

ACORN FACTOR, INC.

Form 4

January 03, 2007

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

Check this box  
if no longer  
subject to  
Section 16.  
Form 4 or  
Form 5  
obligations  
may continue.  
See Instruction  
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF  
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

## OMB APPROVAL

OMB  
Number: 3235-0287  
Expires: January 31,  
2005  
Estimated average  
burden hours per  
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Barth Michael

(Last) (First) (Middle)

C/O DATA SYSTEMS &  
SOFTWARE INC., 200 ROUTE 17

(Street)

MAHWAH, NJ 07430

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading  
Symbol

ACORN FACTOR, INC. [ACFN]

3. Date of Earliest Transaction  
(Month/Day/Year)

12/28/2006

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_\_\_X\_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)

CFO &amp; Chief Accounting Officer

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_\_\_X\_\_\_\_ Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting  
Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or Indirect<br>(I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
|                                       |                                         |                                                             | Code                                 | V                                                                          | Amount                                                                                                             | (D)                                                                  | Price                                                             |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of  
information contained in this form are not  
required to respond unless the form  
displays a currently valid OMB control  
number.**

SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned  
(e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of<br>Derivative<br>Security | 2. Conversion<br>or Exercise | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any | 4. Transaction<br>Code | 5. Number of<br>Derivative<br>Securities Acquired | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount<br>Underlying Securities<br>(Instr. 3 and 4) |
|---------------------------------------|------------------------------|-----------------------------------------|-----------------------------------------|------------------------|---------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
|---------------------------------------|------------------------------|-----------------------------------------|-----------------------------------------|------------------------|---------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|

# Edgar Filing: ACORN FACTOR, INC. - Form 4

| (Instr. 3)      | Price of<br>Derivative<br>Security | (Month/Day/Year) | (Instr. 8)       | (A) or Disposed of<br>(D)<br>(Instr. 3, 4, and 5) |        |        |                     |                    |                 |                                     |  |
|-----------------|------------------------------------|------------------|------------------|---------------------------------------------------|--------|--------|---------------------|--------------------|-----------------|-------------------------------------|--|
|                 |                                    |                  | Code             | V                                                 | (A)    | (D)    | Date<br>Exercisable | Expiration<br>Date | Title           | Amount<br>or<br>Number<br>of Shares |  |
| Stock<br>Option | \$ 2.65                            | 12/28/2006       | D <sup>(1)</sup> |                                                   |        | 50,000 | <sup>(2)</sup>      | 07/31/2011         | Common<br>Stock | 50,000                              |  |
| Stock<br>Option | \$ 3                               | 12/28/2006       | A <sup>(1)</sup> |                                                   | 50,000 |        | <sup>(2)</sup>      | 07/31/2011         | Common<br>Stock | 50,000                              |  |

## Reporting Owners

| Reporting Owner Name / Address                                                        | Relationships |           |                                |       |
|---------------------------------------------------------------------------------------|---------------|-----------|--------------------------------|-------|
|                                                                                       | Director      | 10% Owner | Officer                        | Other |
| Barth Michael<br>C/O DATA SYSTEMS & SOFTWARE INC.<br>200 ROUTE 17<br>MAHWAH, NJ 07430 |               |           | CFO & Chief Accounting Officer |       |

## Signatures

/s/ Michael  
Barth 01/03/2007  
 \*\*Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- These options, granted on July 21, 2006, were modified on December 28, 2006 to increase the exercise price to \$3.00, the fair market value of the Issuer's Common Stock on the date of grant. The modification was made pursuant to transition relief under Internal Revenue Code Section 409A.
- (1) The option vests as to one-third on each of December 31, 2006, 2007 and 2008.
  - (2) N/A.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.