet or telephone, as described in the Proxy Statement and the accompanying Supplement.**

Only stockholders of record of the Company's common stock, par value \$.01 per share, as shown on the transfer books of the Company, at the close of business on July 30, 2010, are entitled to notice of, and to vote at, the Special Meeting or any adjournments, postponements, continuations or reschedulings thereof. No change in the record date with



respect to the Special Meeting was made as a result of the adjournment thereof on August 31, 2010. A list of the stockholders as of the record date will be available for inspection by stockholders at the Company's offices during business hours for a period of 10 days prior to the Special Meeting.

---

**Table of Contents**

All stockholders are cordially invited to attend the Special Meeting in person. However, to ensure your representation at the Special Meeting, and regardless of whether you plan to attend the Special Meeting, you are urged to complete, sign, date and return the enclosed proxy or voting instruction card as promptly as possible in the postage prepaid envelope enclosed for that purpose or to vote by the Internet or telephone. Instructions on how to vote by the Internet or telephone are included in the Proxy Statement and the accompanying Supplement.

If you have any questions about the Proxy Statement, the accompanying Supplement or the Special Meeting, or you require assistance in submitting your proxy, please contact TechTeam Global, Inc., Attention: Investor Relations, 27335 West 11 Mile Road, Southfield, Michigan 48033, or by calling us at (248) 357-2866; or The Altman Group, Inc., the firm assisting us in the solicitation of proxies, 1200 Wall Street West, Lyndhurst, New Jersey 07071, toll-free at (877) 283-0320. Banks and brokerage firms can call The Altman Group collect at (201) 806-7300.

By order of the Board of Directors,

Michael A. Sosin  
Corporate Vice President, Secretary and  
General Counsel

September 15, 2010  
Southfield, Michigan

**NO ACTION IS REQUIRED BY ANY STOCKHOLDER WHO HAS PREVIOUSLY SUBMITTED A PROXY OR PROVIDED VOTING INSTRUCTIONS TO SUCH STOCKHOLDER'S BROKER, BANK, FIDUCIARY, AGENT, CUSTODIAN OR OTHER NOMINEE, AND WHO DOES NOT WISH TO REVOKE SUCH PROXY OR CHANGE SUCH VOTING INSTRUCTIONS.**

**IF YOU HAVE NOT ALREADY VOTED WITH RESPECT TO THE SPECIAL MEETING, OR YOU WISH TO CHANGE YOUR VOTE, WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE VOTE BY TELEPHONE OR THE INTERNET, OR BY COMPLETING, SIGNING, DATING AND RETURNING THE ACCOMPANYING PROXY OR VOTING INSTRUCTION CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE TODAY. SEE THE SPECIAL MEETING -- VOTING IN THE PROXY STATEMENT FOR FURTHER DETAILS.**

**IF YOU DO ATTEND THE SPECIAL MEETING, YOU MAY, IF YOU PREFER, REVOKE YOUR PROXY AND VOTE YOUR SHARES IN PERSON.**

---

**TABLE OF CONTENTS**

<u>INTRODUCTION</u>	S-1
<u>General Information</u>	S-1
<u>Quorum and Voting</u>	S-2
<u>Revocability of Proxies</u>	S-2
<u>UPDATE TO SUMMARY TERM SHEET</u>	S-3
<u>The Stock Sale</u>	S-3
<u>Amendment No. 1 to Stock Purchase Agreement and Limited Waiver</u>	S-4
<u>Voting Agreements</u>	S-7
<u>UPDATE TO QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE STOCK SALE</u>	S-8
<u>The Special Meeting</u>	S-8
<u>The Stock Sale</u>	S-10
<u>UPDATE TO CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING INFORMATION</u>	S-13
<u>UPDATE TO SUMMARY SELECTED HISTORICAL AND PRO FORMA FINANCIAL INFORMATION</u>	S-15
<u>UPDATE TO MATERIAL CONSIDERATIONS RELATING TO THE STOCK SALE PROPOSAL</u>	S-18
<u>UPDATE TO PROPOSAL 1 – ADOPTION AND APPROVAL OF THE AMENDED STOCK PURCHASE AGREEMENT AND THE CONSUMMATION OF THE STOCK SALE</u>	S-20
<u>Background of the Amendment</u>	S-20
<u>Recommendation of Our Board of Directors</u>	S-22
<u>Reasons for Recommending that Stockholders Approve the Amended Stock Sale Proposal</u>	S-22
<u>Opinion of TechTeam’s Financial Advisor</u>	S-24
<u>Updated Projected Financial Information</u>	S-30
<u>Post-Closing Strategies</u>	S-34
<u>Effects of the Stock Sale</u>	S-34
<u>Use of Proceeds of the Stock Sale</u>	S-34
<u>AMENDMENT NO. 1 TO STOCK PURCHASE AGREEMENT AND LIMITED WAIVER</u>	S-35
<u>Amended Purchase Price: Escrow</u>	S-35
<u>Potential Post-Closing Adjustment to the Purchase Price</u>	S-36
<u>Closing</u>	S-36
<u>Other Covenants and Agreements</u>	S-36
<u>Conditions to Completion of the Stock Sale</u>	S-37
<u>Use of TechTeam Name and Trademarks</u>	S-38

<u>Indemnification; Survival of Indemnification Obligations</u>	S-38
<u>Termination</u>	S-39
<u>Termination Fee and Reimbursement of Expenses</u>	S-40
<u>ADJOURNMENT OF THE SPECIAL MEETING</u>	S-40
<u>WHERE YOU CAN FIND ADDITIONAL INFORMATION</u>	S-40
<u>EXHIBIT A -- AMENDMENT NO. 1 TO STOCK PURCHASE AGREEMENT AND LIMITED WAIVER DATED SEPTEMBER 14, 2010</u>	A-1
<u>EXHIBIT B -- AMENDED FORM OF ESCROW AGREEMENT</u>	B-1
<u>EXHIBIT C -- AMENDED FORM OF TRANSITIONAL SERVICES AGREEMENT</u>	C-1
<u>EXHIBIT D -- OPINION OF HOULIHAN LOKEY CAPITAL, INC</u>	D-1
<u>EXHIBIT E -- TECHTEAM GLOBAL, INC. QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2010</u>	E-1
<u>EXHIBIT F -- UPDATED UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF TECHTEAM GLOBAL, INC. AND SUBSIDIARIES</u>	F-1
<u>EXHIBIT G -- UPDATED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF TECHTEAM GOVERNMENT SOLUTIONS, INC. AND SUBSIDIARIES</u>	G-1

---

**Table of Contents**

**TECHTEAM GLOBAL, INC.  
27335 West 11 Mile Road  
Southfield, Michigan 48033**

**SUPPLEMENT NO. 1 TO PROXY STATEMENT  
SPECIAL MEETING OF STOCKHOLDERS**

**INTRODUCTION**

**General Information**

This Supplement No. 1 to Proxy Statement (this Supplement) is being furnished to supplement the proxy statement dated July 30, 2010 of TechTeam Global, Inc. (the Proxy Statement) in connection with the solicitation of proxies by the Board for use at the Special Meeting of Stockholders of the Company and at any adjournment, postponement, continuation or rescheduling thereof, to be reconvened on Tuesday, September 28, 2010, at 10:00 a.m. (local time), at The Langham Hotel, 250 Franklin Street, Boston, Massachusetts 02110 (the Special Meeting), for the purposes set forth herein. Accompanying this Supplement is the Board's proxy card or a voting instruction card for the Special Meeting, which you may use to indicate your vote on the proposal described in this Supplement. The Supplement is dated September 15, 2010 and is being first sent or given to TechTeam stockholders on or about September 15, 2010.

We are providing our stockholders with this Supplement because on September 14, 2010, we entered into Amendment No. 1 to Stock Purchase Agreement and Limited Waiver (the Amendment), which amended the Stock Purchase Agreement. This Supplement is being sent in order to give TechTeam stockholders an opportunity to consider and vote upon a proposal to approve the Stock Sale Proposal in light of the Amendment.

This Supplement is being sent or delivered to TechTeam stockholders who are eligible to vote at the Special Meeting. All holders of record of our Common Stock as of the close of business on July 30, 2010, which is the record date for the Special Meeting, are entitled to vote at the Special Meeting.

As discussed in the Proxy Statement, we had previously requested from Jacobs Technology a waiver of a condition precedent to Jacobs Technology's obligation to consummate the Stock Sale, which condition could not be satisfied prior to the closing of the Stock Sale. On August 27, 2010, Jacobs informed TechTeam that Jacobs believed it had the right to terminate the Stock Purchase Agreement. The grounds for termination stated by Jacobs included, without limitation:

the failure of certain employees of TTGSI to remain employed with TTGSI;

the apparent inability of TechTeam to obtain certain consents required by the terms of the Stock Purchase Agreement;

Jacobs' belief (based on information provided by TechTeam) that the deterioration in TTGSI's business constituted a material adverse effect (as defined in the Stock Purchase Agreement); and

the apparent failure of TechTeam's representations and warranties to remain true and correct as of the date of Jacobs' letter, to the extent specified in the Stock Purchase Agreement.

The statements made by Jacobs in its August 27 letter indicated Jacobs' unwillingness to waive the conditions precedent to its obligation to consummate the Stock Sale under the terms of the Stock Purchase Agreement absent a reduction in the purchase price. Jacobs also stated that it continued to have an interest in acquiring TTGSI at a fair

price that reflected its value, which it stated to be about \$38 million.

From August 28 to August 30, 2010, TechTeam and Jacobs had been negotiating the terms of an amendment to the Stock Purchase Agreement, but as of the Special Meeting date, those negotiations had not concluded. Therefore, on August 31, 2010, after consultation with Jacobs, the Special Meeting was convened for the sole purpose of having stockholders consider the proposal to adjourn the Special Meeting to a later date in order to provide us with additional time to discuss with Jacobs the terms of a possible amendment to the Stock Purchase Agreement, including the revised net purchase price, revised escrow terms and the waiver of conditions to the consummation of the Stock Sale, that could facilitate the consummation of the Stock Sale upon such revised terms. The adjournment proposal was approved by more than a majority of the shares of Common Stock present, in person or represented by proxy at the Special Meeting and entitled to vote on this matter at the Special Meeting. On September 14, 2010, we entered into the Amendment with Jacobs, whereby the Stock Purchase Agreement was amended as reflected thereby.

S-1

---

## **Table of Contents**

After careful consideration, our Board unanimously determined that the Stock Purchase Agreement, the Amendment and the Stock Sale are expedient and in the best interests of the Company and its stockholders. Our Board has unanimously approved the Stock Purchase Agreement, the Amendment and the Stock Sale.

## **OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF THE STOCK SALE PROPOSAL.**

Stockholders are urged to read this Supplement carefully together with the Proxy Statement. The information contained in this Supplement replaces and supersedes any inconsistent information set forth in the Proxy Statement. If you need another copy of the Proxy Statement or this Supplement, please contact TechTeam Global, Inc., Attention: Investor Relations, 27335 West 11 Mile Road, Southfield, Michigan 48033, or call us at (248) 357-2866; or contact The Altman Group, Inc., the firm assisting us in the solicitation of proxies, 1200 Wall Street West, Lyndhurst, New Jersey 07071, toll-free at (877) 283-0320. Banks and brokerage firms can call The Altman Group collect at (201) 806-7300. The Proxy Statement and this Supplement may also be found on the Internet at <http://www.proxyvote.com> or <http://www.sec.gov>.

Unless the context otherwise requires, references throughout the Proxy Statement, as amended by this Supplement, to the Stock Purchase Agreement, the Stock Sale and the Stock Sale Proposal shall be to the Stock Purchase Agreement, the Stock Sale and the Stock Sale Proposal, respectively, as amended by the Amendment. Unless otherwise defined or the context otherwise indicates, other terms used throughout this Supplement have the meanings ascribed to them in the Proxy Statement.

## **Quorum and Voting**

Under Delaware law, the presence of a quorum at the reconvened Special Meeting will be presumed to exist because a quorum was present when the Special Meeting was first convened on August 31, 2010. The holders of record of shares of our Common Stock as of the close of business on July 30, 2010 are entitled to vote at the Special Meeting. Holders of record of our Common Stock may vote in person at the Special Meeting in the manner set forth in the sections of the Proxy Statement entitled The Special Meeting Voting and The Special Meeting Proxies.

## **Revocability of Proxies**

A stockholder giving a proxy has the power to revoke his or her proxy, at any time prior to the time it is voted, by:

filing a written notice of revocation with the Company's Corporate Secretary at 27335 West 11 Mile Road, Southfield, Michigan 48033, before the Special Meeting;

submitting another properly completed proxy with a later date; or

attending the Special Meeting and voting in person.

Simply attending the Special Meeting will not constitute revocation of your proxy. If your shares are held in street name, the above-described options for revoking your proxy do not apply and you must instead follow the instructions of your broker, bank, fiduciary, agent, custodian or other nominee to revoke a previously given proxy. **Stockholders may change their vote through the Internet at <http://www.proxyvote.com> by following the instructions printed on their proxy or voting instruction card, or by using the telephone number printed on their proxy or voting instruction card.**

**NO ACTION IN CONNECTION WITH THIS SUPPLEMENT IS REQUIRED BY ANY STOCKHOLDER WHO HAS PREVIOUSLY SUBMITTED A PROXY OR PROVIDED VOTING INSTRUCTIONS TO SUCH STOCKHOLDER'S BROKER, BANK, FIDUCIARY, AGENT, CUSTODIAN OR OTHER NOMINEE, AND WHO DOES NOT WISH TO REVOKE SUCH PROXY OR CHANGE SUCH VOTING INSTRUCTIONS.**

The form of proxy accompanying this Supplement confers discretionary authority upon the named proxy holders with respect to any other matters which may properly come before the Special Meeting. As of the date of this Supplement, management knows of no such matters expected to come before the Special Meeting which are not referred to in this Supplement.

S-2

---



**Table of Contents**

**UPDATE TO SUMMARY TERM SHEET**

*This updated summary highlights selected information about the Stock Sale and the Amendment from this Supplement and may not contain all the information that is important to you. You should carefully read this entire Supplement and the Proxy Statement, including each of the exhibits thereto. The Amendment is attached as Exhibit A to this Supplement. Each item in this summary refers to the page of this Supplement on which the applicable subject is discussed in more detail.*

**The Stock Sale**

***Background of the Amendment (page S-20)***

On August 27, 2010, Jacobs informed TechTeam by letter that Jacobs believed it had the right to terminate the Stock Purchase Agreement. The grounds for termination stated by Jacobs included, without limitation:

the failure of certain employees of TTGSI to remain employed with TTGSI;

the apparent inability of TechTeam to obtain certain consents required by the terms of the Stock Purchase Agreement;

Jacobs' belief (based on information provided by TechTeam) that the deterioration in TTGSI's business constituted a material adverse effect (as defined in the Stock Purchase Agreement); and

the apparent failure of TechTeam's representations and warranties to remain true and correct as of the date of Jacobs' letter, to the extent specified in the Stock Purchase Agreement.

Jacobs also stated that it continued to have an interest in acquiring TTGSI at a fair price that reflected its value, which it stated to be about \$38 million. The statements made by Jacobs in its August 27 letter indicated Jacobs' unwillingness to waive the conditions precedent to its obligation to consummate the Stock Sale under the terms of the Stock Purchase Agreement absent a reduction in the purchase price.

As a result of having received such letter, our Board began the process of negotiating the Amendment with Jacobs, which ultimately resulted in an agreed upon net purchase price of \$43,000,000.

For a chronological description of the material contacts and events occurring after the date of the Proxy Statement and relating to the entering into the Amendment with Jacobs on September 14, 2010, see Update to Proposal 1 Background of the Amendment.

***Recommendation of Our Board of Directors (page S-22)***

After careful consideration, our Board has determined that the Stock Purchase Agreement, as amended by the Amendment, and the transactions contemplated thereby, including the Stock Sale, are expedient and in the best interests of our stockholders. Our Board has **unanimously** approved the Stock Purchase Agreement, as amended, and the transactions contemplated thereby, including the Stock Sale. **Accordingly, our Board unanimously recommends that you vote FOR the approval of the Stock Sale Proposal.**

***Reasons for Recommending that Stockholders Approve the Amended Stock Sale Proposal (page S-22)***

In evaluating the Stock Sale, our Board consulted with our senior management, outside legal counsel and financial advisor. Our Board also consulted with outside legal counsel regarding its fiduciary duties, legal due diligence matters and the terms of the Stock Purchase Agreement, the Amendment and related agreements. After carefully considering these consultations and the other factors referenced in Update to Proposal 1 Reasons for Recommending that Stockholders Approve the Amended Stock Sale Proposal , our Board concluded that the Stock Sale was expedient and in the best interests of TechTeam and our stockholders and unanimously recommended that our stockholders vote **FOR** the approval of the Stock Sale Proposal.

S-3

---

**Table of Contents**

***Opinion of Tech Team's Financial Advisor (page S-24)***

In connection with the Stock Sale, TechTeam's financial advisor, Houlihan Lokey Capital, Inc., or Houlihan Lokey, delivered a written opinion, dated September 14, 2010, to our Board as to the fairness, from a financial point of view and as of the date of the opinion, to TechTeam of the \$43,000,000 cash consideration to be received in the Stock Sale by TechTeam. The full text of Houlihan Lokey's written opinion, dated September 14, 2010, which describes the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Houlihan Lokey in preparing its opinion, is attached to this Supplement as *Exhibit D*. Houlihan Lokey's opinion was furnished for the use and benefit of our Board (in its capacity as such) in connection with its evaluation of the \$43,000,000 cash consideration, only addresses the fairness, from a financial point of view, to TechTeam of such consideration and does not address any other aspect or implication of the Stock Sale.

**The summary of Houlihan Lokey's opinion in the Supplement is qualified in its entirety by reference to the full text of its written opinion. Houlihan Lokey's opinion should not be construed as creating any fiduciary duty on Houlihan Lokey's part to any party. Houlihan Lokey's opinion was not intended to be, and does not constitute, a recommendation to our Board, any securityholder or any other person as to how to act or vote with respect to any matter relating to the Stock Sale.**

***Use of Proceeds of the Stock Sale (page S-34)***

We estimate that the net cash proceeds to be received by us from the Stock Sale at closing will be approximately \$31.6 million, after deducting the amounts to be paid into escrow accounts but not including estimated fees and expenses payable by us directly related to the Stock Sale. Fees and expenses directly attributable to the Stock Sale are estimated to be approximately \$5.4 million, of which approximately \$3.3 million have already been paid by us. The actual amount of net cash proceeds from the Stock Sale will vary from this estimate. We intend to use the net cash proceeds from the Stock Sale for, among other things, to pay off our current outstanding indebtedness under our existing credit facility, which as of August 31, 2010, was approximately \$17.8 million. The net cash proceeds that we receive from the Stock Sale would also enable our Board to consider, from time to time, repurchasing Common Stock for cash as market and business conditions warrant. Further, the remaining net cash proceeds of the Stock Sale will be used for working capital, general corporate purposes and to selectively invest in the growth of our Commercial Business. While we may use some of the net cash proceeds to be received by us from the Stock Sale to pursue strategic business acquisitions related to the growth of our Commercial Business, no specific acquisition targets have been identified at this time.

**Amendment No. 1 to Stock Purchase Agreement and Limited Waiver**

***Amended Purchase Price; Escrow (page S-35)***

On September 14, 2010, we entered into the Amendment with Jacobs, which, among other things, amended the Stock Purchase Agreement to decrease the net purchase price payable by Jacobs Technology to us pursuant to the Stock Sale from \$59,000,000 to \$43,000,000. The Amendment also provided for a decrease in the amount of the aggregate cash payment of the net purchase price to be placed in escrow accounts from \$17,520,294 to \$11,370,294, which as a percentage of the net purchase price represents a decrease from 29.6% to 26.4%.

As a result of these changes, in exchange for the sale of all of the stock of TTGSI, we will be paid by Jacobs a net purchase price of \$43,000,000, consisting of a base cash payment of \$31,629,706 to be received at closing, plus a cash payment of \$11,370,294 to be placed in escrow accounts, each subject to such additions, subtractions and other adjustments provided for by, and the other terms and provisions set forth in, the Stock Purchase Agreement and the Escrow Agreement. Of the \$11,370,294 to be deposited into escrow, \$8,600,000 will be held in an escrow account to

secure the payment of any future indemnification claims that may be made by Jacobs against us during the 36-month period after the closing date, and \$2,770,294 will be held in an escrow account to secure the payment to Jacobs by us of any post-closing net tangible book value adjustment that has the effect of reducing the net purchase price, as described in the Proxy Statement.

S-4

---

**Table of Contents**

***Other Covenants and Agreements (page S-36)***

*Amended Form of Escrow Agreement.* In connection with the Amendment, the form of the Escrow Agreement was amended to provide that, upon closing of the Stock Sale, the escrow agent will receive from the aggregate amount of the net purchase price, subject to the terms and conditions of the Stock Purchase Agreement and the Escrow Agreement, each as amended:

\$8,600,000, which will be held in an escrow account to secure the payment of any future indemnification claims against us by Jacobs; and

\$2,770,294, which will be held in an escrow account to secure any post-closing net tangible book value purchase price adjustment that would result in a reduction of the purchase price and a payment from us to Jacobs.

Pursuant to the Amendment and amended form of Escrow Agreement, on the first business day following the 24-month anniversary of the closing, the escrow agent will distribute to us an amount equal to \$2,866,667 (instead of \$4,916,667 as contemplated under the original Stock Purchase Agreement), reduced by all amounts previously paid out of the indemnification escrow fund with respect to indemnity claims and reduced by the amount of pending escrow claims. On the first business day following the 36-month anniversary of the closing, the escrow agent will distribute to us an amount, if any, equal to the sum of the amount remaining in the indemnification escrow fund minus the amount of all pending escrow claims.

*Amended Form of Transitional Services Agreement.* In connection with the Amendment, the form of Transitional Services Agreement was amended as described in Amendment No. 1 to Stock Purchase Agreement and Limited Waiver Other Covenants and Agreements Transitional Services Agreement.

***Conditions to Completion of the Stock Sale (page S-37)***

Our and Jacobs' obligations to complete the Stock Sale are subject to the satisfaction or waiver of certain conditions. In connection with the Amendment, some of such conditions were waived or modified as described below.

A condition to the completion of the Stock Sale related to our representations and warranties was modified to state that, except as set forth in an officer's certificate we delivered to Jacobs upon signing the Amendment (the Amendment Officer's Certificate), our representations and warranties in the Stock Purchase Agreement must be true and correct in all material respects as of June 3, 2010 and as of the date of the Amendment (but not as of the closing date), as if made on the date of the Amendment (except those representations and warranties that relate to a particular date or period, which need only be true and correct as of such date or for such period).

The condition to Jacobs' obligation to complete the Stock Sale related to our making our closing deliveries and otherwise performing and complying in all material respects with all of our other covenants and obligations under the Stock Purchase Agreement was modified to provide exceptions for the information set forth in the Amendment Officer's Certificate and any covenants or obligations under the Stock Purchase Agreement expressly waived by Jacobs in the Amendment.

The condition to Jacobs' obligation to complete the Stock Sale relating to TTGSI not having entered into certain teaming agreements or similar contracts or government bids was amended to provide an exception for agreements, contracts or bids:

described in the Amendment Officer's Certificate; or

that may be consented to by Jacobs in writing in advance and after the date of the Amendment.

S-5

---

**Table of Contents**

As of September 14, 2010, and in reliance on and conditioned upon the effectiveness of the amendments to the Stock Purchase Agreement:

we and Jacobs waived the condition to our respective obligations to complete the Stock Sale that neither we nor Jacobs has become aware of any organizational conflict of interest, as defined under the Federal Acquisition Regulations, or similar impact on TTGSI or Jacobs, that would result from the consummation of the Stock Sale, with respect to one teaming agreement described in the Amendment;

Jacobs waived the following conditions to its obligation to complete the Stock Sale:

the requirement that we deliver an assignment of a specific office building lease described in the Amendment at the closing, which assignment must be delivered within 90 days after the closing;

our receipt of certain specified consents, as described in the Amendment, to the Stock Sale required to be obtained under the Stock Purchase Agreement;

no material adverse effect shall have occurred with respect to the Government Solutions Business, TechTeam or Jacobs;

no proceeding shall be pending or threatened by or on behalf of Jacobs or any affiliate of Jacobs which could reasonably be expected to materially and adversely affect the Government Solutions Business, TTGSI or Jacobs (including, without limitation, any such proceeding relating to any alleged violation of, or non-compliance with, any applicable law or any allegation of fraud or intentional misrepresentation); and

the requirement that all of the TTGSI employees identified in the Stock Purchase Agreement must continue to be employed by TTGSI or shall not have indicated an intent not to remain employed by TTGSI or Jacobs after the closing pursuant to the terms of any employment agreement; and

we waived the condition to our obligation to complete the Stock Sale that no material adverse effect shall have occurred with respect to Jacobs Technology, us or the Government Solutions Business.

***Indemnification; Survival of Indemnification Obligations (page S-38)***

As a result of the reduction in the net purchase price pursuant to the Amendment, subject to certain exceptions set forth in the Stock Purchase Agreement, as amended:

our maximum liability for certain claims for indemnification for the first 24 months after the closing date was decreased from \$14,750,000 to \$8,600,000; and

our maximum liability for certain claims for indemnification for the period beginning on the first day of the 25th month after the closing date until the last day of the 36th month after the closing date was decreased from \$9,833,333 to \$5,733,333 (less the amount of claims in excess of \$2,866,667 applied against the preceding cap within the first 24 months after the closing).

***Termination of the Stock Purchase Agreement; Termination Fee and Reimbursement of Expenses (pages S-39 and S-40)***

Pursuant to the Amendment, Jacobs no longer has the right to terminate the Stock Purchase Agr