SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(MARK ONE)

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

For the fiscal year ended December 31, 2001

OR

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

Commission File Number: 0-21055

TeleTech Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	84-1291044
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

9197 South Peoria Street
Englewood, Colorado 80112
(Address of principal executive offices) (zip code)
Registrant's telephone number, including area code: (303) 397-8100

Securities registered pursuant to Section 12(b) of the Act: None Securities registered pursuant to Section 12(g) of the Act:
Common Stock, $.01 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 [X] 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 Form 10-K or any amendment to this Form 10-K. [ ]

As of March 25, 2002, there were 76,921,588 shares of the registrant's common stock outstanding. The aggregate market value of the registrant's voting stock that was held by non-affiliates on such date was $516,330,238 based on the closing sale price of the registrant's common stock on such date as reported on the Nasdaq Stock Market.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of TeleTech Holdings, Inc.'s definitive proxy statement for its annual meeting of stockholders to be held on May 23, 2002, are incorporated by reference into Part III of this Form 10-K, as indicated.

PART I

Item 1. Business.

Overview

TeleTech Holdings, Inc., a Delaware corporation (together with its wholly and majority owned subsidiaries, "TeleTech" or the "Company," which may also be referred to as "we" "us" or "our"), is a leading global provider of customer management solutions for large domestic, foreign and multinational companies. TeleTech, or for periods prior to 1994, its predecessors, was formed in 1982. TeleTech helps its clients manage the customer experience by providing customer-centric solutions from strategy to execution across the entire customer lifecycle. By leveraging world-class operations across its global platform of people, process, infrastructure, and technology, TeleTech provides front- and back-office customer management services that help clients build greater brand loyalty. In addition, TeleTech offers value-added services designed to optimize the experience of each customer and maximize the value of every interaction.

Our offerings are scaleable, with a variety of solution alternatives to meet our clients' specific requirements. We provide our solutions from 48 state-of-the-art customer interaction centers around the world and offer consulting services for clients seeking to optimize internal customer management functions.

Since 1996, we have expanded our international presence and currently have operations in 12 different countries. Our international reach provides increased business opportunities with non-U.S. clients, as well as opportunities to expand our relationship with existing multinational clients based in the U.S. In 2001, our non-U.S. operations represented 42% of total revenues.

Customer Management Solutions

Our fully integrated, customer management solutions encompass the following capabilities:

- strategic consulting and process redesign;
- infrastructure deployment, including the securing, designing and building of world-class customer interaction centers;
- recruitment, education and management of client-dedicated customer service representatives;
- engineering operational process controls and quality systems;
- technology consulting and implementation, including the integration of hardware, software, network and computer-telephony technology; and
- database management, which involves the accumulation, management and analysis of customer information to deliver actionable marketing solutions.

We design, develop and implement large-scale solutions built around each client's unique set of requirements and specific business needs. The solutions may incorporate voice, email or Internet-based technologies, and are designed to allow for expansion. We provide services from customer interaction centers leased, equipped and staffed by TeleTech (fully outsourced programs) and customer interaction centers leased and equipped by our clients and staffed by TeleTech (facilities management programs).

In December 2000, TeleTech acquired Newgen Results Corporation ("Newgen"), a leading business-to-business application service provider specializing in customer management for the automotive industry. Newgen combines expertise in marketing and customer retention with in-depth knowledge of automotive service department operations to deliver highly targeted, custom marketing solutions.

Outsourced. With a fully outsourced solution, we provide comprehensive customer management solutions from customer interaction centers leased, equipped and staffed by TeleTech. Our fully outsourced customer interaction centers are utilized to serve either multiple clients (multi-client centers) or one dedicated client (dedicated centers). We also provide facilities management solutions whereby the client owns or leases the customer interaction center and equipment and we provide the staff and knowledge to operate the center. Our North American and international outsourced business segments accounted for approximately 92% of total 2001 revenues, of which our North American outsourced business segment accounted for 67%.

Database Marketing and Consulting. Through our database marketing and consulting segment, we provide outsourced database management, direct marketing and related customer retention services for the service department of automobile dealerships and manufacturers. Additionally, we provide consulting services related to the development and implementation of new techniques and programs that enable automobile dealerships to grow their businesses, streamline inefficient processes and more effectively market their services. Our database marketing and consulting segment accounted for approximately 8% of total 2001 revenues.

Our Outsourced and Database Marketing and Consulting services consist of:

- Customer Targeting Solutions: We use data analytics and mining capabilities to help clients identify top-tier customers and key prospects for future sales opportunities. This information helps drive more targeted lead generation programs and marketing initiatives.

- Customer Acquisition Solutions: From customer education, to inquiry follow-ups, to processing new accounts, we help clients get customers up and running quickly and efficiently-while speeding their overall time to market. A sampling of these services includes processing and fulfilling pre-sale information requests; verifying sales, activating services and directing customers to product or service sources; and providing initial post-sale support, including operating instructions for new product or service use.

- Customer Provisioning Solutions: Getting off to the right start is critical to creating a lifelong customer. Whether turning on service, trouble shooting installation or sending out a physical product, we help clients streamline provisioning processes by managing every aspect of the front- and back-office, from order to installation.

- Customer Support Solutions: We help ensure the ongoing satisfaction of all customers through the accurate, timely and efficient handling of every interaction, from complex transactions such as brokerage trades and insurance claims processing, to more basic services such as billing support, account maintenance and complaint resolution.

- Customer Development Solutions: Through a combination of technology and highly trained customer service representatives, we help clients identify high-value customers and increase customer value through up-selling, cross-selling, and, perhaps most importantly, first call resolution.

- Customer Retention Programs: We work with clients to develop targeted customer satisfaction and loyalty programs as well as other proactive strategies that deliver greater value to customers on a day-to-day basis. For example, TeleTech offers strategies and services to help manage customer attrition or turnover.

- Other Customer-Related Programs: Our customer management solutions may include aiding in collections, collecting market research from customers, and performing outbound-call campaigns.

Markets and Clients

Strategic Business Units ("SBUs"), responsible for developing and implementing customized industry-specific customer management solutions in specific vertical markets, have primary responsibility for sales and marketing efforts in North America. Within this framework, we focus on large multinational corporations in the communications, automotive, financial services, transportation, and government industries. These industries accounted for approximately 47%, 16%, 11%, 9% and 9%, respectively, of our 2001 revenue. Sales in other industries, including technology, healthcare and various others, accounted for 8% of 2001 revenues. Our largest client in 2001 was Verizon Communications ("Verizon") which accounted for 19% of 2001 revenue.

Communications. The communications industry encompasses a wide range of businesses, including broadband, cable, digital broadcast satellite, long-distance, local and wireless service providers. In addition to traditional product and service support solutions, we deliver advanced order management, and have developed specific end-to-end solutions for Internet service providers and wireless service providers.

Automotive. In 2000, we significantly expanded our solution set for the automotive sector with Percepta, LLC ("Percepta"), our joint venture with Ford Motor Company ("Ford"), as well as through Newgen, acquired in 2000. We help the world's largest automotive companies through industry-specific, proprietary solutions, from service reminder programs to warranty management to strategic up-selling.

Financial Services. Regulatory changes have allowed financial service providers to expand their product offerings, placing an increased importance on customer management. As industry leaders integrate new and existing services, we help align delivery channels and ensure service quality through our financial services technology solutions, which integrate contact channels such as voice and email while providing full-feature support for clients and their customers. In addition, our financial services technology solutions integrate with most legacy and third-party industry oriented systems. We have also developed specific end-to-end solutions for Internet, retail banking services and card services.

Transportation. We provide a variety of customer management solutions to clients in the transportation industry, including package delivery and travel companies. In partnership with our clients, our goal is to make customer care a competitive advantage and increase customer loyalty while managing complex enterprise-wide systems. Specific solutions include package tracking and tracing, customer complaint resolution, account inquiries, reservations and VIP services.

Government. Leveraging nearly 20 years of experience, we streamline the customer management function for government organizations. By utilizing well-managed customer interaction centers for traditional customer management solutions, we allow various government agencies to focus on conducting their primary business.

Sales and Marketing

We employ a consultative sales approach and hire business development professionals with experience in industries relating to our key SBUs. Once a potential client is identified, a team of TeleTech employees, typically consisting of applications and systems specialists, operations experts, human resources professionals and other appropriate management personnel, thoroughly examines the potential client's operations and assesses its current and prospective customer management goals, needs and strategies. We invest significant resources during the development of a client relationship, although our technological capabilities enable us to develop working prototypes of proposed solutions with minimal capital investment by the client.

We work with our clients to generate a set of detailed requirements, a development plan and a deployment strategy tailored to the client's specific needs. After the initial solution is deployed, we conduct regular reviews of the relationship to ensure client satisfaction, while continually looking for areas to expand the relationship.

We typically provide customer management solutions pursuant to written contracts with terms ranging from one to eight years. Often, the contracts contain renewal or extension options. Under virtually all of our significant contracts, we generate revenue based on the amount of time customer service representatives devote to a client's program. In addition, clients are typically required to pay ongoing fees relating to the education and training of representatives to implement the client's program, setup and management of the program, and development and integration of computer software and technology. Many of the contracts also have price adjustment terms allowing for cost of living adjustments and/or market changes in agent labor costs. Our client contracts generally contain provisions that (i) allow us or the client to terminate the contract upon the occurrence of certain events, (ii) designate the manner by which we receive payment for our services and (iii) protect the confidentiality and ownership of information and materials used in connection with the performance of the contract. Some of our contracts also require our clients to pay a fee in the event of early termination.

Operations

We provide customer management solutions through the operation of 48 state-of-the-art customer interaction centers located in the United States, Argentina, Australia, Brazil, Canada, China, Northern Ireland, Mexico, New Zealand, Singapore, Scotland and Spain. As of December 31, 2001, we leased 40 customer interaction centers and managed 8 customer interaction centers.

We apply predetermined site selection criteria to identify locations conducive to operating large-scale, sophisticated customer management facilities in a cost-effective manner. We maintain databases covering demographic statistics and the commercial real estate markets, which are used to produce a project specific short list on demand. We also aggressively pursue incentives such as tax abatements, cash grants, low-interest loans, training grants and low cost utilities. Following comprehensive site evaluations and cost analyses, as well as client considerations, a specific site is located and a lease is negotiated and finalized.

Once we take occupancy of a site, we use a standardized development process to minimize the time it takes to open a new customer interaction center, control costs and eliminate elements that might compromise success. The site is retrofitted to exacting requirements that incorporate value engineering, cost control and scheduling concepts while placing emphasis on the quality of the work environment. Upon completion, we integrate the new customer interaction center into the corporate facility and asset management programs. Throughout the development process, we conduct critical reviews to evaluate the overall effectiveness and efficiency of the development. Generally, we can establish a new, fully operational inbound customer interaction center containing 450 or more workstations within 120 days after a lease is finalized and signed.

During 2001, we closed the first floor of our center in Thornton, Colorado and subsequently determined to close the second floor as well due to poor operating performance and low capacity utilization of the location. From time to time, we assess the expected long-term capacity utilization of our centers. Accordingly, we may, if deemed necessary, consolidate or shutdown underperforming centers in order to maintain or improve targeted utilization and margins.

Quality Assurance

We monitor and measure the quality and accuracy of our customer interactions through a quality assurance department located at each customer interaction center. Each department evaluates, on a real-time basis, a statistically significant percentage of the customer interactions in a day, across all of the customer interaction mediums utilized within the center. Each center has the ability to enable its clients to monitor customer interactions as they occur. Using criteria mutually determined with the client, quality assurance professionals monitor, evaluate, and provide feedback to the representatives on a weekly basis. As appropriate, representatives are recognized for superior performance or scheduled for additional training and coaching.

Technology

Our customer management solution set is built upon complex, state-of-the-art technology, which helps maximize the utilization of customer interaction centers and increase the efficiency of representatives. Interaction routing technology is designed for rapid response rates while tracking and workforce management systems facilitate efficient staffing levels, reflecting historical demands. In addition, our infrastructure and object-oriented software allows for tracking of each customer interaction, filing the information within a relational database and generating reports on demand.

We have invested significant resources in designing and developing industry-specific open-systems software applications and tools and, as a result, maintain a library of reusable software code for use in future developments. We run our applications software on open-system, client-server architecture and use a variety of products developed by third party vendors. We continue to invest significant resources into the development and implementation of emerging customer management and technical support technologies.

Human Resources

Our ability to provide high quality comprehensive customer management solutions hinges largely upon our success in recruiting, hiring and training large numbers of skilled employees. We primarily offer full-time positions with competitive salaries and wages and a full range of employee benefits. To aid in employee retention, we also provide viable career paths.

To sustain a high level of service and support to our clients, our representatives undergo intensive training before managing customer interactions and receive ongoing training on a regular basis. In addition to learning about the clients' corporate culture and specific product or service offerings, representatives receive training in the numerous media we use to effectively execute our clients' customer management program.

We are committed to the continued education and development of our employees and believe that providing employees with access to new learning opportunities contributes to job satisfaction, ensures a higher quality labor force and fosters loyalty between our employees and the clients we serve.

As of December 31, 2001, we had over 27,000 employees in 12 countries, with approximately 90% holding full-time positions. Although our industry is very labor-intensive and traditionally experiences significant personnel turnover, we seek to manage employee turnover through proactive initiatives. A small percentage of our non-U.S. employees are subject to collective bargaining agreements mandated under national labor laws. We believe our relations with our employees are good.

International Operations

During 2001, we continued our international expansion, which will allow us the opportunity to build a broader client base, increase the services we can offer existing multinational clients and leverage our international employee base in response to business demands.

As of December 31, 2001, we operated seven customer interaction centers in Spain; six customer interaction centers in Canada; five customer interaction centers in Australia; three customer interaction centers in New Zealand; two customer interaction centers in each of Argentina and Mexico; and one customer interaction center in each of Brazil, China, Northern Ireland, Scotland and Singapore.

Future international expansion plans may include joint venture or strategic partnering alliances, as well as the acquisition of businesses with products or technologies that extend or complement our existing businesses. From time to time, we engage in discussions regarding restructurings, dispositions, acquisitions and other similar transactions. Any such transaction could include, among other things, the transfer, sale or acquisition of significant assets, businesses or interests, including joint ventures, or the incurrence, assumption or refinancing of indebtedness, and could be material to our financial condition and results of operations. We cannot assure that any such discussions will result in the consummation of any such transaction.

Competition

We believe that we compete primarily with the in-house customer management operations of our current and potential clients. We also compete with certain companies that provide customer management services on an outsourced basis, including APAC Customer Services, Convergys Corporation, SITEL Corporation, Sykes Enterprises Incorporated, West Corporation, EDS and RMH. We compete primarily on the basis of quality and scope of services provided, speed and flexibility of implementation, technological expertise and price. Although the customer management industry is very competitive and highly fragmented with numerous small participants, we believe that TeleTech generally does not directly compete with traditional telemarketing companies, which primarily provide outbound "cold calling" services.

Recent Developments

On March 14, 2001, we announced that Verizon agreed to honor the terms of its long-term contract with us, whereby we have been providing services for its Competitive Local Exchange Carrier ("CLEC") business. As agreed, Verizon has redirected business from its CLEC operations to other Verizon business units. We had previously disclosed Verizon's notification of a change in its CLEC strategy. We cannot assure the new business with Verizon will maintain the same revenue levels as the CLEC business, which had been operating in excess of Verizon's contractual commitments. Future revenue levels will be dependent upon Verizon's decision around the level of volumes that will be directed to the dedicated Company centers. Verizon's CLEC business accounted for approximately 4% and 14% of the Company's revenues for the years ending December 31, 2001 and 2000, respectively. Verizon's total business accounted for 19% and 20% of the Company's revenues for the years ended December 31, 2001 and 2000, respectively.

On March 14, 2001, we named Kenneth D. Tuchman as chief executive officer replacing former CEO Scott Thompson who resigned from that position. Additionally, we announced that Larry Kessler resigned from the position of chief operating officer.

On May 18, 2001 and August 10, 2001, we amended our existing Revolving Credit Agreement with a syndicate of banks in order to adjust certain financial covenants contained in the Revolving Credit Agreement.

On September 17, 2001, pursuant to the SEC's September 14, 2001 Emergency Order Pursuant to Section 12 (k)(2) of the Securities and Exchange Act of 1934, "Taking Temporary Action to Respond to Market Developments," the Company issued a press release announcing that the Company's Board of Directors authorized a stock repurchase program whereby the Company could repurchase up to 10% of the Company's common stock. The Company issued a press release on February 19, 2002 announcing that the Company's Board of Directors authorized a stock repurchase program whereby the Company could repurchase up to $5 million of the Company's common stock. In September of 2001, TeleTech executed $213,100 of repurchases acquiring 35,000 shares of the Company's common stock. During February of 2002, the Company executed an additional $1.1 million of repurchases acquiring 97,811 shares of the Company's common stock.

On October 17, 2001, we named James E. Barlett as Vice Chairman of the Company.

On October 30, 2001, the Company completed a private debt placement of $75.0 million (the "Placement") of senior notes. The Placement consists of two tranches: $60.0 million bearing interest at 7% per annum with a seven-year term and $15.0 million bearing interest at 7.4% per annum with a 10-year term. Both tranches are unsecured.

On January 18, 2002, the Company announced an eight-year, $1.2 billion customer management outsourcing contract with International Business Machines Corporation ("IBM") to manage and enhance Nextel's customer care centers.

In the fourth quarter of 2000, the Company and its enhansiv subsidiary executed a transaction, whereby the Company transferred all of its shares of common stock of enhansiv, inc., a Colorado corporation ("enhansiv"), to enhansiv holdings, inc., a Delaware corporation ("EHI") in exchange for Series A Convertible Preferred Stock of EHI. EHI is developing a centralized, open architecture, customer management solution that incorporates a contact management database across all customer contact channels. The Company believes that the EHI technology will allow it to move to a more centralized technology platform, allowing it to provide more cost effective solutions in a more efficient manner. As part of the transaction, EHI sold shares of common stock to a group of investors. These shares represent 100% of the existing common shares of EHI, which in turn owns 100% of the common shares of enhansiv. In addition, the Company received an option to purchase approximately 95% of the common stock of EHI. The Company also agreed to make available to EHI a convertible $7.0 million line of credit, which was fully drawn in the second quarter of 2001.

One of the EHI investors was Kenneth D. Tuchman, the Company's Chairman and Chief Executive Officer, who acquired 14.4 million shares of EHI common stock for $3.0 million, representing 42.9% of EHI in the initial transaction. Subsequent to the initial sale of common stock, EHI sold 9.6 million shares to Mr. Tuchman for $2.0 million, giving him an additional 12.1% interest in EHI. Upon Mr. Tuchman's second investment, he entered into a confirmation joinder and amendment agreement which states that for as long as Mr. Tuchman owns 50% of EHI's common stock, all action requiring stockholder approval shall require approval of holders of at least 66-2/3% of EHI common stock. The remaining equity of $4.0 million, which represents approximately 17% of the fair value of the assets at inception, comes from unrelated third parties and is at risk.

In June 2001, the Company entered into a transaction whereby the Company agreed to fund an additional $5.0 million for certain development activities in exchange for a licensing agreement and the right to convert this additional investment into Series B Preferred Stock that is convertible at the option of the Company into EHI's common stock. As of December 31, 2001, $4.9 million of this additional commitment had been funded. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources."

As discussed above, the Company's Series A Convertible Preferred Stock, its $7.0 million line of credit and its additional $5.0 million investment are each convertible into EHI common stock under certain circumstances. Additionally, the Company's option to purchase 95% of the common stock of EHI is also allowed only under certain circumstances, none of which currently exist. There is no assurance that the Company will either convert its convertible securities or exercise its purchase option.

As a preferred stockholder, the Company accounts for its investment in EHI under the equity method of accounting. Accordingly, the Company records all of EHI's losses in excess of the value of all subordinate equity investments in EHI (common stock). The Company began reflecting EHI losses during the second quarter of 2001. These losses, which totaled $7.7 million, are included as a separate line item in other income (expense) in the accompanying consolidated statements of operations. During 2000, the Company did not record any losses from EHI subsequent to the sale of common stock.

During the second quarter of 2001, after EHI was unsuccessful in raising additional outside capital, the Company concluded that its investment in EHI exceeded its fair value and such decline was other than temporary. As a result, the Company recorded a $16.5 million charge to adjust the investment's carrying value down to its estimated fair value. The Company's net investment in EHI of $3.8 million at December 31, 2001 is included in other assets in the accompanying consolidated balance sheets. EHI has no outside debt or other outstanding borrowings other than that owed to the Company.

Management of EHI believe that they have sufficient cash reserves and working capital to fund EHI through at least March 31, 2002, however, EHI expects to require an additional $5 to $6 million of funding during 2002. If the Company authorizes additional funding for EHI, it is not expected to materially affect the Company's liquidity or the availability of or requirements for capital resources. There can be no assurance that the Company will authorize additional funding for EHI, or that EHI will obtain funding from other sources.

In March 2000, the Company and State Street Bank and Trust Company ("State Street") entered into a lease agreement whereby State Street acquired 12 acres of land in Arapahoe County, Colorado for the purpose of constructing a new corporate headquarters for the Company (the "Planned Headquarters Building"). Subsequently, management of the Company decided to terminate the lease agreement as it was determined that the Planned Headquarters Building would be unable to accommodate the Company's anticipated growth. The Company recorded a $9.0 million loss on the termination of the lease in 2000, which is included in the accompanying consolidated statements of operations.

In March 2001, the Company acquired from State Street the Planned Headquarters Building being constructed on its behalf for approximately $15.0 million and incurred additional capital expenditures to complete construction of the building. During the second quarter of 2001, after receiving various offers for the Planned Headquarters Building that were less than the estimated completed cost, the Company determined that the fair value of the building, less the cost to complete and sell, exceeded the carrying amount by $7.0 million. Accordingly, the Company recorded a loss on real estate for sale of $7.0 million, which is included in the accompanying consolidated statements of operations. In October 2001, the Company completed and sold the Planned Headquarters Building to a third party receiving net proceeds of approximately $11.8 million.

Forward-Looking Information May Prove Inaccurate

Some of the information presented in this Annual Report on Form 10-K constitutes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements that include terms such as "may," "will," "intend," "anticipate," "estimate," "expect," "continue," "believe," "plan," or the like, as well as all statements that are not historical facts. Forward-looking statements are inherently subject to risks and uncertainties that could cause actual results to differ materially from current expectations. Although we believe our expectations are based on reasonable assumptions within the bounds of our knowledge of our business and operations, there can be no assurance that actual results will not differ materially from expectations. Factors that could cause actual results to differ from expectations include:

Dependence on the Success of Our Clients' Products. In substantially all of our client programs, we generate revenues based, in large part, on the amount of time that our personnel devote to a client's customers. Consequently, and due to the inbound nature of our business, the amount of revenues generated from any particular client program is dependent upon consumers' interest in, and use of, the client's products and/or services. Furthermore, a significant portion of our expected revenues and planned capacity utilization relate to recently introduced product or service offerings of our clients. For example, in August 2000 Verizon announced that it was discontinuing its CLEC business. Verizon's CLEC business accounted for approximately 4% and 14% of our 2001 and 2000 revenues, respectively. All Verizon business accounted for 19% and 20% of our 2001 and 2000 revenues, respectively. There can be no assurance as to the number of consumers who will be attracted to the products and services of our clients, and who will therefore need our services, or that our clients will develop new products or services that will require our services.

Risks Associated with an Economic Downturn. Our ability to enter into new multi-year contracts, particularly large, complex client agreements, may be dependent upon the general macroeconomic environment in which our clients and their customers are operating. Continued weakening of the U.S. and/or global economy could cause longer sales cycles, delays in closing new business opportunities and slower growth in existing contracts.

Risks Associated with Financing Activities. From time to time, we may need to obtain debt or equity financing for capital expenditures for payment of existing obligations and to replenish cash reserves. There can be no assurance that we will be able to obtain such debt or equity financing, or that any such financing would be on terms acceptable to us.

Reliance on a Few Major Clients. We strategically focus our marketing efforts on developing long-term relationships with large, multinational companies in targeted industries. As a result, we derive a substantial portion of our revenues from relatively few clients. There can be no assurance that we will not become more dependent on a few significant clients, that we will be able to retain any of our largest clients, that the volumes or profit margins of our most significant programs will not be reduced, or that we would be able to replace such clients or programs with clients or programs that generate comparable profits. Consequently, the loss of one or more of our significant clients could have a material adverse effect on our business, results of operations or financial condition.

Risks Associated with Our Contracts. Most of our contracts do not ensure that we will generate a minimum level of revenues, and the profitability of each client program may fluctuate, sometimes significantly, throughout the various stages of such program. Although we seek to sign multiyear contracts with our clients, our contracts generally enable the clients to terminate the contract, or terminate or reduce customer interaction volumes, on relatively short notice. Although some contracts require the client to pay a contractually agreed amount in the event of early termination, there can be no assurance that we will be able to collect such amount or that such amount, if received, will sufficiently compensate us for our investment in the canceled program or for the revenues we may lose as a result of the early termination. We are usually not designated as our client's exclusive service provider, however, we believe that meeting our clients' expectations can have a more significant impact on revenues generated by us than the specific terms of our client contracts. In addition, some of our contracts limit the aggregate amount we can charge for our services, and some prohibit us from providing services to the client's direct competitors that are similar to the services we provide to such client.

Risks Associated with International Operations and Expansion. We currently conduct business in Argentina, Australia, Brazil, Canada, China, Northern Ireland, Mexico, New Zealand, Singapore, Scotland, Spain and the United States. One component of our growth strategy is continued international expansion. There can be no assurance that we will be able to (i) increase our market share in the international markets in which we currently conduct business or (ii) successfully market, sell and deliver our services in additional international markets. In addition, there are certain risks inherent in conducting international business, including exposure to currency fluctuations, longer payment cycles, greater difficulties in accounts receivable collection, difficulties in complying with a variety of foreign laws, including foreign labor laws, unexpected changes in regulatory requirements, difficulties in managing capacity utilization and in staffing and managing foreign operations, political instability and potentially adverse tax consequences. Any one or more of these factors could have a material adverse effect on our international operations and, consequently, on our business, results of operations or financial condition.

Risks Associated with Cost and Price Increases. A few of our contracts allow us to increase our service fees if and to the extent certain cost or price indices increase; however, most of our contracts do not contain such provisions and some contracts require us to decrease our service fees if, among other things, we do not achieve certain performance objectives. Increases in our service fees that are based upon increases in cost or price indices may not fully compensate us for increases in labor and other costs incurred in providing services.

Difficulties of Managing Capacity Utilization. Our profitability is influenced significantly by our customer interaction center capacity utilization. We attempt to maximize utilization; however, because almost all of our business is inbound, we have significantly higher utilization during peak (weekday) periods than during off-peak (night and weekend) periods. We have experienced periods of idle capacity, particularly in our multi-client customer interaction centers. In addition, we have experienced, and in the future may experience, at least in the short-term, idle peak period capacity when we open a new customer interaction center or terminate or complete a large client program. From time to time we assess the expected long-term capacity utilization of our centers. Accordingly, we may, if deemed necessary, consolidate or shutdown under-performing centers in order to maintain or improve targeted utilization and margins. There can be no assurance that we will be able to achieve or maintain optimal customer interaction center capacity utilization. During 2001, we determined to close our center in Thornton, Colorado due to poor operating performance and low capacity utilization.

Difficulties of Managing Rapid Growth. With the exception of 2001, we have experienced rapid growth over the past several years. Continued future growth will depend on a number of factors, including the general macroeconomic conditions of the global economy and our ability to (i) initiate, develop and maintain new client relationships and expand our existing client programs; (ii) recruit, motivate and retain qualified management and front-line personnel; (iii) rapidly identify, acquire or lease suitable customer interaction center facilities on acceptable terms, and complete the buildout of such facilities in a timely and economic fashion; and (iv) maintain the high quality of the solutions we provide to our clients. There can be no assurance we will be able to effectively manage our expanding operations or maintain our profitability. If we are unable to effectively manage our growth, our business, results of operations or financial condition could be materially adversely affected.

Risks Associated with Rapidly Changing Technology. Our business is highly dependent on our computer and telecommunications equipment and software capabilities. Our failure to maintain the superiority of our technological capabilities or to respond effectively to technological changes could have a material adverse effect on our business, results of operations or financial condition. Our continued growth and future profitability will be highly dependent on a number of factors, including our ability to (i) expand our existing solutions offerings; (ii) achieve cost efficiencies in our existing customer interaction center operations; and (iii) introduce new solutions that leverage and respond to changing technological developments. There can be no assurance that technologies or services developed by our competitors will not render our products or services non-competitive or obsolete, that we can successfully develop and market any new services or products, that any such new services or products will be commercially successful or that the integration of automated customer support capabilities will achieve intended cost reductions.

Dependence on Key Personnel. Continued growth and profitability will depend upon our ability to maintain our leadership infrastructure by recruiting and retaining qualified, experienced executive personnel. In March 2001, we named Kenneth D. Tuchman, founder and Chairman of our board, as Chief Executive Officer following the resignations of our former CEO and COO. In October 2001, we named James E. Barlett as Vice Chairman of the Company. Competition in our industry for executive-level personnel is strong and there can be no assurance that we will be able to hire, motivate and retain highly effective executive employees, or that we can do so on economically feasible terms.

Dependence on Labor Force. Our success is largely dependent on our ability to recruit, hire, train and retain qualified employees. Our industry is very labor-intensive and has experienced high personnel turnover. A significant increase in the employee turnover rate could increase recruiting and training costs and decrease operating effectiveness and productivity. Also, if we obtain several significant new clients or implement several new, large-scale programs, we may need to recruit, hire and train qualified personnel at an accelerated rate. We may not be able to continue to hire, train and retain sufficient qualified personnel to adequately staff new customer management programs. Because a significant portion of our operating costs relate to labor costs, an increase in wages, costs of employee benefits or employment taxes could have a material adverse effect on our business, results of operations or financial condition. In addition, certain of our customer interaction centers are located in geographic areas with relatively low unemployment rates, which could make it more difficult and costly to hire qualified personnel.

Highly Competitive Market. We believe the market in which we operate is fragmented and highly competitive and competition is likely to intensify in the future. We compete with small firms offering specific applications, divisions of large entities, large independent firms and, most significantly, the in-house operations of clients or potential clients. A number of competitors may develop greater capabilities and resources than ours. Similarly, there can be no assurance that additional competitors with greater resources than us will not enter our market. Because our primary competitors are the in-house operations of existing or potential clients, our performance and growth could be adversely affected if our existing or potential clients decide to provide in-house customer management services they currently outsource, or retain or increase their in-house customer service and product support capabilities. In addition, competitive pressures from current or future competitors also could cause our services to lose market acceptance or result in significant price erosion, which could have a material adverse effect upon our business, results of operations or financial condition.

Difficulties of Completing and Integrating Acquisitions and Joint Ventures. In the past, we have pursued, and in the future we may continue to pursue, strategic acquisitions of companies with services, technologies, industry specializations or geographic coverage that extend or complement our existing business. There can be no assurance that we will be successful in acquiring such companies on favorable terms or in integrating such companies into our existing businesses, or that any completed acquisition will enhance our business, results of operations or financial condition. We have faced, and in the future may continue to face, increased competition for acquisition opportunities, which may inhibit our ability to consummate suitable acquisitions on favorable terms. We may require additional debt or

equity financing for future acquisitions, and such financing may not be available on terms favorable to us, if at all. As part of our growth strategy, we also may pursue strategic alliances in the form of joint ventures and partnerships. Joint ventures and partnerships involve many of the same risks as acquisitions, as well as additional risks associated with possible lack of control. There can be no assurance that we will successfully manage these risks.

Risk of Business Interruption. Our operations are dependent upon our ability to protect our customer interaction centers, computer and telecommunications equipment and software systems against damage from fire, power loss, telecommunications interruption or failure, natural disaster and other similar events. In the event we experience a temporary or permanent interruption at one or more of our customer interaction centers, through casualty, operating malfunction or otherwise, our business could be materially adversely affected and we may be required to pay contractual damages to some clients or allow some clients to terminate or renegotiate their contracts with us. We maintain property and business interruption insurance; however, such insurance may not adequately compensate us for any losses we may incur.

Variability of Quarterly Operating Results. We have experienced and could continue to experience quarterly variations in operating results because of a variety of factors, many of which are outside our control. Such factors include the timing of new contracts; labor strikes and slowdowns in the business of our clients; reductions or other modifications in our clients' marketing and sales strategies; the timing of new product or service offerings; the expiration or termination of existing contracts or the reduction in existing programs; the timing of increased expenses incurred to obtain and support new business; changes in the revenue mix among our various service offerings; and the seasonal pattern of certain businesses served by us. In addition, we make decisions regarding staffing levels, investments and other operating expenditures based on our revenue forecasts. If our revenues are below expectations in any given quarter, our operating results for that quarter would likely be materially adversely affected.

Foreign Currency Exchange Risk. With an expanding global reach, we are increasingly exposed to the market risk associated with foreign currency exchange fluctuations. Although we have entered into forward financial instruments to manage and reduce the impact of changes in foreign currency rates, there can be no assurance that such instruments will protect us from foreign currency fluctuations or that we have or will have instruments in place with respect to the most volatile currencies.

Dependence on Key Industries. We generate a majority of our revenues from clients in the communications, automotive, transportation, financial services and government services industries. Our growth and financial results are largely dependent on continued demand for our services from clients in these industries and current trends in such industries to outsource certain customer management services. A general economic downturn in any of these industries or a slowdown or reversal of the trend in any of these industries to outsource certain customer management services could have a material adverse effect on our business, results of operations or financial condition.

You should not construe these cautionary statements as an exhaustive list. We cannot always predict what factors would cause actual results to differ materially from those indicated in our forward-looking statements. All cautionary statements should be read as being applicable to all forward-looking statements wherever they appear. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed herein might not occur.

See Note 2 to the consolidated financial statements for information on Business Segment Reporting and Geographic Region Disclosure.

Item 2. Properties.

Our corporate headquarters are located in Englewood, Colorado, in approximately 264,000 square feet of leased office space. As of December 31, 2001, we leased (unless otherwise noted) and operated the following customer interaction centers:

Location	Year Opened or Acquired	Number of Production Workstations	Number of Training Workstations/1/	Total Number of Workstations
U.S. Outsourced Centers				
Birmingham, Alabama	1999	450	113	563
Deland, Florida	2000	285	60	345
Enfield, Connecticut	1998	411	81	492
North Hollywood, California	2000	697	125	822
Kansas City, Kansas	1998	500	230	730
Melbourne, Florida	2000	525	75	600
Morgantown, West Virginia	2000	550	115	665
Moundsville, West Virginia	1998	400	59	459
Niagara Falls, New York	1997	570	96	666
Stockton, California	2000	450	80	530
Thornton, Colorado, Second Floor	1996	416	58	474
Topeka, Kansas	1999	510	100	610
Uniontown, Pennsylvania	1998	570	76	646
Database Marketing and Consulting				
San Diego, California	2000	272	28	300
International Outsourced Centers				
Auckland, New Zealand	1996	274	73	347
Barcelona, Spain, Center 1	2000	209	0	209
Barcelona, Spain, Center 2	2001	183	0	183
Belfast, Ireland	2001	583	116	699
Buenos Aires, Argentina, Center 1	1999	606	31	637
Buenos Aires, Argentina, Center 2	1999	194	0	194
Canberra, Australia	2000	102	0	102
Glasgow, Scotland	1996	757	42	799
Hong Kong, China	2000	268	0	268
Leon, Mexico	2000	1,200	100	1,300
London, Ontario	2000	556	120	676
Madrid, Spain, Center 1	2000	209	0	209
Madrid, Spain, Center 2	2000	82	0	82
Melbourne, Australia	1997	606	99	705
Mexico City, Mexico	1997	940	96	1,036
New Castle, Australia	2001	112	0	112
North Bay, Ontario	2000	304	48	352
Sao Paulo, Brazil	1998	365	24	389
Seville, Spain	2000	217	0	217
Shepard, Ontario	1998	251	40	291
Sudbury, Ontario	1999	538	71	609
Sydney, Australia	1996	338	47	385
Tampines, Singapore	1998	197	20	217

Location	Year Opened or Acquired	Number of Production Workstations	Number of Training Workstations/1/	Total Number of Workstations
International Outsourced Centers (cont.)				
Toronto, Ontario	2000	594	60	654
Valencia, Spain	2000	138	0	138
Zaragoza, Spain	2000	114	0	114
Managed Centers/2/				
Christchurch, New Zealand	2000	80	0	80
Greenville, South Carolina	1996	611	105	716
La Trobe Valley, Australia	2001	251	24	275
Montbello, Colorado	1996	486	182	668
Tampa, Florida	1996	652	90	742
Toronto, Ontario	1998	400	80	480
Tucson, Arizona	1996	795	90	885
Wellington, New Zealand	2001	75	0	75
Total number of workstations		19,893	2,854	22,747

/1/ Training workstations are fully operative as production workstations should the Company require additional capacity.

/2/ Centers are leased or owned by TeleTech's clients, and managed by TeleTech on behalf of such clients pursuant to facilities management agreements.

The leases for our U.S. customer interaction centers have terms ranging from three to 20 years and generally contain renewal options. We believe that our existing customer interaction centers are suitable and adequate for our current operations. We target capacity utilization in our fully outsourced centers at 85% of our available workstations during peak (weekday) periods. Our plans for 2002 include plans for several new international centers.

Due to the inbound nature of our business, we experience significantly higher capacity utilization during peak periods than during off-peak (night and weekend) periods. We may be required to open or expand customer interaction centers to create the additional peak period capacity necessary to accommodate new or expanded customer management programs. The opening or expansion of a customer interaction center may result, at least in the short term, in idle capacity during peak periods until any new or expanded program is implemented fully.

Item 3. Legal Proceedings.

From time to time, the Company is involved in litigation, most of which is incidental to its business. In the Company's opinion, no litigation to which the Company currently is a party is likely to have a material adverse effect on the Company's results of operations or financial condition.

Item 4. Submission of Matters to a Vote of Security Holders.

No matters were submitted to a vote of the Company's stockholders during the fourth quarter of its fiscal year ended December 31, 2001.

Executive Officers of TeleTech Holdings, Inc.

In accordance with General Instruction G(3) of this Form 10-K, the following information is included as an additional item in Part I:

Name	Position	Age	Date Position Assumed
Kenneth D. Tuchman/1/	Chairman and Chief Executive Officer	42	2001
James E. Barlett/2/	Vice Chairman	58	2001
Christopher J. Batson/3/	Vice President--Treasurer	34	2001
R. Sean Erickson/4/	President and General Manager--North America Operations and Technology	40	1997
Michael E. Foss/5/	Executive Vice President--Corporate Development	44	1999
James B. Kaufman/6/	Executive Vice President, General Counsel and Secretary	40	1999
Margot M. O'Dell/7/	Chief Financial Officer and Executive Vice President of Administration	37	2000
Jeffrey S. Sperber/8/	Vice President--Controller	37	2001

/1/ Mr. Tuchman founded TeleTech's predecessor company in 1982 and has served as the Chairman of the Board of Directors since TeleTech's formation in 1994. Mr. Tuchman served as the Company's President and Chief Executive Officer from the Company's inception until the appointment of Scott Thompson as Chief Executive Officer and President in October of 1999. In March 2001, Mr. Tuchman resumed the position of Chief Executive Officer following the resignation of Mr. Thompson in March of 2001. Mr. Tuchman has also held various board and officer positions with a number of TeleTech's affiliates, and Mr. Tuchman serves on the board of Ocean Journey and the Boy Scouts of America. Mr. Tuchman is also a member of the State of Colorado Governor's Commission on Science and Technology.

/2/ Mr. Barlett has served as a director of TeleTech since February 2000 and Vice Chairman of TeleTech since October 2001. Before joining TeleTech as Vice Chairman, Mr. Barlett served as the President and Chief Executive Officer of Galileo International, Inc. from 1994 to 2001, was elected Chairman in 1997 and served until 2001. Prior to joining Galileo, Mr. Barlett served as Executive Vice President of Worldwide Operations and Systems for MasterCard International Corporation, where he was also a member of the MasterCard International Operations Committee. Previously, Mr. Barlett was Executive Vice President of Operations for NBD Bankcorp, Vice Chairman of Cirrus, Inc., and a partner with Touche Ross and Co., currently known as Deloitte and Touche. Mr. Barlett also serves on the board of Korn/Ferry International.

/3/ Before joining TeleTech in January 2001, Mr. Batson served as an Account Director within the Teradata Division of NCR Corporation, a data warehousing and customer relationship management solution provider. During his four years with NCR, Mr. Batson also held several financial management positions within NCR's Treasury Department, including Director of Capital Markets & Corporate Finance and Manager of Mergers & Acquisitions. Before joining NCR in 1997, Mr. Batson was a Senior Consultant with Deloitte Consulting.

/4/ Before joining TeleTech in 1997, Mr. Erickson served in a variety of customer service and operations strategy positions at TeleCommunications, Inc. ("TCI") including Chief Operating Officer of a call center joint venture between TCI and Primestar Satellite, Inc. Before joining TCI in 1995, Mr. Erickson held numerous sales, marketing, and customer service positions at MCI Telecommunications, including Director of Customer Retention Marketing, Director of Operator Services, and Executive Director of Mass Markets Customer service with responsibility for 12 call centers and 5,000 employees, nationwide.

/5/ Before joining TeleTech in 1999, Mr. Foss served as Chief Executive Officer of Picture Vision, Inc., a subsidiary of Eastman Kodak that focused on Internet imaging. Mr. Foss was also General Manager of online digital services and Vice President of consumer imaging for Kodak. Prior to this position, Mr. Foss was General Manager of Components, Services and Media for Kodak's Business Imaging Systems Division. Before joining Kodak, Mr. Foss served as Senior Vice President and Chief Financial Officer for Rally's and held numerous positions with IBM, including Director of Financial Planning, Worldwide Sales and Services, and Director of Corporate Treasury Operations.

/6/ Before joining TeleTech in 1999, Mr. Kaufman served as Vice President--Law at Orion Network Systems (renamed Loral Cyberstar following its acquisition by Loral Space & Communications in March 1998), a publicly traded international satellite-based communications company. Before joining Orion in 1994, Mr. Kaufman was engaged in private law practice, most recently with Proskauer Rose, a national law firm.

/7/ Before joining TeleTech in 2000, Ms. O'Dell served as Senior Vice President of Finance for Global Network Operations at Qwest, formerly U S WEST. Prior to that position, Ms. O'Dell served as Vice President of Human Resources, Employee and Retiree Services and as Executive Director of Corporate Benefits for U S WEST. Prior to U S WEST, Ms. O'Dell was Vice President Finance and Operations for FHP Healthcare's Eastern Division.

/8/ Before joining TeleTech in March of 2001, Mr. Sperber served as Chief Financial Officer of USOL Holdings, Inc., a publicly held company providing bundled video, voice and data services to residents of multi-family housing units. Prior to joining USOL in 1997, Mr. Sperber served as the Controller for TCI Wireline, Inc., a subsidiary of TCI that focused on launching local telephone service and managing TCI's telephone investments in Sprint PCS and Teleport Communications Group.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

The Company's common stock is traded on the Nasdaq Stock Market under the symbol "TTEC." The following table sets forth the range of the high and low sales prices per share of the common stock for the fiscal quarters indicated as reported on the Nasdaq Stock Market:

	High	Low
First Quarter 2001	$21.31	$ 7.25
Second Quarter 2001	$ 9.85	$ 6.25
Third Quarter 2001	$ 9.00	$ 5.39
Fourth Quarter 2001	$14.75	$ 6.92
First Quarter 2000	$43.69	$23.38
Second Quarter 2000	$41.19	$27.13
Third Quarter 2000	$38.31	$19.75
Fourth Quarter 2000	$30.25	$16.13

As of March 25, 2002, there were 76,921,588 shares of common stock outstanding, held by approximately 166 stockholders of record.

TeleTech did not declare or pay any dividends on its common stock in 2001 or 2000 and it does not expect to do so in the foreseeable future. Management anticipates that all cash flow generated from operations in the foreseeable future will be retained and used to develop and expand TeleTech's business however, the Board of Directors has authorized the repurchase of up to $5 million of the Company's common stock. Any future payment of dividends will depend upon TeleTech's results of operations, financial condition, cash requirements and other factors deemed relevant by the board of directors. Additionally, TeleTech's Revolving Credit Agreement and Senior Notes described under "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources" both restrict TeleTech's ability to pay dividends.

Item 6. Selected Financial Data.

The following selected financial data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the Financial Statements and the related notes appearing elsewhere in this report. The financial information for years prior to 2000 have been restated to reflect the August 2000 business combination with Contact Center Holdings, S.L. and the December 2000 business combination with Newgen Results Corporation. The financial information for years prior to 1998 have been restated to reflect the June 1998 business combinations with Electronic Direct Marketing Ltd. and Digital Creators, Inc. All of the mentioned business combinations were accounted for using the pooling-of-interests method of accounting.

	Year Ended December 31,				
	2001	2000	1999	1998	1997
	(in thousands, except per share and operating data)				
Statement of Operations Data:					
Revenues	$916,144	$885,349	$604,264	$424,877	$311,097
Costs of services	587,423	557,681	403,648	282,689	202,906
SG&A and other operating expenses	237,253/5/	206,750/4/	117,758	90,952	65,204
Depreciation and amortization	60,308	48,001	32,661	20,856	11,331
Income from operations	31,160	72,917	50,197	30,380	31,656
Other income (expense)	(31,401)/6/	49,386/3/	7,561/2/	68/1/	1,881
Provision for income taxes	174	46,938	20,978	13,344	14,206
Minority interest	(1,510)	(1,559)	--	--	--
Net income (loss)	$ (1,925)	$ 73,806	$ 36,780	$ 17,104	$ 19,331
Net income (loss) per share--					
Basic	$ (0.03)	$ 1.00	$ 0.51	$ 0.24	$ 0.30
Diluted	$ (0.03)	$ 0.93	$ 0.49	$ 0.24	$ 0.27
Average shares outstanding--					
Basic	75,804	74,171	70,557	66,228	64,713
Diluted	75,804	79,108	74,462	71,781	70,969
Operating Data:					
Number of production workstations	19,893	20,600	13,800	10,100	6,800
Number of customer interaction centers	48	50	33	26	20
Balance Sheet Data:					
Working capital	$185,205	$173,123	$111,850	$ 68,137	$ 88,445
Total assets	573,939	580,899	362,579	251,729	207,249
Long-term debt, net of current portion	83,997	74,906	27,404	7,660	11,001
Redeemable convertible preferred stock	--	--	--	16,050	14,679
Total stockholders' equity	347,950	363,365	253,145	157,931	132,586

/1/ Includes non-recurring $1.3 million of business combination expenses relating to two pooling-of-interest transactions.

/2/ Includes a non-recurring $6.7 million gain from a contract settlement payment made by a former client.

/3/ Includes the following non-recurring items: a $57.0 million gain on the sale of securities, $10.5 million of business combination expenses relating to two pooling-of-interest transactions, and a $4.0 million gain on the sale of a subsidiary.

/4/ Includes the following non-recurring items: an $8.1 million loss on the closure of a subsidiary and three customer interaction centers and a $9.0 million loss on the termination of a lease on the Company's planned headquarters building.

/5/ Includes the following non-recurring items: $18.5 million of restructuring charges related to the termination of approximately 500 employees, a $7.7 million loss on the closure of a customer interaction center and a $7.0 million loss on the sale of the Company's planned headquarters building.

/6/ Includes a non-recurring loss of $16.5 million for an other than temporary decline in value of an equity investment and a $0.7 million charge for a workforce reduction for a non-consolidated subsidiary.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Special Note: Certain statements set forth below under this caption constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. See "Forward Looking Information May Prove Inaccurate" on page 7 for additional factors relating to such statements.

Overview

The Company classifies its business activities into four fundamental segments: North American outsourcing, international outsourcing, database marketing and consulting, and corporate activities. North American outsourcing consists of customer management services provided in the U.S. and Canada. North American and international outsourcing also include facilities management arrangements (client owned centers). These segments are consistent with the Company's management of the business and generally reflect its internal financial reporting structure and operating focus. North American and international outsourcing provide comprehensive customer management solutions. Database marketing and consulting provide outsourced database management, direct marketing and related customer retention services for automobile dealerships and manufacturers. Included in corporate activities are general corporate expenses, operational management expenses not attributable to any other segment and technology services. Segment accounting policies are the same as those used in the consolidated financial statements. There are no significant transactions between the reported segments for the periods presented.

TeleTech generates its revenues primarily by providing customer management solutions. The Company's fully outsourced customer interaction centers serve either multiple clients (multi-client centers) or one dedicated client (dedicated centers). The Company bills for its services based primarily on the amount of time TeleTech representatives devote to a client's program, and revenues are recognized as services are provided. The Company also derives revenues from consulting services, including the sale of customer interaction center and customer management technology, automated customer support, database management, systems integration, Web-based applications and distance-based learning and education. These consulting and technology revenues historically have not been a significant component of the Company's revenues. The Company seeks to enter into multiyear contracts with its clients that cannot be terminated for convenience except upon the payment of a termination fee. The majority of the Company's revenues are, and the Company anticipates that the majority of its future revenues will continue to be, from multiyear contracts. However, the Company does provide some programs on a short-term basis and the Company's operations outside of North America are characterized by shorter-term contracts. The Company's ability to enter into new multiyear contracts, particularly large complex opportunities, may be dependent upon the macroeconomic environment in general and the specific industry environments in which its customers are operating. A weakening of the U.S. and/or global economy could cause longer sales cycles or delays in closing new business opportunities. As a result of a weakening global economy, the Company encountered delays in both the ramp up of some existing client programs as well as the closing of sales opportunities for large customer care programs during 2001.

TeleTech's profitability is significantly influenced by its customer interaction center capacity utilization. The Company seeks to optimize new and existing capacity utilization during both peak (weekday) and off-peak (night and weekend) periods to achieve maximum fixed cost absorption. Historically, the majority of the Company's revenues have been generated during peak periods. TeleTech may be adversely impacted by idle capacity in its fully outsourced centers if prior to the opening or expansion of a customer interaction center, the Company has not contracted for the provision of services or if a client program does not reach its intended level of operations on a timely basis. In addition, the Company can also be adversely impacted by idle capacity in its facilities management contracts. In a facilities management contract, the Company does not incur the costs of the facilities and equipment; however, the costs of the management team supporting the customer interaction center are semi-fixed in nature, and absorption of these costs will be negatively impacted if the customer interaction center has idle capacity. The Company attempts to plan the development and opening of new customer interaction centers to minimize the financial impact resulting from idle capacity. In planning the opening of new centers or the expansion of existing centers, management considers numerous factors that affect its capacity utilization, including anticipated expirations, reductions, terminations or expansions of existing programs, and the size and timing of new client contracts that the Company expects to obtain. The Company continues to concentrate its marketing efforts toward obtaining larger, more complex, strategic customer management programs. As a result, the time required to negotiate and execute an agreement with the client can be significant. To enable the Company to respond rapidly to changing market demands, implement new programs and expand existing programs, TeleTech may be required to commit to additional capacity prior to the contracting of additional business, which may result in idle capacity. TeleTech targets capacity utilization in its fully outsourced centers at 85% of its available workstations during the weekday period. During 2001, the Company carried approximately four customer interaction centers of excess capacity above and beyond normal expected levels. From time to time the

Company assesses the expected long-term capacity utilization of its centers. Accordingly, the Company may, if deemed necessary, consolidate or shutdown under-performing centers in order to maintain or improve targeted utilization and margins.

The Company records costs specifically associated with client programs as costs of services. These costs, which include direct labor wages and benefits, telecommunication charges and certain facility costs are primarily variable in nature. All other expenses of operations, including technology support, sales and marketing, human resource management and other administrative functions and customer interaction center operational expenses that are not allocable to specific programs, are recorded as selling, general and administrative ("SG&A") expenses. SG&A expenses tend to be either semi-variable or fixed in nature. The majority of the Company's operating expenses have consisted of labor costs. Representative wage rates, which comprise the majority of the Company's labor costs, have been and are expected to continue to be a key component of the Company's expenses. Some of the Company's contracts with its clients contain clauses allowing adjustment of billing rates in accordance with wage inflation.

The cost characteristics of TeleTech's fully outsourced programs differ significantly from the cost characteristics of its facilities management programs. Under facilities management programs, customer interaction centers and the related equipment are owned by the client but are staffed and managed by TeleTech. Accordingly, facilities management programs have higher costs of services as a percentage of revenues and lower SG&A expenses as a percentage of revenues than fully outsourced programs. Additionally, the cost characteristics of the Company's dedicated centers differ from the cost characteristics of its multi-client centers. Dedicated centers have lower SG & A expenses than multi-client centers as they do not require as many resources for management and other administrative functions. Accordingly, multi-client centers have higher SG & A as a percentage of revenues than dedicated centers. As a result, the Company expects its overall gross margin will continue to fluctuate on a quarter-to-quarter basis as revenues attributable to fully outsourced programs vary in proportion to revenues attributable to facilities management programs. Management believes the Company's operating margin, which is income from operations expressed as a percentage of revenues, is a better measure of "profitability" on a period-to-period basis than gross margin. Operating margin may be less subject to fluctuation as the proportion of the Company's business portfolio attributable to fully outsourced programs versus facilities management programs changes. Revenue from facilities management contracts represented 11.8%, 13.5% and 15.6% of consolidated revenues in 2001, 2000 and 1999, respectively.

The Company has used business combinations and acquisitions to expand the Company's international customer management operations and to obtain complementary technology solution offerings to extend its product line and vertical market presence. The following is a summary of this activity.

International Operations

		Consideration		
	Locations	Shares	Cash	Date
iCcare Limited	Hong Kong, China	74,688	$2.0 million	October 2000
Contact Center Holdings, S.L.	Barcelona, Spain	3,264,000	--	August 2000
Smart Call, S.A. & Connect, S.A.	Buenos Aires, Argentina	--	$8.5 million	March 1999 & October 1999
Outsource Informatica, Ltda.	Sao Paulo, Brazil	606,343	--	August 1998
EDM Electronic Direct Marketing, Ltd.	Toronto, Ontario, Canada	1,783,444	--	June 1998
Telemercadeo Integral, S.A.	Mexico City, Mexico	100,000	$2.4 million	May 1997
TeleTech International Pty Limited	Sydney, Australia and Auckland, New Zealand	970,240	$2.3 million	January 1996

Company	Description	Consideration: Shares	Consideration: Cash	Date
Newgen Results Corporation	Database marketing and consulting	8,283,325	--	December 2000
Assets of the customer care division of Boston Communications Group/c/	Provider of CRM support for the wireless industry	--	$13.0 million	November 2000
FreeFire assets of Information Management Associates/b/	Marketing and software solutions	--	$ 1.0 million	June 2000
Pamet River, Inc./a/	Database marketing and consulting	285,711	$ 1.8 million	March 1999
Cygnus Computer Associates/b/	Provider of systems integration and call center software solutions	324,744	$ 0.7 million	December 1998
Digital Creators, Inc./d/	Developer of Web-based applications and distance-based learning and education	1,069,000	--	June 1998
Intellisystems, Inc./b/	Developer of automated product support systems	344,487	$ 2.0 million	February 1998

/a/ Pamet River was closed in September of 2000. See Note 11 of the Financial Statements for further discussion.

/b/ These entities were transferred to the Company's enhansiv subsidiary. The common stock of enhansiv was then sold to a group of investors during the fourth quarter of 2000. See Note 8 of the Financial Statements for further discussion.

/c/ Boston Communication Group has the opportunity to earn additional amounts pursuant to an earnout provision. Additionally, the Company assumed approximately $2.0 million of liabilities.

/d/ Digital Creators, Inc. was closed in the first quarter of 2001 and its operations were merged into the Company. See Note 11 of the Financial Statements for further discussion.

Results of Operations

The following table sets forth certain income statement data as a percentage of revenues:

	2001	2000	1999
Revenues	100.0%	100.0%	100.0%
Costs of services	64.1	63.0	66.8
SG&A expenses	22.3	21.4	19.5
Depreciation and amortization	6.6	5.4	5.4
Income from operations	3.4	8.2	8.3
Other income (expense)	(3.4)	5.6	1.3
Provision for income taxes	0.0	5.3	3.5
Net income (loss)	(0.2)	8.3	6.1

2001 Compared to 2000

Revenues. Revenues increased $30.8 million, or 3.5%, to $916.1 million in 2001 from $885.3 million in 2000. The revenue increase resulted from net growth in existing client relationships driven by increases in North American and international outsourcing programs. On a segment basis, international outsourcing revenues increased $29.7 million, or 14.3% between years driven primarily from growth in the Company's Mexican operations. North American outsourcing revenues increased $18.1 million, or 3.1% between years primarily due to growth in the Company's Canadian operations partially offset by contract expirations and other client reductions. The Company's percentage of outsourced revenues derived from facilities management contracts decreased to 11.8% in 2001 from 13.5% in 2000. Revenues from database marketing and consulting decreased $7.1 million, or 9.1%, to $71.2 million in 2001 from $78.3 in 2000. The decrease between years resulted from a decrease in clients for the service reminder business and a decrease in consulting revenue. Revenues from corporate activities decreased by approximately $9.9 million due to the closure of the Company's Pamet River subsidiary in September 2000, the sale of the Company's enhansiv subsidiary to a group of investors in the fourth quarter of 2000 and the closure of its Digital Creators subsidiary in the first quarter of 2001.

Costs of Services. Costs of services increased $29.7 million, or 5.3%, to $587.4 million in 2001 from $557.7 million in 2000. Costs of services increased to 64.1% of revenue in 2001 from 63.0% in 2000. The increase in costs of services as a percentage of revenue between years is primarily due to deterioration in European margins and the benefit of certain one-time contract restructurings that positively impacted 2000 margins.

Selling, General and Administrative. Selling, general and administrative expenses increased $14.3 million, or 7.6%, to $204.0 million in 2001 from $189.7 million in 2000. As a percentage of revenues, selling, general and administrative expenses increased to 22.3% in 2001 from 21.4% in 2000. The increase between years as a percentage of revenue was primarily the result of an increase in excess capacity in the Company's multi-client centers between years. During 2001, the Company took certain cost cutting measures including two reductions in force and the closing of one customer interaction center. In connection with these actions, the Company took charges of $18.5 million and $7.7 million, respectively. As a result, the Company saw selling, general and administrative expenses decrease sequentially the last three quarters of 2001 as a percentage of revenue with the fourth quarter at 21.4% of revenue.

Depreciation and Amortization. Depreciation and amortization increased $12.3 million, or 25.6%, to $60.3 million in 2001 from $48.0 million in 2000. Depreciation and amortization increased to 6.6% of revenue in 2001 from 5.4% in 2000. The increase in depreciation and amortization resulted from increases in property and equipment and intangible asset balances between years.

Income from Operations. As a result of the foregoing factors, income from operations decreased $41.8 million, or 57.2%, to $31.2 million in 2001 from $72.9 million in 2000. As a percentage of revenue, operating income decreased to 3.4% in 2001 from 8.2% in 2000. Excluding the effect of non-recurring items, operating income decreased $25.6 million, or 28.4%, to $64.4 million in 2001 from $90.0 million in 2000. As a percentage of revenue, exclusive of non-recurring items, operating income decreased to 7.0% in 2001 from 10.2% in 2000. The Company considered its charges for restructuring, closing facilities or subsidiaries and the loss on its Planned Headquarters Building as non-recurring charges in 2001 and 2000.

Other Income (Expense). Other income decreased $80.8 million to a loss of $31.4 million in 2001 from income of $49.4 million in 2000. Included in 2001 other expense is a non-recurring $16.5 million loss for the other than temporary decline in value of its equity investment in enhansiv, as well as $7.7 million for the Company's share of losses from enhansiv ($0 in 2000). Included in 2000 other income is a non-recurring $57.0 million gain on the sale of securities, a non-recurring $4.0 million gain on the sale of a subsidiary and $10.5 million in business combination expenses related to two business combinations accounted for under the pooling-of-interest method. Additionally, net interest expense increased approximately $4.4 million in 2001 from 2000, primarily due to higher outstanding debt balances during 2001.

Income Taxes. Taxes on income decreased $46.7 million to $0.2 million in 2001 from $46.9 million in 2000 primarily due to a decrease in taxable income of $122.5 million between years as a result of the factors described above. The Company's effective tax rate was 72.2% in 2001 compared to 38.4% in 2000. The 2001 effective tax rate was impacted by the non-deductibility of equity losses from the investment in enhansiv for part of the year combined with the relatively small net loss amount. Excluding the non-recurring items described above, the Company's effective tax rate for 2001 was 40.0% compared with 39.3% for 2000. The increase in effective tax rate between years was primarily due to the non-deductible equity losses mentioned above.

Net Income (Loss). As a result of the foregoing factors, and the minority interest in the Company's Percepta joint venture, the Company recorded a net loss of $1.9 million in 2001 compared to net income of $73.8 million in 2000. Diluted loss per share was $0.03 in 2001 compared to earnings of $0.93 per share in 2000. Excluding the effects of the non-recurring items described above, diluted earnings per share was $0.37 per share in 2001 compared to $0.66 per share in 2000.

2000 Compared to 1999

Revenues. Revenues increased $281.0 million, or 46.5%, to $885.3 million in 2000 from $604.3 million in 1999. The revenue increase resulted from growth in new and existing client relationships offset in part by contract expirations and other client reductions. On a segment basis, North American outsourcing revenue increased 44.7% to $591.8 million in 2000 from $409.1 million in 1999. The increase resulted from growth in new and existing client relationships, primarily in Canada. International outsourcing revenues increased 73.8% to $207.0 million in 2000 from $119.1 million in 1999. The increase in international outsourcing revenues resulted primarily from growth in the Company's European and Latin American operations. Revenues from database marketing and consulting increased 41.8% to $78.3 million in 2000 from $55.2 million in 1999. This increase was due primarily to the increase in database marketing and consulting clients and an acquisition that was completed by Newgen in the fourth quarter of 1999. Revenues from corporate activities consist of consulting services, automated customer support, systems integration, database management, Web-based applications and distance-based learning and education. These revenues totaled $8.3 million in 2000, a decrease of $12.5 million from $20.8 million in 1999. The decrease in revenue from corporate activities was primarily due to the closure of the Company's Pamet River subsidiary in September 2000 and the sale of the common stock of the Company's enhansiv subsidiary to a group of investors in the fourth quarter of 2000.

Costs of Services. Costs of services increased $154.0 million, or 38.2%, to $557.7 million in 2000 from $403.6 million in 1999. Costs of services as a percentage of revenues decreased from 66.8% in 1999 to 63.0% in 2000. This decrease in costs of services as a percentage of revenues is primarily the result of strong growth from both new and existing clients, increased operating efficiencies and the decline in the percentage of revenues generated from facilities management programs. Additionally, cost of services as a percentage of revenue was positively impacted by contract restructurings with two clients in the fourth quarter of 2000.

Selling, General and Administrative. SG&A expenses increased $71.9 million, or 61.1%, to $189.7 million in 2000, from $117.8 million in 1999 primarily resulting from the Company's increased number of customer interaction centers, global expansion and increased investment in technology. SG&A expenses as a percentage of revenues increased from 19.5% in 1999 to 21.4% in 2000. This increase is primarily the result of an increase in the percentage of revenue generated from multi-client center programs.

Depreciation and Amortization. Depreciation and amortization increased $15.3 million, or 47.0%, to $48.0 million in 2000 from $32.7 million in 1999. As a percentage of revenue, depreciation and amortization was 5.4% for both 2000 and 1999. The increase in depreciation and amortization between years is due to increases in property and equipment and intangible assets.

Income from Operations. As a result of the foregoing factors, income from operations increased $22.7 million, or 45.3%, to $72.9 million in 2000 from $50.2 million in 1999. Income from operations as a percentage of revenues decreased to 8.2% in 2000 from 8.3% in 1999. Included in 2000 operating income are the following non-recurring items: an $8.1 million loss on the closure of a subsidiary and three customer interaction centers and a $9.0 million loss on the termination of a lease on the Company's planned headquarters building. Income from operations, exclusive of non-recurring items, increased $39.8 million or 79.3%, to $90.0 million in 2000. Income from operations as a percentage of revenues, exclusive of non-recurring items, increased to 10.2% in 2000 from 8.3% in 1999.

Other Income (Expense). Other income increased $41.8 million to $49.4 million in 2000 compared to $7.6 million in 1999. Included in other income in 2000 are the following non-recurring items: a $57.0 million gain on the sale of securities, a $4.0 million gain on the sale of a subsidiary and $10.5 million in business combination expenses related to two business combinations accounted for under the pooling-of-interest method. Included in other income in 1999 is a $6.7 million gain on the settlement of a long-term contract, which was terminated by a client in 1996.

Income Taxes. Taxes on income increased $25.9 million to $46.9 million in 2000 from $21.0 million in 1999 primarily due to higher pre-tax income. The Company's effective tax rate was 38.4% in 2000 compared to 36.3% in 1999. The lower effective tax rate in 1999 was due to an acquisition accounted for under the pooling-of-interest method.

Net Income. As a result of the foregoing factors, net income increased $37.0 million, or 101%, to $73.8 million in 2000 from $36.8 million in 1999. Diluted earnings per share increased from $0.49 to $0.93. Excluding non-recurring items in 2000 and the non-recurring gain in 1999 from the long-term contract settlement, net income in 2000 was $52.4 million, compared with net income in 1999 of $32.7 million, an increase of 60.2%. Diluted earnings per share excluding non-recurring items was $0.66 in 2000 compared to $0.44 in 1999.

Liquidity and Capital Resources

Cash provided by operating activities was $103.6 million in 2001 compared to $36.3 million in 2000. Cash provided by operating activities for 2001 consists of a net loss of $1.9 million before adjustments for depreciation and amortization, bad debt, working capital, and other charges primarily related to restructurings and its equity investment in enhansiv. The change in cash flows from working capital between years of approximately $60.0 million is primarily the result of a decrease in accounts receivable, partially offset by a decrease in accounts payable and accrued expenses. Accounts receivable decreased as a result of more aggressive collection procedures. The Company's days sales outstanding decreased from 73 days in 2000 to 65 days in 2001.

The Company used $75.2 million in investing activities during 2001. In 2001, the Company's capital expenditures (exclusive of expenditures on the Company's planned headquarters building) were $52.1 million, a decrease of $65.9 million from 2000. Other 2001 investing cash flows were primarily uses of $13.8 million, representing net expenditures on the planned headquarters building and $11.9 million of funding for enhansiv.

Historically, capital expenditures have been, and future capital expenditures are anticipated to be, primarily for the development of customer interaction centers, technology deployment and systems integrations. The Company currently expects total capital expenditures in 2002 to be approximately $70 million to $75 million. The Company expects its capital expenditures will be used primarily to open several new non-U.S. customer interaction centers, maintenance capital for existing centers and internal technology projects. Such expenditures will be financed with internally generated funds and existing cash balances. The level of capital expenditures incurred in 2002 will be dependent upon new client contracts obtained by the Company and the corresponding need for additional capacity. In addition, if the Company's future growth is generated through facilities management contracts, the anticipated level of capital expenditures could be reduced.

Cash provided by financing activities in 2001 was $7.8 million. This primarily resulted from proceeds received from the Senior Notes issuance in the amount of $75.0 million offset by repaying the revolving line of credit in the amount of $62.0 million. Additional proceeds from financing activities were generated by the exercise of stock options and employee stock purchases and other uses were for payments on long-term notes and capital lease obligations. In 2000, cash provided by financing activities of $34.1 million resulted primarily from net borrowings from the line of credit.

As mentioned above, in the fourth quarter of 2001, the Company completed a $75.0 million offering of unsecured Senior Notes. The Senior Notes consist of two tranches; $60.0 million bearing interest at 7% per annum with a seven-year term and $15.0 million bearing interest at 7.4% per annum with a 10-year term. Additionally, the Company has an unsecured revolving line of credit agreement with a syndicate of five commercial banks under which it may borrow up to $87.5 million. At December 31, 2001, there were no borrowings under the line of credit. The line of credit expires in November 2002. It is management's intent to renegotiate the line and extend the maturity date. There is no assurance that the line of credit will be renegotiated or extended. The Company believes that existing cash on hand, along with internally generated cash flows and availability under its revolving line of credit are sufficient to fund planned operations for the foreseeable future.

From time to time, the Company engages in discussions regarding restructurings, dispositions, mergers, acquisitions and other similar transactions. Any such transaction could include, among other things, the transfer, sale or acquisition of significant assets, businesses or interests, including joint ventures, or the incurrence, assumption or refinancing of indebtedness, and could be material to the financial condition and results of operations of the Company. There is no assurance that any such discussions will result in the consummation of any such transaction.

In December 2000, the Company and State Street Bank and Trust Company ("State Street") consummated a lease transaction for the Company's new corporate headquarters, whereby State Street acquired the property at 9197 South Peoria Street, Englewood, Colorado (the "Property"). Simultaneously, State Street leased the Property to TeleTech Services Corporation ("TSC"), a wholly owned subsidiary of the Company. As part of the transaction, State Street formed a special purpose entity to purchase the Property and hold the associated

equity and debt from a group of banks. The debt held by this entity was approximately $37.0 million at December 31, 2001. The Company's lease on the Property has a four-year term and expires in December 2004. At expiration, the Company has three options: 1) renew the lease for two one-year periods at the same monthly rate paid during the original term, 2) purchase the Property for approximately $38.2 million, or 3) vacate the Property. In the event the Company vacates the Property, the Company must sell the Property. If the Property is sold for less than $38.2 million, the Company has guaranteed State Street a residual payment upon sale of the building based on a percentage of the difference between the selling price and appraised fair market value of the Property. If the Company were to vacate the Property prior to the original four-year term, the Company has guaranteed State Street a residual value of approximately $31.5 million upon sale of the Property. The Company has no plans to vacate the Property prior to the original term. The potential liability, if any, resulting from a residual payment has not been reflected on the accompanying consolidated balance sheet. The rent expense of $2.6 million in 2001 and future lease payments are reflected in the lease commitments disclosed in Note 13 to the consolidated financial statements. This arrangement is not expected to have a material effect on liquidity or availability of or requirements for capital resources. A significant restrictive covenant under this agreement requires the Company to maintain at least one dollar of net income each quarter. Additionally, the lease payments are variable based on LIBOR. However, the Company has an interest rate swap agreement in place to hedge any fluctuations in LIBOR.

As more fully described in Note 8 to the consolidated financial statements, the Company has provided approximately $11.9 million of funding to enhansiv holdings, inc. ("EHI") an entity being accounted for under the equity method of accounting. EHI is developing a centralized, open architecture, customer management solution that incorporates a contact management database across all customer contact channels. The Company believes that the EHI technology will allow it to move to a more centralized technology platform, allowing it to provide more cost effective solutions in a more timely manner. During 2001, the Company recorded approximately $7.7 million of pro rata losses related to this equity investment. EHI has been dependent upon the Company for its recent financing requirements. The Company's board of directors has authorized a total of $12.0 million of funding for EHI which was reached subsequent to year end. Management of EHI believe that they have sufficient cash reserves and working capital to fund EHI through at least March 31, 2002, however, EHI expects to require an additional $5 million to $6 million of funding during 2002. If the Company authorizes additional funding of EHI, it is not expected to materially affect the Company's liquidity or the availability of or requirements for capital resources. There can be no assurance that the Company will authorize additional funding for EHI, or that EHI will obtain funding from other sources.

At December 31, 2001, the Company had the following contractual obligations (amounts in thousands):

Contractual Obligations	Less than 1 year	2-3 years	4-5 years	5 years	Over Total
Long-term debt and Senior Notes/1/	$ 933	$ 13,899	$29,412	$ 36,605	$ 80,849
Capital lease obligations/1/	4,268	4,268	--	--	8,536
Operating lease commitments/2/	27,030	50,455	34,644	94,532	206,661
Residual value guarantee on headquarters/2/	--	31,500	--	--	31,500
Total	$32,231	$100,122	$64,056	$131,137	$327,546

/1/ Reflected on accompanying consolidated balance sheets.
/2/ Not reflected on accompanying consolidated balance sheets.

Critical Accounting Policies

The Company has identified the policies below as critical to its business and results of operations. The impact and any associated risks related to these policies on the Company's business is discussed throughout Management's Discussion and Analysis of Financial Condition and Results of Operations where such policies affect reported and expected financial results. For a detailed discussion on the application of these and other accounting policies, see Note 1 to the consolidated financial statements.

Revenue Recognition. The revenue recognition policy is significant because revenue is a key component of operating results. The Company follows very specific and detailed guidelines in measuring revenue. In addition, revenue recognition sometimes determines the timing of certain expenses, such as certain sales commissions.

Derivatives. Being able to mitigate economic risk associated with changes in foreign currencies is important to the Company. The ability to qualify for hedge accounting allows the Company to match the gains and losses from changes in the fair market value of the derivative securities used for hedging activities with the operating results being hedged.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Market risk represents the risk of loss that may impact the financial position, results of operations or cash flows of the Company due to adverse changes in financial and commodity market prices and rates. The Company is exposed to market risk in the areas of changes in U.S. interest rates, foreign currency exchange rates as measured against the U.S. dollar and changes in the market value of its investment portfolio. These exposures are directly related to its normal operating and funding activities. As of December 31, 2001, the Company has entered into forward financial instruments to manage and reduce the impact of changes in certain foreign currency rates with a major financial institution. The Company has also entered into an interest rate swap agreement to manage its cash flow risk on the lease for the Property described above as the lease payments are based on variable monthly interest.

Interest Rate Risk

The interest on the Company's line of credit is variable based on the bank's base rate or offshore rate, and therefore, affected by changes in market interest rates. At December 31, 2001, there were no amounts outstanding on the Company's line of credit.

Foreign Currency Risk

The Company has wholly owned subsidiaries in Argentina, Australia, Brazil, Canada, China, Northern Ireland, Mexico, New Zealand, Scotland, Singapore and Spain. Revenues and expenses from these operations are typically denominated in local currency, thereby creating exposures to changes in exchange rates. The changes in the exchange rate may positively or negatively affect the Company's revenues and net income attributed to these subsidiaries. For the years ended December 31, 2001, 2000 and 1999, revenues from non-U.S. countries represented 41.6%, 36.1% and 25.6% of consolidated revenues, respectively.

The Company has contracted with a commercial bank at no material cost, to acquire a total of $36.0 million Canadian dollars during the first six months of 2002 at a fixed price in U.S. dollars of $23.3 million. There is no material difference between the fixed exchange ratio and the current exchange ratio of the U.S./Canadian dollar. If the U.S./Canadian dollar exchange rates were to change 10% from year-end levels, the Company would not incur a material loss on the contract.

Fair Value of Debt and Equity Securities

The Company's investments in debt and equity securities are short-term and not subject to significant fluctuations in fair value. If interest rates and equity prices were to decrease 10% from year-end levels, the fair value of the Company's debt and equity securities would have decreased $678,000.

Item 8. Financial Statements and Supplementary Data.

The financial statements required by this item are located beginning on page 31 of this report and incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

PART III

Item 10. Directors and Executive Officers of the Registrant.

For a discussion of our executive officers, you should refer to Part I, Page 13, after Item 4 under the caption "Executive Officers of TeleTech Holdings, Inc."

For a discussion of our Directors, you should refer to our definitive Proxy Statement for our 2002 Annual Meeting of Stockholders under the caption "Election of Directors" and "Director Compensation," which we incorporate by reference into this Form 10-K.

Item 11. Executive Compensation.

We hereby incorporate by reference the information to appear under the caption "Executive Officers--Executive Compensation" in our definitive Proxy Statement for our 2002 Annual Meeting of Stockholders, provided, however, that neither the Report of the Compensation Committee on Executive Compensation nor the performance graph set forth therein shall be incorporated by reference herein.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

We hereby incorporate by reference the information to appear under the caption "Security Ownership of Certain Beneficial Owners and Management" in our definitive Proxy Statement for our 2002 Annual Meeting of Stockholders.

Item 13. Certain Relationships and Related Party Transactions.

We hereby incorporate by reference the information to appear under the caption "Certain Relationships and Related Party Transactions" in our definitive Proxy Statement for our 2002 Annual Meeting of Stockholders.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

(a) The following documents are filed as part of this report:

(1) Consolidated Financial Statements

The Index to Financial Statements is set forth on page 29 of this report.

(2) Financial Statement Schedules

(3) Exhibits

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of TeleTech [1] (*)Exhibit 3.1(*)
3.2*	Amended and Restated Bylaws of TeleTech [1] (*)Exhibit 3.2(*)
10.1**	Intentionally omitted
10.2**	Intentionally omitted
10.3**	Intentionally omitted
10.4	TeleTech Holdings, Inc. Stock Plan, as amended and restated [1] (*)Exhibit 10.7(*)
10.5	Intentionally omitted
10.6	Form of Client Services Agreement, 1996 version [1] (*)Exhibit 10.12(*)

Exhibit No.	Description
10.7	Agreement for Customer Interaction Center Management Between United Parcel General Services Co. and TeleTech [1] (*)Exhibit 10.13(*)
10.8	Intentionally omitted
10.9	Intentionally omitted
10.10	TeleTech Holdings, Inc. Employee Stock Purchase Plan [3] (*)Exhibit 10.22(*)
10.11**	Intentionally omitted
10.12	Client Services Agreement dated May 1, 1997, between TeleTech Customer Care Management (Telecommunications), Inc. and GTE Card Services Incorporated d/b/a GTE Solutions [4] (*)Exhibit 10.12(*)
10.13	Intentionally omitted
10.14**	Employment Agreement dated as of February 26, 1998 between Morton H. Meyerson and TeleTech [5] (*)Exhibit 10.14(*)
10.15	Intentionally omitted
10.16	Intentionally omitted
10.17	Intentionally omitted
10.18	Intentionally omitted
10.19**	Employment Agreement dated October 2, 1999 between Scott D. Thompson and TeleTech [7] (*)Exhibit 10.18(*)
10.20**	Stock Option Agreement dated October 18, 1999 between Scott D. Thompson and TeleTech [7] (*)Exhibit 10.20(*)
10.21**	Stock Option Agreement dated October 18, 1999 between Scott D. Thompson and TeleTech [7] (*)Exhibit 10.21(*)
10.22**	Amendment to Non-Qualified Stock Option Agreement (1999 Stock Option and Incentive Plan) between Scott D. Thompson and TeleTech[8] (*)Exhibit 10.22(*)
10.23**	Amendment to Non-Qualified Stock Option Agreement (1995 Stock Plan) between Scott D. Thompson and TeleTech [8] (*)Exhibit 10.23(*)
10.24	Amended and Restated Revolving Credit Agreement dated as of March 24, 2000 [8] (*)Exhibit 10.24(*)
10.25	Operating Agreement for Ford Tel II, LLC effective February 24, 2000 by and among Ford Motor Company and TeleTech Holdings, Inc.[8] (*)Exhibit 10.25(*)
10.26**	Non-Qualified Stock Option Agreement dated October 27, 1999 between Michael E. Foss and TeleTech [8] (*)Exhibit 10.26(*)
10.27**	Intentionally omitted
10.28**	Letter Agreement dated March 27, 2000 between Larry Kessler and TeleTech [9] (*)Exhibit 10.28(*)
10.29**	Stock Option Agreement dated March 27, 2000 between Larry Kessler and TeleTech [9] (*)Exhibit 10.29(*)
10.30**	Promissory Note dated April 3, 2000 by Larry Kessler for the benefit of TeleTech [9] (*)Exhibit 10.30(*)
10.31	Lease and Deed of Trust Agreement dated June 22, 2000 [9] (*)Exhibit 10.31(*)
10.32	Participation Agreement dated June 22, 2000 [9] (*)Exhibit 10.32(*)
10.33**	Intentionally omitted
10.34**	Stock Option Agreement between TeleTech Holdings, Inc. and Margot O'Dell dated September 11, 2000 [10] (*)Exhibit 10.34(*)
10.35	Asset purchase agreement among TeleTech Holdings, Inc., TeleTech Customer Care Management (Colorado), Inc., Boston Communications Group Inc., Cellular Express, Inc., and Wireless Teleservices Corp. dated as of October 11, 2000 [10] (*)Exhibit 10.35(*)
10.36	Agreement and Plan of Merger dated as of August 2000 among the Company, NG Acquisition Corp and Newgen [11] (*)Exhibit 2.1(*)
10.37	Share Purchase Agreement dated as of August 31, 2000 among the Company, 3I Group PLC, 3I Europartners II, LP, Milletti, S.L., and Albert Olle Bartolomie [12] (*)Exhibit 2.1(*)
10.38	TeleTech Holdings, Inc. Amended and Restated Employee Stock Purchase Plan[13] (*)Exhibit 99.1(*)
10.39	TeleTech Holdings, Inc. Amended and Restated 1999 Stock Option and Incentive Plan [13] (*)Exhibit 99.2(*)
10.40	Newgen Results Corporation 1996 Equity Incentive Plan [14] (*)Exhibit 99.1(*)
10.41	Newgen Results Corporation 1998 Equity Incentive Plan [14] (*)Exhibit 99.3(*)
10.42	Participation Agreement dated as of December 27, 2000 among the Company Teletech Service Corporation ("TSC"), State Street Bank and Trust Company of Connecticut, N.A., (the "Trust"), First Security Bank, N.A., ("First Security") and the financial institutions named on Schedules I and II (the "Certificate Holders and Lenders") thereto [15] (*)Exhibit 2.2(*)

Exhibit No.	Description
10.43	Lease and Deed of Trust dated as of December 27, 2000 among TSC, the Trust and the Public Trustee of Douglas County, Colorado [15] (*)Exhibit 2.3(*)
10.44	Participant Guarantee dated December 27, 2000 made by the Company in favor of First Security, the Certificate Holders and Lenders [15] (*)Exhibit 2.4(*)
10.45	Lessee Guarantee dated December 27, 2000 made by TeleTech in favor of the Trust First Security, the Certificate Holders and Lenders [15] (*)Exhibit 2.5(*)
10.46	Contract dated December 26, 2000 between TCI Realty, LLC and TSC [15] (*)Exhibit 2.6(*)
10.47*	First Amendment to Amended and Restated Revolving Credit Agreement and Waiver dated December 14, 2000 among the Company, the financial institutions from time to time party to the Credit Agreement and Bank of America, N.A.
10.48**	Employment Agreement dated February 8, 2001 between Margot O'Dell and TeleTech
10.49**	Stock Option Agreement dated February 8, 2001 between Margot O'Dell and TeleTech
10.50**	Stock Option Agreement dated March 21, 2001 between Margot O'Dell and TeleTech
10.51**	Stock Option Agreement dated December 6, 2000 between Michael Foss and TeleTech
10.52**	Stock Option Agreement dated August 16, 2000 between Sean Erickson and TeleTech
10.53**	Stock Option Agreement dated August 16, 2000 between James Kaufman and TeleTech
10.54**	Letter Agreement dated January 11, 2000 between Chris Batson and TeleTech
10.55**	Stock Option Agreement dated January 29, 2001 between Chris Batson and TeleTech
10.56**	Letter Agreement dated January 26, 2001 between Jeffrey Sperber and TeleTech
10.57**	Stock Option Agreement dated March 5, 2001 between Jeffrey Sperber and TeleTech
10.58**	Separation Agreement and Mutual General Release dated March 13, 2001 between Scott Thompson and TeleTech
10.59**	Separation Agreement and Mutual General Release dated March 12, 2001 between Larry Kessler and TeleTech
10.60**	Promissory Note dated January 15, 2001 by Scott Thompson for the benefit of TeleTech
10.61**	Loan and Security Agreement dated January 15, 2001 between Scott Thompson and TeleTech
10.62**	Promissory Note dated November 28, 2000 by Sean Erickson for the benefit of TeleTech
10.63**	Promissory Note dated March 28, 2001 by Sean Erickson for the benefit of TeleTech
10.64* **	Employment Agreement dated May 15, 2001 between James Kaufman and TeleTech
10.65* **	Employment Agreement dated May 21, 2001 between Sean Erickson and TeleTech
10.66* **	Employment Agreement dated October 15, 2001 between James Barlett and TeleTech
10.67* **	Employment Agreement dated February 13, 2002 between Michael Foss and TeleTech
10.68* **	Employment Agreement dated October 15, 2001 between Ken Tuchman and TeleTech
10.69* **	Stock Option Agreement dated October 1, 2001 between Ken Tuchman and TeleTech
10.70* **	Stock Option Agreement dated October 15, 2001 between James Barlett and TeleTech
10.71* **	Restricted Stock Agreement dated October 15, 2001 between James Barlett and TeleTech
10.72* **	Restricted Stock Agreement dated October 15, 2001 between James Barlett and TeleTech
10.73* **	Private Placement of Debt pursuant to Note Purchase Agreement dated October 30, 2001
10.74*	Second amendment to the amended and restated Revolving Credit Agreement dated May 18, 2001
10.75*	Third amendment to the amended and restated Revolving Credit Agreement dated August 10, 2001
21.1*	List of subsidiaries
23.1*	Consent of Arthur Andersen LLP
99*	Arthur Andersen Audit Representation Letter

* Filed herewith.

** Management contract or compensatory plan or arrangement filed pursuant to Item 14(c) of this report.

[ ] Such exhibit previously filed with the Securities and Exchange Commission as exhibits to the filings indicated below, under the exhibit number indicated in brackets (*)(*), and is incorporated by reference.

[1] TeleTech's Registration Statement on Form S-1, as amended (Registration Statement No. 333-04097).

[2] TeleTech's Registration Statements on Form S-1, as amended (Registration Statement Nos. 333-13833 and 333-15297).

[3] TeleTech's Annual Report on Form 10-K for the year ended December 31, 1996.

[4] TeleTech's Annual Report on Form 10-K for the year ended December 31, 1997.

[5] TeleTech's Annual Report on Form 10-K for the year ended December 31, 1998.

[6] TeleTech's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999.

[7] TeleTech's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999

[8] TeleTech's Quarterly Report on Form 10-Q for the quarter ended September 30, 1999.

[9] TeleTech's Annual Report on Form 10-K for the year ended December 31, 1999

[10] TeleTech's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000.

[11] TeleTech's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000.

[12] TeleTech's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000.

[13] TeleTech's Annual Report on Form 10-K for the year ended December 31, 2000.

[14] TeleTech's Current Report on Form 8-K filed August 25, 2000.

[15] TeleTech's Current Report on Form 8-K filed September 6, 2000.

[16] TeleTech's Registration Statement on Form S-8 filed October 2, 2000 (Registration Statement No. 333-47142).

[17] TeleTech's Registration Statement on Form S-8 filed December 20, 2000 (Registration Statement No. 333-52352).

[18] TeleTech's Current Report on Form 8-K filed January 16, 2001.

[19] TeleTech's Quarterly Report on Form 10-Q for the quarter ended March 31, 2001.

[20] TeleTech's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001.

[21] TeleTech's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001.

[22] TeleTech's Current Report on Form 8-K filed on January 18, 2002.

[23] TeleTech's Registration Statement on Form S-8 filed September 19, 2001 (Registration Statement No. 333-69668).

(b) Reports on Form 8-K

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned; thereunto duly authorized, in the City of Denver, State of Colorado, on March 29, 2002.

TELETECH HOLDINGS, INC.
By:

/s/ Kenneth D. Tuchman

Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed on March 29, 2002, by the following persons on behalf of the registrant and in the capacities indicated:

Signature	Title
Kenneth D. Tuchman PRINCIPAL EXECUTIVE OFFICER /s/ Kenneth D. Tuchman	Chief Executive Officer
Margot M. O'Dell PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER /s/ Margot M. O'Dell	Chief Financial Officer
Kenneth D. Tuchman DIRECTOR /s/ Kenneth D. Tuchman	Chairman of the Board
James E. Barlett DIRECTOR /s/ James E. Barlett	
Rod Dammeyer DIRECTOR /s/ Rod Dammeyer	
George Heilmeier DIRECTOR /s/ George Heilmeier	
Morton Meyerson DIRECTOR /s/ Morton Meyerson	
Alan Silverman DIRECTOR /s/ Alan Silverman	

INDEX TO FINANCIAL STATEMENTS OF TELETECH HOLDINGS, INC.

Report of Independent Public Accountants

To TeleTech Holdings, Inc.:

We have audited the accompanying consolidated balance sheets of TELETECH HOLDINGS, INC. (a Delaware corporation) and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TeleTech Holdings, Inc. and subsidiaries as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Denver, Colorado,
February 8, 2002.

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands except share amounts)

	December 31, 2001	December 31, 2000
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 95,430	$ 58,797
Investment in available-for-sale securities	2,281	16,774
Short-term investments	6,460	8,904
Accounts receivable, net	162,344	193,351
Prepaids and other assets	21,888	17,737
Income taxes receivable	8,410	--
Deferred tax asset	11,613	5,858
Total current assets	308,426	301,421
PROPERTY AND EQUIPMENT, net	177,959	178,760
OTHER ASSETS:		
Long-term accounts receivable	3,249	3,749
Goodwill, net of accumulated amortization of $6,394 and $3,461, respectively	40,563	41,311
Contract acquisition costs, net of accumulated amortization of $6,575 and $3,915, respectively	12,873	15,335
Deferred tax asset	6,800	1,862
Other assets	24,069	38,461
Total assets	$573,939	$580,899

The accompanying notes are an integral part of these consolidated balance sheets.

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Cont.)
(Amounts in thousands except share amounts)

	December 31, 2001	December 31, 2000
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 17,939	$ 19,740
Accrued employee compensation and benefits	42,316	41,177
Accrued income taxes payable	--	21,946
Other accrued expenses	35,991	29,885
Customer advances and deferred income	22,048	3,021
Current portion of long-term debt and capital lease obligations	4,927	12,529
Total current liabilities	123,221	128,298
LONG-TERM DEBT, net of current portion:		
Capital lease obligations	4,081	7,943
Senior notes	75,000	--
Revolving line of credit	--	62,000
Other long-term debt	4,916	4,963
Other liabilities	4,452	1,521
Total liabilities	211,670	204,725
MINORITY INTEREST	14,319	12,809
STOCKHOLDERS' EQUITY:		
Stock purchase warrants	5,100	5,100
Common stock; $.01 par value; 150,000,000 shares authorized; 76,751,607 and 74,683,858 shares, respectively, issued and outstanding	768	747
Additional paid-in capital	212,097	200,268
Deferred compensation	(2,078)	(603)
Notes receivable from stockholders	(107)	(283)
Accumulated other comprehensive income (loss)	(19,213)	4,828
Retained earnings	151,383	153,308
Total stockholders' equity	347,950	363,365
Total liabilities and stockholders' equity	$573,939	$580,899

The accompanying notes are an integral part of these consolidated balance sheets.

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands except per share data)

	Year Ended December 31,		
	2001	2000	1999
REVENUES	$916,144	$885,349	$604,264
OPERATING EXPENSES:			
Costs of services	587,423	557,681	403,648
Selling, general and administrative expenses	204,005	189,668	117,758
Depreciation and amortization	60,308	48,001	32,661
Restructuring charges	18,515	--	--
Loss on closure of subsidiary and customer interaction centers	7,733	8,082	--
Loss on real estate held for sale	7,000	9,000	--
Total operating expenses	884,984	812,432	554,067
INCOME FROM OPERATIONS	31,160	72,917	50,197
OTHER INCOME (EXPENSE):			
Interest, net	(3,999)	371	589
Other than temporary decline in value of equity investment	(16,500)	--	--
Gain on sale of securities	161	56,985	--
Share of losses on equity investment	(7,702)	--	--
Business combination expenses	--	(10,548)	--
Gain on settlement of long-term contract	--	--	6,726
Other	(3,361)	2,578	246
	(31,401)	49,386	7,561
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST	(241)	122,303	57,758
Provision for income taxes	174	46,938	20,978
INCOME (LOSS) BEFORE MINORITY INTEREST	(415)	75,365	36,780
Minority interest	(1,510)	(1,559)	--
NET INCOME (LOSS)	(1,925)	73,806	36,780
Adjustment for accretion of redeemable convertible preferred stock	--	--	(487)
Net income (loss) applicable to common stockholders	$ (1,925)	$ 73,806	$ 36,293
WEIGHTED AVERAGE SHARES OUTSTANDING			
Basic	75,804	74,171	70,557
Diluted	75,804	79,108	74,462
NET INCOME (LOSS) PER SHARE			
Basic	$ (0.03)	$ 1.00	$ 0.51
Diluted	$ (0.03)	$ 0.93	$ 0.49

The accompanying notes are an integral part of these consolidated financial statements.

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Amounts in thousands)

	Common Stock Shares	Amount	Other Additional Paid-in Capital	Accumulated Comprehensive Income (Loss)	Deferred Compensation	Notes Receivable from Stockholder
BALANCES, January 1, 1999	67,048	$670	$117,465	$ (1,200)	$(1,394)	$ --
Comprehensive income:						
Net income	--	--	--	--	--	--
Other comprehensive income (loss), net of tax						
Unrealized gains on securities	--	--	--	3	--	--
Translation adjustments	--	--	--	(201)	--	--
Other comprehensive loss	--	--	--	--	--	--
Comprehensive income	--	--	--	--	--	--
Employee stock purchase plan	--	--	131	--	--	--
Acquisition of Pamet	286	3	1,750	--	--	--
Exercise of stock options	850	8	8,237	--	--	(56)
Exercise of warrants	23	--	6	--	--	--
Issuances of common stock	2,180	22	32,083	--	--	--
Conversion of preferred stock	2,727	28	14,515	--	--	--
Deferred compensation related to options granted	--	--	112	--	(112)	--
Accretion of redeemable preferred stock	--	--	--	--	--	--
Amortization of deferred compensation	--	--	--	--	402	--
BALANCES, December 31, 1999	73,114	731	174,299	(1,398)	(1,104)	(56)
Comprehensive income:						
Net income	--	--	--	--	--	--
Other comprehensive income (loss), net of tax						
Unrealized gains on securities	--	--	--	9,519	--	--
Translation adjustments	--	--	--	(3,293)	--	--
Other comprehensive income	--	--	--	--	--	--
Comprehensive income	--	--	--	--	--	--
Employee stock purchase plan	70	1	1,895	--	--	--
Acquisition of iCcare	75	1	1,999	--	--	--
Exercise of stock options	1,384	14	17,355	--	--	(227)
Issuances of common stock	41	--	2,920	--	--	--
CCH acquisition costs	--	--	1,800	--	--	--
Amortization of deferred compensation	--	--	--	--	501	--
Issuance of warrants	--	--	--	--	--	--
Distribution to stockholder	--	--	--	--	--	--
BALANCES, December 31, 2000	74,684	747	200,268	4,828	(603)	(283)
Comprehensive income:						
Net loss	--	--	--	--	--	--
Other comprehensive loss, net of tax						
Unrealized losses on securities	--	--	--	(8,577)	--	--
Translation adjustments	--	--	--	(14,649)	--	--
Derivative valuation	--	--	--	(815)	--	--
Other comprehensive loss	--	--	--	--	--	--
Comprehensive loss	--	--	--	--	--	--

	Stock Purchase Warrants	Retained Earnings	Comprehensive Income (Loss)	Total Stockholders' Equity
BALANCES, January 1, 1999	$ --	$ 42,390		$157,931
Comprehensive income:				
Net income	--	36,780	$ 36,780	36,780
Other comprehensive income (loss), net of tax				
Unrealized gains on securities	--	--	3	3
Translation adjustments	--	--	(201)	(201)
Other comprehensive loss	--	--	(198)	
Comprehensive income	--	--	$ 36,582	
Employee stock purchase plan	--	--		131
Acquisition of Pamet	--	--		1,753
Exercise of stock options	--	--		8,189
Exercise of warrants	--	--		6
Issuances of common stock	--	--		32,105
Conversion of preferred stock	--	1,990		16,533
Deferred compensation related to options granted	--	--		--
Accretion of redeemable preferred stock	--	(487)		(487)

Amortization of deferred compensation	--	--		402
BALANCES, December 31, 1999	--	80,673		253,145
Comprehensive income:				
Net income	--	73,806	$ 73,806	73,806
Other comprehensive income (loss), net of tax				
Unrealized gains on securities	--	--	9,519	9,519
Translation adjustments	--	--	(3,293)	(3,293)
Other comprehensive income	--	--	6,226	
Comprehensive income	--	--	$ 80,032	
Employee stock purchase plan	--	--		1,896
Acquisition of iCcare	--	--		2,000
Exercise of stock options	--	--		17,142
Issuances of common stock	--	--		2,920
CCH acquisition costs	--	--		1,800
Amortization of deferred compensation	--	--		501
Issuance of warrants	5,100	--		5,100
Distribution to stockholder	--	(1,171)		(1,171)
BALANCES, December 31, 2000	5,100	153,308		363,365
Comprehensive income:				
Net loss	--	(1,925)	$ (1,925)	(1,925)
Other comprehensive loss, net of tax				
Unrealized losses on securities	--	--	(8,577)	(8,577)
Translation adjustments	--	--	(14,649)	(14,649)
Derivative valuation	--	--	(815)	(815)
Other comprehensive loss	--	--	(24,041)	
Comprehensive loss	--	--	$(25,966)	

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Cont.)
(Amounts in thousands)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Deferred Compensation	Notes Receivable from Stockholder
Employee stock purchase plan	263	$ 3	$ 1754	$ --	$ --	$ --
Exercise of stock options	1,840	18	7,723	--	--	--
Grant of restricted stock	--	--	1,961	--	(1,927)	--
Purchase of treasury stock	(35)	--	(213)	--	--	--
Amortization of deferred compensation	--	--	--	--	452	--
Other	--	--	604	--	--	176
BALANCES, December 31, 2001	76,752	$768	$212,097	$(19,213)	$(2,078)	$(107)

	Stock Purchase Warrants	Retained Earnings	Comprehensive Income (Loss)	Total Stockholders' Equity
Employee stock purchase plan	$ --	$ --		$ 1,757
Exercise of stock options	--	--		7,741
Grant of restricted stock	--	--		34
Purchase of treasury stock	--	--		(213)
Amortization of deferred compensation	--	--		452
Other	--	--		780
BALANCES, December 31, 2001	$5,100	$151,383		$347,950

The accompanying notes are an integral part of these consolidated financial statements.

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	Year Ended December 31,		
	2001	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ (1,925)	$ 73,806	$ 36,780
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	60,308	48,001	32,661
Bad debt expense	6,026	5,067	904
Deferred rent	--	(52)	(44)
Gain on sale of securities	(161)	(56,985)	--
Deferred compensation	452	501	402
Deferred income taxes	(10,693)	(2,281)	(2,620)
Minority interest	1,510	1,559	--
Share of losses on equity investment	7,702	--	--
Loss on closure of customer interaction centers or subsidiary	7,733	8,082	--
Loss on real estate held for sale	7,000	9,000	--
Other than temporary decline in value of equity investment	16,500	--	--
Loss on derivatives	909	--	--
Net gain on sale of division of subsidiary	--	(3,964)	509
Non-cash acquisition costs	--	1,800	--
Tax benefit from stock option exercises	2,326	8,573	2,923
Changes in assets and liabilities:			
Accounts receivable	16,102	(102,000)	(17,340)
Prepaids and other assets	(8,233)	(14,780)	(1,235)
Accounts payable and accrued expenses	(17,131)	61,424	11,654
Customer advances and deferred income	15,144	(1,489)	(281)
Net cash provided by operating activities	103,569	36,262	64,313
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	(52,073)	(118,013)	(60,446)
Acquisitions, net of cash acquired	--	(15,700)	(18,099)
Proceeds from sale of available-for-sale securities	1,251	64,912	--
Proceeds from sale of businesses	--	4,950	--
Proceeds from minority interest in subsidiary	--	11,250	--
Investment in customer management software company	(11,908)	(7,989)	(2,500)
Investment in real estate held for sale, net of proceeds received	(13,782)	(2,405)	--
Changes in other assets, accounts payable and accrued liabilities related to investing activities	(967)	(15,211)	105
Purchase of treasury stock	(213)	--	--
Decrease in short-term investments	2,444	23,934	4,269
Net cash used in investing activities	(75,248)	(54,272)	(76,671)

The accompanying notes are an integral part of these consolidated financial statements.

TELETECH HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Cont.)
(Amounts in thousands)

	Year Ended December 31,		
	2001	2000	1999
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in bank overdraft	$ --	$ (1,323)	$ 545
Net decrease in short-term borrowings	--	--	(1,887)
Net increase (decrease) in line of credit	(62,000)	44,000	18,000
Proceeds from long-term debt borrowings	75,000	700	5,000
Payments on long-term debt borrowings	(9,947)	(7,182)	(1,692)
Payments on capital lease obligations	(2,452)	(11,358)	(6,403)
Proceeds from common stock issuances	1,757	1,896	32,101
Proceeds from exercise of stock options	5,415	8,569	5,272
Distribution to stockholder	--	(1,171)	--
Net cash provided by financing activities	7,773	34,131	50,936
Effect of exchange rate changes on cash	539	(5,602)	(583)
NET INCREASE IN CASH AND CASH EQUIVALENTS:	36,633	10,519	37,995
CASH AND CASH EQUIVALENTS, beginning of period	58,797	48,278	10,283
CASH AND CASH EQUIVALENTS, end of period	$ 95,430	$ 58,797	$48,278
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest	$ 5,444	$ 1,510	$ 2,859
Cash paid for income taxes	$ 22,916	$ 22,497	$23,647
Assets acquired under capital leases and other financings	$ 3,358	$ 2,991	$ 3,844

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1: OVERVIEW AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Overview of Company. TeleTech Holdings, Inc. ("TeleTech" or the "Company") is a leading global provider of customer management solutions for large multinational companies in the United States, Argentina, Australia, Brazil, Canada, China, Northern Ireland, Mexico, New Zealand, Scotland, Singapore and Spain. Customer management encompasses a wide range of customer acquisition, retention and satisfaction programs designed to maximize the lifetime value of the relationship between the Company's clients and their customers.

Basis of Presentation. The consolidated financial statements are composed of the accounts of TeleTech and its wholly owned subsidiaries, as well as its 55% owned subsidiary, Percepta, LLC ("Percepta"). All intercompany balances and transactions have been eliminated in consolidation.

During August 2000 and December 2000, the Company entered into business combinations with Contact Center Holdings, S.L. ("CCH") and Newgen Results Corporation ("Newgen"), respectively. The business combinations have been accounted for as poolings-of-interests, and the historical consolidated financial statements of the Company for all years prior to the business combinations have been restated in the accompanying consolidated financial statements to include the financial position, results of operations and cash flows of CCH and Newgen.

The consolidated financial statements of the Company include reclassifications made to conform the financial statement presentation of CCH and Newgen to that of the Company.

Foreign Currency Translation. The assets and liabilities of the Company's foreign subsidiaries, whose functional currency is other than the U.S. dollar, are translated at the exchange rates in effect on the reporting date, and income and expenses are translated at the weighted average exchange rate during the period. The net effect of translation gains and losses is not included in determining net income, but is accumulated as a separate component of stockholders' equity. Foreign currency transaction gains and losses are included in determining net income. Such gains and losses were not material for any period presented.

Property and Equipment. Property and equipment are stated at cost less accumulated depreciation. Additions, improvements and major renewals are capitalized. Maintenance, repairs and minor renewals are expensed as incurred. Amounts paid for software licenses and third-party packaged software are capitalized.

Depreciation is computed on the straight-line method based on the following estimated useful lives:

Buildings	27.5 years
Computer equipment and software	4-5 years
Telephone equipment	5-7 years
Furniture and fixtures	5-7 years
Leasehold improvements	5-10 years
Vehicles	5 years

Assets acquired under capital lease obligations are amortized over the life of the applicable lease of four to seven years (or the estimated useful lives of the assets, where title to the leased assets passes to the Company upon termination of the lease). Depreciation expense related to equipment under capital leases was $3.4 million, $5.2 million and $5.9 million for the years ended December 31, 2001, 2000 and 1999, respectively.

Depreciation expense was $51.3 million, $40.9 million and $29.5 million for the years ended December 31, 2001, 2000 and 1999, respectively.

Cash, Cash Equivalents and Short-Term Investments. The Company considers all cash and investments with an original maturity of 90 days or less to be cash equivalents. The Company has classified its short-term investments as available-for-sale securities. At December 31, 2001, short-term investments consist of commercial paper, corporate securities, government securities and other securities. These short-term investments are carried at fair value based on quoted market prices with unrealized gains and losses, if any, net of tax, reported in accumulated other comprehensive income.

Goodwill. The excess of cost over the fair market value of tangible net assets and identifiable intangibles of acquired businesses is amortized on a straight-line basis over the periods of expected benefit of 9 to 25 years. Amortization of goodwill for the years ended December 31, 2001, 2000 and 1999 was $2.9 million, $3.0 million and $1.6 million, respectively.

Contract Acquisition Costs. Amounts paid to clients to obtain long-term contracts are being amortized on a straight-line basis over the terms of the contracts commencing with the date of the first revenues from the contract. Amortization of these costs for the years ended December 31, 2001, 2000 and 1999, was $2.7 million, $2.3 million and $1.6 million, respectively.

Long-Lived Assets. Long-lived assets and identifiable intangibles held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An asset is considered impaired when future undiscounted cash flows are estimated to be insufficient to recover the carrying amount. If impaired, an asset is written down to its fair value.

Software Development Costs. The Company accounts for software development costs in accordance with the American Institute of Certified Public Accountants ("AICPA") Statement of Position 98-1, "Accounting for the Cost of Computer Software Developed or Obtained for Internal Use," which requires that certain costs related to the development or purchase of internal-use software be capitalized. At December 31, 2001 and 2000, the Company had approximately $12.1 million and $8.0 million, respectively, of capitalized software costs, which are included in other assets in the accompanying consolidated balance sheets. These costs will be amortized over the expected useful life of the software. Approximately $632,212 of amortization expense related to capitalized software costs is included in the accompanying consolidated statements of operations for the year ended December 31, 2001. There was no amortization expense for the years ended December 31, 2000 and 1999, as the software was in the development stage.

Revenue Recognition. The Company recognizes revenues at the time services are performed. The Company has certain contracts that are billed in advance. Accordingly, amounts billed but not earned under these contracts are excluded from revenues and included in customer advances and deferred income.

Income Taxes. The Company accounts for income taxes under the provisions of Statement of Financial Accounting Standards ("SFAS") 109, "Accounting for Income Taxes," which requires recognition of deferred tax assets and liabilities for the expected future income tax consequences of transactions that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Gross deferred tax assets then may be reduced by a valuation allowance for amounts that do not satisfy the realization criteria of SFAS 109.

Comprehensive Income (Loss). Comprehensive income (loss) includes the following components (in thousands):

	Year Ended December 31,		
	2001	2000	1999
Net income (loss) for the period	$ (1,925)	$73,806	$36,780
Other comprehensive income (loss):			
Unrealized gains (losses) on securities, net of reclassification adjustments	(13,197)	14,644	4
Foreign currency translation adjustments	(14,649)	(3,293)	(201)
Derivative valuation	(1,254)	--	--
Income tax (expense) benefit related to items of other comprehensive income	5,059	(5,125)	(1)
Other comprehensive income (loss), net of tax	(24,041)	6,226	(198)
Comprehensive income (loss)	$(25,966)	$80,032	$36,582

Disclosure of reclassification amounts:

	Year Ended December 31,		
	2001	2000	1999
	(in thousands)		
Unrealized holding gains (losses) arising during the period	$(13,036)	$ 71,629	$ 4
Less: reclassification adjustment for gains included in net income (loss)	(161)	(56,985)	--
Benefit (Provision) for income taxes	4,620	(5,125)	(1)
Net unrealized gains (losses) on securities	$ (8,577)	$ 9,519	$ 3

Earnings (Loss) Per Share. Basic earnings per share are computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding. The impact of any potentially dilutive securities is excluded. Diluted earnings per share are computed by dividing the Company's net income (loss) by the weighted average number of shares and dilutive potential common shares outstanding during the period. The following table sets forth the computation of basic and diluted shares for the three years ending December 31, 2001:

	Year Ended December 31,		
	2001	2000	1999
	(in thousands)		
Shares used in basic per share calculation	75,804	74,171	70,557
Effects of dilutive securities:			
Warrants	--	444	74
Conversion of preferred stock	--	--	1,046
Stock options	--	4,493	2,785
Shares used in diluted per share calculation	75,804	79,108	74,462

At December 31, 2001, 2000 and 1999 options to purchase 4,880,874, 2,403,718 and 2,739,299 shares of common stock, respectively, were outstanding but were not included in the computation of diluted earnings per share because the effect would be antidilutive.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions in determining the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Self-Insurance Program. The Company self-insures for certain levels of workers' compensation and employee health insurance. Estimated costs of these self-insurance programs were accrued at the projected settlements for known and anticipated claims. Self-insurance liabilities of the Company amounted to $4.0 million and $3.8 million at December 31, 2001 and 2000, respectively, and are included in accrued employee compensation and benefits on the accompanying consolidated balance sheets.

Fair Value of Financial Instruments. Fair values of cash equivalents and other current accounts receivable and payable approximate the carrying amounts because of their short-term nature. Short-term investments include U.S. Government Treasury Bills, investments in commercial paper, short-term corporate bonds and other short-term corporate obligations. These investments are classified as held to maturity securities. The carrying values of these investments approximate their fair values.

Debt and long-term receivables carried on the Company's consolidated balance sheets at December 31, 2001 and 2000 have a carrying value that approximates its estimated fair value. The fair value is based on discounting future cash flows using current interest rates adjusted for risk. The fair value of the short-term debt approximates its recorded value because of its short-term nature.

Derivatives. On January 1, 2001, the Company adopted SFAS No. 133, "Accounting for Derivative Instrument and Hedging Activities," which establishes fair value accounting and reporting standards for derivative instruments and hedging activities. SFAS No. 133 requires every derivative instrument (including certain derivative instruments embedded in other contracts) to be recorded in the balance sheet as either an asset or liability measured at its fair value. SFAS No. 133 requires that changes in the derivative's fair value be recognized

currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset the related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting treatment.

At December 31, 2001, the Company has an interest rate swap designated as a cash flow hedge. The Company has an operating lease for its headquarters building whereas the required lease payments are variable based on the LIBOR. On December 12, 2000, the Company entered into an interest rate swap whereas the Company receives LIBOR and pays fixed rate interest of 6.12%. The swap agreement has a notional amount of approximately $38.2 million and has a six-year term. As of December 31, 2001, the Company has a derivative liability associated with this swap of $2.1 million.

The Company's Canadian subsidiary's functional currency is the Canadian dollar. The subsidiary has contracts payable in U.S. dollars and the Company has contracted with a commercial bank, at no material cost, to acquire a total of $36.0 million Canadian dollars during the first six months of 2002 at a fixed price in U.S. dollars of $23.3 million to hedge its foreign currency risk. During the year ended December 31, 2001, the Company recorded $910,100 in its statement of operations relating to Canadian dollar forward contracts. As of December 31, 2001, the Company has a derivative liability of $683,249 associated with these forward contracts.

Effects of Recently Issued Accounting Pronouncements. Effective June 30, 2001, the Financial Accounting Standards Board issued Statements on Financial Accounting Standards ("SFAS") Nos. 141, "Business Combinations" and 142, "Goodwill and Other Intangible Assets." SFAS No. 141 was effective for acquisitions occurring after June 30, 2001 and provides guidance in accounting for business combinations including allowing use of the purchase method of accounting as the only acceptable method to account for business combinations. The Company adopted SFAS No. 142 on January 1, 2002. SFAS No. 142 provides guidance on the accounting for goodwill and other intangibles specifically relating to identifying and allocating purchase price to specific identifiable intangible assets. Additionally, SFAS No. 142 provides guidance for the amortization of identifiable intangible assets and states that goodwill shall not be amortized, but rather tested for impairment, at least annually, using a fair value approach. SFAS No. 142 is required to be adopted in the first quarter of the fiscal year beginning after December 15, 2001. Management has not yet determined the effect adopting these standards will have on the Company's financial statements.

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," which establishes accounting standards for recognition and measurement of a liability for an asset retirement obligation and the associated asset retirement cost. This statement is effective for financial statements issued for fiscal years beginning after June 15, 2002. Management has not yet determined the effect SFAS No. 143 will have on the Company's financial statements, if any.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." The statement addresses financial accounting and reporting for the impairment or disposal of long-lived assets. SFAS No. 144 supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed Of." SFAS No. 144 also supersedes the accounting and reporting provisions of APB No. 30, "Reporting the Results of Operations -- Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," for the disposal of a segment of business. SFAS No. 144 also amends APB No. 51, "Consolidated Financial Statements," to eliminate the exception to consolidation for a subsidiary for which control is likely to be temporary. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001. The provisions of this statement are generally to be applied prospectively. Management has not yet determined the effect SFAS No. 144 will have on the Company's financial statements, if any.

Reclassifications. Certain prior year amounts have been reclassified to conform to current year presentation.

NOTE 2: SEGMENT INFORMATION AND CUSTOMER CONCENTRATIONS

The Company classifies its business activities into four fundamental segments: North American outsourcing, international outsourcing, database marketing and consulting, and corporate activities. These segments are consistent with the Company's management of the business and generally reflect its internal financial reporting structure and operating focus. North American and international outsourcing provide comprehensive customer management solutions. North American outsourcing consists of customer management services provided in the United States and Canada. Database marketing and consulting provide outsourced database management, direct marketing and related customer retention services for automobile dealerships and manufacturers. Included in corporate activities are general corporate expenses, operational management expenses not attributable to any other segment and technology services. Segment

accounting policies are the same as those used in the consolidated financial statements. There are no significant transactions between the reported segments for the periods presented.

In 2001, the Company changed its internal reporting structure, which caused the composition of the reportable segments to change. The information for the years ended December 31, 2000 and 1999 have been restated to reflect this change.

	2001	2000	1999
	(Amounts in thousands)		
Revenues:			
North American outsourcing	$609,976	$591,834	$409,136
International outsourcing	236,651	206,989	119,121
Database marketing and consulting	71,156	78,255	55,188
Corporate activities	(1,639)	8,271	20,819
Total	$916,144	$885,349	$604,264
Operating Income (Loss):			
North American outsourcing	$ 88,105	$110,850	$ 73,884
International outsourcing	12,320	21,900	11,702
Database marketing and consulting	8,836	9,659	4,240
Corporate activities	(78,101)	(69,492)	(39,629)
Total	$ 31,160	$ 72,917	$ 50,197
Depreciation and Amortization (Included in Operating Income):			
North American outsourcing	$ 31,877	$ 26,143	$ 18,265
International outsourcing	13,937	10,244	6,572
Database marketing and consulting	7,254	5,145	2,160
Corporate activities	7,240	6,469	5,664
Total	$ 60,308	$ 48,001	$ 32,661
Assets:			
North American outsourcing	$190,239	$215,646	$ 96,229
International outsourcing	167,378	148,775	97,842
Database marketing and consulting	64,379	63,966	51,139
Corporate activities	151,943	152,512	117,369
Total	$573,939	$580,899	$362,579
Goodwill, net (Included in Total Assets):			
North American outsourcing	$ 11,446	$ 11,886	$ --
International outsourcing	15,756	14,181	10,496
Database marketing and consulting	13,361	15,244	11,443
Corporate activities	--	--	10,138
Total	$ 40,563	$ 41,311	$ 32,077
Capital Expenditures (Including Capital Leases):			
North American outsourcing	$ 10,537	$ 66,197	$ 25,922
International outsourcing	26,572	45,897	18,426
Database marketing and consulting	5,091	6,484	3,422
Corporate activities	12,477	2,426	16,520
Total	$ 54,677	$121,004	$ 64,290

The following data includes revenues and gross property and equipment based on the geographic location where services are provided or the physical location of the equipment:

	2001	2000	1999
	(Amounts in thousands)		
Revenues:			
United States	$535,242	$565,519	$449,329
Asia Pacific	76,952	65,349	50,947
Canada	144,253	112,842	35,814
Europe	86,862	82,664	46,786
Latin America	72,835	58,975	21,388
Total	$916,144	$885,349	$604,264
Gross Property and Equipment:			
United States	$189,270	$174,821	$136,526
Asia Pacific	23,641	20,950	16,754
Canada	34,549	33,678	8,943
Europe	29,539	15,155	11,416
Latin America	34,491	31,355	14,547
Total	$311,490	$275,959	$188,186
All Other Long-Lived Assets:			
United States	$ 22,455	$ 37,248	$ 3,730
Asia Pacific	18	507	296
Canada	481	367	3,640
Europe	174	469	309
Latin America	4,190	3,619	1,539
Total	$ 27,318	$ 42,210	$ 9,514

Significant Customers

The Company has one customer who contributed in excess of 10% of total revenues. This entity is involved in the communications industry. The revenues from this customer as a percentage of total revenues for each of the three years ended December 31 are as follows:

	2001	2000	1999
Customer A	19%	20%	23%

At December 31, 2001 and 2000, accounts receivable from this customer were $11.6 million and $14.3 million, respectively. There were no other customers with receivable balances in excess of 10% of consolidated accounts receivable. Customer A is included in the North American outsourcing reporting segment.

The loss of one or more of its significant customers could have a materially adverse effect on the Company's business, operating results or financial condition. The Company does not require collateral from its customers. To limit the Company's credit risk, management performs ongoing credit evaluations of its customers and maintains allowances for potentially uncollectible accounts. Although the Company is impacted by economic conditions in the communications, transportation, automotive, financial services and government services industries, management does not believe significant credit risk exists at December 31, 2001.

NOTE 3: DETAIL OF CERTAIN BALANCE SHEET ACCOUNTS

Accounts Receivable

Accounts receivable consist of the following at December 31 (in thousands):

	2001	2000
Accounts receivable	$168,675	$200,015
Less- allowance for doubtful accounts	(6,331)	(6,664)
Accounts receivable, net	$162,344	$193,351

Activity in the Company's allowance for doubtful accounts consists of the following (in thousands):

	2001	2000
Balance, beginning of year	$ 6,664	$ 4,270
Provision for bad debts	6,026	5,067
Deductions for uncollectible receivables written off	(6,359)	(2,673)
Balance, end of year	$ 6,331	$ 6,664

Property and Equipment

Property and equipment consisted of the following at December 31 (in thousands):

	2001	2000
Land	$ 345	$ 345
Buildings	45	12
Computer equipment and software	116,846	94,779
Telephone equipment	36,448	24,996
Furniture and fixtures	60,572	66,177
Leasehold improvements	90,234	83,943
CIP	3,226	2,306
Other	3,774	3,401
	311,490	275,959
Less- accumulated depreciation	(133,531)	(97,199)
	$ 177,959	$ 178,760

Included in the cost of property and equipment is the following equipment obtained through capitalized leases as of December 31 (in thousands):

	2001	2000
Computer equipment and software	$ 15,546	$ 15,175
Telephone equipment	4,363	4,212
Furniture and fixtures	9,036	6,954
	28,945	26,341
Less- accumulated depreciation	(20,625)	(20,391)
	$ 8,320	$ 5,950

NOTE 4: LONG-TERM DEBT

Capital Lease Obligations

The Company has financed certain property and equipment under non-cancelable capital leases. Accordingly, the fair value of the equipment has been capitalized and the related obligation recorded. The average implicit interest rate on these leases was 7.7% at December 31, 2001. Interest is charged to expense at a constant rate applied to declining principal over the period of the obligation.

The future minimum lease payments under capitalized lease obligations as of December 31, 2001 are as follows (in thousands):

2002	$ 4,268
2003	3,662
2004	606
	8,536
Less- amount representing interest	(461)
	8,075
Less- current portion	(3,994)
	$ 4,081

Interest expense associated with capital leases was $644,000, $1.2 million and $1.1 million for the years ended December 31, 2001, 2000 and 1999, respectively.

Senior Notes

Senior Notes consisted of the following as of December 31 (in thousands):

	2001	2000
Series A notes payable, interest at 7% per annum, interest payable semi-annually, principal payable annually commencing October 30, 2004, maturing October 30, 2008, unsecured	$60,000	$ --
Series B notes payable, interest at 7.4% per annum, interest payable semi-annually, principal payable annually commencing October 30, 2005, maturing October 30, 2011, unsecured	15,000	--
	$75,000	$ --

The future principal amounts due for the Senior Notes are as follows (in thousands):

2002	$ --
2003	--
2004	12,000
2005	14,143
2006	14,143
Thereafter	34,714
	$75,000

Long-Term Debt
- --------------

As of December 31, 2001 and 2000, other long-term debt consisted of the following notes (in thousands):

	2001	2000
Note payable, interest at 8% per annum, principal and interest payable quarterly, paid in full March 2001, unsecured	$ --	$ 194
Note payable, interest at 8% per annum, principal and interest payable monthly, paid in full January 2001, unsecured	--	57
Note payable, interest at 5% per annum, principal and interest payable monthly, maturing November 2009, collateralized by certain assets of the Company	4,146	4,567
Note payable, interest at 7% per annum, principal and interest payable monthly, maturing July 2002, unsecured	362	391
Note payable, interest at 8% per annum, principal and interest payable quarterly, maturing April 2003, unsecured	575	--
Note payable, interest at 7% per annum, principal and interest payable monthly, maturing May 2004, unsecured	199	260
Note payable, interest at 6% per annum, principal and interest payable monthly, maturing June 2002, unsecured, paid in full	--	265
Other notes payable	567	403
	5,849	6,137
Less- current portion	(933)	(1,174)
	$4,916	$ 4,963

Annual maturities of the long-term debt are as follows (in thousands):

Year ended December 31,	
2002	$ 933
2003	761
2004	1,138
2005	549
2006	577
Thereafter	1,891
	$5,849

Revolving Line of Credit
- ------------------------

The Company has an unsecured revolving line of credit agreement with a syndicate of five commercial banks under which it may borrow up to $87.5 million. The Company has two interest rate options: (a) the bank's base rate or (b) the bank's offshore rate (approximating LIBOR) plus a margin ranging from 112.5 to 200.0 basis points depending upon the Company's leverage. An annual fee ranging from 0.30% to 0.45% is charged on any undrawn balances and is payable quarterly. At December 31, 2001 and 2000, there was $0 and $62 million outstanding under this agreement, respectively. Additionally, the Company is required to comply with certain minimum financial ratios under covenants in connection with the agreement described above, the most restrictive of which requires the Company to maintain at least one dollar of net income each quarter. During several quarters of 2001, the Company was out of compliance with this covenant but waivers were obtained from the lenders. The revolving line of credit expires in November 2002.

The Company's Spanish subsidiary has factoring lines of credit under which it may borrow up to ESP$1.6 billion at December 31, 2001 and 2000. As of December 31, 2001 and 2000, there was $0 million and $8.3 million outstanding under these factoring lines, included in current portion of long-term debt in the accompanying consolidated balance sheet.

NOTE 5: INCOME TAXES

The components of income before income taxes are as follows for the years ended December 31 (in thousands):

	2001	2000	1999
Domestic	$(53,805)	$ 66,809	$46,619
Foreign	52,054	53,935	11,139
Total	$ (1,751)	$120,744	$57,758

The components of the provision for income taxes are as follows for the years ended December 31 (in thousands):

	2001	2000	1999
Current provision:			
Federal	$(12,550)	$24,942	$14,888
State	(2,051)	2,838	3,378
Foreign	23,926	21,439	5,131
	$ 9,325	$49,219	$23,397
Deferred provision:			
Federal	$ (6,687)	$ (941)	$(1,724)
State	(842)	(132)	(303)
Foreign	(1,622)	(1,208)	(392)
	(9,151)	(2,281)	(2,419)
	$ 174	$46,938	$20,978

The following reconciles the Company's effective tax rate to the federal statutory rate for the years ended December 31 (in thousands):

	2001	2000	1999
Income tax (benefit) expense per federal statutory rate	$ (613)	$42,806	$18,634
State income taxes, net of federal deduction	(94)	3,840	2,181
Tax benefit of operating loss carryforward acquired	--	(1,800)	--
Miscellaneous credits	(600)	(716)	--
Transaction costs	--	420	--
Other	(1,233)	200	(1,706)
Foreign income taxed at higher rate	2,714	2,188	1,869
	$ 174	$46,938	$20,978

The Company's deferred income tax assets and liabilities are summarized as follows as of December 31 (in thousands):

	2001	2000
Current deferred tax assets:		
Allowance for doubtful accounts	$ 2,501	$2,588
Vacation accrual	2,061	1,672
Compensation	395	162
Insurance reserves	1,644	604
State tax credits	--	300
Accrued restructuring charges	1,278	--
Unrealized losses on securities and derivatives	1,543	--
Warrant accrual	616	--
Deferred revenue	182	--
Other	1,393	532
	11,613	5,858
Long-term deferred tax assets:		
Depreciation and amortization	1,472	1,862
Other than temporary loss on equity investment	6,518	--
Deferred revenue	3,441	--
Long-term deferred tax liability:		
Capitalized software	(4,631)	--
Total	$18,413	$7,720

NOTE 6: EMPLOYEE BENEFIT PLAN

The Company has a 401(k) profit-sharing plan that allows participation by employees who have completed six months of service, as defined, and are 21 or older. Participants may defer up to 15% of their gross pay up to a maximum limit determined by law. Participants are also eligible for a matching contribution by the Company of 50% of the first 6% of compensation a participant contributes to the plan. Participants vest in matching contributions over a four-year period. Company matching contributions to the 401(k) plan totaled $2.4 million, $2.3 million and $1.4 million for the years ended December 31, 2001, 2000 and 1999, respectively.

NOTE 7: STOCK COMPENSATION PLANS

The Company adopted a stock option plan during 1995 (the "1995 Option Plan") and amended and restated the plan in January 1996 for directors, officers, employees, consultants and independent contractors. The plan reserved 7.0 million shares of common stock and permits the award of incentive stock options, non-qualified options, stock appreciation rights and restricted stock. Outstanding options vest over a three- to five-year period and are exercisable for 10 years from the date of grant.

In January 1996, the Company adopted a stock option plan for non-employee directors (the "Director Plan"), covering 750,000 shares of common stock. All options were granted at fair market value at the date of grant. Options vested as of the date of the option but were not exercisable until six months after the option date. Options granted are exercisable for 10 years from the date of grant unless a participant is terminated for cause or one year after a participant's death. The Director Plan had options to purchase 472,250, 510,250 and 423,000 shares outstanding at December 31, 2001, 2000 and 1999, respectively. In May 2000, the Company terminated future grants under this plan. From that point on, Directors received options under the Company's 1999 Stock Option and Incentive Plan.

In July 1996, the Company adopted an employee stock purchase plan (the "ESPP"). Pursuant to the ESPP, as amended, an aggregate of 1,000,000 shares of common stock of the Company is available for issuance under the ESPP. Employees are eligible to participate in the ESPP after three months of service. The price per share purchased in any offering period is equal to the lesser of 85% of the fair market value of the common stock on the first day of the offering period or on the purchase date. The offering periods have a term of six months. Stock purchased under the plan for the years ended December 31, 2001, 2000 and 1999 were $1,757,000, $1,896,000 and $131,000, respectively.

In February 1999, the Company adopted the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan (the "1999 Option Plan"). The purpose of the 1999 Option Plan is to enable the Company to continue to (a) attract and retain high quality directors, officers, employees and potential employees, consultants and independent contractors of the Company or any of its subsidiaries; (b) motivate such persons to promote the long-term success of the business of the Company and its subsidiaries and (c) induce employees of companies that are acquired by TeleTech to accept employment with TeleTech following such an acquisition. The 1999 Option Plan supplements the 1995 Option Plan. An aggregate of 10 million shares of common stock has been reserved for issuance under the 1999 Option Plan, which permits the award of incentive stock options, non-qualified stock options, stock appreciation rights and shares of restricted common stock. As previously discussed, the 1999 Option Plan also provides annual stock option grants to Directors. Outstanding options vest over a period of one to nine years and are exercisable for ten years from the date of grant.

In connection with the acquisition of Newgen, which was accounted for under the pooling-of-interests method, the Company assumed all of the options outstanding under Newgen's 1998 and 1996 Equity Incentive Plans.

The Company has elected to account for its stock-based compensation plans under APB 25; however, the Company has computed, for pro forma disclosure purposes, the value of all options granted using the Black-Scholes option pricing model as prescribed by SFAS 123 and the following weighted average assumptions used for grants:

	Years ended December 31,		
	2001	2000	1999
Risk-free interest rate	4.8%	4.9%	5.9%
Expected dividend yield	0%	0%	0%
Expected lives	5.7 years	3.1 years	5.3 years
Expected volatility	81%	81%	79%

If the Company had accounted for these plans in accordance with SFAS 123, the Company's net income and pro forma net income per share would have been reported as follows:

Net Income

	Years ended December 31,		
	2001	2000	1999
	(amounts in thousands)		
As reported	$ (1,925)	$73,806	$36,780
Pro forma	$(12,459)	$55,680	$31,024

Per Share Amounts

	2001	2000	1999
As reported:			
Basic	$(0.03)	$1.00	$0.51
Diluted	$(0.03)	$0.93	$0.49
Pro forma:			
Basic	$(0.16)	$0.75	$0.41
Diluted	$(0.16)	$0.70	$0.41

A summary of the status of the Company's stock option plans for the three years ended December 31, 2001, together with changes during each of the years then ended, is presented in the following table:

	Shares	Weighted Average Price Per Share
Outstanding, January 1, 1999	7,019,886	$ 7.94
Grants	7,246,933	$ 8.70
Exercises	(850,802)	$ 6.40
Forfeitures	(1,853,792)	$10.17
Outstanding, December 31, 1999	11,562,225	$ 8.43
Grants	4,827,832	$28.04
Exercises	(1,384,022)	$ 6.19
Forfeitures	(1,283,995)	$11.41
Outstanding, December 31, 2000	13,722,040	$15.10
Grants	3,121,085	$ 8.13
Exercises	(1,840,082)	$ 4.36
Forfeitures	(4,309,782)	$17.59
Outstanding, December 31, 2001	10,693,261	$13.98
Options exercisable at year end:		
2001	4,385,403	$12.92
2000	4,545,244	$ 8.64
1999	2,578,417	$ 4.71
Weighted average fair value of options granted during the year:		
2001		$ 4.00
2000		$15.27
1999		$ 4.90

The following table sets forth the exercise price range, number of shares, weighted average exercise price and remaining contractual lives at December 31, 2001:

	Outstanding			Exercisable	
Range of Exercise Prices	Number of Shares Outstanding	Weighted Average Exercise Price	Weighted Average Contractual Life (years)	Number of Shares Exercisable	Weighted Average Exercise Price
$ 0.63 - $5.50	502,532	$ 2.31	4	495,732	$ 2.32
$ 5.51 - $6.50	1,524,096	$ 6.10	6	647,933	$ 6.07
$ 6.51 - $7.00	1,915,394	$ 6.97	9	482,018	$ 6.94
$ 7.01 - $9.50	1,707,437	$ 8.48	8	693,163	$ 8.84
$ 9.51 - $13.50	1,497,035	$11.65	6	755,054	$11.67
$13.51 - $21.50	1,077,515	$16.86	8	436,993	$16.24
$21.51 - $31.50	1,417,452	$28.71	8	509,435	$27.96
$31.51 - $39.81	1,051,800	$33.15	9	365,075	$32.69

NOTE 8: RELATED PARTY TRANSACTIONS

The Company has entered into agreements pursuant to which Avion, LLC ("Avion") and AirMax, LLC ("AirMax") provide certain aviation flight services to and as requested by the Company. Such services include the use of an aircraft and flight crew. Kenneth D. Tuchman, Chief Executive Officer and Chairman of the Board of the Company, has a direct beneficial ownership interest in Avion. During 2001, 2000 and 1999 the Company paid an aggregate of $712,000, $677,000 and $35,000, respectively, to Avion for services provided to the Company. Mr. Tuchman also purchases services from AirMax and from time to time provides short-term loans to AirMax. During 2001, 2000 and 1999 the Company paid to AirMax an aggregate of $543,000, $460,000 and $405,000, respectively, for services provided to the Company. The Audit Committee of the Board of Directors reviews these transactions quarterly and has determined that the fees charged by Avion and AirMax are at fair market value.

In the fourth quarter of 2000, the Company and its enhansiv subsidiary executed a transaction, whereby the Company transferred all of its shares of common stock of enhansiv, inc., a Colorado corporation ("enhansiv"), to enhansiv holdings, inc., a Delaware corporation ("EHI") in exchange for Series A Convertible Preferred Stock of EHI. EHI is developing a centralized, open architecture, customer management solution that incorporates a contact management database across all customer contact channels. The Company believes that the EHI technology will allow it to move to a more centralized technology platform, allowing it to provide more cost effective solutions in a more timely manner. As part of the transaction, EHI sold shares of common stock to a group of investors. These shares represent 100% of the existing common shares of EHI, which in turn owns 100% of the common shares of enhansiv. In addition, the Company received an option to purchase approximately 95% of the common stock of EHI. The Company also agreed to make available to EHI a convertible $7.0 million line of credit, which was fully drawn in the second quarter of 2001.

One of the investors was Kenneth D. Tuchman, who acquired 14.4 million shares of EHI common stock for $3.0 million, representing 42.9% of EHI in the initial transaction. Subsequent to the initial sale of common stock, EHI sold 9.6 million shares to Mr. Tuchman for $2.0 million, giving him an additional 12.1% interest in EHI. Upon Mr. Tuchman's second investment, he entered into a confirmation joinder and amendment agreement which states that for as long as Mr. Tuchman owns 50% of EHI's common stock, all action requiring stockholder approval shall require approval of holders of at least 66-2/3% of EHI common stock. The remaining equity of $4.0 million, which represents approximately 17% of the fair value of the assets at inception, comes from unrelated third parties and is at risk.

In June 2001, the Company entered into another transaction whereby the Company agreed to fund an additional $5.0 million for certain development activities in exchange for a licensing agreement and the right to convert this additional investment into Series B Preferred Stock that is convertible at the option of the Company into EHI's common stock. As of December 31, 2001, $4.9 million of this additional commitment had been funded.

As discussed above, the Company's Series A Preferred Stock, its $7.0 million line of credit and its additional $5.0 million investment are each convertible into EHI common stock under certain circumstances. Additionally, the Company's option to purchase 95% of the common stock of EHI is also allowed only under certain circumstances, none of which currently exist. There is no assurance that the Company will either convert its convertible securities or exercise its purchase option.

As a preferred stockholder, the Company accounts for its investment in EHI under the equity method of accounting. Accordingly, the Company records all of EHI's losses in excess of the value of all subordinate equity investments in EHI (common stock). The Company began reflecting EHI losses during the second quarter of 2001. These losses, which totaled $7.7 million in 2001, are included as a separate line item in other income (expense) in the accompanying consolidated statements of operations. During 2000, the Company did not record any losses from EHI subsequent to the sale of common stock.

During the second quarter of 2001, after EHI was unsuccessful in raising additional outside capital, the Company concluded that its investment in EHI exceeded its fair value and such decline was other than temporary. The Company's determination of fair market value was based on pre-money valuations used by third parties during discussions to raise outside capital. The Company considered current and anticipated market conditions in its determination that the decline in value was other than temporary. As a result, the Company recorded a $16.5 million charge to adjust the investment's carrying value down to its estimated fair value. The Company's net investment in EHI of $3.8 million at December 31, 2001 is included in other assets in the accompanying consolidated balance sheets. Net assets of EHI, excluding the Company's loan to EHI, were $15.0 million at December 31, 2001. EHI has no outside debt or other outstanding borrowings other than that owed to the Company.

During 2000 and 1999, the Company utilized the services of EGI Risk Services, Inc. ("EGI") for reviewing, obtaining and/or renewing various insurance policies. EGI is a wholly owned subsidiary of Equity Group Investments, Inc. Rod Dammeyer, a director of the Company, was formerly the managing partner of Equity Group Investments, Inc., and Samuel Zell, a former director of the Company, was chairman of the board. During the years ended December 31, 2001, 2000 and 1999, the Company paid $0, $1.1 million and $3.5 million respectively, to EGI primarily for insurance policy premiums.

During 2001, the Company utilized the services of Korn Ferry International ("KFI") for two executive search projects. James Barlett, Vice Chairman and a director of the Company is a director of KFI. During the years ended December 31, 2001, 2000 and 1999 the Company paid $305,331, $0 and $0, respectively, to KFI for executive search services.

During 2001, the Company purchased cable and wiring materials from Anixter International, Inc. Rod Dammeyer, a director of the Company, served as Vice Chairman and a director for Anixter International, Inc. until February 2001. During the years ended December 31, 2001, 2000 and 1999 the Company paid $77,000, $83,000 and $60,000, respectively, to Anixter International, Inc.

NOTE 9: ACQUISITIONS

On August 31, 2000, the Company and CCH entered into a definitive Share Purchase Agreement, which included the exchange of 3,264,000 shares of the Company's common stock for all of the issued share capital of CCH. The business combination was accounted for as a pooling-of-interest, and accordingly, the historical financial statements of the Company have been restated to include the financial statements of CCH for all periods presented prior to the acquisition.

On December 20, 2000, the Company consummated a business combination with Newgen that included the exchange of 8,283,325 shares of the Company's common stock for all of the issued shares of Newgen. The business combination was accounted for as a pooling-of-interest, and accordingly, the historical financial statements of the Company have been restated to include the financial statements of Newgen for all periods presented prior to the acquisition.

The table below sets forth the results of operations of the previously separate enterprises for the period prior to the consummation of the August 2000 and December 2000 business combinations during the periods ended December 31, 2000 and 1999 (in thousands):

	TeleTech	CCH	Newgen	Combined
2000 (prior to consummation of the business combinations)				
Revenues	$750,782	$38,540	$77,468	$866,790
Net income	64,477	2,259	5,919	72,655
1999				
Revenues	$509,268	$39,808	$55,188	$604,264
Net income	29,090	2,855	4,835	36,780

On October 27, 2000, TeleTech acquired iCcare Limited ("iCcare"), a Hong Kong based customer management company, in a transaction accounted for under the purchase method of accounting. The Company purchased iCcare for approximately $4.0 million consisting of $2.0 million in cash and $2.0 million in stock. On the basis of achievement of predetermined revenue targets, iCcare could also receive additional stock or cash payments over a two-year period. During 2001, iCcare did not achieve the target. The operations of iCcare for all periods prior to the acquisition are immaterial to the results of the Company, and accordingly no pro forma financial information has been presented.

On November 7, 2000, the Company acquired the customer care division of Boston Communications Group ("BCG") in an asset purchase transaction accounted for under the purchase method of accounting. BCG's customer care division provides 24x7 inbound customer care solutions for the wireless industry. The Company purchased the customer care division in a cash transaction valued at $15 million, including a $13 million cash payment and assumption of approximately $2 million of liabilities. Under the terms of the agreement, BCG could receive additional cash payments, totaling up to an additional $20 million over four years, based upon achievement of certain predetermined revenue targets. During 2001, the revenue targets were not achieved. The operations of the customer care division of BCG for all periods prior to the acquisition are immaterial to the results of the Company, and accordingly no pro forma financial information has been presented.

On March 18, 1999, the Company acquired 100% of the common stock of Pamet River, Inc. ("Pamet") for approximately $1.8 million in cash and 285,711 shares of common stock in the Company. Pamet was a global marketing company offering end-to-end marketing solutions by leveraging Internet and database technologies. The transaction was accounted for as a purchase and goodwill was amortized using the straight-line method over 20 years. The operations of Pamet for all periods prior to the acquisition are immaterial to the results of the Company, and accordingly no pro forma financial information has been presented. In September 2000, the Company closed Pamet. See Note 11 for further discussion.

On March 31, 1999, the Company acquired 100% of the common stock of Smart Call S.A. ("Smart Call") for approximately $2.4 million in cash including costs related to the acquisition. Smart Call is based in Buenos Aires, Argentina, and provides a wide range of customer management solutions to Latin American and multinational companies. The transaction was accounted for as a purchase and goodwill is amortized using the straight-line method over 20 years. The operations of Smart Call for all periods prior to the acquisition are immaterial to the results of the Company, and accordingly no pro forma financial information has been presented.

On October 12, 1999, the Company acquired 100% of the common stock of Connect S.A. ("Connect") for approximately $2.3 million in cash including costs related to the acquisition. The former owners of Connect were entitled to an earn-out premium based on the results of the Company's consolidated operations in Argentina in 2000. This earn-out premium totaled $3.8 million and was recorded as goodwill on the accompanying consolidated balance sheets. Connect is located in Buenos Aires, Argentina, and provides customer management solutions to Latin American and multinational companies in a variety of industries. The transaction was accounted for as a purchase and goodwill is amortized using the straight-line method over 20 years. The operations of Connect for all periods prior to the acquisition are immaterial to the results of the Company, and accordingly no pro forma financial information has been presented.

The previous owners of Smart Call and Connect had the ability to earn an additional contingent payment of between $250,000 and $2.5 million during 2001 based on reaching revenue and profitability targets. These targets were not achieved.

On November 30, 1999, the Company's subsidiary Newgen acquired the partnership interest, including certain net assets and liabilities of Computer Care, a New York general partnership and wholly owned operation of Automatic Data Processing, Inc. ("ADP") in a transaction accounted for under the purchase method of accounting. Per the terms of the partnership agreement Newgen acquired a 100 % interest in Computer Care for a purchase price of approximately $11.0 million in cash, excluding transaction costs, and up to an additional $9.0 million earn-out which may be paid based upon certain earn-out criteria. In February 2001, the Company paid $4.4 million to ADP in full satisfaction of the earn-out provision. The operations of Computer Care for all periods prior to the acquisition are immaterial to the results of the Company, and accordingly no pro forma financial information has been presented.

On December 15, 1999, the Company invested $2.5 million in a customer management software company. On January 27, 2000, an additional investment of $8.0 million was made in the same customer management software company. In May 2000, this software company merged with E.piphany, Inc., a publicly traded customer management company. As a result of the merger, TeleTech received 1,238,400 shares of E.piphany common stock. During the years ended December 31, 2001 and 2000, the Company sold approximately 100,000 and 909,300 shares, respectively, of E.piphany for total proceeds of $1.3 million and $64.9 million, which resulted in realized gains of $161,000 and $57.0 million, respectively. As of December 31, 2001, the remaining 268,000 shares of E.piphany had a cost basis of $1.1 million. These shares are reflected in the accompanying consolidated balance sheets as an available-for-sale security, at their fair market value of $2.3 million. The unrealized gain of $900,000 is shown net of tax of $300,000, as a component of other comprehensive income in the accompanying consolidated statements of stockholders' equity.

NOTE 10: FORD JOINT VENTURE

During the first quarter of 2000, the Company and Ford Motor Company ("Ford") formed Percepta. Percepta was formed to provide global customer management solutions for Ford and other automotive companies. Percepta is currently providing such services in the United States, Canada, Australia and Scotland. In connection with this formation, the Company issued stock purchase warrants to Ford entitling Ford to purchase 750,000 shares of TeleTech common stock. These warrants were valued at $5.1 million using the Black-Scholes Option model.

Ford has the right to earn additional warrants based upon Percepta's achievement of certain revenue thresholds through 2004. Such thresholds were not achieved for 2001 or 2000. The number of warrants to be issued is subject to a formula based upon the profitability of Percepta, among other factors. The exercise price of any warrants issued under the agreement will be a 5% premium over the Company's stock price at the date the warrants are issued.

NOTE 11: ASSET DISPOSITIONS

In March 2000, the Company and State Street Bank and Trust Company ("State Street") entered into a lease agreement whereby State Street acquired 12 acres of land in Arapahoe County, Colorado for the purpose of constructing a new corporate headquarters for the Company (the "Planned Headquarters Building"). Subsequently, management of the Company decided to terminate the lease agreement as it was determined that the Planned Headquarters Building would be unable to accommodate the Company's anticipated growth. The Company recorded a $9.0 million loss on the termination of the lease in 2000, which is included in the accompanying consolidated statements of operations.

In March 2001, the Company acquired the Planned Headquarters Building being constructed on its behalf for approximately $15.0 million and incurred additional capital expenditures to complete construction of the building. During the second quarter of 2001, after receiving various offers for the Planned Headquarters Building that were less than the estimated completed cost, the Company determined that the fair value of the building, less the cost to complete and sell, exceeded the carrying amount by $7.0 million. Accordingly, the Company recorded a loss on real estate held for sale of $7.0 million, which is included in the accompanying consolidated statements of operations. In October 2001, the Company completed and sold the Planned Headquarters Building to a third party receiving net proceeds of approximately $11.8 million.

In March 2001, the Company shut down its Digital Creators subsidiary. The Company closed the subsidiary because of weak operating performance. It was more cost effective to close the operation than to seek a buyer. There was no significant loss associated with the disposal of this business as the majority of assets and people were absorbed by the Company.

In July 2000, the Company sold a division of its Australian subsidiary, which provides services in the healthcare industry, for cash of approximately $4.9 million. This sale resulted in a gain recognized in the third quarter of 2000 of approximately $4.0 million, which is included in other income in the accompanying consolidated statements of operations. The operating results, assets and liabilities of this division were not material to the consolidated operating results, assets and liabilities of the Company.

In September 2000, the Company closed its Pamet subsidiary, which provided marketing solutions by leveraging Internet and database technologies. The Company closed the subsidiary because of weak operating performance and incompatibility with the Company's key strategic initiatives. It was more cost effective to close the operation than to seek a buyer. The disposal resulted in a $3.4 million loss, which is included as an operating expense in the accompanying consolidated statements of operations.

NOTE 12: RESTRUCTURING CHARGES

During 2001, the Company recorded a $7.7 million loss in its North American outsourcing segment on the closure of a customer interaction center ("CIC") located in Thornton, Colorado, consisting of future rent and occupancy costs and loss on disposal of assets, which is reflected as a separate line item in the accompanying consolidated statements of operations.

In December 2000, the Company identified three customer interaction centers in California, which were older and under-performing and decided to consolidate them into one new center. As a result, the Company accrued a $4.7 million loss in its North American outsourcing segment on the closure of these sites consisting of future rent and occupancy costs and loss on the disposal of assets, which is included as an operating expense in the accompanying consolidated statements of operations.

During 2001, the Company implemented certain cost cutting measures. In connection with these actions, the Company recorded $18.5 million of charges in its corporate segment for severance and other termination benefits related to a reduction in force of approximately 500 employees, which are reflected as a separate line item in the accompanying consolidated statements of operations.

A rollforward of the activity in the above mentioned restructuring accruals for the years ended December 31, 2001 and 2000 follows (in thousands):

	Closure of CICs	Reduction in Force	Total
Balances, January 1, 2000	$ --	$ --	$ --
Expense	4,779	--	4,779
Payments	(4,304)	--	(4,304)
Balances, December 31, 2000	475	--	475
Expense	7,733	18,515	26,248
Payments	(4,679)	(15,883)	(20,562)
Balances, December 31, 2001	$ 3,529	$ 2,632	$ 6,161

The restructuring accrual is included in other accrued expenses in the accompanying consolidated balance sheets.

NOTE 13: COMMITMENTS AND CONTINGENCIES

Leases. The Company has various operating leases for equipment, customer interaction centers and office space. Rent expense under operating leases was approximately $31.1 million, $21.6 million and $16.6 million for the years ended December 31, 2001, 2000 and 1999, respectively.

In December 2000, the Company and State Street consummated a lease transaction for the Company's new corporate headquarters, whereby State Street acquired the property at 9197 South Peoria Street, Englewood, Colorado (the "Property"). Simultaneously, State Street leased the Property to TeleTech Services Corporation ("TSC"), a wholly owned subsidiary of the Company. As part of the transaction, State Street formed a special purpose entity to purchase the Property and hold the associated debt and equity from a group of banks. The debt held by this entity was approximately $37.0 million at December 31, 2001. The Company's lease on the Property has a four-year term and expires in December 2004. At expiration, the Company has three options: 1) renew the lease for two one-year periods at the same monthly rate paid during the original term, 2) purchase the Property for approximately $38.2 million, or 3) vacate the Property. In the event the Company vacates the Property, the Company must sell the Property. If the Property is sold for less than $38.2 million, the Company has guaranteed State Street a residual payment upon sale of the building based on a percentage of the difference between the selling price and appraised fair market value of the Property. If the Company were to vacate the Property prior to the original four-year term, the Company has guaranteed State Street a residual value of approximately $31.5 million upon sale of the Property. The Company has no plans to vacate the Property prior to the original term. The potential liability, if any, resulting from a residual payment has not been reflected on the accompanying consolidated balance sheet. The rent expense of $2.6 million in 2001 and future lease payments are reflected in the lease commitments disclosed within this Note. This arrangement is not expected to have a material effect on liquidity or availability of or requirements for capital resources. A significant restrictive covenant under this agreement requires the Company to maintain at least one dollar of net income each quarter. Additionally, the lease payments are variable based on LIBOR. However, the Company has an interest rate swap agreement in place to hedge any fluctuations in LIBOR.

The future minimum rental payments required under non-cancelable operating leases as of December 31, 2001 are as follows (in thousands):

Year ended December 31,	
2002	$ 27,030
2003	25,737
2004	24,718
2005	19,244
2006	15,400
Thereafter	94,532
	$206,661

Legal Proceedings. In July 1999, the Company reached a settlement with CompuServe Incorporated whereby the Company received $12.0 million. As a result, the Company recorded a gain of $6.7 million during 1999, which is included in other income in the accompanying consolidated statements of operations.

From time to time, the Company is involved in litigation, most of which is incidental to its business. In the Company's opinion, no litigation to which the Company currently is a party is likely to have a material adverse effect on the Company's results of operations or financial condition.

NOTE 14: QUARTERLY FINANCIAL DATA (UNAUDITED)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(Amounts in thousands, except per share data)			
Year ended December 31, 2001:				
Revenues	$237,880	$225,211	$222,818	$230,235
Income (loss) from operations	(4,665)	8,324	10,256	17,245
Net income (loss)	(3,866)	(7,368)	2,126	7,183
Net income (loss) per common share:				
Basic	$ (0.05)	$ (0.10)	$ 0.03	$ 0.09
Diluted	$ (0.05)	$ (0.10)	$ 0.03	$ 0.09
Year ended December 31, 2000:				
Revenues	$192,326	$217,375	$231,806	$243,842
Income from operations	17,679	20,609	19,604	15,025
Net income	11,246	21,635	32,382	8,543
Net income per common share:				
Basic	$ 0.15	$ 0.29	$ 0.44	$ 0.11
Diluted	$ 0.14	$ 0.27	$ 0.41	$ 0.11

Exhibit 10.47

FIRST AMENDMENT TO AMENDED AND RESTATED
REVOLVING CREDIT AGREEMENT AND WAIVER

This First Amendment to Amended and Restated Revolving Credit Agreement and Waiver (this "Amendment") is entered into as of December 14, 2000, among TeleTech Holdings, Inc., a Delaware corporation (the "Company"), the several financial institutions from time to time party to the Credit Agreement (as defined herein) (collectively, the "Lenders"; individually, a "Lender"), and Bank of America, N.A., as agent for the Lenders (in such capacity, the "Administrative Agent").

RECITALS:

WHEREAS, the Company, the Lenders, the Administrative Agent and the Co-Agents named therein have entered into that certain Amended and Restated Revolving Credit Agreement dated as of March 24, 2000 (as heretofore amended and as the same may be further amended or modified from time to time, the "Credit Agreement");

WHEREAS, the Company, the Lenders and the Administrative Agent have determined that the Credit Agreement should be amended in certain respects and to make certain other changes agreed to by the parties; and

WHEREAS, the Company has requested a waiver of, and the undersigned Lenders wish to waive, certain provisions of the Credit Agreement on the terms and conditions set forth below;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

2. Amendments to Credit Agreement. The Credit Agreement is hereby amended, effective on the date this Amendment becomes effective in accordance with Section 4 hereof, as follows:

(a) The definition of "Tranche A Loan Limit" set forth in Section 1.01 of the Credit Agreement is amended and restated in its entirety to read as follows:

"Tranche A Loan Limit" means $0.

(b) Subsection 8.05(e) of the Credit Agreement is amended and restated in its entirety to read as follows:

(e) Indebtedness consisting of Synthetic Lease Obligations incurred by Services (i) pursuant to that certain Participation Agreement dated as of March 1, 2000, among the Company, Services, State Street Bank and Trust Company of Connecticut, First Security Bank, National Association, and the Persons named as

certificate holders and lenders in the schedules attached thereto, as amended, supplemented or modified from time to time in an amount not to exceed $30,000,000 at any time on or prior to April 30, 2001, and (ii) pursuant to a transaction satisfactory to the Required Lenders in an amount not to exceed $50,000,000 at any time on or after May 1, 2001.

(c) Section 8.19 of the Credit Agreement is amended and restated in its entirety to read as follows:

8.19 Maximum Combination of Cash Capital Expenditures and Permitted Acquisitions. The Company shall not permit the total amount of the sum of (a) Capital Expenditures plus (b) expenditures incurred to effect Permitted Acquisitions, in each case made or committed to be made by the Company and its Subsidiaries and paid for with consideration consisting of cash and other property, to exceed $100,000,000 in any calendar year; provided, that to the extent such sum in any calendar year is less than $100,000,000, the $100,000,000 limit for the following calendar year shall be increased by the amount of such shortfall; provided, further, the Company shall first use the initial amount permitted for the current year (without regard to the amount carried over from the previous calendar year, if any) and then the amount carried over from the previous calendar year to meet the requirements of this Section 8.19 and any carried over amount not so utilized shall expire; and provided, further, that the Company may utilize in calendar year 2000 an additional amount equal to $7,032,000 carried forward from calendar year 1999 in accordance with the Prior Credit Agreement.

(d) Schedule 2.01 to the Credit Agreement is deleted it in its entirety and Schedule 2.01 attached hereto and made a part hereof is substituted in its place.

3. Waivers.

(a) The Administrative Agent and the undersigned Lenders hereby waive any breach of Section 8.05(e) of the Credit Agreement for the period beginning on the Effective Date and ending on April 30, 2001; provided, however, that during such period Indebtedness consisting of Synthetic Lease Obligations shall not exceed $72,000,000 at any time outstanding.

(b) The Administrative Agent and the undersigned Lenders hereby waive any breach of Section 8.05(f) of the Credit Agreement for the period beginning on the Effective Date and ending on April 30, 2001; provided, however, that during such period the aggregate amount of Indebtedness (other than Indebtedness permitted under Sections 8.05(a) through (e) of the Credit Agreement) shall not exceed $32,000,000 at any time outstanding.

4. Conditions to Effectiveness of this Amendment. This Amendment shall become effective upon the satisfaction of the following conditions (the "Effective Date"):

(a) Executed Amendment. Receipt by the Administrative Agent of duly executed counterparts of this Amendment from the Company and all of the Lenders;

(b) Miscellaneous. Receipt by the Administrative Agent of such other documents, certificates, instruments or opinions as may reasonably be requested by it.

5. Certain Representations and Warranties by the Company. In order to induce the Lenders and the Administrative Agent to enter into this Amendment, the Company represents and warrants to the Lenders and the Administrative Agent that:

(a) Authority. The Company has the right, power and capacity and has been duly authorized and empowered by all requisite corporate and shareholder action to enter into, execute, deliver and perform this Amendment and the Credit Agreement as amended hereby.

(b) Validity. This Amendment and the Credit Agreement as amended hereby have each been duly and validly executed and delivered by the Company and constitutes its legal, valid and binding obligations, enforceable against the Company in accordance with its respective terms, except as enforcement thereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether such enforcement is sought in a proceeding in equity or at law or otherwise).

(c) No Conflicts. The Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby does not and will not violate its Certificates or Articles of Incorporation or Bylaws, any law, rule, regulation, order, writ, judgment, decree or award applicable to the Company or any contractual provision to which the Company is party or to which the Company or any of its Subsidiaries are subject.

(d) Approvals. No authorization or approval or other action by, and no notice to or filing or registration with, any Governmental Authority or regulatory body (other than those which have been obtained and are in force and effect) is required in connection with the Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby.

(e) Incorporated Representations and Warranties. All representations and warranties contained in the Loan Documents are true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date hereof and the effective date hereof, except as to any representations or warranties which expressly relate to an earlier date, in which event, such representations and warranties are true as of such date.

(f) No Defaults. No Default or Event of Default exists as of the date hereof or will exist after giving effect to this Amendment.

6. Assumption Agreement of New Lender.

(a) Assumption and Acceptance. The Northern Trust Company (the "New Lender") hereby (i) agrees that, from and after the Effective Date, it shall become a "Lender" under the Credit Agreement and shall be obligated to perform all of the obligations of a Lender under the Credit Agreement (including without limitation under Article II thereof), including the requirements concerning confidentiality and the payment of indemnification and (ii) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

(b) Independent Credit Decision. The New Lender (i) acknowledges that it has received a copy of the Credit Agreement and the Schedules and Exhibits thereto, together with copies of the most recent financial statements referred to in Section 7.01 of the Credit Agreement, and such other documents and information as it has deemed appropriate to make its own credit and legal analysis and decision to enter into this Amendment and (ii) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit and legal decisions in taking or not taking action under the Credit Agreement

(c) Administrative Agent. The New Lender appoints and authorizes the Administrative Agent to take such action as the Administrative Agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Administrative Agent by the terms of the Credit Agreement.

(d) Withholding Tax. The New Lender (i) represents and warrants to the Administrative Agent and the Company that under applicable law and treaties no tax will be required to be withheld by the New Lender with respect to any payments to be made to the New Lender hereunder, (ii) agrees to furnish (if it is organized under the laws of any jurisdiction other than the United States or any State thereof) to the Administrative Agent and the Company prior to the time that the Administrative Agent or Company is required to make any payment of principal, interest or fees hereunder, duplicate executed originals of (A) either U.S. Internal Revenue Service Form W-8ECI or U.S. Internal Revenue Service Form W-8BEN (wherein the New Lender claims entitlement to the benefits of a tax treaty that provides for a complete exemption from U.S. federal income withholding tax on all payments hereunder) or (B) if such New Lender is claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8BEN or any subsequent versions thereof or successors thereto and a certificate representing that such New Lender is not a "bank" for purposes of Section 881(c) of the Code, and agrees to provide a new Form W-8BEN or W-8ECI upon the expiration of any previously delivered form or comparable statements in accordance with applicable U.S. law and regulations and amendments thereto, duly executed and completed by the New Lender, and (iii) agrees to comply with all applicable U.S. laws and regulations with regard to such withholding tax exemption.

7. Reallocation of Pro Rata Shares; Assignments.

(a) Pro Rata Shares. Pursuant to the terms of this Amendment, the New Lender will enter into the Credit Agreement with Commitments in an aggregate amount not to exceed $12,500,000, while the Commitments of the other Lenders (individually, an "Original Lender" and collectively, the "Original Lenders") will not be increased. As a result thereof, the Pro Rata Share of the New Lender will be the amount set forth on Schedule 2.01, and the Pro Rata Shares of each of the Original Lenders will be decreased to the amounts set forth on Schedule 2.01.

(b) Assignment and Assumption. In connection with the changes in Pro Rata Shares, it is necessary for the Original Lenders to assign to the New Lender and for the New Lender to assume certain of the outstanding Loans of the Original Lenders necessary to provide that the outstanding Loans of each Lender will be equal to such Lender's Pro Rata Share of all Loans. On the Effective Date and upon receipt of the payments provided for herein, each of the Original Lenders hereby sells, transfers and assigns to the New Lender, without recourse and without representation or warranty (except as provided herein), all of such Original Lender's rights, title and interest arising under the Credit Agreement relating to all rights and obligations with respect to such Original Lender's portion of the Loans as set forth on Annex 1 attached hereto and made a part hereof (the "Assigned Loans"). Effective on the Effective Date, the New Lender hereby irrevocably purchases, assumes and takes from each Original Lender, and each Original Lender is hereby expressly and absolutely released from, all of such Original Lender's obligations arising under the Credit Agreement relating to the Assigned Loans.

(c) Payment. In consideration of the assignment by each Original Lender to the New Lender as set forth above, (i) the New Lender agrees to pay to each Original Lender the principal amount of the Assigned Loans to be transferred by such Original Lender to the New Lender hereunder, in immediately available funds, at the Effective Date, and (b) the Company agrees to pay to Original Lenders the accrued interest and any accrued commitment fees under the Credit Agreement to the Effective Date on the Assigned Loans, in immediately available funds, at the Effective Date. The Company hereby acknowledges and agrees that pursuant to the provisions of Section 4.04 of the Credit Agreement it will compensate each Original Lender for any losses, expenses and liabilities of the type described in Section 4.04 of the Credit Agreement resulting from the transactions contemplated hereby. Amounts payable under the first two sentences of this Section 7(c) shall be paid to the Administrative Agent for distribution to the Original Lenders.

(d) Effectiveness. This Agreement shall become effective on the Effective Date. No party hereto shall have any obligation hereunder prior to the Effective Date. The New Lender recognizes and agrees that notwithstanding anything to the contrary in this Agreement, the Original Lenders shall retain all of their rights under the Credit Agreement for periods prior to the Effective Date. The Company, by its execution hereof, acknowledges the assignments and assumptions described above.

(e) Representations and Warranties.

(i) Each Original Lender represents and warrants that (A) it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any Lien or other adverse claim; (B) it is duly organized and existing and it has the full power and authority to take, and has taken, all action necessary to execute and deliver this Amendment and any other documents required or permitted to be executed or delivered by it in connection with this Amendment and to fulfill its obligations hereunder; (C) no notices to, or consents, authorizations or approvals of, any Person are required (other than any already given or obtained) for its due execution, delivery and performance of this Amendment, and apart from any agreements or undertakings or filings required by the Credit Agreement, no further action by, or notice to, or filing with, any Person is required of it for such execution, delivery or performance; and (D) this Amendment has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of such Original Lender, enforceable against such Original Lender in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization and other laws of general application relating to or affecting creditors' rights and to general equitable principles.

(ii) No Original Lender makes any representation or warranty and assumes any responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto. No Original Lender makes any representation or warranty in connection with, and assumes no responsibility with respect to, the solvency, financial condition or statements of the Company, or the performance or observance by the Company, of any of its respective obligations under the Credit Agreement or any other instrument or document furnished in connection therewith.

(iii) The New Lender represents and warrants that (A) it is duly organized and existing and it has full power and authority to take, and has taken, all action necessary to execute and deliver this Amendment and any other documents required or permitted to be executed or delivered by it in connection with this Amendment, and to fulfill its obligations hereunder; (B) no notices to, or consents, authorizations or approvals of, any Person are required (other than any already given or obtained) for its due execution, delivery and performance of this Amendment; and apart from any agreements or undertakings or filings required by the Credit Agreement, no further action by, or notice to, or filing with, any Person is required of it for such execution, delivery or performance; (C) this Amendment has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of the New Lender, enforceable against the New Lender in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization and other laws of general application relating to or affecting creditors' rights and to general equitable principles; and (D) it is an Eligible Assignee.

(f) Assignment Permitted. To the extent necessary, Section 11.08 of the Credit Agreement is hereby amended to permit the transactions contemplated hereby.

8. Miscellaneous. The parties hereto hereby further agree as follows:

(a) Fees. The Company shall pay such fees to the Administrative Agent, the Arranger and the Lenders as are required by the letter agreement among the Company, the Administrative Agent and the Arranger dated December 14, 2000.

(b) Further Assurances. Each of the parties hereto hereby agrees to do such further acts and things and to execute, deliver and acknowledge such additional agreements, powers and instruments as any other party hereto may reasonably require to carry into effect the purposes of this Amendment and the Credit Agreement as amended hereby.

(c) Counterparts. This Amendment may be executed in one or more counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same document with the same force and effect as if the signatures of all of the parties were on a single counterpart, and it shall not be necessary in making proof of this Amendment to produce more than one such counterpart.

(d) Headings. Headings used in this Amendment are for convenience of reference only and shall not affect the construction of this Amendment.

(e) Integration. This Amendment and the Loan Documents constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof.

(f) Governing Law. THIS AMENDMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF ILLINOIS, AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF SAID STATE, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

(g) Binding Effect. This Amendment shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns; provided, however, that the Company may not assign or transfer its rights, interests or obligations hereunder without the prior written consent of the Administrative Agent and all of the Lenders. Except as expressly set forth to the contrary herein, this Amendment shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Amendment and their respective successors and permitted assigns.

(h) Amendment; Waiver; Reaffirmation of Loan Documents. The parties hereto agree and acknowledge that nothing contained in this Amendment in any manner or respect limits or terminates any of the provisions of the Credit Agreement or the other

Loan Documents other than as expressly set forth herein and further agree and acknowledge that the Credit Agreement and each of the other Loan Documents remain and continue in full force and effect and are hereby ratified and reaffirmed in all respects. No delay on the part of any Lender or the Administrative Agent in exercising any of their respective rights, remedies, powers and privileges under the Credit Agreement or any of the other Loan Documents or partial or single exercise thereof, shall constitute a waiver thereof. None of the terms and conditions of this Amendment may be changed, waived, modified or varied in any manner, whatsoever, except in accordance with Section 11.01 of the Credit Agreement.

(i) Reference to and Effect on the Credit Agreement and the other Loan Documents. Upon the effectiveness hereof, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import referring to the Credit Agreement and each reference in the other Loan Documents to the "Credit Agreement," "thereunder," "thereof," or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment. The Credit Agreement shall be deemed to be amended wherever and as necessary to reflect the foregoing amendments.

[signature page follows]

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered as of the date first above written.

TELETECH HOLDINGS, INC.

By: _____

Title: _____

BANK OF AMERICA, N.A., as Administrative Agent

By: _____

Title: _____

BANK OF AMERICA N.A., as a Lender

By: _____

Title: _____

FIRST UNION NATIONAL BANK, as a Lender

By: _____

Title: _____

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By: _____

Title: _____

WELLS FARGO BANK, as a Lender

By: _____

Title: _____

THE NORTHERN TRUST COMPANY, as a Lender

By: _____

Title: _____

SCHEDULE 2.01

COMMITMENTS AND PRO RATA SHARES

Lender	Commitment	Pro Rata Share
Bank of America, N.A.	$21,000,000.00	24.00000000%
First Union National Bank	$18,000,000.00	20.57142857%
U.S. Bank National Association	$18,000,000.00	20.57142857%
Wells Fargo Bank N.A.	$18,000,000.00	20.57142857%
The Northern Trust Company	$12,500,000.00	14.28571429%
TOTAL	$87,500,000.00	100%

ANNEX 1

ASSIGNED LOANS

Original Lender	New Lender	Percentage Interest Assigned
Bank of America, N.A.	The Northern Trust Company	16.66666667%
First Union National Bank	The Northern Trust Company	16.66666667%
U.S. Bank National Association	The Northern Trust Company	16.66666667%
Wells Fargo Bank N.A.	The Northern Trust Company	16.66666667%

Exhibit 10.64

EMPLOYMENT AGREEMENT

This Agreement is between TeleTech Holdings, Inc., including its subsidiaries, their successors and assigns, their directors, officers, employees and agents (the "Company" or "TeleTech") and James B. Kaufman ("Employee"), and shall be effective as of May 15, 2001 ("Effective Date").

1. Appointment.

a. TeleTech hereby employs Employee as Executive Vice President, General Counsel and Secretary, and Employee hereby accepts such employment with TeleTech.

b. Employee shall devote his full-time and best efforts to the performance of all duties as shall be assigned to him from time to time by TeleTech. Unless otherwise specifically authorized in writing by TeleTech, Employee shall not engage in any other business activity, or otherwise be gainfully employed.

c. Employee acknowledges that, as part of his employment duties hereunder, Employee may be required to perform services for, and serve as an officer and/or director of, subsidiaries and affiliates of TeleTech, on behalf of and as requested by TeleTech, and Employee agrees to perform such duties.

2. Compensation.

a. Salary and Salary Review. Employee's base salary shall be $250,000 per year, payable in equal installments in accordance with TeleTech's standard payroll practice, less legally required withholdings. TeleTech may, in its sole discretion, increase, or decrease in a non-material way, Employee's base salary, as and when TeleTech deems appropriate.

b. Annual Bonus. For each full calendar year hereunder, Employee shall be entitled to an annual bonus targeted at sixty percent of his then current base salary; provided, however, that the actual amount paid to Employee may be higher or lower than the targeted amount at the Company's sole discretion. The precise amount of the bonus shall be determined based on the achievement of a combination of Company performance goals and Employee's personal performance goals. Such goals and their respective weightings shall be reasonably established by the Company in its sole discretion. Any and all bonuses hereunder shall be payable in a lump sum, less legally required withholdings, the year following the calendar year in which the bonus is earned.

3. Stock Options.

a. Employee shall be eligible to participate in a management stock option program ("MSOP") designed to grant stock options to specified executives at the end of each year based on personal achievements and business objectives. If awarded, options granted under the MSOP will vest in equal annual installments over four years unless the Company elects a different vesting schedule generally applicable to Company executives. Grants of options in connection with the MSOP shall be made when and in an amount determined by TeleTech in its sole discretion, and shall be subject to the terms and conditions of a separate stock option agreement to be executed by Employee and TeleTech, and to any terms or conditions of TeleTech's MSOP that may be established, modified or amended from time to time.

4. Fringe benefits.

a. Executive Medical and Dental Insurance. Employee and his dependents shall be eligible for coverage under the group medical and dental insurance plans made available from time to time to TeleTech's executive and management employees, beginning on the Effective Date. TeleTech shall pay premiums for Employee and his dependents under such group medical and dental insurance plans pursuant to the same premium-payment formula applicable to TeleTech's other senior executives.

b. Life Insurance. Subject to Employee's satisfactory completion of a standard medical examination, Employee shall be eligible for, and TeleTech shall provide Employee with, a $4,000,000 term life insurance policy. TeleTech shall pay all premiums relating to such a policy. TeleTech on behalf of Employee will maintain such insurance policy so long as Employee is employed by TeleTech. Employee shall be the owner of such policy and shall have the right to designate the beneficiary or beneficiaries thereof. Upon termination of Employee's employment for any reason, Employee shall have the right to continue and maintain such policy by his payment of future premiums due under the policy.

c. Disability Insurance. Employee shall be eligible to participate in TeleTech's group disability insurance program, as that program may be modified from time to time. Employee shall also be eligible for a Long-Term Disability insurance policy that shall provide Employee 50 percent of Employee's then current base salary and annual bonus (calculated at 80 percent) on the 91st day of a qualifying disability.

d. Miscellaneous benefits. Employee shall receive fringe benefits generally applicable to the other TeleTech executive and management employees that are from time to time in effect.

5. Paid Leave.

a. Vacation. During each calendar year of Employee's continuous, full-time active employment with TeleTech, Employee shall earn, incrementally during each pay period, a total of twenty days of paid vacation time.

b. Sick leave and Holidays. Employee shall receive paid sick leave and holidays under the guidelines for such leave applicable from time to time to TeleTech's executive and management employees.

6. Relationship Between this Agreement and Other TeleTech Publications.

In the event of any conflict between any term of this Agreement and any TeleTech contract, policy, procedure, guideline or other publication, the terms of this Agreement shall control. For the avoidance of doubt, any disputes brought under the Agreement to Protect Confidential Information, Assign Inventions, and Prevent Unfair Competition and Unfair Solicitation ("Confidentiality Agreement"), of even date hereof and signed herewith, shall be governed under paragraphs 9(b) and 9(d) of the Confidentiality Agreement.

7. Term and Termination.

a. Term. The term of this Agreement shall commence on the Effective Date and continue until this Agreement is terminated as specified below.

b. Termination by Consent. This Agreement may be terminated at any time by the parties' written agreement.

c. Termination by TeleTech Without Cause. If TeleTech terminates Employee's employment without "cause" ("cause" as defined in Paragraph 7(d) of this Agreement) during the term of this Agreement, after Employee executes a separation agreement and legal release releasing all claims that legally can be released in a form satisfactory to TeleTech and Employee's continuing compliance with all terms of such separation agreement, as severance compensation TeleTech shall: (i) pay Employee the sum of 18 months of Employee's then-current base salary plus 18 months of Employee's on-target annual bonus (60% of base salary), both payable in 18 equal monthly installments, less legally required withholdings, on the first business day of each month, beginning in the month following the termination date, (ii) provide Employee with such fringe benefits as he was receiving on the date of termination for a period of 18 months; provided, however, Employee shall continue to make required co-payments and premium payments in the amounts or levels existing at the date of termination, and (iii) cause to vest all of Employee's unvested stock options that would have vested under Employee's stock option agreements during the 12 months following the effective date of the termination. All stock options vested as of the effective date of the termination shall, notwithstanding any provision of the stock option agreement(s) or plan(s) pursuant to which they were granted, remain exercisable for a period of 12 months following the effective date of the termination. If TeleTech terminates this Agreement at any time without cause under this paragraph 7(c), pays Employee all salary and compensation earned and unpaid as of the termination date, and offers to provide Employee severance compensation and accelerated option vesting in the

amount and on the terms specified in this paragraph 7(c), TeleTech's acts in doing so shall be in complete accord and satisfaction of any claim that Employee has or may at any time have for compensation or payments of any kind from TeleTech arising from or relating in whole or part to Employee's employment with TeleTech and/or this Agreement. Because this paragraph 7(c) is intended to provide compensation to enable Employee to support himself in the event of Employee's loss of employment under certain circumstances specified herein, Employee's right to severance pay under this paragraph 7(c) shall not be triggered by the sale of all or a portion of TeleTech's stock or assets, unless such sale results in Employee's loss of employment, or Employee thereafter terminates this Agreement for "Good Cause," as that term is defined in paragraph 7(g), below.

d. Termination by TeleTech for Cause. TeleTech may terminate this Agreement effective immediately for cause, upon notice to Employee, with TeleTech's only obligation being the payment of any salary and compensation earned as of the date of termination, and any continuing obligations under Company pension or benefit plans then in effect, and without liability for severance compensation of any kind. For purposes of this Agreement, "cause" exists if Employee breaches any material term of this Agreement, the Confidentiality Agreement or any material TeleTech policy, procedure or guideline, or if Employee engages in any of the following forms of misconduct: conviction of, or a plea of nolo contendre to, any felony or misdemeanor involving dishonesty or moral turpitude; theft or misuse of TeleTech's property or time; use of alcohol or controlled substances on TeleTech's premises or appearing on such premises while intoxicated or under the influence of drugs not prescribed by a physician, or after having knowingly abused prescribed medications (provided, however, that the use of alcohol or appearing intoxicated on TeleTech's premises or at a TeleTech-sanctioned or sponsored event shall not constitute "cause" for termination); illegal use of any controlled substance; illegal gambling on TeleTech's premises; discriminatory or harassing behavior, whether or not illegal under federal, state or local law; willful misconduct in connection with Employee's activities under this Agreement; making any statements, whether written or oral, that disparage or defame the Company; intentionally falsifying any document or making any false or misleading statement relating to Employee's employment by TeleTech.

e. Termination Upon Employee's Death. This Agreement shall terminate immediately upon Employee's death. Thereafter, TeleTech shall pay to Employee's estate all compensation fully earned, and benefits fully vested as of the last date of Employee's continuous, full-time active employment with TeleTech. TeleTech shall not be required to pay any form of severance or other compensation concerning or on account of Employee's employment with TeleTech or the termination thereof.

f. Termination Following Disability. During the first ninety calendar days after a mental or physical condition that renders Employee unable to perform the essential functions of his position with reasonable accommodation (the "Initial Disability Period"), Employee shall continue to receive his base salary pursuant to paragraph 2(a). Thereafter, if Employee qualifies for benefits under TeleTech's long term disability

insurance plan (the "LTD Plan"), then he shall remain on leave for as long as he continues to qualify for such benefits, up to a maximum of 180 consecutive days (the "Long Term Leave Period"). The Long Term Leave Period shall begin on the first day following the end of the Initial Disability Period. During the Long Term Leave Period, Employee shall be entitled to any benefits to which the LTD Plan entitles her, but no additional compensation from TeleTech in the form of salary, performance bonus, new stock option grants, allowances or otherwise. If at the end of the Long Term Leave Period Employee remains unable to perform the essential functions of his position then TeleTech may terminate this Agreement and/or Employee's employment. In the event that TeleTech terminates this Agreement or Employee's employment under this subparagraph 7(f), TeleTech's payment obligation to Employee shall be limited to all compensation fully earned, and benefits fully vested as of the last date of Employee's continuous, full-time active employment with TeleTech. Except as specifically set forth above in this subparagraph 7(f), TeleTech shall not be required to pay any form of severance or other compensation concerning or on account of Employee' employment with TeleTech or the termination thereof. The compensation and benefits under this paragraph are in addition to any other compensation and benefits Employee may receive under any disability or other insurance policy.

g. Termination by Employee. Upon the occurrence of "Good Cause," as that term is defined below, Employee may terminate this Agreement upon forty-five days prior written notice. As used in this paragraph 7(g), "Good Cause" shall mean (i) a material decrease in Employee's base salary and/or a material decrease in Employee's employee benefits (other than pursuant to a general reduction or modification of such salary or benefits generally applicable to TeleTech's senior executives); or (ii) a material change in the responsibilities or duties assigned to Employee, as measured against Employee's responsibilities or duties immediately prior to such change, that causes Employee to be of materially reduced stature or responsibility; or; (iii) the occurrence of circumstances establishing constructive discharge under the common law of the State of Colorado, under which the Company's conduct makes or allows Employee's working conditions to become so intolerable that Employee has no reasonable choice but to resign. However, a constructive discharge does not exist unless a reasonable person would concur with Employee's opinion that the working conditions are intolerable. If Employee terminates this agreement for Good Cause and executes a separation agreement in the form prescribed in paragraph 7(c), above, he shall be entitled to the severance compensation specified in paragraph 7(c), above.

h. Post-Termination Statements. In the event Employee or TeleTech terminates Employee's employment under this Agreement:

i. TeleTech agrees that no TeleTech Executive Officer and no member of the TeleTech Board of Directors (the "Board") shall defame Employee, and that such Executive Officers and Directors shall confine any public comment concerning Employee, except as may be required by law, to a statement that Employee "has chosen to resign from TeleTech." Upon receiving reference requests directed to the

Company's human resources department, TeleTech shall provide to any future potential employers or other third parties no information other than Employee's most recent position and title and level of compensation, unless otherwise requested by Employee or required by law. The parties agree that damages for breach of this paragraph are difficult to ascertain with certainty and, therefore, agree that the best and actual damages for violation of this paragraph by TeleTech will be $200,000.

ii. Employee shall not defame TeleTech, TeleTech's products, services or operations, any TeleTech Executive Officer, or any member of the Board, and shall confine any public comment concerning his separation from TeleTech, except as may be required by law, to a statement that Employee "has chosen to resign from TeleTech." The parties agree that damages for breach of this paragraph are difficult to ascertain with certainty and, therefore, agree that the best and actual damages for violation of this paragraph by Employee will be $200,000.

8. Parachute Payment.

Notwithstanding any other provision of this Agreement or of any other agreement, contract, or understanding heretofore or hereafter entered into by Employee with Company, except an agreement, contract, or understanding hereafter entered into that expressly modifies or excludes application of this paragraph (an "Other Agreement"), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to Employee (including groups or classes of participants or beneficiaries of which Employee is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for Employee (a "Benefit Arrangement"), if Employee is a "disqualified individual," as defined in Section 280G(c) of the Code, any stock options or restricted stock held by Employee and any right to receive any payment or other benefit under this Agreement shall not become exercisable or vested (i) to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for Employee under this Agreement, all Other Agreements, and all Benefit Arrangements, would cause any payment or benefit to Employee under this Agreement to be considered a "parachute payment" within the meaning of Section 280G(b)(2) of the Code as then in effect (a "Parachute Payment") and (ii) if, as a result of receiving a Parachute Payment, the aggregate after-tax amounts received by Employee from the Company under this Agreement, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that could be received by Employee without causing any such payment or benefit to be considered a Parachute Payment. In the event that the receipt of any such right to exercise, vesting, payment, or benefit under this Agreement, in conjunction with all other rights, payments, or benefits to or for Employee under any Other Agreement or any Benefit Arrangement would cause Employee to be considered to have received a Parachute Payment that would have the effect of decreasing the after-tax amount received by Employee as described in clause (ii) of the preceding sentence, then Employee shall have the right, in Employee's sole discretion, to designate those rights, payments, or benefits under this Agreement, any Other Agreements, and any Benefit Arrangements that should be reduced or eliminated

so as to avoid having the payment or benefit to Employee under this Agreement be deemed to be a Parachute Payment.

9. Successors and Assigns.

TeleTech, its successors and assigns may in their sole discretion assign this Agreement to any person or entity, with or without Employee's consent. This Agreement thereafter fully shall bind, and inure to the benefit of, TeleTech's successors or assigns and in the event of a sale of all or a portion of TeleTech's stock or assets, this Agreement shall continue in full force and effect. Employee shall not assign either this Agreement or any right or obligation arising hereunder.

10. Dispute Resolution.

a. Employee and TeleTech agree that in the event of any controversy or claim arising out of or relating to Employee's employment with and/or separation from TeleTech, they shall negotiate in good faith to resolve the controversy or claim privately, amicably and confidentially. Each party may consult with counsel in connection with such negotiations.

b. Excepting only: (1) worker's compensation claims; (2) unemployment compensation claims; (3) proceedings to enforce the terms of the Confidentiality Agreement; and (4) claims brought under the Colorado Wage Act, C.R.S. Sections 8-4-101, et seq., all controversies and claims arising from or relating to Employee's employment with TeleTech and/or the termination of that employment that cannot be resolved by good-faith negotiations ("Arbitrable Disputes") shall be resolved only by final and binding arbitration conducted privately and confidentially in the Denver, Colorado, metropolitan area by a single arbitrator who is a member of the panel of former judges that makes up the Judicial Arbiter Group ("JAG"); any successor of JAG; or, if JAG or any successor is not in existence, any entity that can provide a former judge to serve as arbitrator (collectively, the "Dispute Resolution Service"). Without limiting the generality of the foregoing, the parties understand and agree that this paragraph 10 shall require arbitration of all disputes and claims that may arise at common law, such as breach of contract, express or implied, promissory estoppel, wrongful discharge, tortuous interference with contractual rights, infliction of emotional distress, defamation, or under federal, state or local laws, such as the Fair Labor Standards Act, the Employee Retirement Income Security Act, the National Labor Relations Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Rehabilitation Act of 1973, the Equal Pay Act, the Americans with Disabilities Act, and the Colorado Civil Rights Act. The parties understand and agree that this Agreement evidences a transaction involving commerce within the meaning of 9 U.S.C. Section 2, and that this Agreement shall therefore be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1, et seq.

c. Notwithstanding any statute or rule governing limitations of actions, any arbitration relating to or arising from any Arbitrable Dispute shall be commenced by

service of an arbitration demand before the earlier of the one-year anniversary of the accrual of the aggrieved party's claim pursuant to Colorado law or the one-year anniversary of Employee's last day of employment with TeleTech. Otherwise, all claims that were or could have been brought by the aggrieved party against the other party shall be forever barred.

d. To commence an arbitration pursuant to this Agreement, a party shall serve a written arbitration demand (the "Demand") on the other party by certified mail, return receipt requested, and at the same time submit a copy of the Demand to the Dispute Resolution Service, together with a check payable to the Dispute Resolution Service in the amount of that entity's then-current arbitration filing fee; provided that in no event shall Employee be required to pay an arbitration filing fee exceeding the sum then required to file a civil action in the United States District Court for the District of Colorado. The claimant shall attach a copy of this Agreement to the Demand, which shall also describe the dispute in sufficient detail to advise the respondent of the nature of the dispute, state the date on which the dispute first arose, list the names and addresses of every current or former employee of TeleTech or any affiliate whom the claimant believes does or may have information relating to the dispute, and state with particularity the relief requested by the claimant, including a specific monetary amount, if the claimant seeks a monetary award of any kind. Within thirty days after receiving the Demand, the respondent shall mail to the claimant a written response to the Demand (the "Response"), and submit a copy of the Response to the Dispute Resolution Service, together with a check for the difference (if the respondent is TeleTech), if any, between the filing fee paid by the claimant and the Dispute Resolution Service's then-current arbitration filing fee.

e. Promptly after service of the Response, the parties shall confer in good faith to attempt to agree upon a suitable arbitrator. If the parties are unable to agree upon an arbitrator, the Dispute Resolution Service shall select the arbitrator, based, if possible, on his or his expertise with respect to the subject matter of the Arbitrable Dispute.

f. Notwithstanding the choice-of-law principles of any jurisdiction, the arbitrator shall be bound by and shall resolve all Arbitrable Disputes in accordance with the substantive law of the State of Colorado, federal law as enunciated by the federal courts situated in the Tenth Circuit, and all Colorado and Federal rules relating to the admissibility of evidence, including, without limitation, all relevant privileges and the attorney work product doctrine. Without limiting the generality of the foregoing, in the event of one party's violation of any provision of this agreement, the non-breaching party shall have the right to seek specific performance of that provision against the breaching party.

g. Before the arbitration hearing, TeleTech and Employee shall each be entitled to take a discovery deposition of up to three persons with knowledge of the dispute. Upon the written request of either party, the other party shall promptly produce documents relevant to the Arbitrable Dispute or reasonably likely to lead to the

discovery of admissible evidence. The manner, timing and extent of any further discovery shall be committed to the arbitrator's sound discretion, provided that under no circumstances shall the arbitrator allow more depositions or interrogatories than permitted by the presumptive limitations set forth in F.R.Civ.P. 30(a)(2)(A) and 33(a). The arbitrator shall levy appropriate sanctions, including an award of reasonable attorneys' fees, against any party that fails to cooperate in good faith in discovery permitted by this paragraph 10 or ordered by the arbitrator.

h. Before the arbitration hearing, any party may by motion seek judgment on the pleadings as contemplated by F.R.Civ.P. 12 and/or summary judgment as contemplated by F.R.Civ.P. 56. The other party may file a written response to any such motion, and the moving party may file a written reply to the response. The arbitrator: may in his or his discretion conduct a hearing on any such motion; shall give any such motion due and serious consideration, resolving the motion in accordance with F.R.Civ.P. 12 and/or a F.R.Civ.P. 56, as the case may be, and other governing law, pursuant to paragraph 10(f), and shall issue a written award concerning any such motion no fewer than ten days before any evidentiary hearing conducted on the merits of any claim asserted in the arbitration.

i. Within thirty days after the arbitration hearing is closed, the arbitrator shall issue a written award setting forth his or his decision and the reasons therefor. If a party prevails on a statutory claim that affords the prevailing party the right to recover attorneys' fees and/or costs, then the arbitrator shall award to the party that substantially prevails in the arbitration its costs and expenses, including reasonable attorneys' fees. The arbitrator's award shall be final, nonappealable and binding upon the parties, subject only to the provisions of 9 U.S.C. Section 10, and may be entered as a judgment in any court of competent jurisdiction.

j. The parties agree that reliance upon courts of law and equity can add significant costs and delays to the process of resolving disputes. Accordingly, they recognize that an essence of this Agreement is to provide for the submission of all Arbitrable Disputes to binding arbitration. Therefore, if any court concludes that any provision of this paragraph 10 is void or voidable, the parties understand and agree that the court shall reform each such provision to render it enforceable, but only to the extent absolutely necessary to render the provision enforceable and only in view of the parties' express desire that Arbitrable Disputes be resolved by arbitration and, to the greatest extent permitted by law, in accordance with the principles, limitations and procedures set forth in this Agreement.

k. This paragraph 10 supersedes any prior agreement(s) between the parties, whether oral or written, concerning or relating to arbitration or resolution of any dispute(s) between the parties, except that paragraphs 9(b) and 9(d) of the Confidentiality Agreement shall govern any disputes brought under the Confidentiality Agreement.

11. Miscellaneous.

a. Governing Law. This Agreement, and all other disputes or issues arising from or relating in any way to TeleTech's relationship with Employee, shall be governed by the internal laws of the State of Colorado, irrespective of the choice of law rules of any jurisdiction.

b. Severability. If any court of competent jurisdiction declares any provision of this Agreement invalid or unenforceable, the remainder of the Agreement shall remain fully enforceable. To the extent that any court concludes that any provision of this Agreement is void or voidable, the court shall reform such provision(s) to render the provision(s) enforceable, but only to the extent absolutely necessary to render the provision(s) enforceable.

c. Integration. This Agreement constitutes the entire agreement of the parties and a complete merger of prior negotiations and agreements and, except as provided in paragraph 10(j), shall not be modified by word or deed, except in a writing signed by Employee and an authorized officer of the Company.

d. Waiver. No provision of this Agreement shall be deemed waived, nor shall there be an estoppel against the enforcement of any such provision, except by a writing signed by the party charged with the waiver or estoppel. No waiver shall be deemed continuing unless specifically stated therein, and the written waiver shall operate only as to the specific term or condition waived, and not for the future or as to any act other than that specifically waived.

e. Construction. Headings in this Agreement are for convenience only and shall not control the meaning of this Agreement. Whenever applicable, masculine and neutral pronouns shall equally apply to the feminine genders; the singular shall include the plural and the plural shall include the singular. The parties have reviewed and understand this Agreement, and each has had a full opportunity to negotiate the agreement's terms and to consult with counsel of their own choosing. Therefore, the parties expressly waive all applicable common law and statutory rules of construction that any provision of this Agreement should be construed against the agreement's drafter, and agree that this Agreement and all amendments thereto shall be construed as a whole, according to the fair meaning of the language used.

f. Counterparts and Telecopies. This Agreement may be executed in counterparts, or by copies transmitted by telecopier, which counterparts and/or facsimile transmissions shall have the same force and effect as had the contract been executed in person and in original form.

Employee acknowledges and agrees: that he understands this Agreement; that he enters into it freely, knowingly, and mindful of the fact that it creates important legal obligations and affects his legal rights; and that he understands the need to

consult concerning this Agreement with legal counsel of his own choosing, and has had a full and fair opportunity to do so.

[SIGNATURES FOLLOW]

Employee

- ----------
James B. Kaufman

Date:

TeleTech Holdings, Inc.

By:

As its:

Date:

EXHIBIT 10.65

EMPLOYMENT AGREEMENT

This Agreement is between TeleTech Holdings, Inc., including its subsidiaries, their successors and assigns, their directors, officers, employees and agents (the "Company" or "TeleTech") and Richard S. Erickson ("Employee"), and shall be effective as of May 21, 2001 ("Effective Date").

1. Appointment.

a. Teletech hereby employs Employee as President and General Manager-North America, and Employee hereby accepts accepts such employment with TeleTech.

b. Employee shall devote his full-time and best efforts to the performance of all duties as shall be assigned to him from time to time by TeleTech. Unless otherwise specifically authorized in writing by TeleTech, Employee shall not engage in any other business activity, or otherwise be gainfully employed.

c. Employee acknowledges that, as part of his employment duties hereunder, Employee may be required to perform services for, and serve as an officer and/or director of, subsidiaries and affiliates of TeleTech, on behalf of and as requested by TeleTech, and Employee agrees to perform such duties.

2. Compensation.

a. Salary and Salary Review. Employee's base salary shall be $245,000 per year, payable in equal installments in accordance with TeleTech's standard payroll practice, less legally required withholdings. TeleTech may, in its sole discretion, increase, or decrease in a non-material way, Employee's base salary, as and when TeleTech deems appropriate.

b. Annual Bonus. For each full calendar year hereunder, Employee shall be entitled to an annual bonus targeted at one hundred percent of his then current base salary; provided, however, that the actual amount paid to Employee may be higher or lower than the targeted amount at the Company's sole discretion. The precise amount of the bonus shall be determined based on the achievement of a combination of Company performance goals and Employee's personal performance goals. Such goals and their respective weightings shall be reasonably established by the Company in its sole discretion. Any and all bonuses hereunder shall be payable in a lump sum, less legally required withholdings, the year following the calendar year in which the bonus is earned.

3. Stock Options.

a. Employee shall be eligible to participate in a management stock option program ("MSOP") designed to grant stock options to specified executives at the end of each year based on personal achievements and business objectives. If awarded, options granted under the MSOP will vest in equal annual installments over four years unless the Company elects a different vesting schedule generally applicable to Company executives. Grants of options in connection with the MSOP shall be made when and in an amount determined by TeleTech in its sole discretion, and shall be subject to the terms and conditions of a separate stock option agreement to be executed by Employee and TeleTech, and to any terms or conditions of TeleTech's MSOP that may be established, modified or amended from time to time.

4. Fringe benefits.

a. Medical and Dental Insurance. Employee and his dependents shall be eligible for coverage under the group medical and dental insurance plans made available from time to time to TeleTech's executive and management employees, beginning on the Effective Date. TeleTech shall pay premiums for Employee and his dependents under such group medical and dental insurance plans pursuant to the same premium-payment formula applicable to TeleTech's other senior executives.

b. Life Insurance. Subject to Employee's satisfactory completion of a standard medical examination, Employee shall be eligible for, and TeleTech shall provide Employee with, a $4,000,000 term life insurance policy. TeleTech shall pay all premiums relating to such a policy. TeleTech on behalf of Employee will maintain such insurance policy so long as Employee is employed by TeleTech. Employee shall be the owner of such policy and shall have the right to designate the beneficiary or beneficiaries thereof. Upon termination of Employee's employment for any reason, Employee shall have the right to continue and maintain such policy by his payment of future premiums due under the policy.

c. Disability Insurance. Employee shall be eligible to participate in TeleTech's group disability insurance program, as that program may be modified from time to time. Employee shall also be eligible for a Long-Term Disability insurance policy that shall provide Employee 50 percent of Employee's then current base salary and annual bonus (calculated at 80 percent) on the 91st day of a qualifying disability.

d. Miscellaneous benefits. Employee shall receive fringe benefits generally applicable to the other TeleTech executive and management employees that are from time to time in effect.

5. Paid Leave.

a. Vacation. During each calendar year of Employee's continuous, full-time active employment with TeleTech, Employee shall earn, incrementally during each pay period, a total of twenty days of paid vacation time.

b. Sick leave and Holidays. Employee shall receive paid sick leave and holidays under the guidelines for such leave applicable from time to time to TeleTech's executive and management employees.

6. Relationship Between this Agreement and Other TeleTech Publications.

a. Except as set forth in paragraph (b) below, in the event of any conflict between any term of this Agreement and any TeleTech contract, policy, procedure, guideline or other publication, the terms of this Agreement shall control. For the avoidance of doubt, any disputes brought under the Agreement to Protect Confidential Information, Assign Inventions, and Prevent Unfair Competition and Unfair Solicitation ("Confidentiality Agreement"), of even date hereof and signed herewith, shall be governed under paragraphs 9(b) and 9(d) of the Confidentiality Agreement. Moreover, any proceedings to enforce the terms of the Loan Documents, as defined in paragraph 6b. of this Agreement, shall not be governed by paragraph 10 of this Agreement.

b. TeleTech has made loans to Employee in the original principal amount of $1,000,000.00 (the "Loans"). The Loans are evidenced and/or secured by (a) Promissory Note ("Note 1") dated November 28, 2000 made by Employee to TeleTech in the original principal amount of $150,000.00, (b) Promissory Note ("Note 2") dated March 28, 2001 made by Employee to TeleTech in the original principal amount of $850,000.00 and (c) Loan and Security Agreement (the "Loan Agreement") dated March 28, 2001 between Employee and TeleTech (Note 1, Note 2, and the Loan Agreement, collectively are the "Loan Documents.") The Loan Documents are in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms of the Loan Documents and this Agreement, the terms of the Loan Documents shall control.

7. Term and Termination.

a. Term. The term of this Agreement shall commence on the Effective Date and continue until this Agreement is terminated as specified below.

b. Termination by Consent. This Agreement may be terminated at any time by the parties' written agreement.

c. Termination by TeleTech Without Cause. If TeleTech terminates Employee's employment without "cause" ("cause" as defined in Paragraph 7(d) of this Agreement) during the term of this Agreement, after Employee executes a separation agreement and legal release releasing all claims that legally can be released in a form satisfactory to TeleTech and Employee's continuing compliance with all terms of such separation agreement, as severance compensation TeleTech shall: (i) pay Employee

the sum of 18 months of Employee's then-current base salary plus 18 months of Employee's on-target annual bonus (100% of base salary), both payable in 18 equal monthly installments, less legally required withholdings, on the first business day of each month, beginning in the month following the termination date, (ii) provide Employee with such fringe benefits as he was receiving on the date of termination for a period of 18 months; provided, however, Employee shall continue to make required co-payments and premium payments in the amounts or levels existing at the date of termination, and (iii) cause to vest all of Employee's unvested stock options that would have vested under Employee's stock option agreements during the 12 months following the effective date of the termination. All stock options vested as of the effective date of the termination shall, notwithstanding any provision of the stock option agreement(s) or plan(s) pursuant to which they were granted, remain exercisable for a period of 12 months following the effective date of the termination. If TeleTech terminates this Agreement at any time without cause under this paragraph 7(c), pays Employee all salary and compensation earned and unpaid as of the termination date, and offers to provide Employee severance compensation and accelerated option vesting in the amount and on the terms specified in this paragraph 7(c), TeleTech's acts in doing so shall be in complete accord and satisfaction of any claim that Employee has or may at any time have for compensation or payments of any kind from TeleTech arising from or relating in whole or part to Employee's employment with TeleTech and/or this Agreement. Because this paragraph 7(c) is intended to provide compensation to enable Employee to support himself in the event of Employee's loss of employment under certain circumstances specified herein, Employee's right to severance pay under this paragraph 7(c) shall not be triggered by the sale of all or a portion of TeleTech's stock or assets, unless such sale results in Employee's loss of employment, or Employee thereafter terminates this Agreement for "Good Cause," as that term is defined in paragraph 7(g), below.

d. Termination by TeleTech for Cause. TeleTech may terminate this Agreement effective immediately for cause, upon notice to Employee, with TeleTech's only obligation being the payment of any salary and compensation earned as of the date of termination, and any continuing obligations under Company pension or benefit plans then in effect, and without liability for severance compensation of any kind. For purposes of this Agreement, "cause" exists if Employee breaches any material term of this Agreement, the Confidentiality Agreement or any material TeleTech policy, procedure or guideline, or if Employee engages in any of the following forms of misconduct: conviction of, or a plea of nolo contendre to, any felony or misdemeanor involving dishonesty or moral turpitude; theft or misuse of TeleTech's property or time; use of alcohol or controlled substances on TeleTech's premises or appearing on such premises while intoxicated or under the influence of drugs not prescribed by a physician, or after having knowingly abused prescribed medications (provided, however, that the use of alcohol or appearing intoxicated on TeleTech's premises or at a TeleTech-sanctioned or sponsored event shall not constitute "cause" for termination); illegal use of any controlled substance; illegal gambling on TeleTech's premises; discriminatory or harassing behavior, whether or not illegal under federal, state or local law; willful misconduct in connection with Employee's activities under this Agreement;

making any statements, whether written or oral, that disparage or defame the Company; intentionally falsifying any document or making any false or misleading statement relating to Employee's employment by TeleTech.

e. Termination Upon Employee's Death. This Agreement shall terminate immediately upon Employee's death. Thereafter, TeleTech shall pay to Employee's estate all compensation fully earned, and benefits fully vested as of the last date of Employee's continuous, full-time active employment with TeleTech. TeleTech shall not be required to pay any form of severance or other compensation concerning or on account of Employee's employment with TeleTech or the termination thereof.

f. Termination Following Disability. During the first ninety calendar days after a mental or physical condition that renders Employee unable to perform the essential functions of his position with reasonable accommodation (the "Initial Disability Period"), Employee shall continue to receive his base salary pursuant to paragraph 2(a). Thereafter, if Employee qualifies for benefits under TeleTech's long term disability insurance plan (the "LTD Plan"), then he shall remain on leave for as long as he continues to qualify for such benefits, up to a maximum of 180 consecutive days (the "Long Term Leave Period"). The Long Term Leave Period shall begin on the first day following the end of the Initial Disability Period. During the Long Term Leave Period, Employee shall be entitled to any benefits to which the LTD Plan entitles her, but no additional compensation from TeleTech in the form of salary, performance bonus, new stock option grants, allowances or otherwise. If at the end of the Long Term Leave Period Employee remains unable to perform the essential functions of his position then TeleTech may terminate this Agreement and/or Employee's employment. In the event that TeleTech terminates this Agreement or Employee's employment under this subparagraph 7(f), TeleTech's payment obligation to Employee shall be limited to all compensation fully earned, and benefits fully vested as of the last date of Employee's continuous, full-time active employment with TeleTech. Except as specifically set forth above in this subparagraph 7(f), TeleTech shall not be required to pay any form of severance or other compensation concerning or on account of Employee' employment with TeleTech or the termination thereof. The compensation and benefits under this paragraph are in addition to any other compensation and benefits Employee may receive under any disability or other insurance policy.

g. Termination by Employee. Upon the occurrence of "Good Cause," as that term is defined below, Employee may terminate this Agreement upon forty-five days prior written notice. As used in this paragraph 7(g), "Good Cause" shall mean (i) a material decrease in Employee's base salary and/or a material decrease in Employee's employee benefits (other than pursuant to a general reduction or modification of such salary or benefits generally applicable to TeleTech's senior executives); or (ii) a material change in the responsibilities or duties assigned to Employee, as measured against Employee's responsibilities or duties immediately prior to such change, that causes Employee to be of materially reduced stature or responsibility; or; (iii) the occurrence of circumstances establishing constructive discharge under the common law of the State of Colorado, under which the Company's

conduct makes or allows Employee's working conditions to become so intolerable that Employee has no reasonable choice but to resign. However, a constructive discharge does not exist unless a reasonable person would concur with Employee's opinion that the working conditions are intolerable. If Employee terminates this agreement for Good Cause and executes a separation agreement in the form prescribed in paragraph 7(c), above, he shall be entitled to the severance compensation specified in paragraph 7(c), above.

h. Post-Termination Statements. In the event Employee or TeleTech terminates Employee's employment under this Agreement:

i. TeleTech agrees that no TeleTech Executive Officer and no member of the TeleTech Board of Directors (the "Board") shall defame Employee, and that such Executive Officers and Directors shall confine any public comment concerning Employee, except as may be required by law, to a statement that Employee "has chosen to resign from TeleTech." Upon receiving reference requests directed to the Company's human resources department, TeleTech shall provide to any future potential employers or other third parties no information other than Employee's most recent position and title and level of compensation, unless otherwise requested by Employee or required by law. The parties agree that damages for breach of this paragraph are difficult to ascertain with certainty and, therefore, agree that the best and actual damages for violation of this paragraph by TeleTech will be $200,000.

ii. Employee shall not defame TeleTech, TeleTech's products, services or operations, any TeleTech Executive Officer, or any member of the Board, and shall confine any public comment concerning his separation from TeleTech, except as may be required by law, to a statement that Employee "has chosen to resign from TeleTech." The parties agree that damages for breach of this paragraph are difficult to ascertain with certainty and, therefore, agree that the best and actual damages for violation of this paragraph by Employee will be $200,000.

8. Parachute Payment.

Notwithstanding any other provision of this Agreement or of any other agreement, contract, or understanding heretofore or hereafter entered into by Employee with Company, except an agreement, contract, or understanding hereafter entered into that expressly modifies or excludes application of this paragraph (an "Other Agreement"), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to Employee (including groups or classes of participants or beneficiaries of which Employee is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for Employee (a "Benefit Arrangement"), if Employee is a "disqualified individual," as defined in Section 280G(c) of the Code, any stock options or restricted stock held by Employee and any right to receive any payment or other benefit under this Agreement shall not become exercisable or vested (i) to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to

or for Employee under this Agreement, all Other Agreements, and all Benefit Arrangements, would cause any payment or benefit to Employee under this Agreement to be considered a "parachute payment" within the meaning of Section 280G(b)(2) of the Code as then in effect (a "Parachute Payment") and (ii) if, as a result of receiving a Parachute Payment, the aggregate after-tax amounts received by Employee from the Company under this Agreement, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that could be received by Employee without causing any such payment or benefit to be considered a Parachute Payment. In the event that the receipt of any such right to exercise, vesting, payment, or benefit under this Agreement, in conjunction with all other rights, payments, or benefits to or for Employee under any Other Agreement or any Benefit Arrangement would cause Employee to be considered to have received a Parachute Payment that would have the effect of decreasing the after-tax amount received by Employee as described in clause (ii) of the preceding sentence, then Employee shall have the right, in Employee's sole discretion, to designate those rights, payments, or benefits under this Agreement, any Other Agreements, and any Benefit Arrangements that should be reduced or eliminated so as to avoid having the payment or benefit to Employee under this Agreement be deemed to be a Parachute Payment.

9. Successors and Assigns.

TeleTech, its successors and assigns may in their sole discretion assign this Agreement to any person or entity, with or without Employee's consent. This Agreement thereafter fully shall bind, and inure to the benefit of, TeleTech's successors or assigns and in the event of a sale of all or a portion of TeleTech's stock or assets, this Agreement shall continue in full force and effect. Employee shall not assign either this Agreement or any right or obligation arising hereunder.

10. Dispute Resolution.

a. Employee and TeleTech agree that in the event of any controversy or claim arising out of or relating to Employee's employment with and/or separation from TeleTech, they shall negotiate in good faith to resolve the controversy or claim privately, amicably and confidentially. Each party may consult with counsel in connection with such negotiations.

b. Excepting only: (1) worker's compensation claims; (2) unemployment compensation claims; (3) proceedings to enforce the terms of the Confidentiality Agreement; (4) proceedings to enforce the terms of the Loan Documents; and (5) claims brought under the Colorado Wage Act, C.R.S. Sections 8-4-101, et seq., -------

all controversies and claims arising from or relating to Employee's employment with TeleTech and/or the termination of that employment that cannot be resolved by good-faith negotiations ("Arbitrable Disputes") shall be resolved only by final and binding arbitration conducted privately and confidentially in the Denver, Colorado, metropolitan area by a single arbitrator who is a member of the panel of former judges that makes up the Judicial Arbiter Group ("JAG"); any successor of JAG; or, if JAG or any successor is

not in existence, any entity that can provide a former judge to serve as arbitrator (collectively, the "Dispute Resolution Service"). Without limiting the generality of the foregoing, the parties understand and agree that this paragraph 10 shall require arbitration of all disputes and claims that may arise at common law, such as breach of contract, express or implied, promissory estoppel, wrongful discharge, tortuous interference with contractual rights, infliction of emotional distress, defamation, or under federal, state or local laws, such as the Fair Labor Standards Act, the Employee Retirement Income Security Act, the National Labor Relations Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Rehabilitation Act of 1973, the Equal Pay Act, the Americans with Disabilities Act, and the Colorado Civil Rights Act. The parties understand and agree that this Agreement evidences a transaction involving commerce within the meaning of 9 U.S.C. Section 2, and that this Agreement shall therefore be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1, et seq.

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c. Notwithstanding any statute or rule governing limitations of actions, any arbitration relating to or arising from any Arbitrable Dispute shall be commenced by service of an arbitration demand before the earlier of the one-year anniversary of the accrual of the aggrieved party's claim pursuant to Colorado law or the one-year anniversary of Employee's last day of employment with TeleTech. Otherwise, all claims that were or could have been brought by the aggrieved party against the other party shall be forever barred.

d. To commence an arbitration pursuant to this Agreement, a party shall serve a written arbitration demand (the "Demand") on the other party by certified mail, return receipt requested, and at the same time submit a copy of the Demand to the Dispute Resolution Service, together with a check payable to the Dispute Resolution Service in the amount of that entity's then-current arbitration filing fee; provided that in no event shall Employee be required to pay an arbitration filing fee exceeding the sum then required to file a civil action in the United States District Court for the District of Colorado. The claimant shall attach a copy of this Agreement to the Demand, which shall also describe the dispute in sufficient detail to advise the respondent of the nature of the dispute, state the date on which the dispute first arose, list the names and addresses of every current or former employee of TeleTech or any affiliate whom the claimant believes does or may have information relating to the dispute, and state with particularity the relief requested by the claimant, including a specific monetary amount, if the claimant seeks a monetary award of any kind. Within thirty days after receiving the Demand, the respondent shall mail to the claimant a written response to the Demand (the "Response"), and submit a copy of the Response to the Dispute Resolution Service, together with a check for the difference (if the respondent is TeleTech), if any, between the filing fee paid by the claimant and the Dispute Resolution Service's then-current arbitration filing fee.

e. Promptly after service of the Response, the parties shall confer in good faith to attempt to agree upon a suitable arbitrator. If the parties are unable to agree upon an arbitrator, the Dispute Resolution Service shall select the arbitrator,

based, if possible, on his or his expertise with respect to the subject matter of the Arbitrable Dispute.

f. Notwithstanding the choice-of-law principles of any jurisdiction, the arbitrator shall be bound by and shall resolve all Arbitrable Disputes in accordance with the substantive law of the State of Colorado, federal law as enunciated by the federal courts situated in the Tenth Circuit, and all Colorado and Federal rules relating to the admissibility of evidence, including, without limitation, all relevant privileges and the attorney work product doctrine. Without limiting the generality of the foregoing, in the event of one party's violation of any provision of this agreement, the non-breaching party shall have the right to seek specific performance of that provision against the breaching party.

g. Before the arbitration hearing, TeleTech and Employee shall each be entitled to take a discovery deposition of up to three persons with knowledge of the dispute. Upon the written request of either party, the other party shall promptly produce documents relevant to the Arbitrable Dispute or reasonably likely to lead to the discovery of admissible evidence. The manner, timing and extent of any further discovery shall be committed to the arbitrator's sound discretion, provided that under no circumstances shall the arbitrator allow more depositions or interrogatories than permitted by the presumptive limitations set forth in F.R.Civ.P. 30(a)(2)(A) and 33(a). The arbitrator shall levy appropriate sanctions, including an award of reasonable attorneys' fees, against any party that fails to cooperate in good faith in discovery permitted by this paragraph 10 or ordered by the arbitrator.

h. Before the arbitration hearing, any party may by motion seek judgment on the pleadings as contemplated by F.R.Civ.P. 12 and/or summary judgment as contemplated by F.R.Civ.P. 56. The other party may file a written response to any such motion, and the moving party may file a written reply to the response. The arbitrator: may in his or his discretion conduct a hearing on any such motion; shall give any such motion due and serious consideration, resolving the motion in accordance with F.R.Civ.P. 12 and/or a F.R.Civ.P. 56, as the case may be, and other governing law, pursuant to paragraph 10(f), and shall issue a written award concerning any such motion no fewer than ten days before any evidentiary hearing conducted on the merits of any claim asserted in the arbitration.

i. Within thirty days after the arbitration hearing is closed, the arbitrator shall issue a written award setting forth his or his decision and the reasons therefor. If a party prevails on a statutory claim that affords the prevailing party the right to recover attorneys' fees and/or costs, then the arbitrator shall award to the party that substantially prevails in the arbitration its costs and expenses, including reasonable attorneys' fees. The arbitrator's award shall be final, nonappealable and binding upon the parties, subject only to the provisions of 9 U.S.C. Section 10, and may be entered as a judgment in any court of competent jurisdiction.

j. The parties agree that reliance upon courts of law and equity can add significant costs and delays to the process of resolving disputes. Accordingly, they recognize that an essence of this Agreement is to provide for the submission of all Arbitrable Disputes to binding arbitration. Therefore, if any court concludes that any provision of this paragraph 10 is void or voidable, the parties understand and agree that the court shall reform each such provision to render it enforceable, but only to the extent absolutely necessary to render the provision enforceable and only in view of the parties' express desire that Arbitrable Disputes be resolved by arbitration and, to the greatest extent permitted by law, in accordance with the principles, limitations and procedures set forth in this Agreement.

k. This paragraph 10 supersedes any prior agreement(s) between the parties, whether oral or written, concerning or relating to arbitration or resolution of any dispute(s) between the parties, except that paragraphs 9(b) and 9(d) of the Confidentiality Agreement shall govern any disputes brought under the Confidentiality Agreement and any proceedings to enforce the terms of the Loan Documents shall not be governed by paragraph 10 of this Agreement.
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11. Miscellaneous.
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a. Governing Law. This Agreement, and all other disputes or issues arising from or relating in any way to TeleTech's relationship with Employee, shall be governed by the internal laws of the State of Colorado, irrespective of the choice of law rules of any jurisdiction.

b. Severability. If any court of competent jurisdiction declares any provision of this Agreement invalid or unenforceable, the remainder of the Agreement shall remain fully enforceable. To the extent that any court concludes that any provision of this Agreement is void or voidable, the court shall reform such provision(s) to render the provision(s) enforceable, but only to the extent absolutely necessary to render the provision(s) enforceable.

c. Integration. This Agreement constitutes the entire agreement of the parties and a complete merger of prior negotiations and agreements and, except as provided in paragraph 10(j), shall not be modified by word or deed, except in a writing signed by Employee and an authorized officer of the Company.

d. Waiver. No provision of this Agreement shall be deemed waived, nor shall there be an estoppel against the enforcement of any such provision, except by a writing signed by the party charged with the waiver or estoppel. No waiver shall be deemed continuing unless specifically stated therein, and the written waiver shall operate only as to the specific term or condition waived, and not for the future or as to any act other than that specifically waived.

e. Construction. Headings in this Agreement are for convenience only and shall not control the meaning of this Agreement. Whenever applicable, masculine and neutral pronouns shall equally apply to the feminine genders; the singular shall include the plural and the plural shall include the singular. The parties have reviewed and understand this Agreement, and each has had a full opportunity to negotiate the agreement's terms and to consult with counsel of their own choosing. Therefore, the parties expressly waive all applicable common law and statutory rules of construction that any provision of this Agreement should be construed against the agreement's drafter, and agree that this Agreement and all amendments thereto shall be construed as a whole, according to the fair meaning of the language used.

f. Counterparts and Telecopies. This Agreement may be executed in counterparts, or by copies transmitted by telecopier, which counterparts and/or facsimile transmissions shall have the same force and effect as had the contract been executed in person and in original form.

Employee acknowledges and agrees: that he understands this Agreement; that he enters into it freely, knowingly, and mindful of the fact that it creates important legal obligations and affects his legal rights; and that he understands the need to consult concerning this Agreement with legal counsel of his own choosing, and has had a full and fair opportunity to do so.

[SIGNATURES FOLLOW]

Employee

By: _____
Richard S. Erickson

Date: _____

TeleTech Holdings, Inc.

By: _____

As its: _____

Date: _____

Exhibit 10.66

EMPLOYMENT AGREEMENT

This Agreement is between TeleTech Holdings, Inc., including its subsidiaries, their successors and assigns, their directors, officers, employees and agents (the "Company" or "TeleTech") and James E. Barlett ("Employee"), and shall be effective as of October 15, 2001 ("Effective Date").

1. Appointment.

a. TeleTech hereby employs Employee as Vice Chairman, and Employee hereby accepts such employment with TeleTech.

b. Employee shall devote his full-time and best efforts to the performance of all duties as shall be assigned to him from time to time by TeleTech. Unless otherwise specifically authorized in writing by TeleTech, Employee shall not engage in any other business activity, or otherwise be gainfully employed.

c. Employee acknowledges that, as part of his employment duties hereunder, Employee may be required to perform services for, and serve as an officer and/or director of, subsidiaries and affiliates of TeleTech, on behalf of and as requested by TeleTech, and Employee agrees to perform such duties.

2. Compensation.

a. Salary and Salary Review. Employee's base salary shall be $250,000 per year, payable in equal installments in accordance with TeleTech's standard payroll practice, less legally required withholdings. TeleTech may, in its sole discretion, increase, or decrease in a non-material way, Employee's base salary, as and when TeleTech deems appropriate.

b. Sign On Bonus. On Employee's first day of employment, Company shall grant Employee 50,000 restricted shares of the Company's common stock at par value $.01 per share (the "Sign On Grant"). This grant shall be made pursuant to and subject to the terms and conditions of TeleTech's 1999 Non-Qualified Stock Option and Incentive Plan (the "Plan") and an agreement that shall provide, among other things, that the restriction shall lapse after four years from the grant date subject to certain events of accelerated lapsing, all as further set forth in the agreement. The shares of restricted stock issued pursuant to the Sign On Grant have not been registered under the Securities Act of 1933, as amended (the "Act") and are `restricted securities' as that term is defined in Rule 144 under the Act. The shares may not be offered for sale, sold or otherwise transferred except pursuant to an effective registration statement under the Act, or pursuant to an exemption from registration under the Act.

c. Restricted Stock Grant. On Employee's first day of employment, Company shall grant Employee 200,000 shares of the Company's common stock at par value $.01 per share (the "New Employment Grant"). This grant shall be made pursuant to and subject to the terms and conditions of TeleTech's 1999 Non-Qualified Stock Option and Incentive Plan (the "Plan") and an agreement that shall provide, among other things, that the restriction shall lapse on 100,000 shares two years from the grant date, and the restriction shall lift on the remaining 100,000 shares 4 years from the grant date subject to certain events of accelerated lapsing, all as further set forth in the agreement. The shares of restricted stock issued pursuant to the New Employment Grant have not been registered under the Act and are `restricted securities' as that term is defined in Rule 144 under the Act. The shares may not be offered for sale, sold or otherwise transferred except pursuant to an effective registration statement under the Act, or pursuant to an exemption from registration under the Act.

d. Stock Options.

i. On Employee's first day of employment, the Company shall grant Employee a non-qualified option to purchase 400,000 shares of the Company's common stock at an exercise price equal to the closing price on the date of the grant as reported by the NASDAQ national stock market. This grant shall be made pursuant to and subject to the terms and conditions of the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan, as amended (the "Plan") and a stock option agreement that shall provide, among other things, that this option shall vest in equal annual installments over a four year period subject to certain events of accelerated vesting, all as further set forth in the stock option agreement.

ii. Employee shall be eligible to participate in a management stock option program ("MSOP") designed to grant stock options to specified executives annually based on personal achievements and business objectives. If awarded, options granted under the MSOP shall vest in equal annual installments over four years unless the Company elects a different vesting schedule generally applicable to Company executives. Grants of options in connection with the MSOP shall be made when determined by TeleTech in its sole discretion, except that if a MSOP grant is made, the minimum grant to Employee shall be 50,000 stock options. Any MSOP grant shall be subject to the terms and conditions of a separate stock option agreement to be executed by Employee and TeleTech, and to any terms or conditions of TeleTech's MSOP that may be established, modified or amended from time to time.

3. Fringe benefits.

a. Medical and Dental Insurance. Employee and his dependents shall be eligible for coverage under the group medical and dental insurance plans made available from time to time to TeleTech's executive and management employees, beginning on the Effective Date. TeleTech shall pay premiums for Employee and his dependents under such group medical and dental insurance plans pursuant to the same premium-payment formula applicable to TeleTech's other senior executives.

b. Life Insurance. Subject to Employee's satisfactory completion of a standard medical examination, Employee shall be eligible for, and TeleTech shall provide Employee with, a $4,000,000 term life insurance policy. TeleTech shall pay all premiums relating to such a policy. TeleTech on behalf of Employee will maintain such insurance policy so long as Employee is employed by TeleTech. Employee shall be the owner of such policy and shall have the right to designate the beneficiary or beneficiaries thereof. Upon termination of Employee's employment for any reason, Employee shall have the right to continue and maintain such policy by his payment of future premiums due under the policy.

c. Disability Insurance. Employee shall be eligible to participate in TeleTech's group disability insurance program, as that program may be modified from time to time. Employee shall also be eligible for a Long-Term Disability insurance policy that shall provide Employee 50 percent of Employee's then current base salary and annual bonus (calculated at 80 percent) on the 91st day of a qualifying disability.

d. Financial Planning Allowance. Company shall reimburse Employee up to $10,000 annually for financial planning services incurred by Employee through a financial planning professional of Employee's choice.

e. Miscellaneous benefits. Employee shall receive fringe benefits generally applicable to the other TeleTech executive and management employees that are from time to time in effect.

4. One Time Relocation Allowance.

Company shall provide Employee a relocation allowance for his move from Chicago to Denver. Company shall reimburse Employee for reasonable and customary relocation expenses up to $100,000 (grossed up for income tax purposes) in accordance with TeleTech's policy.

5. Paid Leave.

a. Vacation. During each calendar year of Employee's continuous, full-time active employment with TeleTech, Employee shall earn, incrementally during each pay period, a total of twenty days of paid vacation time.

b. Sick leave and Holidays. Employee shall receive paid sick leave and holidays under the guidelines for such leave applicable from time to time to TeleTech's executive and management employees.

6. Relationship Between this Agreement and Other TeleTech Publications.

In the event of any conflict between any term of this Agreement and any TeleTech contract, policy, procedure, guideline or other publication, the terms of this Agreement shall control. For the avoidance of doubt, any disputes brought under the Agreement to Protect Confidential Information, Assign Inventions, and Prevent Unfair Competition and Unfair Solicitation ("Confidentiality Agreement"), of even date hereof and signed herewith, shall be governed under paragraphs 9(b) and 9(d) of the Confidentiality Agreement.

7. Term and Termination.

a. Term. The term of this Agreement shall commence on the Effective Date and continue until this Agreement is terminated as specified below.

b. Termination by Consent. This Agreement may be terminated at any time by the parties' written agreement.

c. Termination by TeleTech Without Cause. If TeleTech terminates Employee's employment without "cause" ("cause" as defined in Paragraph 7(d) of this Agreement) during the term of this Agreement, after Employee executes a separation agreement and legal release releasing all claims that legally can be released in a form satisfactory to TeleTech and Employee's continuing compliance with all terms of such separation agreement, as severance compensation TeleTech shall: (i) pay Employee the sum of 24 months of Employee's then-current base salary, payable in 24 equal monthly installments, less legally required withholdings, on the first business day of each month, beginning in the month following the termination date, (ii) provide Employee with such fringe benefits as he was receiving on the date of termination for a period of 24 months; provided, however, Employee shall continue to make required co-payments and premium payments in the amounts or levels existing at the date of termination, (iii) cause to vest all of Employee's unvested stock options that would have vested under Employee's stock option agreements during the 12 months following the effective date of the termination. All stock options vested as of the effective date of the termination shall, notwithstanding any provision of the stock option agreement(s) or plan(s) pursuant to which they were granted, remain exercisable for a period of 12 months following the effective date of the termination, and (iv) cause to lapse the restriction on 100,000 shares of restricted stock issued in the New Employment Grant if any restriction remains. If TeleTech terminates this Agreement at any time without cause under this paragraph 7(c), pays Employee all salary and compensation earned and unpaid as of the termination date, and offers to provide Employee severance compensation, accelerated option vesting and causes to lapse share restrictions in the amount and on the terms specified in this paragraph 7(c), TeleTech's acts in doing so shall be in complete accord and satisfaction of any claim that Employee has or may at any time have for compensation or payments of any kind from TeleTech arising from or relating in whole or part to Employee's employment with TeleTech and/or this Agreement. Because this paragraph 7(c) is intended to provide compensation to enable Employee to support himself in the event of Employee's loss of employment under

certain circumstances specified herein, Employee's right to severance pay under this paragraph 7(c) shall not be triggered by the sale of all or a portion of TeleTech's stock or assets, unless such sale results in Employee's loss of employment, or Employee thereafter terminates this Agreement for "Good Cause," as that term is defined in paragraph 7(g), below.

d. Termination by TeleTech for Cause. TeleTech may terminate this Agreement effective immediately for cause, upon notice to Employee, with TeleTech's only obligation being the payment of any salary and compensation earned as of the date of termination, and any continuing obligations under Company pension or benefit plans then in effect, and without liability for severance compensation of any kind. For purposes of this Agreement, "cause" exists if Employee breaches any material term of this Agreement, the Confidentiality Agreement or any material TeleTech policy, procedure or guideline, or if Employee engages in any of the following forms of misconduct: conviction of, or a plea of nolo contendre to, any felony or misdemeanor involving dishonesty or moral turpitude; theft or misuse of TeleTech's property or time; use of alcohol or controlled substances on TeleTech's premises or appearing on such premises while intoxicated or under the influence of drugs not prescribed by a physician, or after having knowingly abused prescribed medications (provided, however, that the use of alcohol or appearing intoxicated on TeleTech's premises or at a TeleTech-sanctioned or sponsored event shall not constitute "cause" for termination); illegal use of any controlled substance; illegal gambling on TeleTech's premises; discriminatory or harassing behavior, whether or not illegal under federal, state or local law; willful misconduct in connection with Employee's activities under this Agreement; making any statements, whether written or oral, that disparage or defame the Company; intentionally falsifying any document or making any false or misleading statement relating to Employee's employment by TeleTech.

e. Termination Upon Employee's Death. This Agreement shall terminate immediately upon Employee's death. Thereafter, TeleTech shall pay to Employee's estate all compensation fully earned, and benefits fully vested as of the last date of Employee's continuous, full-time active employment with TeleTech. TeleTech shall not be required to pay any form of severance or other compensation concerning or on account of Employee's employment with TeleTech or the termination thereof.

f. Termination Following Disability. During the first ninety calendar days after a mental or physical condition that renders Employee unable to perform the essential functions of his position with reasonable accommodation (the "Initial Disability Period"), Employee shall continue to receive his base salary pursuant to paragraph 2(a). Thereafter, if Employee qualifies for benefits under TeleTech's long term disability insurance plan (the "LTD Plan"), then he shall remain on leave for as long as he continues to qualify for such benefits, up to a maximum of 180 consecutive days (the "Long Term Leave Period"). The Long Term Leave Period shall begin on the first day following the end of the Initial Disability Period. During the Long Term Leave Period, Employee shall be entitled to any benefits to which the LTD Plan entitles her, but no additional compensation from TeleTech in the form of salary, performance bonus, new

stock option grants, allowances or otherwise. If at the end of the Long Term Leave Period Employee remains unable to perform the essential functions of his position then TeleTech may terminate this Agreement and/or Employee's employment. In the event that TeleTech terminates this Agreement or Employee's employment under this subparagraph 7(f), TeleTech's payment obligation to Employee shall be limited to all compensation fully earned, and benefits fully vested as of the last date of Employee's continuous, full-time active employment with TeleTech. Except as specifically set forth above in this subparagraph 7(f), TeleTech shall not be required to pay any form of severance or other compensation concerning or on account of Employee' employment with TeleTech or the termination thereof. The compensation and benefits under this paragraph are in addition to any other compensation and benefits Employee may receive under any disability or other insurance policy.

g. Termination by Employee. Upon the occurrence of "Good Cause," as that term is defined below, Employee may terminate this Agreement upon forty-five days prior written notice. As used in this paragraph 7(g), "Good Cause" shall mean (i) a material decrease in Employee's base salary and/or a material decrease in Employee's employee benefits (other than pursuant to a general reduction or modification of such salary or benefits generally applicable to TeleTech's senior executives); or (ii) a material change in the responsibilities or duties assigned to Employee, as measured against Employee's responsibilities or duties immediately prior to such change, that causes Employee to be of materially reduced stature or responsibility; or; (iii) the occurrence of circumstances establishing constructive discharge under the common law of the State of Colorado, under which the Company's conduct makes or allows Employee's working conditions to become so intolerable that Employee has no reasonable choice but to resign. However, a constructive discharge does not exist unless a reasonable person would concur with Employee's opinion that the working conditions are intolerable. If Employee terminates this agreement for Good Cause and executes a separation agreement in the form prescribed in paragraph 7(c), above, he shall be entitled to the severance compensation specified in paragraph 7(c), above.

h. Post-Termination Statements. In the event Employee or TeleTech terminates Employee's employment under this Agreement:

i. TeleTech agrees that no TeleTech Executive Officer and no member of the TeleTech Board of Directors (the "Board") shall defame Employee, and that such Executive Officers and Directors shall confine any public comment concerning Employee, except as may be required by law, to a statement that Employee "has chosen to resign from TeleTech." Upon receiving reference requests directed to the Company's human resources department, TeleTech shall provide to any future potential employers or other third parties no information other than Employee's most recent position and title and level of compensation, unless otherwise requested by Employee or required by law. The parties agree that damages for breach of this paragraph are difficult to ascertain with certainty and, therefore, agree that the best and actual damages for violation of this paragraph by TeleTech will be $200,000.

ii. Employee shall not defame TeleTech, TeleTech's products, services or operations, any TeleTech Executive Officer, or any member of the Board, and shall confine any public comment concerning his separation from TeleTech, except as may be required by law, to a statement that Employee "has chosen to resign from TeleTech." The parties agree that damages for breach of this paragraph are difficult to ascertain with certainty and, therefore, agree that the best and actual damages for violation of this paragraph by Employee will be $200,000.

i. Resignation from Board of Directors upon Termination. Upon termination of employment for any reason, Employee shall immediately resign from service as Member of the Board of Directors and as a member of any Committees of the Board of Directors of TeleTech.

8. Parachute Payment.

Notwithstanding any other provision of this Agreement or of any other agreement, contract, or understanding heretofore or hereafter entered into by Employee with Company, except an agreement, contract, or understanding hereafter entered into that expressly modifies or excludes application of this paragraph (an "Other Agreement"), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to Employee (including groups or classes of participants or beneficiaries of which Employee is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for Employee (a "Benefit Arrangement"), if Employee is a "disqualified individual," as defined in Section 280G(c) of the Internal Revenue Code (the "Code"), and if (i) any stock options or restricted stock held by Employee and any right to receive any payment or other benefit under this Agreement to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for Employee under this Agreement, all Other Agreements, and all Benefit Arrangements, would cause any payment or benefit to Employee under this Agreement to be considered a "parachute payment" within the meaning of Section 280G(b)(2) of the Code as then in effect (a "Parachute Payment") and (ii) as a result of receiving a Parachute Payment, the aggregate after-tax amounts received by Employee from the Company under this Agreement, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that could be received by Employee without causing any such payment or benefit to be considered a Parachute Payment then Employee shall have the right, in Employee's sole discretion, to designate those rights, payments, or benefits under this Agreement, any Other Agreements, and any Benefit Arrangements that should be reduced or eliminated so as to avoid having the payment or benefit to Employee under this Agreement be deemed to be a Parachute Payment.

9. Successors and Assigns.

TeleTech, its successors and assigns may in their sole discretion assign this Agreement to any person or entity, with or without Employee's consent. This

Agreement thereafter fully shall bind, and inure to the benefit of, TeleTech's successors or assigns and in the event of a sale of all or a portion of TeleTech's stock or assets, this Agreement shall continue in full force and effect. Employee shall not assign either this Agreement or any right or obligation arising hereunder.

10. Dispute Resolution.

a. Employee and TeleTech agree that in the event of any controversy or claim arising out of or relating to Employee's employment with and/or separation from TeleTech, they shall negotiate in good faith to resolve the controversy or claim privately, amicably and confidentially. Each party may consult with counsel in connection with such negotiations.

b. Excepting only: (1) worker's compensation claims; (2) unemployment compensation claims; (3) proceedings to enforce the terms of the Confidentiality Agreement; (4) proceedings to enforce the terms of the Loan Documents; and (5) claims brought under the Colorado Wage Act, C.R.S. Sections 8-4-101, et seq., all controversies and claims arising from or relating to Employee's employment with TeleTech and/or the termination of that employment that cannot be resolved by good-faith negotiations ("Arbitrable Disputes") shall be resolved only by final and binding arbitration conducted privately and confidentially in the Denver, Colorado, metropolitan area by a single arbitrator who is a member of the panel of former judges that makes up the Judicial Arbiter Group ("JAG"); any successor of JAG; or, if JAG or any successor is not in existence, any entity that can provide a former judge to serve as arbitrator (collectively, the "Dispute Resolution Service"). Without limiting the generality of the foregoing, the parties understand and agree that this paragraph 10 shall require arbitration of all disputes and claims that may arise at common law, such as breach of contract, express or implied, promissory estoppel, wrongful discharge, tortuous interference with contractual rights, infliction of emotional distress, defamation, or under federal, state or local laws, such as the Fair Labor Standards Act, the Employee Retirement Income Security Act, the National Labor Relations Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Rehabilitation Act of 1973, the Equal Pay Act, the Americans with Disabilities Act, and the Colorado Civil Rights Act. The parties understand and agree that this Agreement evidences a transaction involving commerce within the meaning of 9 U.S.C. Section 2, and that this Agreement shall therefore be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1, et seq.

c. Notwithstanding any statute or rule governing limitations of actions, any arbitration relating to or arising from any Arbitrable Dispute shall be commenced by service of an arbitration demand before the earlier of the one-year anniversary of the accrual of the aggrieved party's claim pursuant to Colorado law or the one-year anniversary of Employee's last day of employment with TeleTech. Otherwise, all claims that were or could have been brought by the aggrieved party against the other party shall be forever barred.

d. To commence an arbitration pursuant to this Agreement, a party shall serve a written arbitration demand (the "Demand") on the other party by certified mail, return receipt requested, and at the same time submit a copy of the Demand to the Dispute Resolution Service, together with a check payable to the Dispute Resolution Service in the amount of that entity's then-current arbitration filing fee; provided that in no event shall Employee be required to pay an arbitration filing fee exceeding the sum then required to file a civil action in the United States District Court for the District of Colorado. The claimant shall attach a copy of this Agreement to the Demand, which shall also describe the dispute in sufficient detail to advise the respondent of the nature of the dispute, state the date on which the dispute first arose, list the names and addresses of every current or former employee of TeleTech or any affiliate whom the claimant believes does or may have information relating to the dispute, and state with particularity the relief requested by the claimant, including a specific monetary amount, if the claimant seeks a monetary award of any kind. Within thirty days after receiving the Demand, the respondent shall mail to the claimant a written response to the Demand (the "Response"), and submit a copy of the Response to the Dispute Resolution Service, together with a check for the difference (if the respondent is TeleTech), if any, between the filing fee paid by the claimant and the Dispute Resolution Service's then-current arbitration filing fee.

e. Promptly after service of the Response, the parties shall confer in good faith to attempt to agree upon a suitable arbitrator. If the parties are unable to agree upon an arbitrator, the Dispute Resolution Service shall select the arbitrator, based, if possible, on his or his expertise with respect to the subject matter of the Arbitrable Dispute.

f. Notwithstanding the choice-of-law principles of any jurisdiction, the arbitrator shall be bound by and shall resolve all Arbitrable Disputes in accordance with the substantive law of the State of Colorado, federal law as enunciated by the federal courts situated in the Tenth Circuit, and all Colorado and Federal rules relating to the admissibility of evidence, including, without limitation, all relevant privileges and the attorney work product doctrine. Without limiting the generality of the foregoing, in the event of one party's violation of any provision of this agreement, the non-breaching party shall have the right to seek specific performance of that provision against the breaching party.

g. Before the arbitration hearing, TeleTech and Employee shall each be entitled to take a discovery deposition of up to three persons with knowledge of the dispute. Upon the written request of either party, the other party shall promptly produce documents relevant to the Arbitrable Dispute or reasonably likely to lead to the discovery of admissible evidence. The manner, timing and extent of any further discovery shall be committed to the arbitrator's sound discretion, provided that under no circumstances shall the arbitrator allow more depositions or interrogatories than permitted by the presumptive limitations set forth in F.R.Civ.P. 30(a)(2)(A) and 33(a). The arbitrator shall levy appropriate sanctions, including an award of reasonable

attorneys' fees, against any party that fails to cooperate in good faith in discovery permitted by this paragraph 10 or ordered by the arbitrator.

h. Before the arbitration hearing, any party may by motion seek judgment on the pleadings as contemplated by F.R.Civ.P. 12 and/or summary judgment as contemplated by F.R.Civ.P. 56. The other party may file a written response to any such motion, and the moving party may file a written reply to the response. The arbitrator: may in his or his discretion conduct a hearing on any such motion; shall give any such motion due and serious consideration, resolving the motion in accordance with F.R.Civ.P. 12 and/or a F.R.Civ.P. 56, as the case may be, and other governing law, pursuant to paragraph 10(f), and shall issue a written award concerning any such motion no fewer than ten days before any evidentiary hearing conducted on the merits of any claim asserted in the arbitration.

i. Within thirty days after the arbitration hearing is closed, the arbitrator shall issue a written award setting forth his or his decision and the reasons therefor. If a party prevails on a statutory claim that affords the prevailing party the right to recover attorneys' fees and/or costs, then the arbitrator shall award to the party that substantially prevails in the arbitration its costs and expenses, including reasonable attorneys' fees. The arbitrator's award shall be final, nonappealable and binding upon the parties, subject only to the provisions of 9 U.S.C. Section 10, and may be entered as a judgment in any court of competent jurisdiction.

j. The parties agree that reliance upon courts of law and equity can add significant costs and delays to the process of resolving disputes. Accordingly, they recognize that an essence of this Agreement is to provide for the submission of all Arbitrable Disputes to binding arbitration. Therefore, if any court concludes that any provision of this paragraph 10 is void or voidable, the parties understand and agree that the court shall reform each such provision to render it enforceable, but only to the extent absolutely necessary to render the provision enforceable and only in view of the parties' express desire that Arbitrable Disputes be resolved by arbitration and, to the greatest extent permitted by law, in accordance with the principles, limitations and procedures set forth in this Agreement.

k. This paragraph 10 supersedes any prior agreement(s) between the parties, whether oral or written, concerning or relating to arbitration or resolution of any dispute(s) between the parties, except that paragraphs 9(b) and 9(d) of the Confidentiality Agreement shall govern any disputes brought under the Confidentiality Agreement and any proceedings to enforce the terms of the Loan Documents shall not be governed by paragraph 10 of this Agreement.

11. Miscellaneous.
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a. Governing Law. This Agreement, and all other disputes or issues arising from or relating in any way to TeleTech's relationship with Employee, shall be

governed by the internal laws of the State of Colorado, irrespective of the choice of law rules of any jurisdiction.

b. Severability. If any court of competent jurisdiction declares any provision of this Agreement invalid or unenforceable, the remainder of the Agreement shall remain fully enforceable. To the extent that any court concludes that any provision of this Agreement is void or voidable, the court shall reform such provision(s) to render the provision(s) enforceable, but only to the extent absolutely necessary to render the provision(s) enforceable.

c. Integration. This Agreement constitutes the entire agreement of the parties and a complete merger of prior negotiations and agreements and, except as provided in paragraph 10(j), shall not be modified by word or deed, except in a writing signed by Employee and an authorized officer of the Company.

d. Waiver. No provision of this Agreement shall be deemed waived, nor shall there be an estoppel against the enforcement of any such provision, except by a writing signed by the party charged with the waiver or estoppel. No waiver shall be deemed continuing unless specifically stated therein, and the written waiver shall operate only as to the specific term or condition waived, and not for the future or as to any act other than that specifically waived.

e. Construction. Headings in this Agreement are for convenience only and shall not control the meaning of this Agreement. Whenever applicable, masculine and neutral pronouns shall equally apply to the feminine genders; the singular shall include the plural and the plural shall include the singular. The parties have reviewed and understand this Agreement, and each has had a full opportunity to negotiate the agreement's terms and to consult with counsel of their own choosing. Therefore, the parties expressly waive all applicable common law and statutory rules of construction that any provision of this Agreement should be construed against the agreement's drafter, and agree that this Agreement and all amendments thereto shall be construed as a whole, according to the fair meaning of the language used.

f. Counterparts and Telecopies. This Agreement may be executed in counterparts, or by copies transmitted by telecopier, which counterparts and/or facsimile transmissions shall have the same force and effect as had the contract been executed in person and in original form.

Employee acknowledges and agrees: that he understands this Agreement; that he enters into it freely, knowingly, and mindful of the fact that it creates important legal obligations and affects his legal rights; and that he understands the need to consult concerning this Agreement with legal counsel of his own choosing, and has had a full and fair opportunity to do so.

[SIGNATURES FOLLOW]

Employee

By: ----------
James E. Barlett

Date: ----------

TeleTech Holdings, Inc.

By: ----------

As its: ----------

Date: ----------

Exhibit 10.67

EMPLOYMENT AGREEMENT

This Agreement is between TeleTech Holdings, Inc., including its subsidiaries, their successors and assigns, their directors, officers, employees and agents (the "Company" or "TeleTech") and Michael E. Foss ("Employee"), and shall be effective as of October 1, 2001 ("Effective Date").

1. Appointment.

a. TeleTech hereby employs Employee as Executive Vice President of Corporate Development, and Employee hereby accepts such employment with TeleTech.

b. Employee shall devote his full-time and best efforts to the performance of all duties as shall be assigned to him from time to time by TeleTech. Unless otherwise specifically authorized in writing by TeleTech, Employee shall not engage in any other business activity, or otherwise be gainfully employed.

c. Employee acknowledges that, as part of his employment duties hereunder, Employee may be required to perform services for, and serve as an officer and/or director of, subsidiaries and affiliates of TeleTech, on behalf of and as requested by TeleTech, and Employee agrees to perform such duties.

2. Compensation.

a. Salary and Salary Review. Employee's base salary shall be $265,000 per year, payable in equal installments in accordance with TeleTech's standard payroll practice, less legally required withholdings. TeleTech may, in its sole discretion, increase, or decrease in a non-material way, Employee's base salary, as and when TeleTech deems appropriate.

b. Annual Bonus for 2001. For calendar year 2001, Employee shall be entitled to an annual bonus under the Company's Annual Incentive (Bonus) targeted at one hundred percent of his then current base salary; provided, however, that the actual amount paid to Employee may be higher or lower than the targeted amount at the Company's sole discretion. The precise amount of the bonus shall be determined based on the achievement of a combination of Company performance goals and Employee's personal performance goals. Such goals and their respective weightings shall be reasonably established by the Company in its sole discretion. Any such bonus shall be payable in a lump sum, less legally required withholdings, in the year 2002.

c. Corporate Development Bonus Opportunity. After calendar

year 2001, Employee also shall be eligible to earn incentive compensation under Company's Corporate Development Bonus Plan Annual Incentive (Bonus) Plan (the "Bonus Plan"). In the event that Commission paid to Employee under the (JIM INSERT WHAT YOU HAVE BEEN CALLING THE CORPORATE DEVELOPMENT SALES PLAN) in any calendar year equals or exceeds compensation earned by Employee under the Bonus Plan for that calendar year, Employee will receive no compensation under the Bonus Plan. Conversely, in the event that Commission paid to a Employee under [the CD plan] in any calendar year is less than compensation earned by Employee under the Bonus Plan for that calendar year, Employee will receive the difference between Commission paid under [the cd Plan] and compensation earned under the Bonus Plan for that calendar year.

Employee shall be entitled to participate in the Corporate Development Bonus Program that will pay bonuses to key contributors with respect to client services agreements and client joint ventures that are closed under the auspices of the Corporate Development Department. Any and all such bonuses shall be payable in accordance with the terms of the Corporate Development Bonus Plan.

3. Stock Options.

a. Employee shall be eligible to participate in a management stock option program ("MSOP") designed to grant stock options to specified executives at the end of each year based on personal achievements and business objectives. If awarded, options granted under the MSOP will vest in equal annual installments over four years unless the Company elects a different vesting schedule generally applicable to Company executives. Grants of options in connection with the MSOP shall be made when and in an amount determined by TeleTech in its sole discretion, and shall be subject to the terms and conditions of a separate stock option agreement to be executed by Employee and TeleTech, and to any terms or conditions of TeleTech's MSOP that may be established, modified or amended from time to time.

4. Fringe benefits.

a. Medical and Dental Insurance. Employee and his dependents shall be eligible for coverage under the group medical and dental insurance plans made available from time to time to TeleTech's executive and management employees, beginning on the Effective Date. TeleTech shall pay premiums for Employee and his dependents under such group medical and dental insurance plans pursuant to the same premium-payment formula applicable to TeleTech's other senior executives.

b. Life Insurance. Subject to Employee's satisfactory completion of a standard medical examination, Employee shall be eligible for, and TeleTech shall provide Employee with, a $4,000,000 term life insurance policy. TeleTech shall pay all premiums relating to such a policy. TeleTech on behalf of Employee will maintain such insurance policy so long as Employee is employed by TeleTech. Employee shall be the owner of such policy and shall have the right to designate the beneficiary or

beneficiaries thereof. Upon termination of Employee's employment for any reason, Employee shall have the right to continue and maintain such policy by his payment of future premiums due under the policy.

c. Disability Insurance. Employee shall be eligible to participate in TeleTech's group disability insurance program, as that program may be modified from time to time. Employee shall also be eligible for a Long-Term Disability insurance policy, if and when established, under terms and conditions similar to other TeleTech executives.

d. Miscellaneous benefits. Employee shall receive fringe benefits generally applicable to the other TeleTech executive and management employees that are from time to time in effect.

5. Paid Leave.

a. Vacation. During each calendar year of Employee's continuous, full-time active employment with TeleTech, Employee shall earn, incrementally during each pay period, a total of twenty days of paid vacation time.

b. Sick leave and Holidays. Employee shall receive paid sick leave and holidays under the guidelines for such leave applicable from time to time to TeleTech's executive and management employees.

6. Relationship Between this Agreement and Other TeleTech Publications.

In the event of any conflict between any term of this Agreement and any TeleTech contract, policy, procedure, guideline or other publication, the terms of this Agreement shall control. For the avoidance of doubt, any disputes brought under the Agreement to Protect Confidential Information, Assign Inventions, and Prevent Unfair Competition and Unfair Solicitation ("Confidentiality Agreement"), of even date hereof and signed herewith, shall be governed under paragraphs 9(b) and 9(d) of the Confidentiality Agreement.

7. Term and Termination.

a. Term. The term of this Agreement shall commence on the Effective Date and continue until this Agreement is terminated as specified below.

b. Termination by Consent. This Agreement may be terminated at any time by the parties' written agreement.

c. Termination by TeleTech Without Cause. If TeleTech terminates Employee's employment without "cause" ("cause" as defined in Paragraph 7(d) of this Agreement) during the term of this Agreement, after Employee executes a separation agreement and legal release releasing all claims that legally can be released in a form

satisfactory to TeleTech and Employee's continuing compliance with all terms of such separation agreement, as severance compensation TeleTech shall: (i) pay Employee the sum of 18 months of Employee's then-current base salary payable in 18 equal monthly installments, less legally required withholdings, on the first business day of each month, beginning in the month following the termination date, (ii) provide Employee with such fringe benefits as he was receiving on the date of termination for a period of 18 months; provided, however, Employee shall continue to make required co-payments and premium payments in the amounts or levels existing at the date of termination, and (iii) cause to vest all of Employee's unvested stock options that would have vested under Employee's stock option agreements during the 12 months following the effective date of the termination. All stock options vested as of the effective date of the termination shall, notwithstanding any provision of the stock option agreement(s) or plan(s) pursuant to which they were granted, remain exercisable for a period of 12 months following the effective date of the termination. If TeleTech terminates this Agreement at any time without cause under this paragraph 7(c), pays Employee all salary and compensation earned and unpaid as of the termination date, and offers to provide Employee severance compensation and accelerated option vesting in the amount and on the terms specified in this paragraph 7(c), TeleTech's acts in doing so shall be in complete accord and satisfaction of any claim that Employee has or may at any time have for compensation or payments of any kind from TeleTech arising from or relating in whole or part to Employee's employment with TeleTech and/or this Agreement. Because this paragraph 7(c) is intended to provide compensation to enable Employee to support himself in the event of Employee's loss of employment under certain circumstances specified herein, Employee's right to severance pay under this paragraph 7(c) shall not be triggered by the sale of all or a portion of TeleTech's stock or assets, unless such sale results in Employee's loss of employment, or Employee thereafter terminates this Agreement for "Good Cause," as that term is defined in paragraph 7(g), below.

d. Termination by TeleTech for Cause. TeleTech may terminate this Agreement effective immediately for cause, upon notice to Employee, with TeleTech's only obligation being the payment of any salary and compensation earned as of the date of termination, and any continuing obligations under Company pension or benefit plans then in effect, and without liability for severance compensation of any kind. For purposes of this Agreement, "cause" exists if Employee breaches any material term of this Agreement, the Confidentiality Agreement or any material TeleTech policy, procedure or guideline, or if Employee engages in any of the following forms of misconduct: conviction of, or a plea of nolo contendre to, any felony or misdemeanor involving dishonesty or moral turpitude; theft or misuse of TeleTech's property or time; use of alcohol or controlled substances on TeleTech's premises or appearing on such premises while intoxicated or under the influence of drugs not prescribed by a physician, or after having knowingly abused prescribed medications (provided, however, that the use of alcohol or appearing intoxicated on TeleTech's premises or at a TeleTech-sanctioned or sponsored event shall not constitute "cause" for termination); illegal use of any controlled substance; illegal gambling on TeleTech's premises; discriminatory or harassing behavior, whether or not illegal under federal, state or local

law; willful misconduct in connection with Employee's activities under this Agreement; making any statements, whether written or oral, that disparage or defame the Company; intentionally falsifying any document or making any false or misleading statement relating to Employee's employment by TeleTech.

e. Termination Upon Employee's Death. This Agreement shall terminate immediately upon Employee's death. Thereafter, TeleTech shall pay to Employee's estate all compensation fully earned, and benefits fully vested as of the last date of Employee's continuous, full-time active employment with TeleTech. TeleTech shall not be required to pay any form of severance or other compensation concerning or on account of Employee's employment with TeleTech or the termination thereof.

f. Termination Following Disability. During the first ninety calendar days after a mental or physical condition that renders Employee unable to perform the essential functions of his position with reasonable accommodation (the "Initial Disability Period"), Employee shall continue to receive his base salary pursuant to paragraph 2(a). Thereafter, if Employee qualifies for benefits under TeleTech's long term disability insurance plan (the "LTD Plan"), then he shall remain on leave for as long as he continues to qualify for such benefits, up to a maximum of 180 consecutive days (the "Long Term Leave Period"). The Long Term Leave Period shall begin on the first day following the end of the Initial Disability Period. During the Long Term Leave Period, Employee shall be entitled to any benefits to which the LTD Plan entitles her, but no additional compensation from TeleTech in the form of salary, performance bonus, new stock option grants, allowances or otherwise. If at the end of the Long Term Leave Period Employee remains unable to perform the essential functions of his position then TeleTech may terminate this Agreement and/or Employee's employment. In the event that TeleTech terminates this Agreement or Employee's employment under this subparagraph 7(f), TeleTech's payment obligation to Employee shall be limited to all compensation fully earned, and benefits fully vested as of the last date of Employee's continuous, full-time active employment with TeleTech. Except as specifically set forth above in this subparagraph 7(f), TeleTech shall not be required to pay any form of severance or other compensation concerning or on account of Employee' employment with TeleTech or the termination thereof. The compensation and benefits under this paragraph are in addition to any other compensation and benefits Employee may receive under any disability or other insurance policy.

g. Termination by Employee. Upon the occurrence of "Good Cause," as that term is defined below, Employee may terminate this Agreement upon forty-five days prior written notice. As used in this paragraph 7(g), "Good Cause" shall mean (i) a material decrease in Employee's base salary and/or a material decrease in Employee's employee benefits (other than pursuant to a general reduction or modification of such salary or benefits generally applicable to TeleTech's senior executives); or (ii) a material change in the responsibilities or duties assigned to Employee, as measured against Employee's responsibilities or duties immediately prior to such change, that causes Employee to be of materially reduced stature or responsibility; or; (iii) the occurrence of circumstances establishing constructive

discharge under the common law of the State of Colorado, under which the Company's conduct makes or allows Employee's working conditions to become so intolerable that Employee has no reasonable choice but to resign. However, a constructive discharge does not exist unless a reasonable person would concur with Employee's opinion that the working conditions are intolerable. If Employee terminates this agreement for Good Cause and executes a separation agreement in the form prescribed in paragraph 7(c), above, he shall be entitled to the severance compensation specified in paragraph 7(c), above.

h. Post-Termination Statements. In the event Employee or TeleTech terminates Employee's employment under this Agreement:

i. TeleTech agrees that no TeleTech Executive Officer and no member of the TeleTech Board of Directors (the "Board") shall defame Employee, and that such Executive Officers and Directors shall confine any public comment concerning Employee, except as may be required by law, to a statement that Employee "has chosen to resign from TeleTech." Upon receiving reference requests directed to the Company's human resources department, TeleTech shall provide to any future potential employers or other third parties no information other than Employee's most recent position and title and level of compensation, unless otherwise requested by Employee or required by law. The parties agree that damages for breach of this paragraph are difficult to ascertain with certainty and, therefore, agree that the best and actual damages for violation of this paragraph by TeleTech will be $200,000.

ii. Employee shall not defame TeleTech, TeleTech's products, services or operations, any TeleTech Executive Officer, or any member of the Board, and shall confine any public comment concerning his separation from TeleTech, except as may be required by law, to a statement that Employee "has chosen to resign from TeleTech." The parties agree that damages for breach of this paragraph are difficult to ascertain with certainty and, therefore, agree that the best and actual damages for violation of this paragraph by Employee will be $200,000.

8. Parachute Payment.

Notwithstanding any other provision of this Agreement or of any other agreement, contract, or understanding heretofore or hereafter entered into by Employee with Company, except an agreement, contract, or understanding hereafter entered into that expressly modifies or excludes application of this paragraph (an "Other Agreement"), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to Employee (including groups or classes of participants or beneficiaries of which Employee is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for Employee (a "Benefit Arrangement"), if Employee is a "disqualified individual," as defined in Section 280G(c) of the Code, any stock options or restricted stock held by Employee and any right to receive any payment or other benefit under this Agreement shall not become exercisable or vested (i) to the extent that such right to exercise,

vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for Employee under this Agreement, all Other Agreements, and all Benefit Arrangements, would cause any payment or benefit to Employee under this Agreement to be considered a "parachute payment" within the meaning of Section 280G(b)(2) of the Code as then in effect (a "Parachute Payment") and (ii) if, as a result of receiving a Parachute Payment, the aggregate after-tax amounts received by Employee from the Company under this Agreement, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that could be received by Employee without causing any such payment or benefit to be considered a Parachute Payment. In the event that the receipt of any such right to exercise, vesting, payment, or benefit under this Agreement, in conjunction with all other rights, payments, or benefits to or for Employee under any Other Agreement or any Benefit Arrangement would cause Employee to be considered to have received a Parachute Payment that would have the effect of decreasing the after-tax amount received by Employee as described in clause (ii) of the preceding sentence, then Employee shall have the right, in Employee's sole discretion, to designate those rights, payments, or benefits under this Agreement, any Other Agreements, and any Benefit Arrangements that should be reduced or eliminated so as to avoid having the payment or benefit to Employee under this Agreement be deemed to be a Parachute Payment.

9. Successors and Assigns.

TeleTech, its successors and assigns may in their sole discretion assign this Agreement to any person or entity, with or without Employee's consent. This Agreement thereafter fully shall bind, and inure to the benefit of, TeleTech's successors or assigns and in the event of a sale of all or a portion of TeleTech's stock or assets, this Agreement shall continue in full force and effect. Employee shall not assign either this Agreement or any right or obligation arising hereunder.

10. Dispute Resolution.

a. Employee and TeleTech agree that in the event of any controversy or claim arising out of or relating to Employee's employment with and/or separation from TeleTech, they shall negotiate in good faith to resolve the controversy or claim privately, amicably and confidentially. Each party may consult with counsel in connection with such negotiations.

b. Excepting only: (1) worker's compensation claims; (2) unemployment compensation claims; (3) proceedings to enforce the terms of the Confidentiality Agreement; (4) proceedings to enforce the terms of the Loan Documents; and (5) claims brought under the Colorado Wage Act, C.R.S. Sections 8-4-101, et seq., ------ all controversies and claims arising from or relating to Employee's employment with TeleTech and/or the termination of that employment that cannot be resolved by good-faith negotiations ("Arbitrable Disputes") shall be resolved only by final and binding arbitration conducted privately and confidentially in the Denver, Colorado, metropolitan area by a single arbitrator who is a member of the panel of former judges that makes up

the Judicial Arbiter Group ("JAG"); any successor of JAG; or, if JAG or any successor is not in existence, any entity that can provide a former judge to serve as arbitrator (collectively, the "Dispute Resolution Service"). Without limiting the generality of the foregoing, the parties understand and agree that this paragraph 10 shall require arbitration of all disputes and claims that may arise at common law, such as breach of contract, express or implied, promissory estoppel, wrongful discharge, tortuous interference with contractual rights, infliction of emotional distress, defamation, or under federal, state or local laws, such as the Fair Labor Standards Act, the Employee Retirement Income Security Act, the National Labor Relations Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Rehabilitation Act of 1973, the Equal Pay Act, the Americans with Disabilities Act, and the Colorado Civil Rights Act. The parties understand and agree that this Agreement evidences a transaction involving commerce within the meaning of 9 U.S.C. Section 2, and that this Agreement shall therefore be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1, et seq.

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c. Notwithstanding any statute or rule governing limitations of actions, any arbitration relating to or arising from any Arbitrable Dispute shall be commenced by service of an arbitration demand before the earlier of the one-year anniversary of the accrual of the aggrieved party's claim pursuant to Colorado law or the one-year anniversary of Employee's last day of employment with TeleTech. Otherwise, all claims that were or could have been brought by the aggrieved party against the other party shall be forever barred.

d. To commence an arbitration pursuant to this Agreement, a party shall serve a written arbitration demand (the "Demand") on the other party by certified mail, return receipt requested, and at the same time submit a copy of the Demand to the Dispute Resolution Service, together with a check payable to the Dispute Resolution Service in the amount of that entity's then-current arbitration filing fee; provided that in no event shall Employee be required to pay an arbitration filing fee exceeding the sum then required to file a civil action in the United States District Court for the District of Colorado. The claimant shall attach a copy of this Agreement to the Demand, which shall also describe the dispute in sufficient detail to advise the respondent of the nature of the dispute, state the date on which the dispute first arose, list the names and addresses of every current or former employee of TeleTech or any affiliate whom the claimant believes does or may have information relating to the dispute, and state with particularity the relief requested by the claimant, including a specific monetary amount, if the claimant seeks a monetary award of any kind. Within thirty days after receiving the Demand, the respondent shall mail to the claimant a written response to the Demand (the "Response"), and submit a copy of the Response to the Dispute Resolution Service, together with a check for the difference (if the respondent is TeleTech), if any, between the filing fee paid by the claimant and the Dispute Resolution Service's then-current arbitration filing fee.

e. Promptly after service of the Response, the parties shall confer in good faith to attempt to agree upon a suitable arbitrator. If the parties are unable to

agree upon an arbitrator, the Dispute Resolution Service shall select the arbitrator, based, if possible, on his or his expertise with respect to the subject matter of the Arbitrable Dispute.

f. Notwithstanding the choice-of-law principles of any jurisdiction, the arbitrator shall be bound by and shall resolve all Arbitrable Disputes in accordance with the substantive law of the State of Colorado, federal law as enunciated by the federal courts situated in the Tenth Circuit, and all Colorado and Federal rules relating to the admissibility of evidence, including, without limitation, all relevant privileges and the attorney work product doctrine. Without limiting the generality of the foregoing, in the event of one party's violation of any provision of this agreement, the non-breaching party shall have the right to seek specific performance of that provision against the breaching party.

g. Before the arbitration hearing, TeleTech and Employee shall each be entitled to take a discovery deposition of up to three persons with knowledge of the dispute. Upon the written request of either party, the other party shall promptly produce documents relevant to the Arbitrable Dispute or reasonably likely to lead to the discovery of admissible evidence. The manner, timing and extent of any further discovery shall be committed to the arbitrator's sound discretion, provided that under no circumstances shall the arbitrator allow more depositions or interrogatories than permitted by the presumptive limitations set forth in F.R.Civ.P. 30(a)(2)(A) and 33(a). The arbitrator shall levy appropriate sanctions, including an award of reasonable attorneys' fees, against any party that fails to cooperate in good faith in discovery permitted by this paragraph 10 or ordered by the arbitrator.

h. Before the arbitration hearing, any party may by motion seek judgment on the pleadings as contemplated by F.R.Civ.P. 12 and/or summary judgment as contemplated by F.R.Civ.P. 56. The other party may file a written response to any such motion, and the moving party may file a written reply to the response. The arbitrator: may in his or his discretion conduct a hearing on any such motion; shall give any such motion due and serious consideration, resolving the motion in accordance with F.R.Civ.P. 12 and/or a F.R.Civ.P. 56, as the case may be, and other governing law, pursuant to paragraph 10(f), and shall issue a written award concerning any such motion no fewer than ten days before any evidentiary hearing conducted on the merits of any claim asserted in the arbitration.

i. Within thirty days after the arbitration hearing is closed, the arbitrator shall issue a written award setting forth his or his decision and the reasons therefor. If a party prevails on a statutory claim that affords the prevailing party the right to recover attorneys' fees and/or costs, then the arbitrator shall award to the party that substantially prevails in the arbitration its costs and expenses, including reasonable attorneys' fees. The arbitrator's award shall be final, nonappealable and binding upon the parties, subject only to the provisions of 9 U.S.C. Section 10, and may be entered as a judgment in any court of competent jurisdiction.

j. The parties agree that reliance upon courts of law and equity can add significant costs and delays to the process of resolving disputes. Accordingly, they recognize that an essence of this Agreement is to provide for the submission of all Arbitrable Disputes to binding arbitration. Therefore, if any court concludes that any provision of this paragraph 10 is void or voidable, the parties understand and agree that the court shall reform each such provision to render it enforceable, but only to the extent absolutely necessary to render the provision enforceable and only in view of the parties' express desire that Arbitrable Disputes be resolved by arbitration and, to the greatest extent permitted by law, in accordance with the principles, limitations and procedures set forth in this Agreement.

k. This paragraph 10 supersedes any prior agreement(s) between the parties, whether oral or written, concerning or relating to arbitration or resolution of any dispute(s) between the parties, except that paragraphs 9(b) and 9(d) of the Confidentiality Agreement shall govern any disputes brought under the Confidentiality Agreement and any proceedings to enforce the terms of the Loan Documents shall not be governed by paragraph 10 of this Agreement.
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11. Miscellaneous.
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a. Governing Law. This Agreement, and all other disputes or issues arising from or relating in any way to TeleTech's relationship with Employee, shall be governed by the internal laws of the State of Colorado, irrespective of the choice of law rules of any jurisdiction.

b. Severability. If any court of competent jurisdiction declares any provision of this Agreement invalid or unenforceable, the remainder of the Agreement shall remain fully enforceable. To the extent that any court concludes that any provision of this Agreement is void or voidable, the court shall reform such provision(s) to render the provision(s) enforceable, but only to the extent absolutely necessary to render the provision(s) enforceable.

c. Integration. This Agreement constitutes the entire agreement of the parties and a complete merger of prior negotiations and agreements and, except as provided in paragraph 10(j), shall not be modified by word or deed, except in a writing signed by Employee and an authorized officer of the Company.

d. Waiver. No provision of this Agreement shall be deemed waived, nor shall there be an estoppel against the enforcement of any such provision, except by a writing signed by the party charged with the waiver or estoppel. No waiver shall be deemed continuing unless specifically stated therein, and the written waiver shall operate only as to the specific term or condition waived, and not for the future or as to any act other than that specifically waived.

e. Construction. Headings in this Agreement are for convenience only and shall not control the meaning of this Agreement. Whenever applicable,

masculine and neutral pronouns shall equally apply to the feminine genders; the singular shall include the plural and the plural shall include the singular. The parties have reviewed and understand this Agreement, and each has had a full opportunity to negotiate the agreement's terms and to consult with counsel of their own choosing. Therefore, the parties expressly waive all applicable common law and statutory rules of construction that any provision of this Agreement should be construed against the agreement's drafter, and agree that this Agreement and all amendments thereto shall be construed as a whole, according to the fair meaning of the language used.

f. Counterparts and Telecopies. This Agreement may be executed in counterparts, or by copies transmitted by telecopier, which counterparts and/or facsimile transmissions shall have the same force and effect as had the contract been executed in person and in original form.

Employee acknowledges and agrees: that he understands this Agreement; that he enters into it freely, knowingly, and mindful of the fact that it creates important legal obligations and affects his legal rights; and that he understands the need to consult concerning this Agreement with legal counsel of his own choosing, and has had a full and fair opportunity to do so.

[SIGNATURES FOLLOW]

Employee

By: _____
Michael E. Foss

Date: _____

TeleTech Holdings, Inc.

By: _____

As its: _____

Date: _____

Exhibit 10.68

EMPLOYMENT AGREEMENT

This Agreement is between TeleTech Holdings, Inc., including its subsidiaries, their successors and assigns, their directors, officers, employees and agents (the "Company" or "TeleTech") and Kenneth D. Tuchman ("Employee"), and shall be effective as of October 15, 2001 ("Effective Date").

1. Appointment.

a. TeleTech hereby employs Employee as Chief Executive Officer, and Employee hereby accepts such employment with TeleTech.

b. Employee shall devote his full-time and best efforts to the performance of all duties as shall be assigned to him from time to time by TeleTech. Unless otherwise specifically authorized in writing by TeleTech, Employee shall not engage in any other business activity, or otherwise be gainfully employed.

c. Employee acknowledges that, as part of his employment duties hereunder, Employee may be required to perform services for, and serve as an officer and/or director of, subsidiaries and affiliates of TeleTech, on behalf of and as requested by TeleTech, and Employee agrees to perform such duties.

2. Compensation.

a. Salary and Salary Review. Employee's base salary shall be $250,000 per year, payable in equal installments in accordance with TeleTech's standard payroll practice, less legally required withholdings. TeleTech may, in its sole discretion, increase, or decrease in a non-material way, Employee's base salary, as and when TeleTech deems appropriate.

3. Fringe benefits.

a. Medical and Dental Insurance. Employee and his dependents shall be eligible for coverage under the group medical and dental insurance plans made available from time to time to TeleTech's executive and management employees, beginning on the Effective Date. TeleTech shall pay premiums for Employee and his dependents under such group medical and dental insurance plans pursuant to the same premium-payment formula applicable to TeleTech's other senior executives.

b. Life Insurance. Subject to Employee's satisfactory completion of a standard medical examination, Employee shall be eligible for, and TeleTech shall provide Employee with, a $4,000,000 term life insurance policy. TeleTech shall pay all premiums relating to such a policy. TeleTech on behalf of Employee will maintain such insurance policy so long as Employee is employed by TeleTech. Employee shall be the

owner of such policy and shall have the right to designate the beneficiary or beneficiaries thereof. Upon termination of Employee's employment for any reason, Employee shall have the right to continue and maintain such policy by his payment of future premiums due under the policy.

c. Disability Insurance. Employee shall be eligible to participate in TeleTech's group disability insurance program, as that program may be modified from time to time. Employee shall also be eligible for a Long-Term Disability insurance policy if and when such policies are made available by the Company, on terms similar to other Company executives.

d. Miscellaneous benefits. Employee shall receive fringe benefits generally applicable to the other TeleTech executive and management employees that are from time to time in effect.

5. Paid Leave.

a. Vacation. During each calendar year of Employee's continuous, full-time active employment with TeleTech, Employee shall earn, incrementally during each pay period, a total of twenty days of paid vacation time.

b. Sick leave and Holidays. Employee shall receive paid sick leave and holidays under the guidelines for such leave applicable from time to time to TeleTech's executive and management employees.

6. Relationship Between this Agreement and Other TeleTech Publications.

In the event of any conflict between any term of this Agreement and any TeleTech contract, policy, procedure, guideline or other publication, the terms of this Agreement shall control. For the avoidance of doubt, any disputes brought under the Agreement to Protect Confidential Information, Assign Inventions, and Prevent Unfair Competition and Unfair Solicitation ("Confidentiality Agreement"), of even date hereof and signed herewith, shall be governed under paragraphs 9(b) and 9(d) of the Confidentiality Agreement.

7. Term and Termination.

a. Term. The term of this Agreement shall commence on the Effective Date and continue until this Agreement is terminated as specified below.

b. Termination by Consent. This Agreement may be terminated at any time by the parties' written agreement.

c. Termination by TeleTech Without Cause. If TeleTech terminates Employee's employment without "cause" ("cause" as defined in Paragraph 7(d) of this

Agreement) during the term of this Agreement, after Employee executes a separation agreement and legal release releasing all claims that legally can be released in a form satisfactory to TeleTech and Employee's continuing compliance with all terms of such separation agreement, as severance compensation TeleTech shall: (i) pay Employee the sum of 24 months of Employee's then-current base salary, payable in 24 equal monthly installments, less legally required withholdings, on the first business day of each month, beginning in the month following the termination date, (ii) provide Employee with such fringe benefits as he was receiving on the date of termination for a period of 24 months; provided, however, Employee shall continue to make required co-payments and premium payments in the amounts or levels existing at the date of termination, (iii) cause to vest all of Employee's unvested stock options that would have vested under Employee's stock option agreements during the 12 months following the effective date of the termination. All stock options vested as of the effective date of the termination shall, notwithstanding any provision of the stock option agreement(s) or plan(s) pursuant to which they were granted, remain exercisable for a period of 12 months following the effective date of the termination. If TeleTech terminates this Agreement at any time without cause under this paragraph 7(c), pays Employee all salary and compensation earned and unpaid as of the termination date, and offers to provide Employee severance compensation, accelerated option vesting and causes to lapse share restrictions in the amount and on the terms specified in this paragraph 7(c), TeleTech's acts in doing so shall be in complete accord and satisfaction of any claim that Employee has or may at any time have for compensation or payments of any kind from TeleTech arising from or relating in whole or part to Employee's employment with TeleTech and/or this Agreement. Because this paragraph 7(c) is intended to provide compensation to enable Employee to support himself in the event of Employee's loss of employment under certain circumstances specified herein, Employee's right to severance pay under this paragraph 7(c) shall not be triggered by the sale of all or a portion of TeleTech's stock or assets, unless such sale results in Employee's loss of employment, or Employee thereafter terminates this Agreement for "Good Cause," as that term is defined in paragraph 7(g), below.

d. Termination by TeleTech for Cause. TeleTech may terminate this Agreement effective immediately for cause, upon notice to Employee, with TeleTech's only obligation being the payment of any salary and compensation earned as of the date of termination, and any continuing obligations under Company pension or benefit plans then in effect, and without liability for severance compensation of any kind. For purposes of this Agreement, "cause" exists if Employee breaches any material term of this Agreement, the Confidentiality Agreement or any material TeleTech policy, procedure or guideline, or if Employee engages in any of the following forms of misconduct: conviction of, or a plea of nolo contendre to, any felony or misdemeanor involving dishonesty or moral turpitude; theft or misuse of TeleTech's property or time; use of alcohol or controlled substances on TeleTech's premises or appearing on such premises while intoxicated or under the influence of drugs not prescribed by a physician, or after having knowingly abused prescribed medications (provided, however, that the use of alcohol or appearing intoxicated on TeleTech's premises or at a TeleTech-sanctioned or sponsored event shall not constitute "cause" for termination);

illegal use of any controlled substance; illegal gambling on TeleTech's premises; discriminatory or harassing behavior, whether or not illegal under federal, state or local law; willful misconduct in connection with Employee's activities under this Agreement; making any statements, whether written or oral, that disparage or defame the Company; intentionally falsifying any document or making any false or misleading statement relating to Employee's employment by TeleTech.

e. Termination Upon Employee's Death. This Agreement shall terminate immediately upon Employee's death. Thereafter, TeleTech shall pay to Employee's estate all compensation fully earned, and benefits fully vested as of the last date of Employee's continuous, full-time active employment with TeleTech. TeleTech shall not be required to pay any form of severance or other compensation concerning or on account of Employee's employment with TeleTech or the termination thereof.

f. Termination Following Disability. During the first ninety calendar days after a mental or physical condition that renders Employee unable to perform the essential functions of his position with reasonable accommodation (the "Initial Disability Period"), Employee shall continue to receive his base salary pursuant to paragraph 2(a). Thereafter, if Employee qualifies for benefits under TeleTech's long term disability insurance plan (the "LTD Plan"), then he shall remain on leave for as long as he continues to qualify for such benefits, up to a maximum of 180 consecutive days (the "Long Term Leave Period"). The Long Term Leave Period shall begin on the first day following the end of the Initial Disability Period. During the Long Term Leave Period, Employee shall be entitled to any benefits to which the LTD Plan entitles her, but no additional compensation from TeleTech in the form of salary, performance bonus, new stock option grants, allowances or otherwise. If at the end of the Long Term Leave Period Employee remains unable to perform the essential functions of his position then TeleTech may terminate this Agreement and/or Employee's employment. In the event that TeleTech terminates this Agreement or Employee's employment under this subparagraph 7(f), TeleTech's payment obligation to Employee shall be limited to all compensation fully earned, and benefits fully vested as of the last date of Employee's continuous, full-time active employment with TeleTech. Except as specifically set forth above in this subparagraph 7(f), TeleTech shall not be required to pay any form of severance or other compensation concerning or on account of Employee' employment with TeleTech or the termination thereof. The compensation and benefits under this paragraph are in addition to any other compensation and benefits Employee may receive under any disability or other insurance policy.

g. Termination by Employee. Upon the occurrence of "Good Cause," as that term is defined below, Employee may terminate this Agreement upon forty-five days prior written notice. As used in this paragraph 7(g), "Good Cause" shall mean (i) a material decrease in Employee's base salary and/or a material decrease in Employee's employee benefits (other than pursuant to a general reduction or modification of such salary or benefits generally applicable to TeleTech's senior executives); or (ii) a material change in the responsibilities or duties assigned to Employee, as measured against Employee's responsibilities or duties immediately prior

to such change, that causes Employee to be of materially reduced stature or responsibility; or; (iii) the occurrence of circumstances establishing constructive discharge under the common law of the State of Colorado, under which the Company's conduct makes or allows Employee's working conditions to become so intolerable that Employee has no reasonable choice but to resign. However, a constructive discharge does not exist unless a reasonable person would concur with Employee's opinion that the working conditions are intolerable. If Employee terminates this agreement for Good Cause and executes a separation agreement in the form prescribed in paragraph 7(c), above, he shall be entitled to the severance compensation specified in paragraph 7(c), above.

h. Post-Termination Statements. In the event Employee or TeleTech terminates Employee's employment under this Agreement:

i. TeleTech agrees that no TeleTech Executive Officer and no member of the TeleTech Board of Directors (the "Board") shall defame Employee, and that such Executive Officers and Directors shall confine any public comment concerning Employee, except as may be required by law, to a statement that Employee "has chosen to resign from TeleTech." Upon receiving reference requests directed to the Company's human resources department, TeleTech shall provide to any future potential employers or other third parties no information other than Employee's most recent position and title and level of compensation, unless otherwise requested by Employee or required by law. The parties agree that damages for breach of this paragraph are difficult to ascertain with certainty and, therefore, agree that the best and actual damages for violation of this paragraph by TeleTech will be $200,000.

ii. Employee shall not defame TeleTech, TeleTech's products, services or operations, any TeleTech Executive Officer, or any member of the Board, and shall confine any public comment concerning his separation from TeleTech, except as may be required by law, to a statement that Employee "has chosen to resign from TeleTech." The parties agree that damages for breach of this paragraph are difficult to ascertain with certainty and, therefore, agree that the best and actual damages for violation of this paragraph by Employee will be $200,000.

8. Parachute Payment.

Notwithstanding any other provision of this Agreement or of any other agreement, contract, or understanding heretofore or hereafter entered into by Employee with Company, except an agreement, contract, or understanding hereafter entered into that expressly modifies or excludes application of this paragraph (an "Other Agreement"), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to Employee (including groups or classes of participants or beneficiaries of which Employee is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for Employee (a "Benefit Arrangement"), if Employee is a "disqualified individual," as defined in Section 280G(c) of the Internal Revenue Code (the "Code"), and if (i) any

stock options or restricted stock held by Employee and any right to receive any payment or other benefit under this Agreement to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for Employee under this Agreement, all Other Agreements, and all Benefit Arrangements, would cause any payment or benefit to Employee under this Agreement to be considered a "parachute payment" within the meaning of Section 280G(b)(2) of the Code as then in effect (a "Parachute Payment") and (ii) as a result of receiving a Parachute Payment, the aggregate after-tax amounts received by Employee from the Company under this Agreement, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that could be received by Employee without causing any such payment or benefit to be considered a Parachute Payment then Employee shall have the right, in Employee's sole discretion, to designate those rights, payments, or benefits under this Agreement, any Other Agreements, and any Benefit Arrangements that should be reduced or eliminated so as to avoid having the payment or benefit to Employee under this Agreement be deemed to be a Parachute Payment.

9. Successors and Assigns.

TeleTech, its successors and assigns may in their sole discretion assign this Agreement to any person or entity, with or without Employee's consent. This Agreement thereafter fully shall bind, and inure to the benefit of, TeleTech's successors or assigns and in the event of a sale of all or a portion of TeleTech's stock or assets, this Agreement shall continue in full force and effect. Employee shall not assign either this Agreement or any right or obligation arising hereunder.

10. Dispute Resolution.

a. Employee and TeleTech agree that in the event of any controversy or claim arising out of or relating to Employee's employment with and/or separation from TeleTech, they shall negotiate in good faith to resolve the controversy or claim privately, amicably and confidentially. Each party may consult with counsel in connection with such negotiations.

b. Excepting only: (1) worker's compensation claims; (2) unemployment compensation claims; (3) proceedings to enforce the terms of the Confidentiality Agreement; (4) proceedings to enforce the terms of the Loan Documents; and (5) claims brought under the Colorado Wage Act, C.R.S. Sections 8-4-101, et seq., ------ all controversies and claims arising from or relating to Employee's employment with TeleTech and/or the termination of that employment that cannot be resolved by good-faith negotiations ("Arbitrable Disputes") shall be resolved only by final and binding arbitration conducted privately and confidentially in the Denver, Colorado, metropolitan area by a single arbitrator who is a member of the panel of former judges that makes up the Judicial Arbiter Group ("JAG"); any successor of JAG; or, if JAG or any successor is not in existence, any entity that can provide a former judge to serve as arbitrator (collectively, the "Dispute Resolution Service"). Without limiting the generality of the

foregoing, the parties understand and agree that this paragraph 10 shall require arbitration of all disputes and claims that may arise at common law, such as breach of contract, express or implied, promissory estoppel, wrongful discharge, tortuous interference with contractual rights, infliction of emotional distress, defamation, or under federal, state or local laws, such as the Fair Labor Standards Act, the Employee Retirement Income Security Act, the National Labor Relations Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Rehabilitation Act of 1973, the Equal Pay Act, the Americans with Disabilities Act, and the Colorado Civil Rights Act. The parties understand and agree that this Agreement evidences a transaction involving commerce within the meaning of 9 U.S.C. Section 2, and that this Agreement shall therefore be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1, et seq. -- - ---

c. Notwithstanding any statute or rule governing limitations of actions, any arbitration relating to or arising from any Arbitrable Dispute shall be commenced by service of an arbitration demand before the earlier of the one-year anniversary of the accrual of the aggrieved party's claim pursuant to Colorado law or the one-year anniversary of Employee's last day of employment with TeleTech. Otherwise, all claims that were or could have been brought by the aggrieved party against the other party shall be forever barred.

d. To commence an arbitration pursuant to this Agreement, a party shall serve a written arbitration demand (the "Demand") on the other party by certified mail, return receipt requested, and at the same time submit a copy of the Demand to the Dispute Resolution Service, together with a check payable to the Dispute Resolution Service in the amount of that entity's then-current arbitration filing fee; provided that in no event shall Employee be required to pay an arbitration filing fee exceeding the sum then required to file a civil action in the United States District Court for the District of Colorado. The claimant shall attach a copy of this Agreement to the Demand, which shall also describe the dispute in sufficient detail to advise the respondent of the nature of the dispute, state the date on which the dispute first arose, list the names and addresses of every current or former employee of TeleTech or any affiliate whom the claimant believes does or may have information relating to the dispute, and state with particularity the relief requested by the claimant, including a specific monetary amount, if the claimant seeks a monetary award of any kind. Within thirty days after receiving the Demand, the respondent shall mail to the claimant a written response to the Demand (the "Response"), and submit a copy of the Response to the Dispute Resolution Service, together with a check for the difference (if the respondent is TeleTech), if any, between the filing fee paid by the claimant and the Dispute Resolution Service's then-current arbitration filing fee.

e. Promptly after service of the Response, the parties shall confer in good faith to attempt to agree upon a suitable arbitrator. If the parties are unable to agree upon an arbitrator, the Dispute Resolution Service shall select the arbitrator, based, if possible, on his or his expertise with respect to the subject matter of the Arbitrable Dispute.

f. Notwithstanding the choice-of-law principles of any jurisdiction, the arbitrator shall be bound by and shall resolve all Arbitrable Disputes in accordance with the substantive law of the State of Colorado, federal law as enunciated by the federal courts situated in the Tenth Circuit, and all Colorado and Federal rules relating to the admissibility of evidence, including, without limitation, all relevant privileges and the attorney work product doctrine. Without limiting the generality of the foregoing, in the event of one party's violation of any provision of this agreement, the non-breaching party shall have the right to seek specific performance of that provision against the breaching party.

g. Before the arbitration hearing, TeleTech and Employee shall each be entitled to take a discovery deposition of up to three persons with knowledge of the dispute. Upon the written request of either party, the other party shall promptly produce documents relevant to the Arbitrable Dispute or reasonably likely to lead to the discovery of admissible evidence. The manner, timing and extent of any further discovery shall be committed to the arbitrator's sound discretion, provided that under no circumstances shall the arbitrator allow more depositions or interrogatories than permitted by the presumptive limitations set forth in F.R.Civ.P. 30(a)(2)(A) and 33(a). The arbitrator shall levy appropriate sanctions, including an award of reasonable attorneys' fees, against any party that fails to cooperate in good faith in discovery permitted by this paragraph 10 or ordered by the arbitrator.

h. Before the arbitration hearing, any party may by motion seek judgment on the pleadings as contemplated by F.R.Civ.P. 12 and/or summary judgment as contemplated by F.R.Civ.P. 56. The other party may file a written response to any such motion, and the moving party may file a written reply to the response. The arbitrator: may in his or his discretion conduct a hearing on any such motion; shall give any such motion due and serious consideration, resolving the motion in accordance with F.R.Civ.P. 12 and/or a F.R.Civ.P. 56, as the case may be, and other governing law, pursuant to paragraph 10(f), and shall issue a written award concerning any such motion no fewer than ten days before any evidentiary hearing conducted on the merits of any claim asserted in the arbitration.

i. Within thirty days after the arbitration hearing is closed, the arbitrator shall issue a written award setting forth his or his decision and the reasons therefor. If a party prevails on a statutory claim that affords the prevailing party the right to recover attorneys' fees and/or costs, then the arbitrator shall award to the party that substantially prevails in the arbitration its costs and expenses, including reasonable attorneys' fees. The arbitrator's award shall be final, nonappealable and binding upon the parties, subject only to the provisions of 9 U.S.C. Section 10, and may be entered as a judgment in any court of competent jurisdiction.

j. The parties agree that reliance upon courts of law and equity can add significant costs and delays to the process of resolving disputes. Accordingly, they recognize that an essence of this Agreement is to provide for the submission of all

Arbitrable Disputes to binding arbitration. Therefore, if any court concludes that any provision of this paragraph 10 is void or voidable, the parties understand and agree that the court shall reform each such provision to render it enforceable, but only to the extent absolutely necessary to render the provision enforceable and only in view of the parties' express desire that Arbitrable Disputes be resolved by arbitration and, to the greatest extent permitted by law, in accordance with the principles, limitations and procedures set forth in this Agreement.

k. This paragraph 10 supersedes any prior agreement(s) between the parties, whether oral or written, concerning or relating to arbitration or resolution of any dispute(s) between the parties, except that paragraphs 9(b) and 9(d) of the Confidentiality Agreement shall govern any disputes brought under the Confidentiality Agreement and any proceedings to enforce the terms of the Loan Documents shall not be governed by paragraph 10 of this Agreement.

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11. Miscellaneous.

a. Governing Law. This Agreement, and all other disputes or issues arising from or relating in any way to TeleTech's relationship with Employee, shall be governed by the internal laws of the State of Colorado, irrespective of the choice of law rules of any jurisdiction.

b. Severability. If any court of competent jurisdiction declares any provision of this Agreement invalid or unenforceable, the remainder of the Agreement shall remain fully enforceable. To the extent that any court concludes that any provision of this Agreement is void or voidable, the court shall reform such provision(s) to render the provision(s) enforceable, but only to the extent absolutely necessary to render the provision(s) enforceable.

c. Integration. This Agreement constitutes the entire agreement of the parties and a complete merger of prior negotiations and agreements and, except as provided in paragraph 10(j), shall not be modified by word or deed, except in a writing signed by Employee and an authorized officer of the Company.

d. Waiver. No provision of this Agreement shall be deemed waived, nor shall there be an estoppel against the enforcement of any such provision, except by a writing signed by the party charged with the waiver or estoppel. No waiver shall be deemed continuing unless specifically stated therein, and the written waiver shall operate only as to the specific term or condition waived, and not for the future or as to any act other than that specifically waived.

e. Construction. Headings in this Agreement are for convenience only and shall not control the meaning of this Agreement. Whenever applicable, masculine and neutral pronouns shall equally apply to the feminine genders; the singular shall include the plural and the plural shall include the singular. The parties have reviewed and understand this Agreement, and each has had a full opportunity to

negotiate the agreement's terms and to consult with counsel of their own choosing. Therefore, the parties expressly waive all applicable common law and statutory rules of construction that any provision of this Agreement should be construed against the agreement's drafter, and agree that this Agreement and all amendments thereto shall be construed as a whole, according to the fair meaning of the language used.

f. Counterparts and Telecopies. This Agreement may be executed in counterparts, or by copies transmitted by telecopier, which counterparts and/or facsimile transmissions shall have the same force and effect as had the contract been executed in person and in original form.

Employee acknowledges and agrees: that he understands this Agreement; that he enters into it freely, knowingly, and mindful of the fact that it creates important legal obligations and affects his legal rights; and that he understands the need to consult concerning this Agreement with legal counsel of his own choosing, and has had a full and fair opportunity to do so.

[SIGNATURES FOLLOW]

Employee

By: ----------
Kenneth D.Tuchman

Date: ----------

TeleTech Holdings, Inc.

By: ----------

As its: ----------

Date: ----------

Exhibit 10.69

TELETECH HOLDINGS, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (the "Agreement") is entered into between TELETECH HOLDINGS, INC., a Delaware corporation ("TeleTech"), and Kenneth D. Tuchman ("Optionee"), as of October 1, 2001 (the "Grant Date"). In consideration of the mutual promises and covenants made herein, the parties hereby agree as follows:

1. Grant of Option. Subject to the terms and conditions of the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan as amended (the "Plan"), a copy of which is attached hereto and incorporated herein by this reference, TeleTech grants to Optionee an option (the "Option") to purchase 420,000 shares (the "Shares") of TeleTech's common stock, $.01 par value (the "Common Stock"), at a price equal to US$6.98 per share (the "Option Price"). The Option Price has been determined by the Compensation Committee of the Board of Directors of TeleTech (the "Committee"), acting in good faith, to be the fair market value of the Common Stock on the Grant Date based upon the last sale price for Common Stock reported by The NASDAQ Stock Market, Inc. as of the close of business on the Grant Date.

The Option is not intended to qualify as an incentive stock option described in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). All provisions of this Agreement are to be construed in conformity with this intention.

2. Term: Option Rights. Except as provided below, the Option shall be valid for a term commencing on the Grant Date and ending upon the earlier of one (1) year after Optionee leaves the Company's employ or ten (10) years after the Grant Date (the "Expiration Date").

(a) Rights Upon Termination of Employment. If Optionee ceases to be employed by TeleTech or any of its subsidiaries or affiliates (collectively, the "Subsidiaries") for any reason other than (i) for "Cause" (as defined herein), (ii) Optionee's death, or (iii) Optionee's mental, physical or emotional disability or condition (a "Disability"), any then vested portion of the Option shall be exercisable at any time prior to the earlier of the Expiration Date or the date twenty-four months after the date of termination of Optionee's employment.

(b) Rights Upon Termination For Cause. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated for Cause, the Option shall be immediately cancelled, no portion of the Option may be exercised thereafter and Optionee shall forfeit all rights to the Option. The term "Cause" shall have the meaning given to such term or to the term "For Cause" or other similar phrase in Optionee's Employment Agreement with TeleTech or any Subsidiary; provided, however, that (i) if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an

employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan, and (ii) "Cause" shall exclude Optionee's death or Disability.

(c) Rights Upon Optionee's Death or Disability. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated as a result of (i) Optionee's death, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the date twelve months after the date of Optionee's death, or (ii) Optionee's Disability, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the date twelve months after the date of Optionee's employment is terminated as a result of Optionee's Disability.

3. Vesting. The Option may only be exercised to the extent vested. Any vested portion of the Option may be exercised at any time in whole or from time to time in part. The Option shall vest according to the following schedule (each date set forth below, a "Vesting Date"):

Vesting Date	Cumulative Percentage of Option Vested
October 1, 2001	50%
December 31, 2001	100%

Optionee must be employed by TeleTech or any Subsidiary on any Vesting Date, in order to vest in the portion of the Option set forth in the chart above that vests on such Vesting Date. No portion of the Option shall vest between Vesting Dates; if Optionee ceases to be employed by TeleTech or any Subsidiary for any reason, then any portion of the Option that is scheduled to vest on any Vesting Date after the date Optionee's employment is terminated automatically shall be forfeited as of the termination of employment.

4. Procedure for Exercise. Exercise of the Option or a portion thereof shall be effected by the giving of written notice to TeleTech in accordance with the Plan and payment of the aggregate Option Price for the number of Shares to be acquired pursuant to such exercise.

5. Payment for Shares. Payment of the Option Price (or portion thereof) may be made by (i) cash; or (ii) certified funds; or (iii) in Shares of Common Stock having an aggregate Fair Market Value, as determined on the date of delivery, equal to the Option Price; or (iv) consideration received by the Company under a cashless exercise whereby Optionee shall deliver irrevocable instructions to a broker to promptly deliver to the Company the amount of sale or loan proceeds necessary to pay for all Common Stock acquired through such exercise and any tax withholding obligations resulting from such exercise; or (v) by such other method or methods as may be permitted by the Committee

in accordance with the provisions of the Plan. No Shares shall be delivered upon exercise of the Option until full payment has been made and all applicable withholding requirements satisfied.

6. Options Not Transferable and Subject to Certain Restrictions. The Option shall be transferable by Optionee to members of Optionee's immediate family or to family trusts, partnerships and other entities comprised solely of the Optionee or members of the Optionee's immediate family. Except as set forth above, the Option may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined in Section 414(p) of the Code. During Optionee's lifetime, the Option may be exercised only by the Optionee or by a legally authorized representative. In the event of Optionee's death, the Option may be exercised by the distributee to whom Optionee's rights under the Option shall pass by will or by the laws of descent and distribution.

7. Acceptance of Plan. Optionee hereby accepts and agrees to be bound by all the terms and conditions of the Plan.

8. No Right to Employment. Nothing herein contained shall confer upon Optionee any right to continuation of employment by TeleTech or any Subsidiary, or interfere with the right of TeleTech or any Subsidiary to terminate at any time the employment of Optionee. Nothing contained herein shall confer any rights upon Optionee as a stockholder of TeleTech, unless and until Optionee actually receives Shares.

9. Compliance with Securities Laws. The Option shall not be exercisable and Shares shall not be issued pursuant to exercise of the Option unless the exercise of the Option and the issuance and delivery of Shares pursuant thereto shall comply with all relevant provisions of law including, without limitation, the Securities Act of 1933, as amended (the "Securities Act"), the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which Common Stock may then be listed, and shall be further subject to the approval of counsel for TeleTech with respect to such compliance. If, in the opinion of counsel for TeleTech, a representation is required to be made by Optionee in order to satisfy any of the foregoing relevant provisions of law, TeleTech may, as a condition to the exercise of the Option, require Optionee to represent and warrant at the time of exercise that the Shares to be delivered as a result of such exercise are being acquired solely for investment and without any present intention to sell or distribute such Shares.

10. Adjustments. Subject to the sole discretion of the Board of Directors, TeleTech may, with respect to any unexercised portion of the Option, make any adjustments necessary to prevent accretion, or to protect against dilution, in the number and kind of shares covered by the Option and in the applicable exercise price thereof in the event of a change in the corporate structure or shares of TeleTech; provided, however, that no adjustment shall be made for the issuance of preferred stock of TeleTech or the conversion of convertible preferred stock of TeleTech. For purposes of this Section 10, a change in the corporate structure or shares of TeleTech includes, without limitation, any

change resulting from a recapitalization, stock split, stock dividend, consolidation, rights offering, spin-off, reorganization or liquidation, and any transaction in which shares of Common Stock are changed into or exchanged for a different number or kind of shares of stock or other securities of TeleTech or another entity.

11. No Other Rights. Optionee hereby acknowledges and agrees that, except as set forth herein, no other representations or promises, either oral or written, have been made by TeleTech, any Subsidiary or anyone acting on their behalf with respect to Optionee's right to acquire any shares of Common Stock, stock options or awards under the Plan, and Optionee hereby releases, acquits and forever discharges TeleTech, the Subsidiaries and anyone acting on their behalf of and from all claims, demands or causes of action whatsoever relating to any such representations or promises and waives forever any claim, demand or action against TeleTech, any Subsidiary or anyone acting on their behalf with respect thereto.

12. Confidentiality. OPTIONEE AGREES NOT TO DISCLOSE, DIRECTLY OR INDIRECTLY, TO ANY OTHER EMPLOYEE OF TELETECH AND TO KEEP CONFIDENTIAL ALL INFORMATION RELATING TO ANY OPTIONS OR OTHER AWARDS GRANTED TO OPTIONEE, PURSUANT TO THE PLAN OR OTHERWISE, INCLUDING THE AMOUNT OF ANY SUCH AWARD, THE EXERCISE PRICE AND THE RATE OF VESTING THEREOF; PROVIDED THAT OPTIONEE SHALL BE ENTITLED TO DISCLOSE SUCH INFORMATION TO SUCH OF OPTIONEE'S ADVISORS, REPRESENTATIVES OR AGENTS, OR TO SUCH OF TELETECH'S OFFICERS, ADVISORS, REPRESENTATIVES OR AGENTS (INCLUDING LEGAL AND ACCOUNTING ADVISORS), WHO HAVE A NEED TO KNOW SUCH INFORMATION FOR LEGITIMATE TAX, FINANCIAL PLANNING OR OTHER SUCH PURPOSES.

13. Severability. Any provision of this Agreement (or portion thereof) that is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this Section 13, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction.

14. References. Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

15. Entire Agreement. This Agreement (including the Plan, which is incorporated herein) constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, oral or written, between TeleTech and Optionee relating to Optionee's entitlement to stock options, Common Stock or similar benefits, under the Plan or otherwise.

16. Amendment. This Agreement may be amended and/or terminated at any time by mutual written agreement of TeleTech and Optionee.

17. No Third Party Beneficiary. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than Optionee and Optionee's respective successors and assigns expressly permitted herein, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

18. Governing Law. The construction and operation of this Agreement are governed by the laws of the State of Delaware (without regard to its conflict of laws provisions).

Executed as of the date first written above.

TELETECH HOLDINGS, INC.

By:

Margot O'Dell,
Chief Financial Officer

Signature of Kenneth D. Tuchman("Optionee")

Optionee's Social Security Number

Exhibit 10.70

TELETECH HOLDINGS, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT

THIS NON-QUALIFIED STOCK OPTION AGREEMENT (the "Agreement") is entered into between TELETECH HOLDINGS, INC., a Delaware corporation ("TeleTech"), and James E. Barlett ("Optionee"), as of October 15, 2001 (the "Grant Date"). In consideration of the mutual promises and covenants made herein, the parties hereby agree as follows:

1. Grant of Option. Subject to the terms and conditions of the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan as amended (the "Plan"), a copy of which is attached hereto and incorporated herein by this reference, TeleTech grants to Optionee an option (the "Option") to purchase 400,000 shares (the "Shares") of TeleTech's common stock, $.01 par value (the "Common Stock"), at a price equal to US$7.84 per share (the "Option Price"). The Option Price has been determined by the Compensation Committee of the Board of Directors of TeleTech (the "Committee"), acting in good faith, to be the fair market value of the Common Stock on the Grant Date based upon the last sale price for Common Stock reported by The NASDAQ Stock Market, Inc. as of the close of business on the Grant Date.

The Option is not intended to qualify as an incentive stock option described in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). All provisions of this Agreement are to be construed in conformity with this intention.

2. Term: Option Rights. Except as provided below, the Option shall be valid for a term commencing on the Grant Date and ending 10 years after the Grant Date (the "Expiration Date").

(a) Rights Upon Termination of Employment. If Optionee ceases to be employed by TeleTech or any of its subsidiaries or affiliates (collectively, the "Subsidiaries") for any reason other than (i) for "Cause" (as defined herein), (ii) Optionee's death, or (iii) Optionee's mental, physical or emotional disability or condition (a "Disability"), any then vested portion of the Option including any portion of the Option scheduled to vest within the twelve month period following the date of termination, shall be exercisable at any time prior to the earlier of the Expiration Date or the date twelve months after the date of termination of Optionee's employment.

(b) Rights Upon Termination For Cause. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated for Cause, the Option shall be immediately cancelled, no portion of the Option may be exercised thereafter and Optionee shall forfeit all rights to the Option. The term "Cause" shall have the meaning given to such term or to the term "For Cause" or other similar phrase in Optionee's Employment Agreement with TeleTech or any Subsidiary; provided, however, that (i) if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an

employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan, and (ii) "Cause" shall exclude Optionee's death or Disability.

(c) Rights Upon Optionee's Death or Disability. If Optionee's employment with TeleTech and/or its Subsidiaries is terminated as a result of (i) Optionee's death, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the date twelve months after the date of Optionee's death, or (ii) Optionee's Disability, any then vested portion of the Option may be exercised at any time prior to the earlier of the Expiration Date or the date twelve months after the date of Optionee's employment is terminated as a result of Optionee's Disability.

3. Vesting. The Option may only be exercised to the extent vested. Any vested portion of the Option may be exercised at any time in whole or from time to time in part. The Option shall vest according to the following schedule and may be accelerated pursuant to Subsection 3A(d) below (each date set forth below, a "Vesting Date"):

Vesting Date	Cumulative Percentage of Option Vested
October 15, 2002	25%
October 15, 2003	50%
October 15, 2004	75%
October 15, 2005	100%

Optionee must be employed by TeleTech or any Subsidiary on any Vesting Date, in order to vest in the portion of the Option set forth in the chart above that vests on such Vesting Date. No portion of the Option shall vest between Vesting Dates; if Optionee ceases to be employed by TeleTech or any Subsidiary for any reason, then any portion of the Option that is scheduled to vest on any Vesting Date after the date Optionee's employment is terminated automatically shall be forfeited as of the termination of employment.

3A. Vesting Following a Change in Control.

(a) Accelerated Vesting. Notwithstanding the vesting schedule contained in Section 3,

(i) upon a Change in Control (as hereinafter defined), any unvested portion of the Option that is scheduled to vest (pursuant to Section 3) within 24 months following the date the Change of Control becomes effective shall vest and become immediately exercisable as of the effective date of the Change of Control, with the remainder of the unvested portion of the Option vesting pursuant to Section 3, as accelerated by this Section 3A and clarified by the following example:

> For example, assume that on June 1, 2001 an optionee was granted an option to acquire 10,000 shares of Common Stock, which option vests over five years, pro rata, on each anniversary of the grant date. On June 5, 2002, a Change of Control is consummated. As of June 5, 2002, the optionee will be fully vested in the option with respect to 6,000 shares (i.e., the 2001 shares that vested on June 1, 2002, plus an additional 4,000 shares that vested on June 5, 2002 in accordance with the accelerated vesting provisions of this Section 3A), and the remaining unvested portion of the option would vest (assuming all other conditions to vesting are satisfied) with respect to the remaining 4,000 shares on each of June 1, 2003 (2,000 shares) and June 2, 2004 (2,000 shares).

(ii) if Optionee's employment with TeleTech or any Subsidiary is terminated within 24 months following a Change in Control, then the entire amount of the Option shall become 100% vested and immediately exercisable as of Optionee's Termination Date (as defined herein); provided, however, -------- -------
that the accelerated vesting described in the foregoing clause (ii) shall not apply if Optionee's employment with TeleTech is terminated (A) by Optionee for any reason other than for "Good Reason" (as defined herein), or (B) by TeleTech for "Cause" (as defined herein).

(b) Definition of "Change in Control". For purposes of this Agreement, ---------- ------------------
"Change in Control" means the occurrence of any one of the following events:

(i) any consolidation, merger or other similar transaction (A) involving TeleTech, if TeleTech is not the continuing or surviving corporation, or (B) which contemplates that all or substantially all of the business and/or assets of TeleTech will be controlled by another corporation;

(ii) any sale, lease, exchange or transfer (in one transaction or series of related transactions) of all or substantially all of the assets of TeleTech (a "Disposition"); provided, however, that the foregoing shall ----------- -------- -------
not apply to any Disposition to a corporation with respect to which, following such Disposition, more than 51% of the combined voting power of the then outstanding voting securities of such corporation is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of at

least 51% of the then outstanding Common Stock and/or other voting securities of TeleTech immediately prior to such Disposition, in substantially the same proportion as their ownership immediately prior to such Disposition;

(iii) approval by the stockholders of TeleTech of any plan or proposal for the liquidation or dissolution of TeleTech, unless such plan or proposal is abandoned within 60 days following such approval;

(iv) the acquisition by any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended), or two or more persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of 51% or more of the outstanding shares of voting stock of TeleTech; provided, however, that for purposes of the foregoing, "person" excludes Kenneth D. Tuchman and his affiliates; provided, further that the foregoing shall exclude any such acquisition (A) by any person made directly from TeleTech, (B) made by TeleTech or any Subsidiary, or (C) made by an employee benefit plan (or related trust) sponsored or maintained by TeleTech or any Subsidiary; or

(v) if, during any period of 15 consecutive calendar months commencing at any time on or after the Grant Date, those individuals (the "Continuing Directors") who either (A) were directors of TeleTech on the first day of each such 15-month period, or (B) subsequently became directors of TeleTech and whose actual election or initial nomination for election subsequent to that date was approved by a majority of the Continuing Directors then on the board of directors of TeleTech, cease to constitute a majority of the board of directors of TeleTech.

(c) Other Definitions. For purposes of this Section 3A, the following terms have the meanings ascribed to them below:

(i) "Cause" has the meaning given to such term, or to the term "For Cause" or other similar phrase, in Optionee's Employment Agreement with TeleTech or any Subsidiary, if any; provided, however, that if at any time Optionee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan; provided, further, that, notwithstanding the provisions of Optionee's Employment Agreement or of the Plan, for purposes of this Agreement, TeleTech shall have the burden to prove that Optionee's employment was terminated for "Cause."

(ii) "Termination Date " means the latest day on which Optionee is expected to report to work and is responsible for the performance of services to or on behalf of TeleTech or any Subsidiary, notwithstanding that Optionee may be entitled to receive payments from TeleTech (e.g., for unused vacation or sick time, severance payments, deferred compensation or otherwise) after such date; and

(iii) "Good Reason" means (A) any reduction in Optionee's base salary; provided that a reduction in Optionee's base salary of 10% or less does not constitute "Good Reason" if such reduction is effected in connection with a reduction in compensation that is applicable generally to officers and senior management of TeleTech; (B) Optionee's responsibilities or areas of supervision within TeleTech or its Subsidiaries are substantially reduced; or (C) Optionee's principal office is relocated outside the metropolitan area in which Optionee's office was located immediately prior to the Change in Control; provided, however, that temporary assignments made for the good of TeleTech's business shall not constitute such a move of office location.

d. Acceleration Upon Achievement of Gross Revenue Targets. Optionee will be entitled to accelerated vesting as set forth below upon the occurrence of the following events:

(i) Upon completion of the audited financial statements of TeleTech for fiscal year 2002, if the Company achieves a gross revenue target of $1,145,000,000 or greater and earnings per share of $0.69 or greater, exclusive in both cases of any acquisitions completed during2002, the portion of Option scheduled to vest on October 1, 2004 pursuant to the Vesting Schedule set forth in Section 3 above, shall vest and become immediately exercisable. Such acceleration will be in addition to the cumulative percentage of the Option vested prior to acceleration according to the Vesting Schedule set forth in Section 3 above. In the event that Optionee is not entitled to accelerated vesting, the Vesting Schedule set forth in the Section 3 above shall remain in full force and effect.

(ii) Upon completion of the audited financials statements of TeleTech for fiscal year 2003, if TeleTech achieves a gross revenue target of $1,430,000,000 or greater and earnings per share of $1.00 or greater, exclusive in both cases of any acquisitions completed during 2002 and 2003, the portion of the Option scheduled to vest on October 1, 2003 pursuant to the Vesting Schedule set forth in Section 3 above, shall vest and become immediately exercisable. Such acceleration will be in addition to the cumulative percentage of the Option vested prior to acceleration according to the Vesting Schedule set forth in Section 3 above. In the event that Optionee is not entitled to accelerated vesting, the Vesting Schedule set forth in Section 3 above shall remain in full force and effect.

4. Procedure for Exercise. Exercise of the Option or a portion thereof shall be effected by the giving of written notice to TeleTech in accordance with the Plan and payment of the aggregate Option Price for the number of Shares to be acquired pursuant to such exercise.

5. Payment for Shares. Payment of the Option Price (or portion thereof) may be made by (i) cash; or (ii) certified funds; or (iii) in Shares of Common Stock having an aggregate Fair Market Value, as determined on the date of delivery, equal to the Option Price; or (iv) consideration received by the Company under a cashless exercise whereby

Optionee shall deliver irrevocable instructions to a broker to promptly deliver to the Company the amount of sale or loan proceeds necessary to pay for all Common Stock acquired through such exercise and any tax withholding obligations resulting from such exercise; or (v) by such other method or methods as may be permitted by the Committee in accordance with the provisions of the Plan. No Shares shall be delivered upon exercise of the Option until full payment has been made and all applicable withholding requirements satisfied.

6. Options Not Transferable and Subject to Certain Restrictions. The Option may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined in Section 414(p) of the Code. During Optionee's lifetime, the Option may be exercised only by the Optionee or by a legally authorized representative. In the event of Optionee's death, the Option may be exercised by the distributee to whom Optionee's rights under the Option shall pass by will or by the laws of descent and distribution.

7. Acceptance of Plan. Optionee hereby accepts and agrees to be bound by all the terms and conditions of the Plan.

8. No Right to Employment. Nothing herein contained shall confer upon Optionee any right to continuation of employment by TeleTech or any Subsidiary, or interfere with the right of TeleTech or any Subsidiary to terminate at any time the employment of Optionee. Nothing contained herein shall confer any rights upon Optionee as a stockholder of TeleTech, unless and until Optionee actually receives Shares.

9. Compliance with Securities Laws. The Option shall not be exercisable and Shares shall not be issued pursuant to exercise of the Option unless the exercise of the Option and the issuance and delivery of Shares pursuant thereto shall comply with all relevant provisions of law including, without limitation, the Securities Act of 1933, as amended (the "Securities Act"), the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which Common Stock may then be listed, and shall be further subject to the approval of counsel for TeleTech with respect to such compliance. If, in the opinion of counsel for TeleTech, a representation is required to be made by Optionee in order to satisfy any of the foregoing relevant provisions of law, TeleTech may, as a condition to the exercise of the Option, require Optionee to represent and warrant at the time of exercise that the Shares to be delivered as a result of such exercise are being acquired solely for investment and without any present intention to sell or distribute such Shares.

10. Adjustments. Subject to the sole discretion of the Board of Directors, TeleTech may, with respect to any unexercised portion of the Option, make any adjustments necessary to prevent accretion, or to protect against dilution, in the number and kind of shares covered by the Option and in the applicable exercise price thereof in the event of a change in the corporate structure or shares of TeleTech; provided, however, that no adjustment shall be made for the issuance of preferred stock of TeleTech or the conversion of convertible preferred stock of TeleTech. For purposes of this Section 10, a

change in the corporate structure or shares of TeleTech includes, without limitation, any change resulting from a recapitalization, stock split, stock dividend, consolidation, rights offering, spin-off, reorganization or liquidation, and any transaction in which shares of Common Stock are changed into or exchanged for a different number or kind of shares of stock or other securities of TeleTech or another entity.

11. No Other Rights. Optionee hereby acknowledges and agrees that, except as set forth herein, no other representations or promises, either oral or written, have been made by TeleTech, any Subsidiary or anyone acting on their behalf with respect to Optionee's right to acquire any shares of Common Stock, stock options or awards under the Plan, and Optionee hereby releases, acquits and forever discharges TeleTech, the Subsidiaries and anyone acting on their behalf of and from all claims, demands or causes of action whatsoever relating to any such representations or promises and waives forever any claim, demand or action against TeleTech, any Subsidiary or anyone acting on their behalf with respect thereto.

12. Confidentiality. OPTIONEE AGREES NOT TO DISCLOSE, DIRECTLY OR INDIRECTLY, TO ANY OTHER EMPLOYEE OF TELETECH AND TO KEEP CONFIDENTIAL ALL INFORMATION RELATING TO ANY OPTIONS OR OTHER AWARDS GRANTED TO OPTIONEE, PURSUANT TO THE PLAN OR OTHERWISE, INCLUDING THE AMOUNT OF ANY SUCH AWARD, THE EXERCISE PRICE AND THE RATE OF VESTING THEREOF; PROVIDED THAT OPTIONEE SHALL BE ENTITLED TO DISCLOSE SUCH INFORMATION TO SUCH OF OPTIONEE'S ADVISORS, REPRESENTATIVES OR AGENTS, OR TO SUCH OF TELETECH'S OFFICERS, ADVISORS, REPRESENTATIVES OR AGENTS (INCLUDING LEGAL AND ACCOUNTING ADVISORS), WHO HAVE A NEED TO KNOW SUCH INFORMATION FOR LEGITIMATE TAX, FINANCIAL PLANNING OR OTHER SUCH PURPOSES.

13. Severability. Any provision of this Agreement (or portion thereof) that is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this Section 13, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction.

14. References. Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

15. Entire Agreement. This Agreement (including the Plan, which is incorporated herein) constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, oral or written, between TeleTech and Optionee relating to Optionee's entitlement to stock options, Common Stock or similar benefits, under the Plan or otherwise.

16. Amendment. This Agreement may be amended and/or terminated at any time by mutual written agreement of TeleTech and Optionee.

17. No Third Party Beneficiary. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than Optionee and Optionee's respective successors and assigns expressly permitted herein, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

18. Governing Law. The construction and operation of this Agreement are governed by the laws of the State of Delaware (without regard to its conflict of laws provisions).

Executed as of the date first written above.

TELETECH HOLDINGS, INC.

By:

Kenneth D. Tuchman
Chief Executive Officer

Signature of James E. Barlett ("Optionee")

Optionee's Social Security Number

Exhibit 10.71

TELETECH HOLDINGS, INC.
RESTRICTED STOCK AGREEMENT

THIS RESTRICTED STOCK AGREEMENT (the "Agreement") is entered into between TELETECH HOLDINGS, INC., a Delaware corporation ("TeleTech"), and James E. Barlett ("Grantee"), as of October 15, 2001 (the "Grant Date"). In consideration of the mutual promises and covenants made herein, the parties hereby agree as follows:

1. Grant of Restricted Stock. Subject to the terms and conditions of the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan as amended (the "Plan"), a copy of which is attached hereto and incorporated herein by this reference, TeleTech grants to Grantee restricted stock (the "Restricted Stock") in the amount of 200,000 shares (the "Grant") of TeleTech's common stock, $.01 par value (the "Common Stock").

2. Term: Grant Rights. Except as provided below, the Grant shall be valid for a term commencing on the Grant Date and ending upon the date when all restrictions on the Restricted Stock under the Grant have lapsed. (the "Expiration Date").

(a) Rights Upon Termination of Employment. If Grantee ceases to be employed by TeleTech or any of its subsidiaries or affiliates (collectively, the "Subsidiaries") for any reason other than (i) for "Cause" (as defined herein), (ii) Grantee's death, or (iii) Grantee's mental, physical or emotional disability or condition (a "Disability"), the restrictions shall lapse on any remaining portion of the Grant that remains restricted on the date of termination of employment up to 100,000 shares, and any then remaining shares subject to restrictions shall be immediately cancelled and Grantee shall forfeit all rights thereto.

(b) Rights Upon Termination For Cause. If Grantee's employment with TeleTech and/or its Subsidiaries is terminated for Cause, the Grant shall be immediately cancelled, no portion of the Grant may be earned thereafter and Grantee shall forfeit all rights to the unearned portion of the Grant. The term "Cause" shall have the meaning given to such term or to the term "For Cause" or other similar phrase in Grantee's Employment Agreement with TeleTech or any Subsidiary; provided, however, that (i) if at any time Grantee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan, and (ii) "Cause" shall exclude Grantee's death or Disability.

(c) Rights Upon Grantee's Death or Disability. If Grantee's employment with TeleTech and/or its Subsidiaries is terminated as a result of Grantee's death or Disability, Grantee shall forfeit all rights to the unearned portion of the Grant.

3. Restriction Lapse. The shares of Restricted Stock subject to the Grant shall be restricted and the Grant may only be earned to the extent that the restrictions on the stock under the Grant have lapsed according to the schedule ("Schedule") below or in accordance with Subsection 4 below.

Restriction Lapse Date	Cumulative Percentage of Grant Earned
October 15, 2003	50%
October 15, 2005	100%

Grantee must be employed by TeleTech or any Subsidiary on any Restriction Lapse Date, in order to earn the portion of the Grant set forth in the chart above. No portion of the Grant shall be earned between Restriction Lapse Dates; if Grantee ceases to be employed by TeleTech or any Subsidiary for any reason, then except as specifically provided herein, any portion of the Grant that is scheduled to be earned on any Restriction Lapse Date after the date Grantee's employment is terminated automatically shall be forfeited as of the termination of employment.

4. Restriction Lapses Following a Change in Control

(a) Change in Control. Notwithstanding the Schedule contained in Section 3, upon a Change in Control restrictions shall lapse automatically with respect to 100,000 shares of Restricted Stock under the Grant.

(b) Definition of "Change in Control". For purposes of this Agreement, "Change in Control" means the occurrence of any one of the following events:

(i) any consolidation, merger or other similar transaction (A) involving TeleTech, if TeleTech is not the continuing or surviving corporation, or (B) which contemplates that all or substantially all of the business and/or assets of TeleTech will be controlled by another corporation;

(ii) any sale, lease, exchange or transfer (in one transaction or series of related transactions) of all or substantially all of the assets of TeleTech (a "Disposition"); provided, however, that the foregoing shall not apply to any Disposition to a corporation with respect to which, following such Disposition, more than 51% of the combined voting power of the then outstanding voting securities of such corporation is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of at least 51% of the then outstanding Common Stock and/or other voting securities of TeleTech immediately prior to such Disposition, in substantially the same proportion as their ownership immediately prior to such Disposition;

(iii) approval by the stockholders of TeleTech of any plan or proposal for the liquidation or dissolution of TeleTech, unless such plan or proposal is abandoned within 60 days following such approval;

(iv) the acquisition by any "person" (as such term is used in

Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended), or two or more persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of 51% or more of the outstanding shares of voting stock of TeleTech; provided, however, that for purposes of the foregoing, "person" excludes Kenneth D. Tuchman and his affiliates; provided, further that the foregoing shall exclude any such acquisition (A) by any person made directly from TeleTech, (B) made by TeleTech or any Subsidiary, or (C) made by an employee benefit plan (or related trust) sponsored or maintained by TeleTech or any Subsidiary; or

(v) if, during any period of 15 consecutive calendar months commencing at any time on or after the Grant Date, those individuals (the "Continuing Directors") who either (A) were directors of TeleTech on the first day of each such 15-month period, or (B) subsequently became directors of TeleTech and whose actual election or initial nomination for election subsequent to that date was approved by a majority of the Continuing Directors then on the board of directors of TeleTech, cease to constitute a majority of the board of directors of TeleTech.

(c) Earning Upon Achievement of Gross Revenue and EPS Targets. Grantee will be entitled to accelerated lapses of restrictions on Restricted Stock under the Grant as set forth below upon the occurrence of the following events:

(i) Upon completion of the audited financial statements of TeleTech for fiscal year 2002, if TeleTech achieves gross revenue of $1,145,000,000 or greater and earnings per share of $0.69 or greater, exclusive in both cases of any acquisitions completed during 2002, the restrictions on 50,000 shares subject to the Grant shall automatically lapse. Such accelerated lapses will be in addition to the cumulative percentage of the Grant earned prior to the accelerated lapse according to the Schedule. In the event that Grantee is not entitled to accelerated lapses, the Schedule shall remain in full force and effect.

(ii) Upon completion of the audited financial statements of TeleTech for fiscal year 2003, if TeleTech achieves gross revenue of $1,430,000,000 or greater and earnings per share of $1.00 or greater, exclusive in both cases of any acquisitions completed during 2002 and 2003 , the restrictions on 50,000 shares subject to the Grant shall automatically lapse. Such accelerated lapses will be in addition to the cumulative percentage of the Grant earned prior to accelerated lapses according to the Schedule. In the event that Grantee is not entitled to accelerated lapses, the Schedule shall remain in full force and effect.

5. Certificates. All certificates representing shares under the Grant issued to the Grantee pursuant to this Agreement will contain the following legend:

"This certificate and the shares represented hereby are subject to the terms and conditions (including forfeiture and restrictions against transfer) contained in the TeleTech

Holdings, Inc. 1999 Stock Option and Incentive Plan, as amended and an Agreement entered into by the registered owner. Release from such terms and conditions shall be obtained only in accordance with the provisions of the Plan and Agreement, a copy of each of which is on file in the office of the Secretary of said TeleTech Holdings, Inc.."

The shares of Restricted Stock under the Grant will be unregistered shares and, in addition to the legend set forth above, shall contain the following legend:

"The shares represented by this Certificate have not been registered under the Securities Act of 1933, as amended (the "Act") and are `restricted securities' as that term is defined in Rule 144 under the Act. The shares may not be offered for sale, sold or otherwise transferred except pursuant to an effective registration statement under the Act, or pursuant to an exemption from registration under the Act, the availability of which is to be established to the satisfaction of the Company".

6. Rights of Grantee. Exception for the restrictions set forth herein, the Grantee will have any and all rights of a stockholder of Common Stock of the Company, including voting rights and the right to receive dividends.

7. Grants Not Transferable and Subject to Certain Restrictions. Unearned shares may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined in Section 414(p) of the Internal Revenue Code. During Grantee's lifetime, the Grant may be earned only by the Grantee.

8. Acceptance of Plan. Grantee hereby accepts and agrees to be bound by all the terms and conditions of the Plan.

9. No Right to Employment. Nothing herein contained shall confer upon Grantee any right to continuation of employment by TeleTech or any Subsidiary, or interfere with the right of TeleTech or any Subsidiary to terminate at any time the employment of Grantee.

10. Compliance with Securities Laws. The shares of Restricted Stock issued pursuant to the Grant shall be unregistered shares which have not been registered under the Securities and Exchange Act of 1933, as amended (the "Act")and are restricted securities under as that terms is defined in Rule 144 under the Act. The issuance of the shares of Restricted Stock and any subsequent sale or transfer, must comply with all relevant provisions of law including, without limitation, the Act, the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which Common Stock may then be listed, and shall be further subject to the approval of counsel for TeleTech with respect to such compliance. If, in the opinion of counsel for TeleTech, a representation is required to be

made by Grantee in order to satisfy any of the foregoing relevant provisions of law, TeleTech may, as a condition to the lapse on restrictions of the shares of Restricted Stock under the Grant, require Grantee to represent and warrant at the time of lapse that the Shares to be delivered as a result of such lapse are being acquired solely for investment and without any present intention to sell or distribute such shares.

11. Adjustments. Subject to the sole discretion of the Board of Directors, TeleTech may, with respect to any unearned portion of the Grant, make any adjustments necessary to prevent accretion, or to protect against dilution, in the number and kind of shares covered by the Grant in the event of a change in the corporate structure or shares of TeleTech; provided, however, that no adjustment shall be made for the issuance of preferred stock of TeleTech or the conversion of convertible preferred stock of TeleTech. For purposes of this Section 11, a change in the corporate structure or shares of TeleTech includes, without limitation, any change resulting from a recapitalization, stock split, stock dividend, consolidation, rights offering, spin-off, reorganization or liquidation, and any transaction in which shares of Common Stock are changed into or exchanged for a different number or kind of shares of stock or other securities of TeleTech or another entity.

12. No Other Rights. Grantee hereby acknowledges and agrees that, except as set forth herein, no other representations or promises, either oral or written, have been made by TeleTech, any Subsidiary or anyone acting on their behalf with respect to Grantee's right to acquire any shares of Common Stock, stock Grants or awards under the Plan, and Grantee hereby releases, acquits and forever discharges TeleTech, the Subsidiaries and anyone acting on their behalf of and from all claims, demands or causes of action whatsoever relating to any such representations or promises and waives forever any claim, demand or action against TeleTech, any Subsidiary or anyone acting on their behalf with respect thereto.

13. Confidentiality. GRANTEE AGREES NOT TO DISCLOSE, DIRECTLY OR INDIRECTLY, TO ANY OTHER EMPLOYEE OF TELETECH AND TO KEEP CONFIDENTIAL ALL INFORMATION RELATING TO ANY GRANTS OR OTHER AWARDS GRANTED TO GRANTEE, PURSUANT TO THE PLAN OR OTHERWISE, INCLUDING THE AMOUNT OF ANY SUCH AWARD, THE EXERCISE PRICE AND THE RATE OF VESTING THEREOF; PROVIDED THAT GRANTEE SHALL BE ENTITLED TO DISCLOSE SUCH INFORMATION TO SUCH OF GRANTEE'S ADVISORS, REPRESENTATIVES OR AGENTS, OR TO SUCH OF TELETECH'S OFFICERS, ADVISORS, REPRESENTATIVES OR AGENTS (INCLUDING LEGAL AND ACCOUNTING ADVISORS), WHO HAVE A NEED TO KNOW SUCH INFORMATION FOR LEGITIMATE TAX, FINANCIAL PLANNING OR OTHER SUCH PURPOSES OR AS REQUIRED BY THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION.

14. Severability. Any provision of this Agreement (or portion thereof) that is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this Section 14, be ineffective to the extent of such invalidity, illegality

or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction.

15. References. Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

16. Entire Agreement. This Agreement (including the Plan, which is incorporated herein) constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, oral or written, between TeleTech and Grantee relating to Grantee's entitlement to stock grants, Common Stock or similar benefits, under the Plan or otherwise.

17. Amendment. This Agreement may be amended and/or terminated at any time by mutual written agreement of TeleTech and Grantee.

18. No Third Party Beneficiary. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than Grantee and Grantee's respective successors and assigns expressly permitted herein, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

19. Governing Law. The construction and operation of this Agreement are governed by the laws of the State of Delaware (without regard to its conflict of laws provisions).

Executed as of the date first written above.

TELETECH HOLDINGS, INC.

By:

Kenneth D. Tuchman
Chief Financial Officer

Signature of James E. Barlett ("Grantee")

Grantee's Social Security Number

Exhibit 10.72

TELETECH HOLDINGS, INC.
RESTRICTED STOCK AGREEMENT

THIS RESTRICTED STOCK AGREEMENT (the "Agreement") is entered into between TELETECH HOLDINGS, INC., a Delaware corporation ("TeleTech"), and James E. Barlett ("Grantee"), as of October 15, 2001 (the "Grant Date"). In consideration of the mutual promises and covenants made herein, the parties hereby agree as follows:

1. Grant of Restricted Stock. Subject to the terms and conditions of the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan as amended (the "Plan"), a copy of which is attached hereto and incorporated herein by this reference, TeleTech grants to Grantee restricted stock (the "Restricted Stock") in the amount of 50,000 shares (the "Grant") of TeleTech's common stock, $.01 par value (the "Common Stock").

2. Term: Grant Rights. Except as provided below, the Grant shall be valid for a term commencing on the Grant Date and ending upon the date when all restrictions on the Restricted Stock under the Grant have lapsed. (the "Expiration Date").

(a) Rights Upon Termination of Employment. If Grantee ceases to be employed by TeleTech or any of its subsidiaries or affiliates (collectively, the "Subsidiaries") for any reason other than (i) for "Cause" (as defined herein), (ii) Grantee's death, or (iii) Grantee's mental, physical or emotional disability or condition (a "Disability"), Grantee shall forfeit all rights to the unearned portion of the Grant.

(b) Rights Upon Termination For Cause. If Grantee's employment with TeleTech and/or its Subsidiaries is terminated for Cause, the Grant shall be immediately cancelled, no portion of the Grant may be earned thereafter and Grantee shall forfeit all rights to the unearned portion of the Grant. The term "Cause" shall have the meaning given to such term or to the term "For Cause" or other similar phrase in Grantee's Employment Agreement with TeleTech or any Subsidiary; provided, however, that (i) if at any time Grantee's employment with TeleTech or any Subsidiary is not governed by an employment agreement, then the term "Cause" shall have the meaning given to such term in the Plan, and (ii) "Cause" shall exclude Grantee's death or Disability.

(c) Rights Upon Grantee's Death or Disability. If Grantee's employment with TeleTech and/or its Subsidiaries is terminated as a result of Grantee's death or Disability, Grantee shall forfeit all rights to the unearned portion of the Grant.

3. Restriction Lapse. The shares of Restricted Stock subject to the Grant shall be restricted and the Grant may only be earned to the extent that the restrictions on the stock under the Grant have lapsed according to the schedule ("Schedule") below.

Restriction Lapse Date	Cumulative Percentage of Grant Earned
October 15, 2005	100%

Grantee must be employed by TeleTech or any Subsidiary on any Restriction Lapse Date, in order to earn the portion of the Grant set forth in the Schedule above. No portion of the Grant shall be earned prior to the Restriction Lapse Date; if Grantee ceases to be employed by TeleTech or any Subsidiary for any reason, then except as specifically provided herein, any portion of the Grant that is scheduled to be earned on the Restriction Lapse Date after the date Grantee's employment is terminated automatically shall be forfeited as of the termination of employment.

4. Restriction Lapses Following a Change in Control

(a) Change in Control. Notwithstanding the Schedule contained in Section 3, upon a Change in Control restrictions shall lapse automatically with respect to all shares of Restricted Stock under the Grant.

(b) Definition of "Change in Control". For purposes of this Agreement, "Change in Control" means the occurrence of any one of the following events:

(i) any consolidation, merger or other similar transaction (A) involving TeleTech, if TeleTech is not the continuing or surviving corporation, or (B) which contemplates that all or substantially all of the business and/or assets of TeleTech will be controlled by another corporation;

(ii) any sale, lease, exchange or transfer (in one transaction or series of related transactions) of all or substantially all of the assets of TeleTech (a "Disposition"); provided, however, that the foregoing shall not apply to any Disposition to a corporation with respect to which, following such Disposition, more than 51% of the combined voting power of the then outstanding voting securities of such corporation is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of at least 51% of the then outstanding Common Stock and/or other voting securities of TeleTech immediately prior to such Disposition, in substantially the same proportion as their ownership immediately prior to such Disposition;

(iii) approval by the stockholders of TeleTech of any plan or proposal for the liquidation or dissolution of TeleTech, unless such plan or proposal is abandoned within 60 days following such approval;

(iv) the acquisition by any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended), or two or more persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as

amended) of 51% or more of the outstanding shares of voting stock of TeleTech; provided, however, that for purposes of the foregoing, "person" excludes Kenneth D. Tuchman and his affiliates; provided, further that the foregoing shall exclude any such acquisition (A) by any person made directly from TeleTech, (B) made by TeleTech or any Subsidiary, or (C) made by an employee benefit plan (or related trust) sponsored or maintained by TeleTech or any Subsidiary; or

(v) if, during any period of 15 consecutive calendar months commencing at any time on or after the Grant Date, those individuals (the "Continuing Directors") who either (A) were directors of TeleTech on the first day of each such 15-month period, or (B) subsequently became directors of TeleTech and whose actual election or initial nomination for election subsequent to that date was approved by a majority of the Continuing Directors then on the board of directors of TeleTech, cease to constitute a majority of the board of directors of TeleTech.

5. Certificates. All certificates representing shares under the Grant issued to the Grantee pursuant to this Agreement will contain the following legend:

"This certificate and the shares represented hereby are subject to the terms and conditions (including forfeiture and restrictions against transfer) contained in the TeleTech Holdings, Inc. 1999 Stock Option and Incentive Plan, as amended and an Agreement entered into by the registered owner. Release from such terms and conditions shall be obtained only in accordance with the provisions of the Plan and Agreement, a copy of each of which is on file in the office of the Secretary of said TeleTech Holdings, Inc.."

The shares of Restricted Stock under the Grant will be unregistered shares and, in addition to the legend set forth above, shall contain the following legend:

"The shares represented by this Certificate have not been registered under the Securities Act of 1933, as amended (the "Act") and are `restricted securities' as that term is defined in Rule 144 under the Act. The shares may not be offered for sale, sold or otherwise transferred except pursuant to an effective registration statement under the Act, or pursuant to an exemption from registration under the Act, the availability of which is to be established to the satisfaction of the Company".

6. Rights of Grantee. Exception for the restrictions set forth herein, the Grantee will have any and all rights of a stockholder of Common Stock of the Company, including voting rights and the right to receive dividends.

7. Grants Not Transferable and Subject to Certain Restrictions. Unearned shares may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order

as defined in Section 414(p) of the Internal Revenue Code. During Grantee's lifetime, the Grant may be earned only by the Grantee.

8. Acceptance of Plan. Grantee hereby accepts and agrees to be bound by all the terms and conditions of the Plan.

9. No Right to Employment. Nothing herein contained shall confer upon Grantee any right to continuation of employment by TeleTech or any Subsidiary, or interfere with the right of TeleTech or any Subsidiary to terminate at any time the employment of Grantee.

10. Compliance with Securities Laws. The shares of Restricted Stock issued pursuant to the Grant shall be unregistered shares which have not been registered under the Securities and Exchange Act of 1933, as amended (the "Act")and are restricted securities under as that terms is defined in Rule 144 under the Act. The issuance of the shares of Restricted Stock and any subsequent sale or transfer, must comply with all relevant provisions of law including, without limitation, the Act, the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which Common Stock may then be listed, and shall be further subject to the approval of counsel for TeleTech with respect to such compliance. If, in the opinion of counsel for TeleTech, a representation is required to be made by Grantee in order to satisfy any of the foregoing relevant provisions of law, TeleTech may, as a condition to the lapse on restrictions of the shares of Restricted Stock under the Grant, require Grantee to represent and warrant at the time of lapse that the Shares to be delivered as a result of such lapse are being acquired solely for investment and without any present intention to sell or distribute such shares.

11. Adjustments. Subject to the sole discretion of the Board of Directors, TeleTech may, with respect to any unearned portion of the Grant, make any adjustments necessary to prevent accretion, or to protect against dilution, in the number and kind of shares covered by the Grant in the event of a change in the corporate structure or shares of TeleTech; provided, however, that no adjustment shall be made for the issuance of preferred stock of TeleTech or the conversion of convertible preferred stock of TeleTech. For purposes of this Section 11, a change in the corporate structure or shares of TeleTech includes, without limitation, any change resulting from a recapitalization, stock split, stock dividend, consolidation, rights offering, spin-off, reorganization or liquidation, and any transaction in which shares of Common Stock are changed into or exchanged for a different number or kind of shares of stock or other securities of TeleTech or another entity.

12. No Other Rights. Grantee hereby acknowledges and agrees that, except as set forth herein, no other representations or promises, either oral or written, have been made by TeleTech, any Subsidiary or anyone acting on their behalf with respect to Grantee's right to acquire any shares of Common Stock, stock Grants or awards under the Plan, and Grantee hereby releases, acquits and forever discharges TeleTech, the Subsidiaries and anyone acting on their behalf of and from all claims, demands or causes

of action whatsoever relating to any such representations or promises and waives forever any claim, demand or action against TeleTech, any Subsidiary or anyone acting on their behalf with respect thereto.

13. Confidentiality. GRANTEE AGREES NOT TO DISCLOSE, DIRECTLY OR INDIRECTLY, TO ANY OTHER EMPLOYEE OF TELETECH AND TO KEEP CONFIDENTIAL ALL INFORMATION RELATING TO ANY GRANTS OR OTHER AWARDS GRANTED TO GRANTEE, PURSUANT TO THE PLAN OR OTHERWISE, INCLUDING THE AMOUNT OF ANY SUCH AWARD, THE EXERCISE PRICE AND THE RATE OF VESTING THEREOF; PROVIDED THAT GRANTEE SHALL BE ENTITLED TO DISCLOSE SUCH INFORMATION TO SUCH OF GRANTEE'S ADVISORS, REPRESENTATIVES OR AGENTS, OR TO SUCH OF TELETECH'S OFFICERS, ADVISORS, REPRESENTATIVES OR AGENTS (INCLUDING LEGAL AND ACCOUNTING ADVISORS), WHO HAVE A NEED TO KNOW SUCH INFORMATION FOR LEGITIMATE TAX, FINANCIAL PLANNING OR OTHER SUCH PURPOSES OR AS REQUIRED BY THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION.

14. Severability. Any provision of this Agreement (or portion thereof) that is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this Section 14, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions thereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction.

15. References. Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

16. Entire Agreement. This Agreement (including the Plan, which is incorporated herein) constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, oral or written, between TeleTech and Grantee relating to Grantee's entitlement to stock grants, Common Stock or similar benefits, under the Plan or otherwise.

17. Amendment. This Agreement may be amended and/or terminated at any time by mutual written agreement of TeleTech and Grantee.

18. No Third Party Beneficiary. Nothing in this Agreement, expressed or implied, is intended to confer on any person other than Grantee and Grantee's respective successors and assigns expressly permitted herein, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

19. Governing Law. The construction and operation of this Agreement are governed by the laws of the State of Delaware (without regard to its conflict of laws provisions).

Executed as of the date first written above.

TELETECH HOLDINGS, INC.

By:

Kenneth D. Tuchman
Chief Financial Officer

Signature of James E. Barlett ("Grantee")

Grantee's Social Security Number

Exhibit 10.73

Execution Copy

TeleTech Holdings, Inc.

$60,000,000 7.00% Senior Notes, Series A, due October 31, 2008
$15,000,000 7.40% Senior Notes, Series B, due October 31, 2011

Note Purchase Agreement

Dated as of October 1, 2001

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(Not a part of the Agreement)

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TeleTech Holdings, Inc.
9197 South Peoria Street
Englewood, Colorado 80112

7.00% Senior Notes, Series A, due October 31, 2008
7.40% Senior Notes, Series B, due October 31, 2011

Dated as of October 1, 2001

To the Purchasers Listed in
The Attached Schedule A:

Ladies and Gentlemen:

TeleTech Holdings, Inc., a Delaware corporation (the "Company"), agrees with the Purchasers (the "Purchasers") listed in the attached Schedule A as follows:

Section 1. Authorization of Notes.

The Company will authorize the issue and sale of (a) $60,000,000 aggregate principal amount of its 7.00% Senior Notes, Series A, due October 31, 2008 (the "Series A Notes") and (b) $15,000,000 aggregate principal amount of its 7.40% Senior Notes, Series B, due October 31, 2011 (the "Series B Notes"; said Series B Notes together with the Series A Notes are hereinafter collectively referred to as the "Notes," such term to include any such notes issued in substitution therefor pursuant to Section 13 of this Agreement). The Series A Notes and the Series B Notes shall be substantially in the forms set out in Exhibits 1(a) and 1(b), respectively, with such changes therefrom, if any, as may be approved by the Purchasers and the Company. Certain capitalized terms used in this Agreement are defined in Schedule B; references to a "Schedule" or an "Exhibit" are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

Section 2. Sale and Purchase of Notes; Guaranty.

Section 2.1. Sale and Purchase of Notes. Subject to the terms and conditions of this Agreement, the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Closing provided for in Section 3, Notes of the series and in the principal amount specified opposite such Purchaser's name in Schedule A at the purchase price of 100% of the principal amount thereof. Each Purchaser's obligations hereunder are several and not joint, and no Purchaser shall have any obligation or any liability to any Person for the performance or nonperformance by any other Purchaser hereunder.

Section 2.2. Guaranty of Notes. The payment by the Company of all amounts due with respect to the Notes and the performance by the Company of its obligations under this Agreement are fully and unconditionally guaranteed by the Subsidiary Guarantors pursuant to that certain Subsidiary Guaranty Agreement dated as of October 1, 2001 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Subsidiary Guaranty Agreement") from the Subsidiary Guarantors in favor of the Purchasers and each other from time to time holder of the Notes, substantially in the form attached hereto as Exhibit SGA.

Section 3. Closing.

The sale and purchase of the Notes to be purchased by the Purchasers shall occur at the offices of Schiff Hardin & Waite, 6600 Sears Tower, Chicago, Illinois 60606, at 10:00 a.m., Chicago time, at a closing (the "Closing") on October 30, 2001 or on such other Business Day thereafter on or prior to October 31, 2001 as may be agreed upon by the Company and the Purchasers. At the Closing, the Company will deliver to each Purchaser Notes of the series to be purchased by such Purchaser in the form of a single Note of such series (or such greater number of Notes of such series in denominations of at least $250,000 as such Purchaser may request) dated the date of the Closing and registered in such Purchaser's name (or in the name of its nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds. If at the Closing the Company shall fail to tender such Notes to any Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to any Purchaser's satisfaction, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of such failure or such nonfulfillment.

Section 4. Conditions to Closing.

Each Purchaser's obligation to purchase and pay for the Notes to be sold to such Purchaser at the Closing is subject to the fulfillment to such Purchaser's satisfaction, prior to or at the Closing, of the following conditions:

Section 4.1. Representations and Warranties. (a) The representations and warranties of the Company in this Agreement shall be correct when made and at the time of the Closing.

(b) The representations and warranties of each Subsidiary Guarantor in the Subsidiary Guaranty Agreement shall be correct when made and at the time of the Closing.

Section 4.2. Performance; No Default. The Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at the Closing, and after giving effect to the

issue and sale of the Notes (and the application of the proceeds thereof as contemplated by Schedule 5.14), no Default or Event of Default shall have occurred and be continuing. Neither the Company nor any Subsidiary shall have entered into any transaction since the date of the Memorandum that would have been prohibited by Section 10 hereof had such Section applied since such date.

Section 4.3. Compliance Certificates.

(a) Officer's Certificate. (1) The Company shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1(a), 4.2 and 4.11 have been fulfilled.

(2) Each Subsidiary Guarantor shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1(b) have been fulfilled.

(b) Secretary's Certificate. (1) The Company shall have delivered to such Purchaser a certificate of its corporate secretary certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Notes and this Agreement.

(2) Each Subsidiary Guarantor shall have delivered to such Purchaser a certificate of its corporate secretary certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Subsidiary Guaranty Agreement.

Section 4.4. Opinions of Counsel. Each Purchaser shall have received opinions in form and substance satisfactory to such Purchaser, dated the date of the Closing (a) from Hogan & Hartson L.L.P., independent counsel for the Company and the Subsidiary Guarantors, covering the matters set forth in Exhibit 4.4(a) and covering such other matters incident to the transactions contemplated hereby as such Purchaser or such Purchaser's special counsel may reasonably request (and the Company hereby instructs its counsel to deliver such opinion to such Purchaser) and (b) from Schiff Hardin & Waite, special counsel to the Purchasers in connection with such transactions, substantially in the form set forth in Exhibit 4.4(b) and covering such other matters incident to such transactions as such Purchaser may reasonably request.

Section 4.5. Subsidiary Guaranty Agreement. The Subsidiary Guaranty Agreement shall have been duly authorized, executed and delivered by the Subsidiary Guarantors and shall be in full force and effect.

Section 4.6. Purchase Permitted by Applicable Law, Etc. On the date of the Closing, each Purchaser's purchase of Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as Section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the

particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject any Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation. If requested by any Purchaser, such Purchaser shall have received an Officer's Certificate certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

Section 4.7. Related Transactions. The Company shall have consummated the sale of the entire principal amount of the Notes scheduled to be sold on the date of the Closing pursuant to this Agreement.

Section 4.8. Payment of Special Counsel Fees. Without limiting the provisions of Section 15.1, the Company shall have paid on or before the Closing the fees, charges and disbursements of such Purchaser's special counsel referred to in Section 4.4 to the extent reflected in a statement of such counsel rendered to the Company at least two Business Days prior to the Closing.

Section 4.9. Private Placement Numbers. A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the Securities Valuation Office of the National Association of Insurance Commissioners) shall have been obtained for each series of Notes.

Section 4.10. Funding Instructions. At least three Business Days prior to the date of the Closing, such Purchaser shall have received written instructions executed by an authorized financial officer of the Company directing the manner of the payment of funds and setting forth (1) the name of the transferee bank, (2) such transferee bank's ABA number, (3) the account name and number into which the purchase price for the Notes is to be deposited and (4) the name and telephone number of the account representative responsible for verifying receipt of such funds.

Section 4.11. Changes in Corporate Structure. Except as specified in Schedule 4.11, the Company shall not have changed its jurisdiction of incorporation or been a party to any merger or consolidation and shall not have succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Schedule 5.5.

Section 4.12. Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be satisfactory to such Purchaser and special counsel to the Purchasers, and such Purchaser and special counsel to the Purchasers shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or special counsel to the Purchasers may reasonably request.

Section 5. Representations and Warranties of the Company.

The Company represents and warrants to each Purchaser that:

Section 5.1. Organization; Power and Authority. The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement and the Notes and to perform the provisions hereof and thereof.

Section 5.2. Authorization, Etc. This Agreement and the Notes have been duly authorized by all necessary corporate action on the part of the Company, and this Agreement constitutes, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 5.3. Disclosure. The Private Placement Memorandum, dated September 2001 (the "Memorandum"), relating to the transactions contemplated hereby fairly describes, in all material respects, the general nature of the business and principal properties of the Company and its Subsidiaries. Except as disclosed in Schedule 5.3, this Agreement, the Memorandum, the documents, certificates or other writings delivered to the Purchasers by or on behalf of the Company in connection with the transactions contemplated hereby and the financial statements listed in Schedule 5.5, taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Memorandum or as expressly described in Schedule 5.3 or in one of the documents, certificates or other writings identified therein, or in the financial statements listed in Schedule 5.5, since December 31, 2000, there has been no change in the financial condition, operations, business or properties of the Company or any Subsidiary except changes that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. There is no fact known to the Company (other than matters of a general economic nature) that could reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Memorandum or in the other documents, certificates and other writings delivered to the Purchasers by or on behalf of the Company specifically for use in connection with the transactions contemplated hereby.

Section 5.4. Organization and Ownership of Shares of Subsidiaries; Affiliates.

(a) Schedule 5.4 contains (except as noted therein) complete and correct lists (1) of the Company's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and each other Subsidiary, and if such Subsidiary is, on the date of Closing, a Restricted Subsidiary, (2) of the Company's Affiliates, other than Subsidiaries, known to the Company and (3) of the Company's directors and officers.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 5.4 as being owned by the Company and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Company or another Subsidiary free and clear of any Lien (except for Liens permitted by Section 10.5 or as otherwise disclosed in Schedule 5.4).

(c) Each Restricted Subsidiary identified in Schedule 5.4 is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Restricted Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) No Restricted Subsidiary is a party to, or otherwise subject to any legal restriction or any agreement (other than this Agreement, the agreements listed on Schedule 5.4 and customary limitations imposed by corporate law statutes or other statutes governing the organization of legal entities) restricting the ability of such Restricted Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Company or any of its Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Restricted Subsidiary.

Section 5.5. Financial Statements. The Company has delivered to each Purchaser copies of the consolidated financial statements of the Company listed on Schedule 5.5. All of said financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial condition of the Company and its Subsidiaries as of the respective dates specified in such Schedule and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments).

Section 5.6. Compliance with Laws, Other Instruments, Etc. The execution, delivery and performance by the Company of this Agreement and the Notes will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Company or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or by-laws, or any other Material agreement or instrument to which the Company or any Subsidiary is bound or by which the Company or any Subsidiary or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any Subsidiary or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any Subsidiary.

Section 5.7. Governmental Authorizations, Etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company of this Agreement or the Notes.

Section 5.8. Litigation; Observance of Agreements, Statutes and Orders.

(a) Except as disclosed in Schedule 5.8, there are no actions, suits or proceedings pending or, to the knowledge of the Company, threatened in writing against or affecting the Company or any Subsidiary or any property of the Company or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including, without limitation, Environmental Laws) of any Governmental Authority, which default or violation, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 5.9. Taxes. The Company and its Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (a) the amount of which is not, individually or in the aggregate, Material or (b) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Company or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. The Company knows of no basis for any other tax or assessment that could reasonably be expected to have a Material Adverse Effect. The

charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of Federal, state or other taxes for all fiscal periods are adequate in accordance with GAAP. The Federal income tax liabilities of the Company and its Subsidiaries have been determined by the Internal Revenue Service and paid for all fiscal years up to and including the fiscal year ended 1996.

Section 5.10. Title to Property; Leases. The Company and its Restricted Subsidiaries have good and sufficient title to their respective properties that individually, or in the aggregate, are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by the Company or any Restricted Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All leases that, individually or in the aggregate, are Material are valid and subsisting and are in full force and effect in all material respects.

Section 5.11. Licenses, Permits, Etc. Except as disclosed in Schedule 5.11.

(a) the Company and its Restricted Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, service marks, trademarks, trade names and domain names, or rights thereto, that, individually or in the aggregate, are Material, without known material conflict with the rights of others;

(b) to the best knowledge of the Company, no product of the Company infringes in any material respect any license, permit, franchise, authorization, patent, copyright, service mark, trademark, trade name, domain name or other right owned by any other Person; and

(c) to the best knowledge of the Company, there is no Material violation by any Person of any right of the Company or any of its Restricted Subsidiaries with respect to any patent, copyright, service mark, trademark, trade name, domain name or other right owned or used by the Company or any of its Restricted Subsidiaries.

Section 5.12. Compliance with ERISA.

(a) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in Section 3 of ERISA), and no event, transaction or condition has occurred or exists that could reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to such penalty or excise tax provisions or to Section 401(a)(29) or 412 of the Code, other than such liabilities or Liens as would not be, individually or in the aggregate, Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities. The term "benefit liabilities" has the meaning specified in Section 4001 of ERISA and the terms "current value" and "present value" have the meanings specified in Section 3 of ERISA.

(c) The Company and its ERISA Affiliates have not incurred withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under Section 4201 or 4204 of ERISA in respect of Multiemployer Plans that, individually or in the aggregate, are Material.

(d) The expected post-retirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Financial Accounting Standards Board Statement No. 106, without regard to liabilities attributable to continuation coverage mandated by Section 4980B of the Code) of the Company and its ERISA Affiliates is not Material.

(e) The execution and delivery of this Agreement and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to the prohibitions of Section 406 of ERISA or in connection with which a tax could be imposed pursuant to Section 4975(c)(1)(A)-(D) of the Code. The representation by the Company in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of each Purchaser's representation in Section 6.2 as to the sources of the funds used to pay the purchase price of the Notes to be purchased by such Purchaser.

Section 5.13. Private Offering by the Company. Neither the Company nor anyone acting on its behalf has offered the Notes or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchasers and not more than 16 other Institutional Investors of the types described in clause (c) of the definition thereof, each of which has been offered the Notes at a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act.

Section 5.14. Use of Proceeds; Margin Regulations. The Company will apply the proceeds of the sale of the Notes as set forth in Schedule 5.14. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock

does not constitute any of the value of the consolidated assets of the Company and its Subsidiaries and the Company does not have any present intention that margin stock will constitute more than 15% of the value of such assets. As used in this Section, the terms "margin stock" and "purpose of buying or carrying" shall have the meanings assigned to them in said Regulation U.

Section 5.15. Existing Debt; Future Liens.

(a) Except as described therein, Schedule 5.15 sets forth a complete and correct list of all outstanding Debt of the Company and its Restricted Subsidiaries as of September 30, 2001, other than any capital lease for equipment or other property entered into in the ordinary course of business and not exceeding $250,000 in principal or lease balance, since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Debt of the Company or its Restricted Subsidiaries. Except as disclosed in Schedule 5.15, neither the Company nor any Restricted Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Debt of the Company or such Restricted Subsidiary and no event or condition exists with respect to any Debt of the Company or any Restricted Subsidiary that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Debt to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in Schedule 5.15, neither the Company nor any Restricted Subsidiary has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by Section 10.5.

Section 5.16. Foreign Assets Control Regulations, Etc. Neither the sale of the Notes by the Company hereunder nor its use of the proceeds thereof will violate the Anti-Terrorism Order, the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

Section 5.17. Status under Certain Statutes. Neither the Company nor any Restricted Subsidiary is subject to regulation under the Investment Company Act of 1940, as amended, the Public Utility Holding Company Act of 1935, as amended, the ICC Termination Act of 1995, as amended, or the Federal Power Act, as amended.

Section 5.18. Environmental Matters. Neither the Company nor any Restricted Subsidiary has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted alleging any claim against (a) the Company or any of its Restricted Subsidiaries or any of their respective real properties now owned, leased or operated by any of them or other assets or (b) against the Company or any of its Restricted Subsidiaries with respect to any of their respective real properties formerly

owned, leased or operated by any of them or other assets, in either case alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect. Except as otherwise disclosed to the Purchasers in writing:

(a) neither the Company nor any Restricted Subsidiary has knowledge of any facts that give rise to any claim, public or private, arising from the violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect;

(b) neither the Company nor any of its Restricted Subsidiaries has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them or has disposed of any Hazardous Materials in a manner contrary to any Environmental Laws in each case in any manner that could reasonably be expected to result in a Material Adverse Effect; and

(c) all buildings on all real properties now owned, leased or operated by the Company or any of its Restricted Subsidiaries are in compliance with applicable Environmental Laws, except where failure to comply could not reasonably be expected to result in a Material Adverse Effect.

Section 5.19. Existing Investments. Schedule 5.19 sets forth a complete list of all outstanding Investments of the Company and its Restricted Subsidiaries as of September 30, 2001, since which date there has been no Material change in the aggregate amount of such Investments.

Section 5.20. Notes Rank Pari Passu. The obligations of the Company under this Agreement and the Notes rank at least pari passu in right of payment with all other unsecured Senior Debt (actual or contingent) of the Company, including, without limitation, all Senior Debt of the Company described in Schedule 5.15.

Section 6. Representations of the purchasers.

Section 6.1. Purchase for Investment. Each Purchaser represents that it is purchasing the Notes for its own account or for one or more separate accounts maintained by it or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of such Purchaser's or such pension or trust funds' property shall at all times be within such Purchaser's or such pension or trust funds' control. Each Purchaser understands that the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to register the Notes.

Section 6.2. Source of Funds. Each Purchaser represents that at least one of the following statements is an accurate representation as to each source of funds (a "Source") to be used by it to pay the purchase price of the Notes to be purchased by it hereunder:

(a) the Source is an "insurance company general account" within the meaning of Department of Labor Prohibited Transaction Exemption ("PTE") 95-60 (issued July 12, 1995) and there is no employee benefit plan, treating as a single plan all plans maintained by the same employer or employee organization, with respect to which the amount of the general account reserves and liabilities for all contracts held by or on behalf of such plan, exceeds 10% of the total reserves and liabilities of such general account (exclusive of separate account liabilities) plus surplus, as set forth in the NAIC Annual Statement filed with such Purchaser's state of domicile; or

(b) the Source is either (1) an insurance company pooled separate account, within the meaning of PTE 90-1 (issued January 29, 1990) or (2) a bank collective investment fund, within the meaning of the PTE 91-38 (issued July 12, 1991) and, except as such Purchaser has disclosed to the Company in writing pursuant to this paragraph (b), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(c) the Source constitutes assets of an "investment fund" (within the meaning of Part V of the QPAM Exemption) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part V of the QPAM Exemption), no employee benefit plan's assets that are included in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Section V(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a Person controlling or controlled by the QPAM (applying the definition of "control" in Section V(e) of the QPAM Exemption) owns a 5% or more interest in the Company and (1) the identity of such QPAM and (2) the names of all employee benefit plans whose assets are included in such investment fund have been disclosed to the Company in writing pursuant to this paragraph (c); or

(d) the Source is a governmental plan; or

(e) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this paragraph (e); or

(f) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this Section 6.2, the terms "employee benefit plan," "governmental plan," "party in interest" and "separate account" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

Section 7. Information as to Company.

Section 7.1. Financial and Business Information. The Company shall deliver to each holder of Notes that is an Institutional Investor:

(a) Quarterly Statements -- within 60 days after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), duplicate copies of,

(1) an unaudited consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter, and

(2) unaudited consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the consolidated financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments, provided that delivery within the time period specified above of copies of the Company's Quarterly Report on Form 10-Q prepared in compliance with the requirements therefor and filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this Section 7.1(a);

(b) Annual Statements -- within 105 days after the end of each fiscal year of the Company, duplicate copies of,

(1) a consolidated balance sheet of the Company and its Subsidiaries, as at the end of such year, and

(2) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the consolidated financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances, provided that the delivery within the time period specified above of the Company's Annual Report on Form 10-K for such fiscal year prepared in accordance with the requirements therefor and filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this Section 7.1(b);

(c) Unrestricted Subsidiaries -- at such time as either (1) the aggregate amount of the total assets of all Unrestricted Subsidiaries exceeds 10% of the consolidated total assets of the Company and its Subsidiaries determined in accordance with GAAP or (2) one or more Unrestricted Subsidiaries account for more than 10% of the consolidated revenues of the Company and its Subsidiaries determined in accordance with GAAP, within the respective periods provided in paragraphs (a) and (b) above, then each set of financial statements delivered pursuant to paragraphs (a) and (b) above shall be accompanied by unaudited financial statements of the character and for the dates and periods as in said paragraphs (a) and (b) covering the Unrestricted Subsidiaries on a consolidated basis together with unaudited consolidating statements reflecting eliminations or adjustments required in order to reconcile such financial statements to the corresponding consolidated financial statements of the Company and its Subsidiaries delivered pursuant to paragraphs (a) and (b) above;

(d) SEC and Other Reports -- promptly upon their becoming available, one copy of each filing or registration with, or report to or from, the Securities and Exchange Commission containing information of a financial nature, of the Company's annual report to shareholders, if any, prepared pursuant to Rule 14a-3 under the Exchange Act and of all press releases and other statements made available generally by the Company or any Subsidiary to the public concerning developments that are Material;

(e) Notice of Default or Event of Default -- promptly, and in any event within five Business Days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(h), a written notice specifying the nature and

period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(f) ERISA Matters -- promptly, and in any event within five Business Days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(1) with respect to any Plan, any reportable event, as defined in Section 4043(b) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date of the Closing; or

(2) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(3) any event, transaction or condition that could result in the incurrence of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, could reasonably be expected to have a Material Adverse Effect;

(g) Notices from Governmental Authority -- promptly, and in any event within 30 days of receipt thereof, copies of any notice to the Company or any Subsidiary from any Federal or state Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect; and

(h) Requested Information -- with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries or relating to the ability of the Company to perform its obligations hereunder and under the Notes as from time to time may be reasonably requested by any such holder of Notes that is not a Competitor.

Section 7.2. Officer's Certificate. Each set of financial statements delivered to a holder of Notes pursuant to Section 7.1(a) or Section 7.1(b) hereof shall be accompanied by a certificate of a Senior Financial Officer setting forth:

(a) Covenant Compliance -- the information (including detailed calculations) required in order to establish whether the Company was in compliance with the requirements of Section 7.1(c) and Section 10.1 through Section 10.8, inclusive, during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence); and

(b) Event of Default -- a statement that such officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists (including, without limitation, any such event or condition resulting from the failure of the Company or any Subsidiary to comply with any Environmental Law), specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

Section 7.3. Inspection. The Company shall permit the representatives of each holder of Notes that is an Institutional Investor but not a Competitor:

(a) No Default -- if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Company, but no more frequently than four times in any calendar year, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) its independent public accountants, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Restricted Subsidiary, in each case, on Business Days and between the hours of 9:00 a.m. and 5:00 p.m. (local time); and

(b) Default -- if a Default or Event of Default then exists, at the expense of the Company to visit and inspect any of the offices or properties of the Company or any Restricted Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Restricted Subsidiaries), all at such times and as often as may be requested.

Notwithstanding the foregoing, in no event shall any holder of the Notes be permitted to examine (1) any information contained in databases of the Company's or any Restricted Subsidiary's customers maintained on the property of the Company or such Restricted Subsidiary which information constitutes the property of such customer, or (2) any books of account, records, reports or other papers of the Company or any Restricted Subsidiary if, in the reasonable opinion of counsel to the Company or such Restricted Subsidiary, the disclosure of such information would cause the Company or such Restricted Subsidiary to be in violation of applicable law taking into account the obligations of such holder pursuant to Section 20 or (3) any written contract between the Company or any Restricted Subsidiary and a customer if, in the reasonable opinion of counsel to the Company or such Restricted Subsidiary, such contract expressly prohibits the Company or such Restricted Subsidiary from disclosing the terms of such contract taking into account the obligations of such holder pursuant to Section 20; provided, however, that, upon the reasonable request of any holder of the Notes, the Company or such Restricted Subsidiary shall provide such holder with a summary of the general nature of such contract to the extent not prohibited by the express terms of such contract.

Section 8. Prepayment of the Notes.

Section 8.1. Required Prepayments.

(a) On October 31, 2004 and on each October 31 thereafter to and including October 31, 2007 the Company will prepay $12,000,000 of the aggregate principal amount (or such lesser principal amount as shall then be outstanding) of the Series A Notes then outstanding at par and without payment of the Make-Whole Amount or any premium, together with interest accrued thereon.

(b) On October 31, 2005 and on each October 31 thereafter to and including October 31, 2010 the Company will prepay $2,142,857 of the aggregate principal amount (or such lesser principal amount as shall then be outstanding) of the Series B Notes then outstanding at par and without payment of the Make-Whole Amount or any premium, together with interest accrued thereon.

(c) On the maturity date of each series of Notes, the Company will pay the then outstanding principal amount of such series of Notes, together with interest accrued thereon.

(d) In the case of each required prepayment of the Notes pursuant to paragraph (a) or (b) of this Section 8.1, the principal amount of the Notes to be prepaid shall be allocated among all of the Notes of the series of Notes to be prepaid at the time outstanding in proportion, as nearly as practical, to the respective unpaid principal amounts thereof.

(e) Any partial prepayment of the Notes pursuant to Section 8.2 shall be applied in accordance with Section 8.3 to reduce the principal amount of each required

prepayment of the Notes of each series becoming due under this Section 8.1 on and after the date of such prepayment in the same proportion as the aggregate unpaid principal amount of the Notes of such series is reduced as a result of such prepayment.

Section 8.2. Optional Prepayments with Make-Whole Amount. The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes, in an amount not less than $5,000,000 of the aggregate principal amount of the Notes then outstanding in the case of a partial prepayment, at 100% of the principal amount so prepaid, together with interest accrued thereon to the date of such prepayment, plus the Make-Whole Amount determined for the prepayment date with respect to such principal amount. The Company will give each holder of Notes written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date, the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.3), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Notes a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

Section 8.3. Allocation of Partial Prepayments. In the case of each partial prepayment of the Notes pursuant to Section 8.2, the principal amount of the Notes to be prepaid shall be allocated among all of the Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

Section 8.4. Maturity; Surrender, Etc. In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment, together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

Section 8.5. Purchase of Notes. The Company will not, and will not permit any Affiliate to, purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except upon the payment or prepayment of the Notes in accordance with the terms of this Agreement and the Notes. The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment or

prepayment of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

Section 8.6. Make-Whole Amount. The term "Make-Whole Amount" shall mean, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

"Called Principal" shall mean, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

"Discounted Value" shall mean, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on such Note is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" shall mean, with respect to the Called Principal of any Note, 0.50% over the yield to maturity implied by (a) the yields reported, as of 10:00 a.m. (New York, New York time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PX1" on the Bloomberg Financial Markets Services Screen (or such other display as may replace Page PX1 on the Bloomberg Financial Markets Services Screen) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date or (b) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable, the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield will be determined, if necessary, by (1) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (2) interpolating linearly between (i) the actively traded U.S. Treasury security with the maturity closest to and greater than the Remaining Average Life and (ii) the actively traded U.S. Treasury security with the maturity closest to and less than the Remaining Average Life.

"Remaining Average Life" shall mean, with respect to any Called Principal, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (a) such Called Principal into (b) the sum of the products obtained by multiplying (1) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (2) the number of years (calculated to the nearest one-twelfth year) that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" shall mean, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under the terms of such Note, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2 or 12.1.

"Settlement Date" shall mean, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

Section 9. Affirmative Covenants.

The Company covenants that so long as any of the Notes are outstanding:

Section 9.1. Compliance with Law. The Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, the Anti-Terrorism Order and Environmental Laws, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.2. Insurance. The Company will, and will cause each of its Restricted Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business and similarly situated, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons; provided that the Company and its

Restricted Subsidiaries may self-insure against liabilities in respect of medical and workers' compensation coverage.

Section 9.3. Maintenance of Properties. The Company will, and will cause each of its Restricted Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, provided that this Section 9.3 shall not prevent the Company or any Restricted Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Company has concluded that such discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.4. Payment of Taxes and Claims. The Company will, and will cause each of its Subsidiaries to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them or any of their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Company or any Subsidiary, provided that neither the Company nor any Subsidiary need pay any such tax or assessment or claims if (a) the amount, applicability or validity thereof is contested by the Company or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company or a Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Subsidiary or (b) the nonpayment of all such taxes and assessments in the aggregate could not reasonably be expected to have a Material Adverse Effect.

Section 9.5. Corporate Existence, Etc. The Company will at all times preserve and keep in full force and effect its corporate existence. Subject to Sections 10.6, 10.7 and 10.8, the Company will at all times preserve and keep in full force and effect the corporate existence of each of its Restricted Subsidiaries (unless merged into the Company or another Restricted Subsidiary) and all rights and franchises of the Company and its Restricted Subsidiaries unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such corporate existence, right or franchise could not, individually or in the aggregate, have a Material Adverse Effect.

Section 9.6. Subsidiary Guaranty Agreement.

(a) Additional Subsidiary Guarantors. If, at any time, any existing or newly acquired or formed Subsidiary becomes obligated as a co-obligor or guarantor under the Bank Credit Agreement, the Company shall, at its sole cost and expense, cause such Subsidiary to concurrently become a guarantor in respect of this Agreement and

the Notes and, within 10 Business Days thereafter, deliver to each holder of Notes the following items:

(1) an executed Supplement to the Subsidiary Guaranty Agreement in the form of Exhibit A thereto (a "Guaranty Supplement");

(2) such documents and evidence with respect to such Subsidiary as any holder of Notes may reasonably request in order to establish the existence and good standing of such Subsidiary and the authorization of the transactions contemplated by such Guaranty Supplement;

(3) an opinion of counsel to such Subsidiary satisfactory to the Required Holders to the effect that such Guaranty Supplement has been duly authorized, executed and delivered and the Subsidiary Guaranty Agreement, as supplemented by such Guaranty Supplement, constitutes the legal, valid and binding contract and agreement of such Subsidiary, enforceable in accordance with its terms, except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles; provided, however, that such opinion of counsel will not be required with respect to such Subsidiary if no corresponding legal opinion is delivered to the financial institutions party to the Bank Credit Agreement; and

(4) a certificate from a Responsible Officer of the Company, dated the date of the Guaranty Supplement, certifying that, except as otherwise provided in such certificate, each of the representations and warranties of the Company set forth in Section 5 are correct as of the date of the Guaranty Supplement.

(b) Intercreditor Agreement. Concurrently with or prior to any existing or newly acquired or formed Subsidiary becoming obligated as a co-borrower under the Bank Credit Agreement, in addition to satisfying the requirements of Section 9.6(a), the Company shall, at its sole cost and expense, cause an intercreditor agreement in scope, form and substance (including, without limitation, as to the sharing of recoveries and setoffs) reasonably satisfactory to the holders of Notes (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Intercreditor Agreement") to be entered into by the Company, the Subsidiary Guarantors, the banks party to the Bank Credit Agreement and the holders of Notes. The Company shall cause an executed copy of such Intercreditor Agreement to be delivered to each holder of Notes within 10 Business Days of the execution thereof.

(c) Release of Subsidiary Guarantors. If at any time, pursuant to the terms and conditions of the Bank Credit Agreement, any Subsidiary Guarantor is released from its liability under the Bank Guaranty and (1) such Subsidiary Guarantor is not a co-borrower under the Bank Credit Agreement, (2) such release is not part of a plan of financing that contemplates such Subsidiary Guarantor guaranteeing any other Debt of the Company and (3) the Company shall have delivered to each holder of Notes an

Officer's Certificate (the "Subsidiary Guarantor Release Certificate") certifying that (i) the conditions specified in clauses (1) and (2) above have been satisfied and (ii) immediately preceding the release of such Subsidiary Guarantor from the Subsidiary Guaranty Agreement and after giving effect thereto, no Default or Event of Default shall have existed or would exist, then, upon receipt by the holders of Notes of the Subsidiary Guarantor Release Certificate, such Subsidiary Guarantor shall be discharged from its obligations under the Subsidiary Guaranty Agreement and such Subsidiary shall cease to be considered a "Subsidiary Guarantor" for all purposes under this Agreement.

Section 10. Negative Covenants.

The Company covenants that so long as any of the Notes are outstanding:

Section 10.1. Adjusted Consolidated Debt to Adjusted Consolidated EBITDA Ratio. The Company will not at any time permit the Adjusted Consolidated Debt to Adjusted Consolidated EBITDA Ratio to exceed 3.0 to 1.0.

Section 10.2. Limitation on Priority Debt. The Company will not at any time permit Priority Debt to exceed:

PERIOD	AMOUNT
From the date of the Closing to and including December 31, 2001	15% of Consolidated Adjusted Net Worth
After December 31, 2001	0% of Consolidated Adjusted Net Worth

Section 10.3. Fixed Charges Coverage Ratio. The Company will not at any time permit the Fixed Charges Coverage Ratio to be less than 2.50 to 1.00.

Section 10.4. Consolidated Adjusted Net Worth. The Company will not at any time permit Consolidated Adjusted Net Worth to be less than the sum of (a) $270,000,000, plus (b) an aggregate amount equal to 50% of its Consolidated Net Income (but, in each case, only if a positive number) for each completed fiscal quarter beginning with the fiscal quarter ended September 30, 2001.

Section 10.5. Limitation on Liens. The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly create, incur, assume or permit to exist (upon the happening of a contingency or otherwise) any Lien on or with respect to any property or asset (including, without limitation, any document or instrument in respect of goods or accounts receivable) of the Company or any such Restricted Subsidiary, whether now owned or held or hereafter acquired, or any income or profits therefrom, or assign or otherwise convey any right to receive income or profits, except:

(a) Liens for taxes, assessments or governmental charges which are not yet due and payable or the payment of which is not at the time required by Section 9.4;

(b) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and other similar Liens, in each case, incurred in the ordinary course of business for sums not yet due and payable or the payment of which is not at the time required by Section 9.4;

(c) Liens (other than any Lien imposed by ERISA) incurred or deposits made in the ordinary course of business (1) in connection with workers' compensation, unemployment insurance and other types of social security or retirement benefits or (2) to secure (or to obtain letters of credit that secure) the performance of tenders, statutory obligations, surety bonds, appeal bonds, bids, leases (other than Capital Leases), performance bonds, purchase, construction or sales contracts and other similar obligations, in each case not incurred or made in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property;

(d) any attachment or judgment Lien, unless the judgment it secures shall not, within 30 days after the entry thereof (or such longer period of time, if any, before a judgment creditor in the applicable jurisdiction would first be permitted by applicable law to execute on such judgment) have been discharged or execution thereof stayed pending appeal, or shall not have been discharged within 30 days after the expiration of any such stay (or such longer period of time, if any, before a judgment creditor in the applicable jurisdiction would first be permitted by applicable law to execute on such judgment);

(e) Liens on property or assets of a Restricted Subsidiary securing Debt owing to the Company or to a Wholly-Owned Restricted Subsidiary;

(f) Liens existing on the date of the Closing and securing the Debt of the Company and its Restricted Subsidiaries referred to in Schedule 5.15;

(g) leases or subleases granted to others, easements, rights-of-way, restrictions and other similar charges or encumbrances on, or other minor survey exceptions affecting, the properties of the Company and its Restricted Subsidiaries, in each case incidental to, and not interfering with, the ordinary conduct of the business of the Company or such Restricted Subsidiary, provided that such Liens do not, in the aggregate, materially detract from the value of such properties;

(h) any Lien created to secure all or any part of the purchase price, or to secure Debt incurred or assumed to pay all or any part of the purchase price or cost of construction, of property (or any improvement thereon) acquired or

constructed by the Company or a Restricted Subsidiary after the date of the Closing, provided that

(1) any such Lien shall extend solely to the item or items of such property (or improvement thereon) so acquired or constructed and, if required by the terms of the instrument originally creating such Lien, other property (or improvement thereon) which is an improvement to or is acquired for specific use in connection with such acquired or constructed property (or improvement thereon) or which is real property being improved by such acquired or constructed property (or improvement thereon),

(2) the principal amount of the Debt secured by any such Lien shall at no time exceed an amount equal to the lesser of (i) the cost to the Company or such Restricted Subsidiary of the property (or improvement thereon) so acquired or constructed and (ii) the Fair Market Value (as determined in good faith by one or more officers of the Company to whom the board of directors of the Company has delegated authority to enter into the related transaction) of such property (or improvement thereon) at the time of such acquisition or construction, and

(3)any such Lien shall be created contemporaneously with, or within 180 days after, the acquisition or construction of such property;

(i) any Lien existing on property of a Person (other than an Unrestricted Subsidiary) immediately prior to its being consolidated with or merged into the Company or a Restricted Subsidiary or its becoming a Restricted Subsidiary, or any Lien existing on any property acquired by the Company or any Restricted Subsidiary at the time such property is so acquired (whether or not the Debt secured thereby shall have been assumed), provided that (1) no such Lien shall have been created or assumed in contemplation of such consolidation or merger or such Person's becoming a Restricted Subsidiary or such acquisition of property and (2) each such Lien shall extend solely to the item or items of property so acquired and, if required by the terms of the instrument originally creating such Lien, other property which is an improvement to or is acquired for specific use in connection with such acquired property;

(j) any Lien renewing, extending or replacing any Lien permitted by paragraphs (f), (h) or (i) of this Section 10.5, provided that (1) the principal amount of Debt secured by such Lien immediately prior to such extension, renewal or replacement is not increased or the maturity thereof reduced, (2) such Lien is not extended to any other property and (3) immediately after such extension, renewal or replacement no Default or Event of Default would exist;

(k) Liens securing amounts not in excess of $38,678,000 held in deposit accounts as cash collateral in accordance with Section 9.5 of the

Participation Agreement, provided that all Priority Debt secured by such Liens shall be permitted by the limitations contained in Section 10.2; and

(l) in addition to the Liens permitted by the preceding subparagraphs (a) through (k), inclusive, of this Section 10.5, Liens securing Debt of the Company or any Restricted Subsidiary, provided that all Debt secured by such Liens shall be permitted by the limitations contained in Sections 10.1 and 10.2.

Any Person that becomes a Restricted Subsidiary after the date of the Closing shall, for all purposes of this Section 10.5, be deemed to have created or incurred, at the time it becomes a Restricted Subsidiary, all outstanding Liens of such Person immediately after it becomes a Restricted Subsidiary, and any Person extending, renewing or refinancing any Debt secured by any Lien shall, without duplication, be deemed to have incurred such Lien at the time of such extension, renewal or refinancing.

Section 10.6. Merger, Consolidation, Etc. The Company will not, and will not permit any of its Restricted Subsidiaries to, consolidate with or merge with any other Person or convey, transfer or lease substantially all of its assets in a single transaction or series of transactions to any Person (except that a Restricted Subsidiary of the Company may (x) consolidate with or merge with, or convey, transfer or lease substantially all of its assets in a single transaction or series of transactions to, the Company or a Wholly-Owned Restricted Subsidiary and (y) convey, transfer or lease all of its assets in compliance with the provisions of Section 10.7), provided that the foregoing restriction does not apply to the consolidation or merger of the Company with, or the conveyance, transfer or lease of substantially all of the assets of the Company in a single transaction or series of transactions to, any Person so long as:

(a) the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease substantially all of the assets of the Company as an entirety, as the case may be (the "Successor Corporation"), shall be a solvent corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia;

(b) if the Company is not the Successor Corporation, (1) such corporation shall have executed and delivered to each holder of Notes its assumption of the due and punctual performance and observance of each covenant and condition of this Agreement and the Notes (pursuant to such agreements and instruments as shall be reasonably satisfactory to the Required Holders), (2) the Company shall have caused to be delivered to each holder of Notes an opinion of nationally recognized independent counsel, or other counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and (3) each Subsidiary Guarantor shall have reaffirmed in writing its obligations under the Subsidiary Guaranty Agreement; and

(c) immediately after giving effect to such transaction no Default or Event of Default would exist.

No such conveyance, transfer or lease of substantially all of the assets of the Company shall have the effect of releasing the Company or any Successor Corporation from its liability under this Agreement or the Notes.

Section 10.7. Sale of Assets, Etc. The Company will not, and will not permit any Restricted Subsidiary to, sell, lease or otherwise dispose of any substantial part (as defined below) of the assets of the Company and its Restricted Subsidiaries; provided, however, that the Company or any Restricted Subsidiary may sell, lease or otherwise dispose of assets constituting a substantial part of the assets of the Company and its Restricted Subsidiaries if such assets are sold for Fair Market Value and, at the time of such sale, lease or other disposition and after giving effect thereto, no Default or Event of Default shall exist, and an amount equal to the net proceeds received from such sale, lease or other disposition, shall be used within 270 days of such disposition:

(a) to acquire productive assets used or useful in engaging in the business of the Company and its Restricted Subsidiaries and having a Fair Market Value at least equal to the Fair Market Value of such assets sold, leased or otherwise disposed of; or

(b) to prepay or retire Senior Debt of the Company and/or its Restricted Subsidiaries, provided that if any Notes are prepaid pursuant to the terms of this Section 10.7, such Notes shall be prepaid in accordance with Section 8.2.

As used in this Section 10.7, a sale, lease or other disposition of assets during any period of 365 consecutive days shall be deemed to be a "substantial part" of the assets of the Company and its Restricted Subsidiaries if the book value of such assets (exclusive of any amounts concurrently applied as provided in the foregoing clauses (a) or (b)), when added to the book value of all other assets sold, leased or otherwise disposed of by the Company and its Restricted Subsidiaries (other than (1) pursuant to (i) transactions in the ordinary course of business, (ii) transfers from the Company to a Wholly-Owned Restricted Subsidiary or from a Restricted Subsidiary to the Company or a Wholly-Owned Restricted Subsidiary and (iii) Excluded Sale and Leaseback Transactions or (2) such other assets the proceeds of which were applied within 270 days of the related disposition as provided in the foregoing clauses (a) or (b)) during such period of 365 consecutive days, exceeds 15% of the book value of Consolidated Total Assets, determined as of the end of the fiscal quarter immediately preceding such sale, lease or other disposition.

Section 10.8. Disposal of Ownership of a Restricted Subsidiary. The Company will not, and will not permit any Restricted Subsidiary to, sell or otherwise dispose of any shares of Restricted Subsidiary Stock, nor will the Company permit any such Restricted Subsidiary to issue, sell or otherwise dispose of any shares of its own Restricted Subsidiary Stock, provided that the foregoing restrictions do not apply to:

(a) the issue of directors' qualifying shares by any such Restricted Subsidiary;

(b) any such sale or other disposition of Restricted Subsidiary Stock to the Company or a Wholly-Owned Restricted Subsidiary; and

(c) any sale or other disposition of Restricted Subsidiary Stock, provided such sale or other disposition is permitted by the limitations contained in Section 10.7.

Section 10.9. Nature of Business. The Company will not, and will not permit any Restricted Subsidiary to, engage in any business if, as a result, the general nature of the business in which the Company and its Restricted Subsidiaries, taken as a whole, would then be engaged would be substantially changed from the general nature of the business in which the Company and its Restricted Subsidiaries, taken as a whole, are engaged on the date of the Closing.

Section 10.10. Transactions with Affiliates. The Company will not, and will not permit any Restricted Subsidiary to, enter into directly or indirectly any Material transaction or Material group of related transactions (including, without limitation, the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Company or a Restricted Subsidiary), except in the ordinary course and pursuant to the reasonable requirements of the Company's or such Restricted Subsidiary's business and upon fair and reasonable terms no less favorable to the Company or such Restricted Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

Section 10.11. Redesignation of Restricted and Unrestricted Subsidiaries. The Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary and may designate any Restricted Subsidiary to be an Unrestricted Subsidiary by giving written notice to each holder of Notes that the Board of Directors of the Company has made such designation, provided, however, that no Unrestricted Subsidiary may be designated a Restricted Subsidiary and no Restricted Subsidiary may be designated an Unrestricted Subsidiary unless, at the time of such action and after giving effect thereto, no Default or Event of Default shall exist. Any Restricted Subsidiary which has been designated an Unrestricted Subsidiary and which has then been redesignated a Restricted Subsidiary, in each case in accordance with the provisions of the first sentence of this Section 10.11, shall not at any time thereafter be redesignated an Unrestricted Subsidiary without the prior written consent of the Required Holders. Any Unrestricted Subsidiary which has been designated a Restricted Subsidiary and which has then been redesignated an Unrestricted Subsidiary, in each case in accordance with the provisions of the first sentence of this Section 10.11, shall not at any time thereafter be redesignated a Restricted Subsidiary without the prior written consent of the Required Holders.

Section 11. Events of Default.

An "Event of Default" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal or Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note for more than five Business Days after the same becomes due and payable; or

(c) the Company defaults in the performance of or compliance with any term contained in Section 10.1 through Section 10.4, inclusive, or Section 10.6 through Section 10.9, inclusive, or Section 10.11; or

(d) the Company defaults in the performance of or compliance with any term contained in Section 10.5 or Section 10.10 and such default is not remedied within 10 Business Days after the earlier of (1) a Responsible Officer obtaining actual knowledge of such default and (2) the Company receiving written notice of such default from any holder of a Note (any such notice to be identified as a "notice of default" and to refer specifically to this paragraph (d) of Section 11);

(e) the Company defaults in the performance of or compliance with any term contained herein (other than those referred to in paragraphs (a), (b), (c) and (d) of this Section 11) and such default is not remedied within 30 days after the earlier of (1) a Responsible Officer obtaining actual knowledge of such default and (2) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this paragraph (e) of Section 11); or

(f) the Subsidiary Guaranty Agreement shall cease to be in full force and effect for any reason whatsoever (other than the indefeasible payment in full of all obligations under this Agreement, the Notes and the Subsidiary Guaranty Agreement) as a result of acts taken by the Company or a Subsidiary, including, without limitation, a determination by any governmental body or court that such agreement is invalid, void or unenforceable against a Subsidiary Guarantor or such Subsidiary Guarantor shall contest or deny in writing the validity or enforceability of any of its obligations under the Subsidiary Guaranty Agreement; or

(g) any representation or warranty made in writing by or on behalf of the Company or any Subsidiary Guarantor or by any officer of the Company or any Subsidiary Guarantor in this Agreement, in the Subsidiary Guaranty Agreement or in any writing furnished in connection with the transactions

contemplated hereby or thereby proves to have been false or incorrect in any material respect on the date as of which made; or

(h) (1) the Company or any Restricted Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Debt that is outstanding in an aggregate principal amount of at least $5,000,000 beyond any period of grace provided with respect thereto, or (2) the Company or any Restricted Subsidiary is in default in the performance of or compliance with any term of any evidence of any Debt in an aggregate outstanding principal amount of at least $5,000,000 or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Debt has become, or has been declared (or one or more Persons are entitled to declare such Debt to be), due and payable before its stated maturity or before its regularly scheduled dates of payment or (3) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time or the right of the holder of Debt to convert such Debt into equity interests), (i) the Company or any Restricted Subsidiary has become obligated to purchase or repay Debt before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least $5,000,000 or (ii) one or more Persons have the right to require the Company or any Restricted Subsidiary so to purchase or repay such Debt; or

(i) the Company or any Significant Subsidiary (1) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (2) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (3) makes an assignment for the benefit of its creditors, (4) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (5) is adjudicated as insolvent or to be liquidated or (6) takes corporate action for the purpose of any of the foregoing; or

(j) a court or governmental authority of competent jurisdiction enters an order appointing, without consent by the Company or any of its Significant Subsidiaries, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company or any of its Significant Subsidiaries, or any such petition shall be filed against the Company or any of its Significant Subsidiaries and such petition shall not be dismissed within 60 days; or

(k) a final judgment or judgments for the payment of money aggregating in excess of $5,000,000 are rendered against one or more of the Company and its Significant Subsidiaries and which judgments are not, within 30 days after entry thereof (or such longer period of time, if any, before a judgment creditor in the applicable jurisdiction would first be permitted by applicable law to execute on such judgment), bonded, discharged or stayed pending appeal, or are not discharged within 30 days after the expiration of such stay (or such longer period of time, if any, before a judgment creditor in the applicable jurisdiction would first be permitted by applicable law to execute on such judgment); or

(l) if (1) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under Section 412 of the Code, (2) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under Section 4042 of ERISA to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (3) the aggregate "amount of unfunded benefit liabilities" (within the meaning of Section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed $5,000,000, (4) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (5) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan or (6) the Company or any ERISA Affiliate establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any ERISA Affiliate thereunder; and any such event or events described in clauses (1) through (6) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect.

As used in Section 11(l), the terms "employee benefit plan" and "employee welfare benefit plan" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

Section 12. Remedies On Default, Etc.

Section 12.1. Acceleration. (a) If an Event of Default with respect to the Company described in paragraph (i) or (j) of Section 11 (other than an Event of Default described in clause (1) of paragraph (i) or described in clause (6) of paragraph (i) by virtue of the fact that such clause encompasses clause (1) of paragraph (i)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, the Required Holders may at any time at its or their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in paragraph (a) or (b) of Section 11 has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

Upon any Note becoming due and payable under this Section 12.1, whether automatically or by declaration, such Note will forthwith mature and the entire unpaid principal amount of such Note, plus (1) all accrued and unpaid interest thereon and (2) the Make-Whole Amount, if any, determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for), and that the provision for payment of a Make-Whole Amount by the Company in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

Section 12.2. Other Remedies. If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

Section 12.3. Rescission. At any time after any Notes have been declared due and payable pursuant to clause (b) or (c) of Section 12.1, the Required Holders by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate, (b) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 17 and (c) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

Section 12.4. No Waivers or Election of Remedies, Expenses, Etc. No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 15, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

Section 13. Registration; Exchange; Substitution of Notes.

Section 13.1. Registration of Notes. The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

Section 13.2. Transfer and Exchange of Notes. Upon surrender of any Note at the principal executive office of the Company for registration of transfer or exchange (and in the case of a surrender for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered holder of such Note or its attorney duly authorized in writing and accompanied by the address for notices of each transferee of such Note or part thereof), the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes of the same series (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of Exhibit 1(a) or Exhibit 1(b), as applicable. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than $250,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes of a series, one Note of such series may be in a denomination of less than $250,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.2.

Section 13.3. Replacement of Notes. Upon receipt by the Company of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note that is an Institutional Investor (other than of the type described in the clause (b) of the definition thereof) with a minimum net worth of at least $100,000,000, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

the Company at its own expense shall execute and deliver, in lieu thereof, a new Note of the same series, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

Section 14. Payments on Notes.

Section 14.1. Place of Payment. Subject to Section 14.2, payments of principal, Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in New York, New York at the principal office of Bank of America in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

Section 14.2. Home Office Payment. So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 14.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount, if any, and interest by the method and at the address specified for such purpose below such Purchaser's name in Schedule A, or by such other method or at such other address as such Purchaser shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 14.1. Prior to any sale or other disposition of any Note held by a Purchaser or its nominee such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note

or Notes pursuant to Section 13.2. The Company will afford the benefits of this Section 14.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by a Purchaser under this Agreement and that has made the same agreement relating to such Note as such Purchaser has made in this Section 14.2.

Section 15. Expenses, Etc.

Section 15.1. Transaction Expenses. Whether or not the transactions contemplated hereby are consummated, the Company will pay all costs and expenses (including reasonable attorneys' fees of a special counsel and, if reasonably required, local or other counsel) incurred by the Purchasers or other holders of Notes in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement, the Subsidiary Guaranty Agreement or the Notes (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement, the Subsidiary Guaranty Agreement or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement, the Subsidiary Guaranty Agreement or the Notes, or by reason of being a holder of any Note and (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby and by the Notes. The Company will pay, and will save each Purchaser and each other holder of a Note harmless from, all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those retained by the Purchasers).

Section 15.2. Survival. The obligations of the Company under this Section 15 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement, the Subsidiary Guaranty Agreement or the Notes, and the termination of this Agreement and the Subsidiary Guaranty Agreement.

Section 16. Survival of Representations and Warranties; Entire Agreement.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of any Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to this Agreement shall be deemed representations and warranties of the Company under this Agreement. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between the Purchasers and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

Section 17. Amendment and Waiver.

Section 17.1. Requirements. This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 5, 6 or 21, or any defined term (as it is used therein), will be effective as to any holder of Notes unless consented to by such holder in writing, (b) no amendment or waiver of any of the provisions of Section 9.6 will be effective unless consented to in writing by the holders of at least 66-2/3% in principal amount of the Notes at the time outstanding (exclusive of the Notes then owned by the Company, any Subsidiary or any of its other Affiliates) and (c) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (1) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Make-Whole Amount on, the Notes, (2) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver or (3) amend any of the provisions of Sections 8, 11(a), 11(b), 12, 17 or 20.

Section 17.2. Solicitation of Holders of Notes.

(a) Solicitation. The Company will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 17 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) Payment. The Company will not, directly or indirectly, pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security, to any holder of Notes as consideration for or as an inducement to the entering into by any holder of Notes or any waiver or amendment of any of the terms and provisions hereof unless such remuneration is concurrently paid, or security is concurrently granted, on the same terms, ratably to each holder of Notes then outstanding even if such holder did not consent to such waiver or amendment.

Section 17.3. Binding Effect, Etc. Any amendment or waiver consented to as provided in this Section 17 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right

consequent thereon. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

Section 17.4. Notes Held by Company, Etc. Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or the Notes, or have directed the taking of any action provided herein or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company, any Subsidiary or any other Affiliate shall be deemed not to be outstanding.

Section 18. Notices.

All notices and communications provided for hereunder shall be in writing and sent (a) by telefacsimile if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid) or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(1) if to a Purchaser or its nominee, to such Purchaser or its nominee at the address specified for such communications in Schedule A, or at such other address as such Purchaser or its nominee shall have specified to the Company in writing,

(2) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing, or

(3) if to the Company, to the Company at its address set forth at the beginning hereof to the attention of Chief Financial Officer, or at such other address as the Company shall have specified to the holder of each Note in writing.

Notices under this Section 18 will be deemed given only when actually received.

Section 19. Reproduction of Documents.

This Agreement and all documents relating hereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by each Purchaser at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any holder of the Notes, may be reproduced by such holder by any photographic, photostatic, microfilm, microcard, miniature photographic or other similar

process and such holder may destroy any original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such holder in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 19 shall not prohibit the Company or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

Section 20. Confidential Information.

For the purposes of this Section 20, "Confidential Information" means information delivered to any Purchaser by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was either (x) clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company or such Subsidiary or (y) received in connection with an inspection pursuant to Section 7.3, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any Person acting on such Purchaser's behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or any Subsidiary or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (1) such Purchaser's directors, officers, trustees, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by such Purchaser's Notes), (2) such Purchaser's financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 20, (3) any other holder of any Note, (4) any Institutional Investor to which such Purchaser sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (5) any Person from which such Purchaser offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (6) any Federal or state regulatory authority having jurisdiction over such Purchaser, (7) the National Association of Insurance Commissioners or any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio or (8) any other Person to which such delivery or disclosure may be necessary or appropriate (i) to effect compliance with any law, rule, regulation or order applicable

to such Purchaser, (ii) in response to any subpoena or other legal process, (iii) in connection with any litigation to which such Purchaser is a party or (iv) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes and this Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 20 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this Section 20.

Section 21. Substitution of Purchaser.

Each Purchaser shall have the right to substitute any one of its Affiliates as the purchaser of the Notes that such Purchaser has agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both such Purchaser and such Purchaser's Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, wherever the word "Purchaser" is used in this Agreement (other than in this Section 21), such word shall be deemed to refer to such Affiliate in lieu of such Purchaser. In the event that such Affiliate is so substituted as a purchaser hereunder and such Affiliate thereafter transfers to such Purchaser all of the Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, wherever the word "Purchaser" is used in this Agreement (other than in this Section 21), such word shall no longer be deemed to refer to such Affiliate, but shall refer to such Purchaser, and such Purchaser shall have all the rights of an original holder of the Notes under this Agreement.

Section 22. Miscellaneous.

Section 22.1. Successors and Assigns. All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and permitted assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

Section 22.2. Payments Due on Non-Business Days. Anything in this Agreement or the Notes to the contrary notwithstanding, any payment of principal of or Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day.

Section 22.3. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent

of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

Section 22.4. Construction.

(a) Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

(b) Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made by the Company for the purposes of this Agreement, the same shall be done by the Company in accordance with GAAP, to the extent applicable, except where such principles are inconsistent with the requirements of this Agreement.

Section 22.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

Section 22.6. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

Section 22.7. Submission to Jurisdiction. Any legal action or proceeding with respect to this Agreement or any Note may be brought in the courts of the State of New York in the Borough of Manhattan, State of New York, or of the United States for the Southern District of New York and, by execution and delivery of this Agreement, the Company hereby irrevocably accepts, unconditionally, the jurisdiction of the aforesaid courts with respect to any such action or proceeding. The Company further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the Company at the address specified from time to time pursuant to Section 18, such service to become effective upon receipt. Nothing herein shall affect the right of any holder of any Note to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Company in any other jurisdiction. The Company hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or

proceedings arising out of or in connection with this agreement brought in any of the aforesaid courts and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

* * * * *

The execution hereof by the Purchasers shall constitute a contract among the Company and the Purchasers for the uses and purposes hereinabove set forth.

Very truly yours,

Teletech Holdings, Inc.

By

Its

The foregoing is hereby agreed
to as of the date first written above.

[Add Purchaser Signature Blocks]

Defined Terms

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

"Adjusted Consolidated Debt" shall mean, as of any date of determination, (a) the total of all Debt of the Company and its Restricted Subsidiaries outstanding on such date, after eliminating all offsetting debits and credits between the Company and its Restricted Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Company and its Restricted Subsidiaries in accordance with GAAP, plus (b) five times the rental expense under operating leases (other than Synthetic Leases) of the Company and its Restricted Subsidiaries for the period consisting of the immediately preceding four consecutive fiscal quarters of the Company ending on, or most recently ended prior to, such date.

"Adjusted Consolidated Debt to Adjusted Consolidated EBITDA Ratio" shall mean, as of the date of any determination thereof, the ratio of (a) Adjusted Consolidated Debt as of the end of the then most recently completed fiscal quarter to (b) Adjusted Consolidated EBITDA for the period consisting of the immediately preceding four consecutive fiscal quarters of the Company ending on, or most recently ended prior to, such date.

"Adjusted Consolidated EBITDA" shall mean, without duplication and with respect to any period, the sum of (a) Consolidated EBITDA for such period and (b) all rental expense of the Company and its Restricted Subsidiaries under operating leases (other than Synthetic Leases) for such period, in each case, determined as if (1) any Person that became a Restricted Subsidiary during such period was a Restricted Subsidiary on the first day of such period, (2) any Restricted Subsidiary that was disposed of or designated an Unrestricted Subsidiary pursuant to Section 10.11 during such period was disposed of or designated an Unrestricted Subsidiary on the first day of such period, (3) any Person all or substantially all of whose assets were acquired by the Company or a Restricted Subsidiary during such period were acquired on the first day of such period and (4) any Restricted Subsidiary all or substantially all of whose assets were disposed of during such period were disposed of on the first day of such period.

"Anti-Terrorism Order" shall mean Executive Order No. 13,224 66 Fed. Reg. 49,079 (2001) issued by the President of the United States of America (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism).

"Affiliate" shall mean, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person. As used in this definition, "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person,

whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an "Affiliate" is a reference to an Affiliate of the Company.

"Bank Credit Agreement" shall mean that certain Amended and Restated Revolving Credit Agreement dated as of March 24, 2000 among the Company, Bank of America, National Association, as Administrative Agent, the Co-Agents and other financial institutions party thereto, as such agreement may be amended, restated, refinanced, replaced or otherwise modified and any successor thereto.

"Bank Guaranty" shall mean the Guaranty dated as of March 24, 2000 from certain subsidiaries of the Company in favor of the financial institutions party to the Bank Credit Agreement, as such agreement may be amended, restated or otherwise modified and any successor thereto.

"Business Day" shall mean (a) for the purposes of Section 8.6 only, any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York are required or authorized to be closed and (b) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in Denver, Colorado or New York, New York are required or authorized to be closed.

"Capital Lease" shall mean, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

"Capital Lease Obligation" shall mean, with respect to any Person and a Capital Lease, the amount of the obligation of such Person as the lessee under such Capital Lease which would, in accordance with GAAP, appear as a liability on a balance sheet of such Person.

"Closing" is defined in Section 3.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

"Company" shall mean TeleTech Holdings, Inc., a Delaware corporation or any Successor Corporation.

"Competitor" shall mean any Person, directly or indirectly through one or more of its Subsidiaries, providing customer care and support services, on an outsourcing basis or under a facilities management agreement, which services include, without limitation, technical help desk support, pre- and post- sale education and support, sales and order taking, order provisioning and/or tracking, activating product or service upgrades, responding to customer requests for information and Customer-Relationship Management (CRM) or e-CRM services delivered telephonically or over the internet;

provided, however, that "Competitor" shall not include any Institutional Investor the predominant portion of whose business involves banking, insurance, investment banking, broker dealer, investment or similar activities (including, without limitation, any entity involved in the investment activities of or contributions to pension, retirement, medical or similar plans or interests) if such Person is a Holder by virtue of its normal sales, trading or investment activities.

"Confidential Information" is defined in Section 20.

"Consolidated Adjusted Net Worth" shall mean, as of any date of determination, Consolidated Net Worth, less the aggregate amount of all Restricted Investments in excess of 10% of such Consolidated Net Worth.

"Consolidated EBITDA" shall mean, with respect to any period, (a) Consolidated Net Income for such period plus (b) all amounts deducted in the computation of such Consolidated Net Income on account of (1) Interest Charges during such period, (2) taxes imposed on or measured by income or excess profits of the Company and its Restricted Subsidiaries during such period and (3) all provisions for depreciation and amortization made by the Company and its Restricted Subsidiaries during such period.

For purposes of determining "Consolidated EBITDA," there shall be added back to Consolidated Net Income (a) for the fiscal quarter ended March 31, 2001, non-cash charges in the amount of $7,700,000 arising from the closure of a customer interaction center in Thornton, Colorado and (b) for the fiscal quarter ended June 30, 2001, non-cash charges in the amount of $16,500,000 and $7,000,000 arising from the Company's write-down of its investment in EHI and the property at 9201 Dry Creek Road, Englewood, Colorado, respectively.

"Consolidated Income Available for Fixed Charges" shall mean, with respect to any period, the sum of (a) Consolidated EBITDA for such period and (b) rental expense under operating leases (other than Synthetic Leases) for such period.

"Consolidated Net Income" shall mean, with reference to any period, the net income (or loss) of the Company and its Restricted Subsidiaries for such period (taken as a cumulative whole), as determined in accordance with GAAP, after eliminating all offsetting debits and credits between the Company and its Restricted Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Company and its Restricted Subsidiaries in accordance with GAAP, but excluding, in any event, any extraordinary gains or losses determined in accordance with GAAP.

"Consolidated Net Worth" shall mean, as of any date of determination,

(a) the sum of (1) the par value (or value stated on the books of the corporation) of the capital stock (but excluding treasury stock and capital stock subscribed and unissued) of the Company and its Restricted Subsidiaries plus

(2) the amount of the paid-in capital and retained earnings of the Company and its Restricted Subsidiaries, in each case as such amounts would be shown on a consolidated balance sheet of the Company and its Restricted Subsidiaries as of such time prepared in accordance with GAAP, minus

(b) to the extent included in clause (a), all amounts properly attributable to minority interests, if any, in the stock and surplus of Restricted Subsidiaries.

"Consolidated Total Assets" shall mean, as of any date of determination, the total assets of the Company and its Restricted Subsidiaries which would be shown as assets on a consolidated balance sheet of the Company and its Restricted Subsidiaries as of such time prepared in accordance with GAAP, after eliminating all amounts properly attributable to minority interests, if any, in the stock and surplus of Restricted Subsidiaries.

"Debt" shall mean, with respect to any Person, without duplication,

(a) its liabilities for borrowed money and its redemption obligations in respect of mandatorily redeemable Preferred Stock;

(b) accrued liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable arising in the ordinary course of business but including, without limitation, all accrued liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);

(c) its Capital Lease Obligations;

(d) all liabilities for borrowed money secured by any Lien with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities);

(e) the lease balance outstanding under the Company's headquarters Synthetic Lease and the principal or lease balance under all other Synthetic Leases; and

(f) any Guaranty of such Person with respect to liabilities of a type described in any of clauses (a) through (e) hereof.

Debt of any Person shall include all obligations of such Person of the character described in clauses (a) through (f) to the extent such Person remains legally liable in respect thereof notwithstanding that any such obligation is deemed to be extinguished under GAAP.

"Default" shall mean an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"Default Rate" shall mean, with respect to a series of Notes, that rate of interest that is the greater of (a) 2% per annum above the rate of interest stated in clause (a) of the first paragraph of the Notes of such series or (b) 2% over the rate of interest publicly announced by Bank of America in New York, New York as its "reference rate."

"Environmental Laws" shall mean any and all applicable Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under Section 414 of the Code.

"Event of Default" is defined in Section 11.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Excluded Sale and Leaseback Transactions" shall mean any sale or other disposition of property acquired or constructed by the Company or any Restricted Subsidiary after the date of the Closing to any Person within 180 days following the acquisition or construction of such property by the Company or any Restricted Subsidiary; provided that the Company or a Restricted Subsidiary shall concurrently with such sale or other disposition, lease such property, as lessee.

"Fair Market Value" shall mean, as of any date of determination thereof and with respect to any property, the sale value of such property that would be realized in an arm's-length sale at such time between an informed and willing buyer and an informed and willing seller (neither being under a compulsion to buy or sell).

"Fixed Charges" shall mean, with respect to any period, the sum of (a) Interest Charges for such period and (b) rental expense under operating leases (other than Synthetic Leases) for such period.

"Fixed Charges Coverage Ratio" shall mean, as of any date of determination thereof, the ratio of (a) Consolidated Income Available for Fixed Charges for the period

of four consecutive fiscal quarters ending on, or most recently ended prior to, such date to (b) Fixed Charges for such period.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States of America.

"Governmental Authority" shall mean

(a) the government of

(1) the United States of America or any State or other political subdivision thereof, or

(2) any jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"Guaranty" shall mean, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any Debt, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including, without limitation, obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such Debt or obligation or any property constituting security therefor;

(b) to advance or supply funds (1) for the purchase or payment of such Debt or obligation or (2) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such Debt or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such Debt or obligation of the ability of any other Person to make payment of the Debt or obligation; or

(d) otherwise to assure the owner of such Debt or obligation against loss in respect thereof.

In any computation of the Debt or other liabilities of the obligor under any Guaranty, the Debt or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

"Guaranty Supplement" is defined in Section 9.6(a)(1).

"Hazardous Material" shall mean any and all pollutants, toxic or hazardous wastes or any other substances that pose a hazard to human health or safety, the removal of which may be required by, or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage, or filtration of which is restricted, prohibited or penalized by any Environmental Law (including, without limitation, asbestos, urea formaldehyde foam insulation and polychlorinated biphenyls).

"holder" shall mean, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 13.1.

"Institutional Investor" shall mean (a) any original purchaser of a Note, (b) any holder of a Note holding more than $2,000,000 in aggregate principal amount of the Notes then outstanding, and (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form.

"Intercreditor Agreement" is defined in Section 9.6(b).

"Interest Charges" shall mean, with respect to any period, the sum, without duplication, of the following (in each case, eliminating all offsetting debits and credits between the Company and its Restricted Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Company and its Restricted Subsidiaries in accordance with GAAP): (a) all interest in respect of Debt of the Company and its Restricted Subsidiaries (including imputed interest on Capital Lease Obligations and the interest component in respect of rentals under Synthetic Leases) deducted in determining Consolidated Net Income for such period and (b) all debt discount and expense amortized or required to be amortized in the determination of Consolidated Net Income for such period.

"Investment" shall mean any investment, made in cash or by delivery of property, by the Company or any of its Restricted Subsidiaries (a) in any Person, whether by acquisition of stock, Debt or other obligation or security, or by loan, Guaranty, advance, capital contribution or otherwise or (b) in any property.

"Joint Venture" shall mean a single-purpose corporation, partnership, limited liability company, joint venture or other similar legal arrangement (whether created by contract or through a separate legal entity) now or hereafter formed by the Company or any of its Restricted Subsidiaries with another Person in order to conduct a common venture or enterprise in the ordinary course of business with such Person.

"Lien" shall mean, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor,

lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

"Make-Whole Amount" is defined in Section 8.6.

"Material" shall mean material in relation to the business, operations, affairs, financial condition, assets or properties of the Company and its Restricted Subsidiaries, taken as a whole.

"Material Adverse Effect" shall mean a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Restricted Subsidiaries, taken as a whole, or (b) the ability of the Company to perform its obligations under this Agreement and the Notes, or (c) the ability of any Subsidiary Guarantor that is a Significant Subsidiary to perform its obligations under the Subsidiary Guaranty Agreement or (d) the validity or enforceability of this Agreement, the Subsidiary Guaranty Agreement or the Notes.

"Memorandum" is defined in Section 5.3.

"Multiemployer Plan" shall mean any Plan that is a "multiemployer plan" (as such term is defined in Section 4001(a)(3) of ERISA).

"Notes" is defined in Section 1.

"Officer's Certificate" shall mean a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

"Participation Agreement" shall mean that certain Participation Agreement dated as of December 27, 2000 among TeleTech Services Corporation, as lessee, the Company, as guarantor, State Street Bank and Trust Company of Connecticut, National Association, as certificate trustee, First Security Bank, National Association, as administrative agent, and the Financial Institutions named on Schedule I thereto, as certificateholders, and the Financial Institutions named on Schedule II thereto, as lenders.

"PBGC" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

"Permitted Swap Obligations" shall mean all obligations (contingent or otherwise) of the Company or any Restricted Subsidiary existing or arising under Swap Contracts, provided that each of the following criteria is satisfied: (a) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments or assets held or

reasonably anticipated by such Person, or changes in the value of securities issued by such Person in conjunction with a securities repurchase program not otherwise prohibited hereunder, and not for purposes of speculation or taking a "market view" and (b) such Swap Contracts do not contain any provision ("walk-away" provisions) exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party.

"Person" shall mean an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

"Plan" shall mean an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

"Preferred Stock" shall mean any class of capital stock of a corporation that is preferred over any other class of capital stock of such corporation as to the payment of dividends or the payment of any amount upon liquidation or dissolution of such corporation.

"Priority Debt" shall mean, without duplication, the sum of (a) all Debt of the Company secured by any Lien with respect to any property owned by the Company other than Liens permitted by paragraphs (a) through (k) of Section 10.5, (b) all Debt of Restricted Subsidiaries other than (1) Debt owed to the Company or a Wholly-Owned Restricted Subsidiary, (2) Debt outstanding at the time such Person became a Subsidiary, provided, that (i) such Debt shall not have been incurred in contemplation of such Subsidiary becoming a Subsidiary and (ii) immediately after such Subsidiary became a Subsidiary, no Default or Event of Default shall exist, and provided further, that such Debt may not be extended, renewed or refunded except as otherwise permitted by this Agreement, (3) Debt outstanding on the date of the Closing related to the headquarters Synthetic Lease (including any refinancing of such Debt up to an amount equal to the amount of such Debt outstanding on the date of the Closing) and disclosed in Schedule 5.15 and (4) Debt of Subsidiary Guarantors (i) evidenced by the Subsidiary Guaranty Agreement and the Bank Guaranty or (ii) incurred as a co-obligor under the Bank Credit Agreement, provided that, in the case of clause (ii), an Intercreditor Agreement has been executed and delivered pursuant to Section 9.6(b) and (c) the amount of any cash held in deposit accounts described in Section 10.5(k).

"property" or "properties" shall mean, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

"PTE" is defined in Section 6.2(a).

"Purchasers" is defined in the preamble to this Agreement.

"QPAM Exemption" shall mean Prohibited Transaction Class Exemption 84-14 issued by the United States Department of Labor.

"Required Holders" shall mean, at any time, the holders of at least 50% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Company, any Subsidiary or any of its other Affiliates).

"Responsible Officer" shall mean any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

"Restricted Investments" shall mean all Investments except the following:

(a) property to be used in the ordinary course of business of the Company and its Restricted Subsidiaries;

(b) current assets arising from the sale of goods and services in the ordinary course of business of the Company and its Restricted Subsidiaries;

(c) Investments in one or more Restricted Subsidiaries or any Person that concurrently with such Investment becomes a Restricted Subsidiary;

(d) Investments in Joint Ventures not constituting Subsidiaries in an aggregate amount not to exceed, at any time, 15% of Consolidated Net Worth;

(e) Investments existing on the date of the Closing and disclosed in Schedule 5.19;

(f) Investments in United States Governmental Securities, provided that such obligations mature within 365 days from the date of acquisition thereof;

(g) Investments in certificates of deposit or banker's acceptances issued by an Acceptable Bank, provided that such obligations mature within 365 days from the date of acquisition thereof;

(h) Investments in commercial paper rated one of the two highest ratings classifications by at least one credit rating agency of recognized national standing and maturing not more than 270 days from the date of creation thereof;

(i) Investments in Repurchase Agreements;

(j) Investments in tax-exempt obligations of any state of the United States of America, or any municipality of any such state, in each case rated one of the two highest ratings classifications by at least one credit rating agency of recognized national standing, provided that such obligations mature within 365 days from the date of acquisition thereof;

(k) Investments in money market instrument programs which are classified as current assets in accordance with GAAP, which money market instrument programs are administered by an "investment company" regulated under the Investment Company Act of 1940, as amended, and which money market instrument programs hold only Investments satisfying the criteria set forth in clauses (f), (g), (h) or (j) above; provided, that such Investments are classified as current assets in accordance with GAAP;

(l) Investments of the Company or any Restricted Subsidiary consisting of capital stock or other equity interests held in the treasury account of the Company or such Restricted Subsidiary;

(m) advances to employees of the Company or any Restricted Subsidiary made in the ordinary course of business of the Company or such Restricted Subsidiary in an aggregate amount not to exceed $3,000,000 at any one time outstanding;

(n) Investments constituting Permitted Swap Obligations or payments or advances under Swap Contracts relating to Permitted Swap Obligations;

(o) Investments in common stock of enhansiv holdings, inc. ("EHI") received by the Company upon conversion of 100 shares of Series A Preferred Stock of EHI owned by the Company on the date of the Closing;

(p) loans by the Company to EHI in an aggregate amount not to exceed $7,000,000 at any one time outstanding;

(q) the Company's option to repurchase approximately 95% of the common stock of EHI sold to a group of investors in 2000; and

(r) Investments in direct obligations of, or unconditionally guaranteed by, the government of Australia, Canada, Japan, New Zealand or any country in the European Union (other than Greece) which obligations are rated in one of the two highest ratings classifications by at least one credit rating agency of recognized international standing.

As of any date of determination, each Restricted Investment shall be valued at the greater of:

(1) the amount at which such Restricted Investment is shown on the books of the Company or any of its Restricted Subsidiaries (or zero if such Restricted Investment is not shown on any such books); and

(2) either

(i) in the case of any Guaranty of the obligation of any Person, the amount which the Company or any of its Restricted Subsidiaries has paid on account of such obligation less any recoupment by the Company or such Restricted Subsidiary of any such payments, or

(ii) in the case of any other Restricted Investment, the excess of (A) the greater of (I) the amount originally entered on the books of the Company or any of its Restricted Subsidiaries with respect thereto and (II) the cost thereof to the Company or its Restricted Subsidiary over (B) any return of capital (after income taxes applicable thereto) upon such Restricted Investment through the sale or other liquidation thereof or part thereof or otherwise.

As used in this definition of "Restricted Investments":

"Acceptable Bank" shall mean (a) Bank of America or (b) any other bank or trust company (1) which is organized under the laws of the United States of America or any State thereof, (2) which has capital, surplus and undivided profits aggregating at least $500,000,000 and (3) whose long-term unsecured debt obligations (or the long-term unsecured debt obligations of the bank holding company owning all of the capital stock of such bank or trust company) shall have been given one of the two highest ratings by at least one credit rating agency of recognized national standing.

"Acceptable Broker-Dealer" shall mean any Person other than a natural person (a) which is registered as a broker or dealer pursuant to the Exchange Act and (b) whose long-term unsecured debt obligations shall have been given one of two highest ratings by at least one credit rating agency of recognized national standing.

"Repurchase Agreement" shall mean any written agreement

(a) that provides for (1) the transfer of one or more United States Governmental Securities in an aggregate principal amount at least equal to the amount of the Transfer Price (defined below) to the Company or any of its Restricted Subsidiaries from an Acceptable Bank or an Acceptable Broker-Dealer against a transfer of funds (the "Transfer Price") by the Company or such Restricted Subsidiary to such Acceptable Bank or Acceptable Broker-Dealer, and (2) a simultaneous agreement by the Company or such Restricted Subsidiary, in connection with such transfer of funds, to transfer to such Acceptable Bank or Acceptable Broker-Dealer the same or substantially similar United States Governmental Securities for a price not less than the Transfer Price plus a reasonable return thereon at a date certain not later than 365 days after such transfer of funds,

(b) in respect of which the Company or such Restricted Subsidiary shall have the right, whether by contract or pursuant to applicable law, to liquidate such agreement upon the occurrence of any default thereunder, and

(c) in connection with which the Company or such Restricted Subsidiary, or an agent thereof, shall have taken all action required by applicable law or regulations to perfect a Lien in such United States Governmental Securities.

"United States Governmental Security" shall mean any direct obligation of, or obligation guaranteed by, the United States of America, or any agency controlled or supervised by or acting as an instrumentality of the United States of America pursuant to authority granted by the Congress of the United States of America, so long as such obligation or guarantee shall have the benefit of the full faith and credit of the United States of America which shall have been pledged pursuant to authority granted by the Congress of the United States of America.

"Restricted Subsidiary" shall mean (a) any Subsidiary Guarantor and (b) any other Subsidiary (1) of which at least a majority of the voting securities are owned by the Company and/or one or more Wholly-Owned Restricted Subsidiaries and (2) that the Company has designated as a Restricted Subsidiary on the date of Closing or in accordance with the provisions of Section 10.11.

"Securities Act" shall mean the Securities Act of 1933, as amended from time to time.

"Senior Debt" shall mean any Debt that is not in any manner subordinated in right of payment or security in any respect to the Debt evidenced by the Notes.

"Senior Financial Officer" shall mean the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

"Series A Notes" is defined in Section 1.

"Series B Notes" is defined in Section 1.

"Significant Subsidiary" shall mean any Restricted Subsidiary that would at such time constitute a "significant subsidiary" (as such term is defined in Regulation S-X of the Securities and Exchange Commission) as in effect on the date of the Closing.

"Source" is defined in Section 6.2.

"Subsidiary" shall mean, as to any Person, any corporation, association or other business entity in which such Person or one or more of its Subsidiaries or such Person

and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or Joint Venture if more than a 50% interest in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries (unless such partnership or Joint Venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of the Company.

"Subsidiary Guarantor Release Certificate" is defined in Section 9.6(c).

"Subsidiary Guarantors" shall mean, as of the date of the Closing, all of the Subsidiaries of the Company party to the Subsidiary Guaranty Agreement, such Subsidiaries being: TeleTech Services Corporation, a Colorado corporation, TeleTech Customer Care Management (West Virginia), Inc., a West Virginia corporation, TeleTech Customer Care Management (Colorado), Inc., a Colorado corporation, TeleTech Customer Care Management (New York), Inc., a New York corporation, TeleTech Facilities Management (Parcel Customer Support), Inc., a Delaware corporation, TeleTech Facilities Management (Postal Customer Support), Inc., a Delaware corporation, T-TEC LABS, INC., a Delaware corporation, TeleTech Customer Care Management (Telecommunications), Inc., a Delaware corporation, TeleTech Health Services Management, Inc., a Delaware corporation, Digital Creators, Inc., a Colorado corporation, TeleTech Customer Care Management, Inc., a Delaware corporation, TeleTech Customer Care Management (South America), Inc., a Delaware corporation, TeleTech Customer Care Management (General), Inc., a Delaware corporation, TeleTech Customer Care Management (GS), Inc., a Delaware corporation, TeleTech Customer Care Solutions (Japan), Inc., a Delaware corporation, TeleTech South America Holdings, Inc., a Delaware corporation, Pamet River, Inc., a Delaware corporation, Newgen Results Corp., a Delaware corporation, TeleTech International Holdings, Inc., a Delaware corporation, TeleTech Financial Services Management, LLC, a Delaware limited liability company, TeleTech Customer Care Management (California), Inc., a California corporation, TeleTech Customer Care Management (Texas), Inc., a Texas corporation, TTEC Nevada, Inc., a Nevada corporation, TeleTech Customer Services, Inc., a Nevada corporation, TeleTech Customer Care Management (Pennsylvania), LLC, a Pennsylvania limited liability company, Carabunga.com, Inc., a Delaware corporation, Newgen Management Services, Inc., a Delaware corporation, Newgen Dealer Pricing Center, Inc., a California corporation, and EDM International, Inc., a Nevada corporation, and each other Subsidiary of the Company that executes and delivers a Guaranty Supplement pursuant to Section 9.6(a); provided, however, that Subsidiary Guarantors shall not include any Subsidiary of the Company for which a Subsidiary Guarantor Release Certificate has been executed and delivered pursuant to Section 9.6(c) unless after the delivery of such Subsidiary Guarantor Release Certificate such Subsidiary shall have executed a Guaranty Supplement.

"Subsidiary Guaranty Agreement" is defined in Section 2.2.

"Successor Corporation" is defined in Section 10.6(a).

"Swap Contract" shall mean any agreement, whether or not in writing, relating to any transaction that is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction, currency swap, cross-currency rate swap, swaption, currency option or other, similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Synthetic Lease" shall mean any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing product, where such transaction is considered debt for borrowed money for tax purposes but is classified as an operating lease in accordance with GAAP.

"Unrestricted Subsidiary" shall mean any Subsidiary that is not designated as a Restricted Subsidiary by the Company.

"Wholly-Owned Restricted Subsidiary" shall mean, at any time, any Restricted Subsidiary one hundred percent (100%) of all of the equity interests (except directors' qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company's other Wholly-Owned Restricted Subsidiaries at such time.

Form of Series a Note

Teletech Holdings, Inc.

7.00% Senior Note, Series A, Due October 31, 2008

No. RA-

, 20
$ ---------- ----
---------- PPN 879939 A*7

FOR VALUE RECEIVED, the undersigned, TELETECH HOLDINGS, INC. (herein called the "Company"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to , or registered assigns, the
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principal sum of DOLLARS on October 31, 2008, with interest (computed
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on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 7.00% per annum from the date hereof, payable semiannually, on the last day of April and October in each year, commencing on April 30, 2002, until the principal hereof shall have become due and payable and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (1) 9.00% or (2) 2% over the rate of interest publicly announced by Bank of America from time to time in New York, New York as its "reference rate."

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of the Senior Notes, Series A (the "Notes") issued pursuant to the Note Purchase Agreement, dated as of October 1, 2001 (as from time to time amended, the "Note Purchase Agreement"), between the Company and the Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose

name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreement. This Note is also subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price, including any applicable Make-Whole Amount, and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

Teletech Holdings, Inc.

By

Name:
Title:

Exhibit 1(a)-2
(to Note Purchase Agreement)

Form of Series B Note

TeleTech Holdings, Inc.

7.40% Senior Note, Series B, due October 31, 2011

No. RB-[---] , 20[----]

$[----------] PPN 879939 A@ 5

FOR VALUE RECEIVED, the undersigned, TELETECH HOLDINGS, INC. (herein called the "Company"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [----------], or registered assigns, the principal sum of [----------] DOLLARS on October 31, 2011, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 7.40% per annum from the date hereof, payable semiannually, on the last day of April and October in each year, commencing on April 30, 2002, until the principal hereof shall have become due and payable and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (1) 9.40% or (2) 2% over the rate of interest publicly announced by Bank of America from time to time in New York, New York as its "reference rate."

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at the principal office of Bank of America in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of the Senior Notes, Series B (the "Notes") issued pursuant to the Note Purchase Agreement, dated as of October 1, 2001 (as from time to time amended, the "Note Purchase Agreement"), between the Company and the Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement and (ii) to have made the representation set forth in Section 6.2 of the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreement. This Note is also subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price, including any applicable Make-Whole Amount, and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

TeleTech Holdings, Inc.

By

Name:
Title:

Exhibit 1(b)-2
(to Note Purchase Agreement)

Execution Copy

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Subsidiary Guaranty Agreement

Dated as of October 1, 2001

Re: $60,000,000 7.00% Senior Notes, Series A, due October 31, 2008
$15,000,000 7.40% Senior Notes, Series B, due October 31, 2011
of
TeleTech Holdings, Inc.

EXHIBIT SGA
(to Note Purchase Agreement)

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Table of Contents

(Not a part of the Agreement)

Subsidiary Guaranty Agreement

Re: $60,000,000 7.00% Senior Notes, Series A, due October 31, 2008
$15,000,000 7.40% Senior Notes, Series B, due October 31, 2011
of
TeleTech Holdings, Inc.

This Guaranty Agreement dated as of October 1, 2001 (the or this "Guaranty") is entered into on a joint and several basis by each of the undersigned, together with any entity which may become a party hereto by execution and delivery of a Subsidiary Guaranty Supplement in substantially the form set forth as Exhibit A hereto (a "Guaranty Supplement") (which parties are hereinafter referred to individually as a "Guarantor" and collectively as the "Guarantors").

Recitals

A. Each Guarantor is a subsidiary of TeleTech Holdings, Inc., a corporation organized under the laws of the State of Delaware (the "Company").

B. In order to refinance existing indebtedness of the Company and its Subsidiaries and for general corporate purposes, the Company has entered into that certain Note Purchase Agreement dated as of October 1, 2001 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the "Note Purchase Agreement") between the Company and each of the institutional investors named on Schedule A attached to said Note Purchase Agreement (the "Note Purchasers"), providing for, among other things, the issue and sale by the Company to the Note Purchasers of (a) $60,000,000 aggregate principal amount of its 7.00% Senior Notes, Series A, due October 31, 2008 (the "Series A Notes") and (b) $15,000,000 aggregate principal amount of its 7.40% Senior Notes, Series B, due October 31, 2011 (the "Series B Notes," and together with the Series A Notes, the "Notes"). The Note Purchasers together with their respective successors and assigns are collectively referred to herein as the "Holders."

C. The Note Purchasers have required as a condition of their purchase of the Notes that the Company cause each of the undersigned to enter into this Guaranty and to cause each Subsidiary (as defined in the Note Purchase Agreement) which from time to time becomes obligated as a guarantor or co-borrower under the Bank Credit Agreement (as defined in the Note Purchase Agreement) to enter into a Guaranty Supplement, in each case as security for the Notes, and the Company has agreed to cause each of the undersigned to execute this Guaranty and to cause each Subsidiary which from time to time becomes obligated as a guarantor or co-borrower under the Bank Credit Agreement to execute a Guaranty Supplement, in each case in order to induce the Note Purchasers to purchase the Notes and thereby benefit the Company and its Subsidiaries by providing funds to enable the Company to refinance existing

indebtedness of the Company and its Subsidiaries and to enable the Company and its Subsidiaries to have funds available for general corporate purposes.

Now, Therefore, as required by Section 4.5 of the Note Purchase Agreement and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, each Guarantor does hereby covenant and agree, jointly and severally, as follows:

Section 1. Definitions.

Capitalized terms used herein shall have the meanings set forth in the Note Purchase Agreement unless herein defined or the context shall otherwise require.

Section 2. Guaranty of Notes and Note Purchase Agreement.

(a) Subject to the release of such Guarantor from this Guaranty in accordance with the provisions of Section 9.6 of the Note Purchase Agreement, each Guarantor jointly and severally does hereby irrevocably, absolutely and unconditionally guarantee unto the Holders: (1) the full and prompt payment of the principal of, premium, if any, and interest on the Notes from time to time outstanding, as and when such payments shall become due and payable whether by lapse of time, upon redemption or prepayment, by extension or by acceleration or declaration or otherwise (including (to the extent legally enforceable) interest due on overdue payments of principal, premium, if any, or interest at the rate set forth in the Notes) in Federal or other immediately available funds of the United States of America which at the time of payment or demand therefor shall be legal tender for the payment of public and private debts, (2) the full and prompt performance and observance by the Company of each and all of the obligations, covenants and agreements required to be performed or owed by the Company under the terms of the Notes and the Note Purchase Agreement and (3) the full and prompt payment, upon demand by any Holder of all costs and expenses, legal or otherwise (including reasonable attorneys' fees), if any, as shall have been expended or incurred in the protection or enforcement of any rights, privileges or liabilities in favor of the Holders under or in respect of the Notes, the Note Purchase Agreement or under this Guaranty or in any consultation or action in connection therewith or herewith.

(b) To the extent that any Guarantor shall make a payment hereunder (a "Payment") which, taking into account all other Payments then previously or concurrently made by any of the other Guarantors, exceeds the amount which such Guarantor would otherwise have paid if each Guarantor had paid the aggregate obligations satisfied by such Payment in the same proportion as such Guarantor's "Allocable Amount" (as hereinafter defined) in effect immediately prior to such Payment bore to the Aggregate Allocable Amount (as hereinafter defined) of all of the Guarantors in effect immediately prior to the making of such Payment, then such Guarantor shall be entitled to contribution and indemnification from, and be reimbursed by, each of the other Guarantors for the amount of such excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to such Payment.

As of any date of determination, (1) the "Allocable Amount" of any Guarantor shall be

equal to the maximum amount which could then be claimed by the Holders under this Guaranty without rendering such claim voidable or avoidable under Section 548 of Chapter 11 of the United States Federal Bankruptcy Code (11 U.S.C. Sec. 101 et. seq.) or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law; and (2) the "Aggregate Allocable Amount" shall be equal to the sum of each Guarantor's Allocable Amount.

This clause (b) is intended only to define the relative rights of the Guarantors, and nothing set forth in this clause (b) is intended to or shall impair the obligations of the Guarantors, jointly and severally, to pay any amounts to the Holders as and when the same shall become due and payable in accordance herewith.

Each Guarantor acknowledges that the rights of contribution and indemnification hereunder shall constitute an asset in favor of any Guarantor to which such contribution and indemnification is owing.

Section 3. Guaranty of Payment and Performance.

Subject to the release provisions of Section 9.6 of the Note Purchase Agreement, this is an irrevocable, absolute and unconditional guarantee of payment and performance and each Guarantor hereby waives, to the fullest extent permitted by law, any right to require that any action on or in respect of any Note or the Note Purchase Agreement be brought against the Company or any other Person or that resort be had to any direct or indirect security for the Notes or for this Guaranty or any other remedy. Any Holder may, at its option, proceed hereunder against any Guarantor in the first instance to collect monies when due, the payment of which is guaranteed hereby, without first proceeding against the Company or any other Person and without first resorting to any direct or indirect security for the Notes or for this Guaranty or any other remedy. The liability of each Guarantor hereunder shall in no way be affected or impaired by any acceptance by any Holder of any direct or indirect security for, or other guaranties of, any Debt, liability or obligation of the Company or any other Person to any Holder or by any failure, delay, neglect or omission by any Holder to realize upon or protect any such guarantees, Debt, liability or obligation or any notes or other instruments evidencing the same or any direct or indirect security therefor or by any approval, consent, waiver, or other action taken, or omitted to be taken by any such Holder.

The covenants and agreements on the part of the Guarantors herein contained shall take effect as joint and several covenants and agreements, and references to the Guarantors shall take effect as references to each of them and none of them shall be released from liability hereunder by reason of the guarantee ceasing to be binding as a continuing security on any other of them.

Section 4. General Provisions Relating to the Guaranty.

(a) Each Guarantor hereby consents and agrees that any Holder or Holders may from time to time, with or without any further notice to or assent from any other Guarantor, and without in any manner affecting the liability of any Guarantor under this

Guaranty, and upon such terms and conditions as any such Holder or Holders may deem advisable:

(1) extend in whole or in part (by renewal or otherwise), modify, change, compromise, release or extend the duration of the time for the performance or payment of any Debt, liability or obligation of the Company or of any other Person (including, without limitation, any other Guarantor) secondarily or otherwise liable for any Debt, liability or obligations of the Company on the Notes, or waive any Default or Event of Default with respect thereto, or waive, modify, amend or change any provision of the Note Purchase Agreement or any other agreement or waive this Guaranty; or

(2) sell, release, surrender, modify, impair, exchange or substitute any and all property, of any nature and from whomsoever received, held by, or for the benefit of, any such Holder as direct or indirect security for the payment or performance of any Debt, liability or obligation of the Company or of any other Person secondarily or otherwise liable for any Debt, liability or obligation of the Company on the Notes; or

(3) settle, adjust or compromise any claim of the Company against any other Person secondarily or otherwise liable for any Debt, liability or obligation of the Company on the Notes.

Each Guarantor hereby ratifies and confirms any such extension, renewal, change, sale, release, waiver, surrender, exchange, modification, amendment, impairment, substitution, settlement, adjustment or compromise and that the same shall be binding upon it, and hereby waives, to the fullest extent permitted by law, any and all defenses, counterclaims or offsets which it might or could have by reason thereof, it being understood that such Guarantor shall at all times be bound by this Guaranty and remain liable hereunder.

(b) Each Guarantor hereby waives, to the fullest extent permitted by law:

(1) notice of acceptance of this Guaranty by the Holders or of the creation, renewal or accrual of any liability of the Company, present or future, or of the reliance of such Holders upon this Guaranty (it being understood that every Debt, liability and obligation described in Section 2 hereof shall conclusively be presumed to have been created, contracted or incurred in reliance upon the execution of this Guaranty);

(2) demand of payment by any Holder from the Company or any other Person (including, without limitation, any other Guarantor) indebted in any manner on or for any of the Debt, liabilities or obligations hereby guaranteed; and

(3) presentment for the payment by any Holder or any other Person of the Notes or any other instrument, protest thereof and notice of its dishonor to any party thereto and to such Guarantor.

The obligations of each Guarantor under this Guaranty and the rights of any Holder to enforce such obligations by any proceedings, whether by action at law, suit in equity or otherwise, shall not be subject to any reduction, limitation, impairment or termination, whether by reason of any claim of any character whatsoever or otherwise and shall not be subject to any defense, set-off, counterclaim (other than any compulsory counterclaim), recoupment or termination whatsoever.

(c) The obligations of the Guarantors hereunder shall be binding upon the Guarantors and their successors and assigns, and shall remain in full force and effect irrespective of:

(1) the genuineness, validity, regularity or enforceability of the Notes, the Note Purchase Agreement or any other agreement or any of the terms of any thereof, the continuance of any obligation on the part of the Company or any other Person on or in respect of the Notes or under the Note Purchase Agreement or any other agreement or the power or authority or the lack of power or authority of the Company to issue the Notes or the Company to execute and deliver the Note Purchase Agreement or any other agreement or of any Guarantor to execute and deliver this Guaranty or to perform any of its obligations hereunder or the existence or continuance of the Company or any other Person as a legal entity; or

(2) any default, failure or delay, willful or otherwise, in the performance by the Company, any Guarantor or any other Person of any obligations of any kind or character whatsoever under the Notes, the Note Purchase Agreement, this Guaranty or any other agreement; or

(3) any creditors' rights, bankruptcy, receivership or other insolvency proceeding of the Company, any Guarantor or any other Person or in respect of the property of the Company, any Guarantor or any other Person or any merger, consolidation, reorganization, dissolution, liquidation, the sale of all or substantially all of the assets of or winding up of the Company, any Guarantor or any other Person; or

(4) impossibility or illegality of performance on the part of the Company, any Guarantor or any other Person of its obligations under the Notes, the Note Purchase Agreement, this Guaranty or any other agreements; or

(5) in respect of the Company or any other Person, any change of circumstances, whether or not foreseen or foreseeable, whether or not imputable to the Company or any other Person, or other impossibility of performance through fire, explosion, accident, labor disturbance, floods, droughts, embargoes,

wars (whether or not declared), civil commotion, acts of God or the public enemy, delays or failure of suppliers or carriers, inability to obtain materials, action of any Federal or state regulatory body or agency, change of law or any other causes affecting performance, or any other force majeure, whether or not beyond the control of the Company or any other Person and whether or not of the kind hereinbefore specified; or

(6) any attachment, claim, demand, charge, Lien, order, process, encumbrance or any other happening or event or reason, similar or dissimilar to the foregoing, or any withholding or diminution at the source, by reason of any taxes, assessments, expenses, Debt, obligations or liabilities of any character, foreseen or unforeseen, and whether or not valid, incurred by or against the Company, any Guarantor or any other Person or any claims, demands, charges or Liens of any nature, foreseen or unforeseen, incurred by the Company, any Guarantor or any other Person, or against any sums payable in respect of the Notes or under the Note Purchase Agreement or this Guaranty, so that such sums would be rendered inadequate or would be unavailable to make the payments herein provided; or

(7) any order, judgment, decree, ruling or regulation (whether or not valid) of any court of any nation or of any political subdivision thereof or any body, agency, department, official or administrative or regulatory agency of any thereof or any other action, happening, event or reason whatsoever which shall delay, interfere with, hinder or prevent, or in any way adversely affect, the performance by the Company, any Guarantor or any other Person of its respective obligations under or in respect of the Notes, the Note Purchase Agreement, this Guaranty or any other agreement; or

(8) the failure of any Guarantor to receive any benefit from or as a result of its execution, delivery and performance of this Guaranty; or

(9) any failure or lack of diligence in collection or protection, failure in presentment or demand for payment, protest, notice of protest, notice of default and of nonpayment, any failure to give notice to any Guarantor of failure of the Company, any Guarantor or any other Person to keep and perform any obligation, covenant or agreement under the terms of the Notes, the Note Purchase Agreement, this Guaranty or any other agreement or failure to resort for payment to the Company, any Guarantor or to any other Person or to any other guaranty or to any property, security, Liens or other rights or remedies; or

(10) the acceptance of any additional security or other guaranty, the advance of additional money to the Company or any other Person, the renewal or extension of the Notes or amendments, modifications, consents or waivers with respect to the Notes, the Note Purchase Agreement or any other agreement, or the sale, release, substitution or exchange of any security for the Notes; or

(11) any merger or consolidation of the Company, any Guarantor or any other Person into or with any other Person or any sale, lease, transfer or other disposition of any of the assets of the Company, any Guarantor or any other Person to any other Person, or any change in the ownership of any shares or other equity interests of the Company, any Guarantor or any other Person; or

(12) any defense whatsoever that: (i) the Company or any other Person might have to the payment of the Notes (principal, premium, if any, or interest), other than payment thereof in Federal or other immediately available funds or (ii) the Company or any other Person might have to the performance or observance of any of the provisions of the Notes, the Note Purchase Agreement or any other agreement, whether through the satisfaction or purported satisfaction by the Company or any other Person of its debts due to any cause such as bankruptcy, insolvency, receivership, merger, consolidation, reorganization, dissolution, liquidation, winding-up or otherwise; or

(13) any act or failure to act with regard to the Notes, the Note Purchase Agreement, this Guaranty or any other agreement or anything which might vary the risk of any Guarantor or any other Person; or

(14) any other circumstance which might otherwise constitute a defense available to, or a discharge of, any Guarantor or any other Person in respect of the obligations of any Guarantor or other Person under this Guaranty or any other agreement;

provided that the specific enumeration of the above-mentioned acts, failures or omissions shall not be deemed to exclude any other acts, failures or omissions, though not specifically mentioned above, it being the purpose and intent of this Guaranty and the parties hereto that, subject to the release provisions of Section 9.6 of the Note Purchase Agreement, the obligations of each Guarantor shall be absolute and unconditional and shall not be discharged, impaired or varied except by the payment of the principal of, premium, if any, and interest on the Notes in accordance with their respective terms whenever the same shall become due and payable as in the Notes provided, at the place specified in and all in the manner and with the effect provided in the Notes and the Note Purchase Agreement, as each may be amended or modified from time to time. Without limiting the foregoing, it is understood that repeated and successive demands may be made and recoveries may be had hereunder as and when, from time to time, the Company shall default under or in respect of the terms of the Notes or the Note Purchase Agreement and that notwithstanding recovery hereunder for or in respect of any given default or defaults by the Company under the Notes or the Note Purchase Agreement, this Guaranty shall remain in full force and effect and shall apply to each and every subsequent default.

(d) All rights of any Holder under this Guaranty shall be considered to be transferred or assigned at any time or from time to time upon the transfer of any Note

held by such Holder whether with or without the consent of or notice to the Guarantors under this Guaranty or to the Company.

(e) To the extent of any payments made under this Guaranty, the Guarantors shall be subrogated to the rights of the Holder or Holders upon whose Notes such payment was made, but each Guarantor covenants and agrees that such right of subrogation and any and all claims of such Guarantor against the Company, any endorser or other Guarantor or against any of their respective properties shall be junior and subordinate in right of payment to the prior indefeasible final payment in cash in full of all of the Notes and satisfaction by the Company of its obligations under the Note Purchase Agreement and by the Guarantors of their obligations under this Guaranty, and the Guarantors shall not take any action to enforce such right of subrogation, and the Guarantors shall not accept any payment in respect of such right of subrogation, until all of the Notes and all amounts payable by the Guarantors hereunder have indefeasibly been finally paid in cash in full and all of the obligations of the Company under the Note Purchase Agreement and of the Guarantors under this Guaranty have been satisfied. Notwithstanding any right of any Guarantor to ask, demand, sue for, take or receive any payment from the Company, all rights, Liens and security interests of each Guarantor, whether now or hereafter arising and howsoever existing, in any assets of the Company shall be and hereby are subordinated to the rights, if any, of the Holders in those assets. No Guarantor shall have any right to possession of any such asset or to foreclose upon any such asset, whether by judicial action or otherwise, unless and until all of the Notes and the obligations of the Company under the Note Purchase Agreement shall have been paid in cash in full and satisfied. If all or any part of the assets of the Company, or the proceeds thereof, are subject to any distribution, division or application to the creditors of the Company, whether partial or complete, voluntary or involuntary, and whether by reason of liquidation, bankruptcy, arrangement, receivership, assignment for the benefit of creditors or any other action or proceeding, or if the business of the Company is dissolved or if substantially all of the assets of the Company are sold, then, and in any such event, any payment or distribution of any kind or character, either in cash, securities, or other property, which shall be payable or deliverable upon or with respect to any indebtedness of the Company to any Guarantor shall be paid or delivered directly to the Holders, until the Notes and the obligations of the Company under the Note Purchase Agreement shall have first been paid in cash in full and satisfied. If any amount shall be paid to any Guarantor in violation of the preceding sentences at any time prior to the indefeasible payment in cash in full of the Notes and all amounts payable by the Guarantors hereunder and satisfaction by the Company of its obligations under the Note Purchase Agreement and by the Guarantors of their obligations hereunder such amount shall be held in trust for the benefit of the Holders and shall forthwith be paid to the Holders to be credited and applied to the amounts due or to become due with respect to the Notes and all other amounts payable under the Note Purchase Agreement and this Guaranty, whether matured or unmatured.

(f) Each Guarantor agrees that to the extent the Company or any other Person makes any payment on any Note, which payment or any part thereof is

subsequently invalidated, voided, declared to be fraudulent or preferential, set aside, recovered, rescinded or is required to be retained by or repaid to a trustee, receiver, or any other Person under any bankruptcy code, common law, or equitable cause, then and to the extent of such payment, the obligation or the part thereof intended to be satisfied shall be revived and continued in full force and effect with respect to the Guarantors' obligations hereunder, as if said payment had not been made. The liability of the Guarantors hereunder shall not be reduced or discharged, in whole or in part, by any payment to any Holder from any source that is thereafter paid, returned or refunded in whole or in part by reason of the assertion of a claim of any kind relating thereto, including, but not limited to, any claim for breach of contract, breach of warranty, preference, illegality, invalidity or fraud asserted by any account debtor or by any other Person.

(g) No Holder shall be under any obligation: (1) to marshall any assets in favor of the Guarantors or in payment of any or all of the liabilities of the Company under or in respect of the Notes and the Note Purchase Agreement or the obligations of the Guarantors hereunder or (2) to pursue any other remedy that the Guarantors may or may not be able to pursue themselves and that may lighten the Guarantors' burden, any right to which each Guarantor hereby expressly waives.

Section 5. Representations and Warranties of the Guarantors

Each Guarantor represents and warrants to each Holder that:

(a) Such Guarantor is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on (1) the business, operations, affairs, financial condition, assets or properties of such Guarantor and its subsidiaries, taken as a whole, or (2) the ability of such Guarantor to perform its obligations under this Guaranty or (3) the validity or enforceability of this Guaranty (herein in this Section 5, a "Material Adverse Effect"). Such Guarantor has the power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Guaranty and to perform the provisions hereof.

(b) Each subsidiary of such Guarantor is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each subsidiary of such Guarantor has the power and authority to own

or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(c) This Guaranty has been duly authorized by all necessary action on the part of such Guarantor, and this Guaranty constitutes a legal, valid and binding obligation of such Guarantor enforceable against such Guarantor in accordance with its terms, except as such enforceability may be limited by (1) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (2) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(d) The execution, delivery and performance by such Guarantor of this Guaranty will not (1) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of such Guarantor or any of its subsidiaries under any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, by-laws or other organizational documents, or any other agreement or instrument that is material to the business, operations, affairs, financial condition, assets or properties of such Guarantor and its Subsidiaries, taken as a whole, to which such Guarantor or any of its subsidiaries is bound or by which such Guarantor or any of its subsidiaries or any of their respective properties may be bound or affected, (2) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to such Guarantor or any of its subsidiaries or (3) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to such Guarantor or any of its subsidiaries.

(e) No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by such Guarantor of this Guaranty.

(f) Such Guarantor, when taking into account the requirements of Section 2(b) of this Guaranty, is solvent, has capital not unreasonably small in relation to its business or any contemplated or undertaken transaction and has assets having a value both at fair valuation and at present fair salable value greater than the amount required to pay its debts as they become due and greater than the amount that will be required to pay its probable liability on its existing debts as they become absolute and matured. Such Guarantor does not intend to incur, or believe or should have believed that it will incur, debts beyond its ability to pay such debts as they become due. Such Guarantor, when taking into account the requirements of Section 2(b) of this Guaranty, will not be rendered insolvent by the execution and delivery of, and performance of its obligations under, this Guaranty. Such Guarantor does not intend to hinder, delay or defraud its creditors by or through the execution and delivery of, or performance of its obligations under, this Guaranty.

Section 6. Amendments, Waivers and Consents.

(a) This Guaranty may be amended, and the observance of any term hereof may be waived (either retroactively or prospectively), with (and only with) the written consent of each Guarantor and the holders of at least 66-2/3% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by any Guarantor, the Company, any of their respective Subsidiaries or Affiliates).

(b) The Guarantors will provide each Holder (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such Holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof. The Guarantors will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 6 to each Holder promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite Holders.

(c) No Guarantor will directly or indirectly pay or cause to be paid any remuneration, whether by way of fee or otherwise, or grant any security, to any Holder as consideration for or as an inducement to the entering into by such Holder of any waiver or amendment of any of the terms and provisions hereof unless such remuneration is concurrently paid, or security is concurrently granted, on the same terms, ratably to each Holder even if such Holder did not consent to such waiver or amendment.

(d) Any amendment or waiver consented to as provided in this Section 6 applies equally to all Holders of Notes affected thereby and is binding upon them and upon each future holder and upon the Guarantors. No such amendment or waiver will extend to or affect any obligation, covenant or agreement not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Guarantors and any Holder nor any delay in exercising any rights hereunder shall operate as a waiver of any rights of any Holder. As used herein, the term "this Guaranty" and references thereto shall mean this Guaranty as it may from time to time be amended or supplemented.

(e) Solely for the purpose of determining whether the Holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Guaranty, Notes directly or indirectly owned by any Guarantor, the Company or any of their respective subsidiaries or Affiliates shall be deemed not to be outstanding.

Section 7. Notices.

All notices and communications provided for hereunder shall be in writing and sent (a) by telefacsimile if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered

or certified mail with return receipt requested (postage prepaid) or (c) by a recognized overnight delivery service (charges prepaid). Any such notice must be sent:

(1) if to a Note Purchaser or its nominee, to such Note Purchaser or its nominee at the address specified for such communications in Schedule A to the Note Purchase Agreement, or at such other address as such Note Purchaser or its nominee shall have specified to the Company on behalf of the Guarantors in writing,

(2) if to any other Holder, to such Holder at such address as such Holder shall have specified to the Company on behalf of he Guarantors in writing, or

(3) if to any Guarantor, to such Guarantor c/o the Company at its address set forth at the beginning of the Note Purchase Agreement to the attention of Chief Financial Officer, or at such other address as such Guarantor shall have specified to the Holders in writing.

Notices under this Section 7 will be deemed given only when actually received.

Section 8. Miscellaneous.

(a) No remedy herein conferred upon or reserved to any Holder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Guaranty now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle any Holder to exercise any remedy reserved to it under this Guaranty, it shall not be necessary for such Holder to physically produce its Note in any proceedings instituted by it or to give any notice, other than such notice as may be herein expressly required.

(b) The Guarantors will pay all sums becoming due under this Guaranty by the method and at the address specified for such purpose for such Holder, in the case of a Holder that is a Note Purchaser, on Schedule A to the Note Purchase Agreement or by such other method or at such other address as any Holder shall have from time to time specified to the Guarantors or the Company on behalf of the Guarantors in writing for such purpose, without the presentation or surrender of this Guaranty or any Note.

(c) Any provision of this Guaranty that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

(d) If the whole or any part of this Guaranty shall be now or hereafter become unenforceable against any one or more of the Guarantors for any reason whatsoever or if it is not executed by any one or more of the Guarantors, this Guaranty shall nevertheless be and remain fully binding upon and enforceable against each other Guarantor as if it had been made and delivered only by such other Guarantors.

(e) This Guaranty shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of each Holder and its successors and assigns so long as its Notes remain outstanding and unpaid.

(f) This Guaranty may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

(g) This Guaranty shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

(h) Any legal action or proceeding with respect to this Guaranty may be brought in the courts of the State of New York in the Borough of Manhattan, State of New York, or of the United States for the Southern District of New York and, by execution and delivery of this Guaranty or a Guaranty Supplement, each Guarantor hereby irrevocably accepts, unconditionally, the jurisdiction of the aforesaid courts with respect to any such action or proceeding. Each Guarantor further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the Company on behalf of such Guarantor at its address set forth above, such service to become effective upon receipt. Nothing herein shall affect the right of any Holder to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against any Guarantor in any other jurisdiction. Each Guarantor hereby irrevocably appoints the Company as such Guarantor's agent for the purpose of accepting service of process. Each Guarantor hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this agreement brought in any of the aforesaid courts and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

In Witness Whereof, the undersigned has caused this Guaranty to be duly executed by an authorized representative as of this ------ day of October, 2001.

[Guarantors]

By

Its

Subsidiary Guaranty Supplement

To the Holders (as defined in the hereinafter
defined Guaranty Agreement)

Ladies and Gentlemen:

Whereas, in order to refinance existing indebtedness of TeleTech Holdings, Inc., a corporation organized under the laws of the State of Delaware (the "Company"), and its Subsidiaries and for general corporate purposes, the Company issued (a) $60,000,000 aggregate principal amount of its 7.00% Senior Notes, Series A, due October 31, 2008 (the "Series A Notes") and (b) $15,000,000 aggregate principal amount of its 7.40% Senior Notes, Series B, due October 31, 2011 (the "Series B Notes," and together with the Series A Notes, the "Notes") pursuant to that certain Note Purchase Agreement dated as of October 1, 2001 (as amended, supplemented, restated or otherwise modified from time to time, the "Note Purchase Agreement") between the Company and each of the purchasers named on Schedule A attached to said Note Purchase Agreement (the "Note Purchasers"). Capitalized terms used herein shall have the meanings set forth in the hereinafter defined Guaranty Agreement unless herein defined or the context shall otherwise require.

Whereas, as a condition precedent to their purchase of the Notes, the Note Purchasers required that from time to time certain subsidiaries of the Company enter into that certain Subsidiary Guaranty Agreement dated as of October 1, 2001 as security for the Notes (as amended, supplemented, restated or otherwise modified from time to time, the "Guaranty Agreement").

Pursuant to Section 9.6(a) of the Note Purchase Agreement, the Company has agreed to cause the undersigned, _____, a [corporation] organized under the laws of _____ (the "Additional Guarantor"), to join in the Guaranty Agreement. In accordance with the requirements of the Guaranty Agreement, the Additional Guarantor desires to amend the definition of Guarantor (as the same may have been heretofore amended) set forth in the Guaranty Agreement attached hereto so that at all times from and after the date hereof, the Additional Guarantor shall be jointly and severally liable as set forth in the Guaranty Agreement for the obligations of the Company under the Note Purchase Agreement and Notes to the extent and in the manner set forth in the Guaranty Agreement.

The undersigned is the duly elected _____ of the Additional Guarantor, a subsidiary of the Company, and is duly authorized to execute and deliver this Guaranty Supplement to each of you. The execution by the undersigned

EXHIBIT SGA
(to Note Purchase Agreement)

of this Guaranty Supplement shall evidence such Additional Guarantor's consent to and acknowledgment and approval of the terms set forth herein and in the Guaranty Agreement and its agreement to be bound by the covenants, terms and provisions of the Guaranty Agreement as a Guarantor thereunder and by such execution such Additional Guarantor shall be deemed to have made in favor of the Holders the representations and warranties set forth in Section 5 of the Guaranty Agreement.

Upon execution of this Guaranty Supplement, the Guaranty Agreement shall be deemed to be amended as set forth above. Except as amended herein, the terms and provisions of the Guaranty Agreement are hereby ratified, confirmed and approved in all respects.

Any and all notices, requests, certificates and other instruments (including the Notes) may refer to the Guaranty Agreement without making specific reference to this Guaranty Supplement, but nevertheless all such references shall be deemed to include this Guaranty Supplement unless the context shall otherwise require.

Dated: _____, 20____.

[Name of Additional Guarantor]*

By _____
Its

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* To the extent that any Additional Guarantor is not a United States entity, such Guaranty Supplement will include provisions reasonably satisfactory to the Required Holders relating to (a) a gross-up for withholding taxes and (b) conversion of payments made in currency other than United States dollars.

Exhibit 10.74

SECOND AMENDMENT TO AMENDED AND RESTATED
REVOLVING CREDIT AGREEMENT AND WAIVER

This Second Amendment to Amended and Restated Revolving Credit Agreement and Waiver (this "Amendment") is entered into as of May 18, 2001, among TeleTech Holdings, Inc., a Delaware corporation (the "Company"), the several financial institutions from time to time party to the Credit Agreement (as defined herein) (collectively, the "Lenders"; individually, a "Lender"), and Bank of America, N.A., as agent for the Lenders (in such capacity, the "Administrative Agent").

RECITALS:

WHEREAS, the Company, the Lenders, the Administrative Agent and the Co-Agents named therein have entered into that certain Amended and Restated Revolving Credit Agreement dated as of March 24, 2000 (as heretofore amended and as the same may be further amended or modified from time to time, the "Credit Agreement");

WHEREAS, the Company, the Lenders and the Administrative Agent have determined that the Credit Agreement should be amended in certain respects and to make certain other changes agreed to by the parties; and

WHEREAS, the Company has requested a waiver of, and the undersigned Lenders wish to waive, certain provisions of the Credit Agreement on the terms and conditions set forth below;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

2. Amendments to Credit Agreement. The Credit Agreement is hereby amended, effective on the date this Amendment becomes effective in accordance with Section 4 hereof, as follows:

(a) The definition of "Applicable Commitment Fee Percentage" in Article I of the Credit Agreement shall be amended and restated to read as follows:

"Applicable Commitment Fee Percentage" means (a) with respect to the Tranche A Commitment Amount, .125% and (b) with respect to the Tranche B Commitment Amount, subject to the last sentence of this definition, for any period, the applicable of the following percentages in effect with respect to such period as the Debt to EBITDAR Ratio of the Company shall fall within the indicated ranges:

Debt to EBITDAR Ratio	Commitment Fee
GREATER THAN OR EQUAL 2.50 to 1.0	0.40%
GREATER THAN OR EQUAL 2.0 to 1.0 and **2.50 to 1.0	0.35%
GREATER THAN OR EQUAL 1.0 to 1.0 and **2.0 to 1.0	0.30%
**1.0 to 1.0	0.25%

The Debt to EBITDAR Ratio shall be calculated by the Company as of the end of each fiscal quarter and shall be reported to the Administrative Agent pursuant to a Compliance Certificate executed by a Responsible Officer of the Company and delivered pursuant to subsection 7.02(b) hereof. The Applicable Commitment Fee Percentage with respect to the Tranche B Commitment Amount shall be adjusted, if necessary, on the third Business Day after the delivery of such certificate; provided, that if such certificate, together with the financial statements to which such certificate relates, is not delivered to the Administrative Agent by the fifth Business Day after the date on which the related financial statements are due to be delivered to the Administrative Agent pursuant to subsection 7.01(a) or (b), then, from such fifth Business Day until the third Business Day after delivery of such certificate, the Applicable Commitment Fee Percentage with respect to the Tranche B Commitment Amount shall be equal to 0.40%. From the Second Amendment Effective Date until adjusted as described above, the Applicable Commitment Fee Percentage with respect to the Tranche B Commitment Amount shall be equal to 0.30%.

(b) The definition of "Applicable Margin" in Article I of the Credit Agreement shall be amended and restated to read as follows:

"Applicable Margin" means (a) with respect to Tranche A Loans, .225% per annum and (b) with respect to Tranche B Loans, subject to the last sentence of this definition, for any period, the applicable of the following percentages in effect with respect to such period as the Debt to EBITDAR Ratio of the Company shall fall within the indicated ranges:

Debt to EBITDAR Ratio	Applicable Margin
GREATER THAN OR EQUAL 2.5 to 1.0	1.625%
GREATER THAN OR EQUAL 2.0 to 1.0 and **2.50 to 1.0	1.375%
GREATER THAN OR EQUAL 1.0 to 1.0 and **2.0 to 1.0	1.125%

** = Less than

Debt to EBITDAR Ratio	Applicable Margin
GREATER THAN OR EQUAL 0.5 to 1.0 and **1.0 to 1.0	0.875%
**0.5 to 1.0	0.625%

** = Less than

The Debt to EBITDAR Ratio shall be calculated by the Company as of the end of each fiscal quarter and shall be reported to the Administrative Agent pursuant to a Compliance Certificate executed by a Responsible Officer of the Company and delivered pursuant to subsection 7.02(b). The Applicable Margin with respect to Tranche B Loans shall be adjusted, if necessary, on the third Business Day after the delivery of such certificate, with such adjustment to apply to all Interest Periods then outstanding and beginning thereafter until the next adjustment date; provided, that if such certificate, together with the financial statements to which such certificate relates, is not delivered to the Administrative Agent by the fifth Business Day after the date on which the related financial statements are due to be delivered to the Administrative Agent pursuant to subsection 7.01(a) or (b), then, from such fifth Business Day until the third Business Day after delivery of such certificate, the Applicable Margin with respect to Tranche B Loans shall be equal to 1.625%. From the Second Amendment Effective Date until adjusted as described above, the Applicable Margin with respect to the Tranche B Loans shall be equal to 1.125%.

(c) The definition of "Restricted Subsidiary" in Article I of the Credit Agreement shall be amended and restated in its entirety to read as follows:

"Restricted Subsidiary" means any Subsidiary designated as such by the Company with the consent of the Administrative Agent and each Lender.

(d) The definition of "Subsidiary" in Article I of the Credit Agreement shall be amended and restated in its entirety to read as follows:

"Subsidiary" of a Person means any corporation, association, partnership, limited liability company, joint venture or other business entity of which more than 50% of the voting stock, membership interests or other equity interests (in the case of Persons other than corporations), is owned or controlled directly or indirectly by the Person, or one or more of the Subsidiaries of the Person, or a combination thereof. Unless the context otherwise clearly requires, references herein to a "Subsidiary" refer to a Subsidiary of the Company. Notwithstanding the foregoing, (a) "Subsidiary" shall not include any Restricted Subsidiary and (b) solely for the purpose of determining compliance with Sections 8.16, 8.17, 8.18 and 8.19 of this Agreement, "Subsidiary" shall not include the Ford Joint Venture.

(e) Article I of the Credit Agreement shall be amended by adding the following new definitions thereto in alphabetical order:

"Consolidated Net Worth" means, as of any date of determination, for the Company and its Subsidiaries on a consolidated basis, shareholders' equity of the Company and its Subsidiaries on that date determined in accordance with GAAP.

"Dry Creek Property" means the real estate owned by TeleTech Services Corporation, a Colorado corporation, and located at 9201 East Dry Creek Road, Englewood, Colorado and all improvements thereon.

"Second Amendment Effective Date" means May 18, 2001.

(f) Section 8.02 of the Credit Agreement shall be amended and restated in its entirety to read as follows:

8.02 Disposition of Assets. The Company shall not, and shall not suffer or permit any Subsidiary to, directly or indirectly, (x) issue any equity interests of any Subsidiary to any Person which is not the Company or a Subsidiary or (y) sell, assign, lease (as lessor), convey, transfer or otherwise dispose of (whether in one or a series of transactions) any property (including accounts and notes receivable, with or without recourse) or enter into any agreement to do any of the foregoing, except:

(a) dispositions of inventory, or used, worn-out or surplus equipment, all in the ordinary course of business;

(b) the sale of equipment to the extent that such equipment is exchanged for credit against the purchase price of similar replacement equipment, or the proceeds of such sale are reasonably promptly applied to the purchase price of such replacement equipment;

(c) the license or sale of software or other proprietary assets of the Company and its Subsidiaries to their clients in the ordinary course of business;

(d) disposition of the Dry Creek Property;

(e) dispositions by Contact Center Holdings, S.L. of accounts receivable made pursuant to an SP (Spanish Peseta) 1,587,545,036.32 factoring line with Banco Bilbao Vizcaya Factoring; and

(f) dispositions not otherwise permitted hereunder which are made for fair market value; provided, that (i) at the time of any disposition, no Event of Default shall exist or shall result from such disposition, (ii) the aggregate sales price from such disposition shall be paid in cash, and (iii) the aggregate value of all assets so sold by the Company and its Subsidiaries, together, shall not exceed in any fiscal year $10,000,000.

(g) Section 8.04 of the Credit Agreement shall be amended and restated in its entirety to read as follows:

8.04 Loans and Investments. The Company shall not purchase or acquire, or suffer or permit any Subsidiary to purchase or acquire, or make any commitment therefor, any capital stock, equity interest, or any obligations or other securities of, or any interest in, any Person, or make or commit to make any Acquisitions, or make or commit to make any advance, loan, extension of credit or capital contribution to or any other investment in, any Person including any Affiliate of the Company (together, "Investments"), except for:

(a) Investments held by the Company or Subsidiary in the form of (i) Cash Equivalents or (ii) debt obligations of United States corporations rated BBB or better by Standard & Poor's Ratings Group or Baa or better by Moody's Investors Services, Inc. and maturing within one year from the date of investment;

(b) extensions of credit in the nature of accounts receivable, notes receivable or other trade credit arising from the sale or lease of goods or services in the ordinary course of business;

(c) extensions of credit by the Company to any of its Wholly-Owned Subsidiaries or by any of its Wholly-Owned Subsidiaries to another of its Wholly-Owned Subsidiaries;

(d) Investments constituting Permitted Swap Obligations or payments or advances under Swap Contracts relating to Permitted Swap Obligations;

(e) advances to employees in an aggregate amount not to exceed $3,000,000 at any time outstanding;

(f) Permitted Acquisitions as permitted under Sections 8.19 and 8.20;

(g) Investments in Wholly-Owned Subsidiaries;

(h) Investments in Joint Ventures permitted hereunder which are not Restricted Subsidiaries in an aggregate amount not in excess of $2,000,000 after the Restatement Date;

(i) Investments in the Ford Joint Venture in an amount not to exceed $30,000,000 in the aggregate after the Restatement Date, so long as (i) no Default or Event of Default has occurred and is continuing or would occur after giving effect thereto (determined in respect of Sections 8.16, 8.17, 8.18 and 8.19 on a pro forma basis as of the last day of the previous fiscal quarter) and (ii) the Investments made in the Ford Joint Venture in fiscal year 2000 do not exceed $20,000,000;

(j) Investments in Persons in which the Company and its Subsidiaries hold a minority equity interest in an amount not to exceed $10,000,000 in the aggregate in any fiscal year, so long as (i) the Investment is made by the Company or such Subsidiary in the ordinary course of business and (ii) no Default or Event of Default has occurred and is continuing or would occur after giving effect thereto (determined in respect of Sections 8.16, 8.17, 8.18 and 8.19 on a pro forma basis as of the last day of the previous fiscal quarter); and

(k) extensions of credit by the Company to enhansiv holdings, inc. in an aggregate outstanding principal amount not to exceed $7,000,000 at any time.

(h) Section 8.05 of the Credit Agreement shall be amended and restated in its entirety to read as follows:

8.05 Limitation on Indebtedness. The Company shall not, and shall not suffer or permit any Subsidiary to, create, incur, assume, suffer to exist, or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness, except:

(a) Indebtedness incurred pursuant to this Agreement;

(b) Indebtedness consisting of Contingent Obligations permitted pursuant to Section 8.08;

(c) Indebtedness existing on the Restatement Date and set forth in Schedule 8.05;

(d) Indebtedness incurred in connection with leases permitted pursuant to Section 8.10;

(e) Indebtedness consisting of Synthetic Lease Obligations incurred by Services pursuant to a transaction reasonably satisfactory to the Required Lenders in an amount not to exceed $50,000,000 at any time;

(f) Indebtedness in a maximum principal amount not to exceed $75,000,000 incurred pursuant to a private placement transaction which is reasonably satisfactory to the Required Lenders; and

(g) other Indebtedness in an aggregate amount not to exceed $10,000,000 at any time outstanding.

(i) Section 8.08 of the Credit Agreement shall be amended and restated in its entirety to read as follows:

8.08 Contingent Obligations. The Company shall not, and shall not suffer or permit any Subsidiary to, create, incur, assume or suffer to exist any Contingent Obligations except:

(a) endorsements for collection or deposit in the ordinary course of business;

(b) Permitted Swap Obligations;

(c) Contingent Obligations of the Company and its Subsidiaries existing as of the Restatement Date and listed in Schedule 8.08;

(d) Contingent Obligations with respect to a guaranty by the Company of the Synthetic Lease Obligations incurred pursuant to subsection 8.05(f);

(e) Contingent Obligations with respect to lease obligations permitted under Section 8.10;

(f) Contingent Obligations with respect to Surety Instruments incurred in the ordinary course of business and not exceeding at any time $1,000,000 in the aggregate in respect of the Company and its Subsidiaries together; and

(g) Contingent Obligations of the Company in connection with its annual revenue commitment for enhansiv holdings, inc. services during calendar years 2001, 2002, 2003 and 2004, in an amount not to exceed $1,000,000 during any such year.

(j) Section 8.11(b)(iii) of the Credit Agreement shall be amended and restated in its entirety to read as follows:

(iii) declare or pay cash dividends to its stockholders and purchase, redeem or otherwise acquire shares of its capital stock or warrants, rights or options to acquire any such shares for cash in an amount not exceeding $25,000,000 in calendar year 2001 and $15,000,000 in each calendar year thereafter; provided, that, immediately after giving effect to such proposed action, no Default or Event of Default would exist, and provided that the Dry Creek Property has been sold and a private placement transaction in the amount of $75,000,000 satisfying the requirements of in Section 8.05(f) has been completed.

(k) Section 8.19 of the Credit Agreement shall be amended and restated in its entirety to read as follows:

8.19 Maximum Combination of Cash Capital Expenditures and Permitted Acquisitions. The Company shall not permit the total amount of the sum of (a) Capital Expenditures plus (b) expenditures incurred to effect Permitted

Acquisitions, in each case made or committed to be made by the Company and its Subsidiaries and paid for with consideration consisting of cash and other property, to exceed $100,000,000 in any calendar year; provided, that to the extent such sum in any calendar year is less than $100,000,000, the $100,000,000 limit for the following calendar year shall be increased by the amount of such shortfall; provided, further, the Company shall first use the initial amount permitted for the current year (without regard to the amount carried over from the previous calendar year, if any) and then the amount carried over from the previous calendar year to meet the requirements of this Section 8.19 and any carried over amount not so utilized shall expire; provided, further, that the Company may utilize in calendar year 2000 an additional amount equal to $7,032,000 carried forward from calendar year 1999 in accordance with the Prior Credit Agreement; and provided, further, that the Company may exclude from Capital Expenditures in calendar year 2001 the net proceeds received from the sale of the Dry Creek Property in an amount not to exceed $26,650,000.

(l) Article 8 of the Credit Agreement shall be amended by adding the following new Section 8.23 thereto:

8.23 Consolidated Net Worth. The Company shall not, as of the last day of any fiscal quarter, permit Consolidated Net Worth to be less than the sum of (a) $290,000,000 plus (b) an amount equal to 50% of the Net Income earned in each fiscal quarter ending after December 31, 2000 (with no deduction for a net loss in any such fiscal quarter).

3. Waivers.

(a) The Administrative Agent and the undersigned Lenders hereby waive any breach of Section 8.02 of the Credit Agreement arising solely from the disposition by Contact Center Holdings, S.L. of accounts receivable made pursuant to its SP1,587,545,036.32 factoring line with Banco Bilbao Vizcaya Factoring prior to the Effective Date.

(b) The Administrative Agent and the undersigned Lenders hereby waive any breach of Section 8.02 of the Credit Agreement arising solely from the sale of all of the common stock of enhansiv holdings, inc.

(c) The Administrative Agent and the undersigned Lenders hereby waive any breach of Section 8.04 of the Credit Agreement arising solely from extensions of credit by the Company to enhansiv holdings, inc. prior to the Effective Date.

(d) The Administrative Agent and the undersigned Lenders hereby waive any breach of Section 8.08 of the Credit Agreement arising solely from the Company's annual revenue commitment for enhansiv holdings, inc. services prior to the Effective Date.

(e) The Administrative Agent and the undersigned Lenders hereby waive any breach of Section 8.18 of the Credit Agreement for the fiscal quarter ended March 31, 2001.

4. Conditions to Effectiveness of this Amendment. This Amendment shall become effective upon the satisfaction of the following conditions (the "Effective Date"):

(a) Executed Amendment. Receipt by the Administrative Agent of duly executed counterparts of this Amendment from the Company, the Guarantors and all of the Lenders;

(b) Resolutions; Incumbency.

(i) Copies of the resolutions of the board of directors of the Company authorizing the transactions contemplated hereby, certified as of the Effective Date by the Secretary or Assistant Secretary of such Person; and

(ii) A certificate of the Secretary or Assistant Secretary of the Company certifying the names and true signatures of the officers of the Company authorized to execute, deliver and perform, as applicable, this Amendment;

(c) Organization Documents; Good Standing. Each of the following documents:

(i) the articles or certificate of incorporation and the bylaws of the Company as in effect on the Effective Date, certified by the Secretary or Assistant Secretary of the Company as of the Effective Date; and

(ii) a good standing certificate for the Company from the Secretary of State (or similar, other Governmental Authority) of its state of incorporation and each state where the Company is qualified to do business as a foreign corporation as of a recent date.

(d) Closing Certificate. A certificate, signed by a Responsible Officer, dated as of the Effective Date, stating that:

(i) the representations and warranties contained in Article VI of the Credit Agreement are true and correct on and as of such date, as though made on and as of such date;

(ii) no Default or Event of Default exists or would result from the transactions contemplated by the Amendment; and

(iii) there has occurred since December 31, 2000 no event or circumstance that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(e) Amendment Fee. Receipt by the Administrative Agent of the amendment fee set forth in Section 6(a).

(f) Miscellaneous. Receipt by the Administrative Agent of such other documents, certificates, instruments or opinions as may reasonably be requested by it.

5. Certain Representations and Warranties by the Company. In order to induce the Lenders and the Administrative Agent to enter into this Amendment, the Company represents and warrants to the Lenders and the Administrative Agent that:

(a) Authority. The Company has the right, power and capacity and has been duly authorized and empowered by all requisite corporate and shareholder action to enter into, execute, deliver and perform this Amendment and the Credit Agreement as amended hereby.

(b) Validity. This Amendment and the Credit Agreement as amended hereby have each been duly and validly executed and delivered by the Company and constitutes its legal, valid and binding obligations, enforceable against the Company in accordance with its respective terms, except as enforcement thereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether such enforcement is sought in a proceeding in equity or at law or otherwise).

(c) No Conflicts. The Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby does not and will not violate its Certificates or Articles of Incorporation or Bylaws, any law, rule, regulation, order, writ, judgment, decree or award applicable to the Company or any contractual provision to which the Company is party or to which the Company or any of its Subsidiaries are subject.

(d) Approvals. No authorization or approval or other action by, and no notice to or filing or registration with, any Governmental Authority or regulatory body (other than those which have been obtained and are in force and effect) is required in connection with the Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby.

(e) Incorporated Representations and Warranties. All representations and warranties contained in the Loan Documents are true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date hereof and the effective date hereof, except as to any representations or warranties which expressly relate to an earlier date, in which event, such representations and warranties are true as of such date.

(f) No Defaults. No Default or Event of Default exists as of the date hereof or will exist after giving effect to this Amendment.

6. Miscellaneous. The parties hereto hereby further agree as follows:

(a) Fees. The Company shall pay to the Administrative Agent, for the benefit of the Lenders party hereto, an amendment fee in an amount equal to twenty basis points on each Lender's commitment, provided that such Lender is a party hereto.

(b) Further Assurances. Each of the parties hereto hereby agrees to do such further acts and things and to execute, deliver and acknowledge such additional agreements, powers and instruments as any other party hereto may reasonably require to carry into effect the purposes of this Amendment and the Credit Agreement as amended hereby.

(c) Counterparts. This Amendment may be executed in one or more counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same document with the same force and effect as if the signatures of all of the parties were on a single counterpart, and it shall not be necessary in making proof of this Amendment to produce more than one such counterpart.

(d) Headings. Headings used in this Amendment are for convenience of reference only and shall not affect the construction of this Amendment.

(e) Integration. This Amendment and the Loan Documents constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof.

(f) Governing Law. THIS AMENDMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF ILLINOIS, AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF SAID STATE, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

(g) Binding Effect. This Amendment shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns; provided, however, that the Company may not assign or transfer its rights, interests or obligations hereunder without the prior written consent of the Administrative Agent and all of the Lenders. Except as expressly set forth to the contrary herein, this Amendment shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Amendment and their respective successors and permitted assigns.

(h) Amendment; Waiver; Reaffirmation of Loan Documents. The parties hereto agree and acknowledge that nothing contained in this Amendment in any manner or respect limits or terminates any of the provisions of the Credit Agreement or the other Loan Documents other than as expressly set forth herein and further agree and acknowledge that the Credit Agreement and each of the other Loan Documents remain and continue in full force and effect and are hereby ratified and reaffirmed in all respects. No delay on the part of any Lender or the Administrative Agent in exercising any of their

respective rights, remedies, powers and privileges under the Credit Agreement or any of the other Loan Documents or partial or single exercise thereof, shall constitute a waiver thereof. None of the terms and conditions of this Amendment may be changed, waived, modified or varied in any manner, whatsoever, except in accordance with Section 11.01 of the Credit Agreement.

(i) Reference to and Effect on the Credit Agreement and the other Loan Documents. Upon the effectiveness hereof, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import referring to the Credit Agreement and each reference in the other Loan Documents to the "Credit Agreement," "thereunder," "thereof," or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment. The Credit Agreement shall be deemed to be amended wherever and as necessary to reflect the foregoing amendments.

[signature page follows]

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered as of the date first above written.

TELETECH HOLDINGS, INC.

By: _____

Title: _____

BANK OF AMERICA, N.A., as Administrative Agent

By: _____

Title: _____

BANK OF AMERICA N.A., as a Lender

By: _____

Title: _____

FIRST UNION NATIONAL BANK, as a Lender

By: _____

Title: _____

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By: _____

Title: _____

WELLS FARGO BANK, as a Lender

By: _____

Title: _____

THE NORTHERN TRUST COMPANY, as a Lender

By: _____

Title: _____

[TO SECOND AMENDMENT]

GUARANTORS' ACKNOWLEDGMENT

Each of the undersigned hereby (a) consents to and approves the execution and delivery of the foregoing Amendment by the Company, the Administrative Agent and the Lenders, (b) agrees that this Amendment does not nor shall it limit or diminish in any manner its obligations under the Subsidiary Guaranty or under any of the other Loan Documents to which it is a party, (c) agrees that the foregoing Amendment shall not be construed as requiring its consent in any other circumstance, (d) reaffirms its obligations under the Subsidiary Guaranty and all of the other Loan Documents to which it is a party, and (e) agrees that the Subsidiary Guaranty and such other Loan Documents remain in full force and effect and are each hereby ratified and confirmed.

T-TEC Labs, Inc.
Digital Creators, Inc.
TeleTech Customer Care Management (California), Inc.
TeleTech Customer Care Management (Colorado), Inc.
TeleTech Services Corporation
TeleTech Financial Services Management, Inc.
TeleTech Facilities Management (Postal Customer Support), Inc.
TeleTech Facilities Management (Parcel Customer Support), Inc.
TeleTech Customer Care Management (West Virginia), Inc.
TeleTech Customer Care Management (New York), Inc.
TeleTech Customer Care Management (Pennsylvania), Inc.
TeleTech Customer Care Management (Telecommunications), Inc.
TeleTech Financial Services Management (WV), Inc.
TeleTech Customer Care Management (GS), Inc.
TTEC Nevada, Inc.
TeleTech Customer Services, Inc.
TeleTech South America Holdings, Inc.
TeleTech Health Services Management, Inc.
TeleTech Customer Care Management, Inc.
TeleTech Customer Care Solutions (Japan), Inc.
TeleTech Customer Care Management (General), Inc.
TeleTech Customer Care Management (South America), Inc.
TeleTech Customer Care Management (Texas), Inc.

By:

Chris Batson, Treasurer of each of the corporations listed above

Exhibit 10.75

THIRD AMENDMENT TO AMENDED AND RESTATED
REVOLVING CREDIT AGREEMENT AND WAIVER

This Third Amendment to Amended and Restated Revolving Credit Agreement and Waiver (this "Amendment") is entered into as of August 10, 2001, among TeleTech Holdings, Inc., a Delaware corporation (the "Company"), the several financial institutions from time to time party to the Credit Agreement (as defined herein) (collectively, the "Lenders"; individually, a "Lender"), and Bank of America, N.A., as agent for the Lenders (in such capacity, the "Administrative Agent").

RECITALS:

WHEREAS, the Company, the Lenders, the Administrative Agent and the Co-Agents named therein have entered into that certain Amended and Restated Revolving Credit Agreement dated as of March 24, 2000 (as heretofore amended and as the same may be further amended or modified from time to time, the "Credit Agreement");

WHEREAS, the Company, the Lenders and the Administrative Agent have determined that the Credit Agreement should be amended in certain respects and to make certain other changes agreed to by the parties; and

WHEREAS, the Company has requested a waiver of, and the undersigned Lenders wish to waive, certain provisions of the Credit Agreement on the terms and conditions set forth below;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

2. Amendments to Credit Agreement. The Credit Agreement is hereby amended, effective on the date this Amendment becomes effective in accordance with Section 4 hereof, as follows:

(a) The definition of "Applicable Commitment Fee Percentage" in Article I of the Credit Agreement shall be amended and restated to read as follows:

"Applicable Commitment Fee Percentage" means (a) with respect to the Tranche A Commitment Amount, .125% and (b) with respect to the Tranche B Commitment Amount, subject to the last sentence of this definition, for any period, the applicable of the following percentages in effect with respect to such period as the Debt to EBITDAR Ratio of the Company shall fall within the indicated ranges:

Debt to EBITDAR Ratio	Commitment Fee
GREATER THAN OR EQUAL TO 2.50 to 1.0	0.45%
GREATER THAN OR EQUAL 2.0 to 1.0 and **2.50 to 1.0	0.40%
GREATER THAN OR EQUAL 1.0 to 1.0 and **2.0 to 1.0	0.35%
**1.0 to 1.0	0.30%

The Debt to EBITDAR Ratio shall be calculated by the Company as of the end of each fiscal quarter and shall be reported to the Administrative Agent pursuant to a Compliance Certificate executed by a Responsible Officer of the Company and delivered pursuant to subsection 7.02(b) hereof. The Applicable Commitment Fee Percentage with respect to the Tranche B Commitment Amount shall be adjusted, if necessary, on the third Business Day after the delivery of such certificate; provided, that if such certificate, together with the financial statements to which such certificate relates, is not delivered to the Administrative Agent by the fifth Business Day after the date on which the related financial statements are due to be delivered to the Administrative Agent pursuant to subsection 7.01(a) or (b), then, from such fifth Business Day until the third Business Day after delivery of such certificate, the Applicable Commitment Fee Percentage with respect to the Tranche B Commitment Amount shall be equal to 0.45%. From the Third Amendment Effective Date until adjusted as described above, the Applicable Commitment Fee Percentage with respect to the Tranche B Commitment Amount shall be equal to 0.40%.

(b) The definition of "Applicable Margin" in Article I of the Credit Agreement shall be amended and restated to read as follows:

"Applicable Margin" means (a) with respect to Tranche A Loans, .225% per annum and (b) with respect to Tranche B Loans, subject to the last sentence of this definition, for any period, the applicable of the following percentages in effect with respect to such period as the Debt to EBITDAR Ratio of the Company shall fall within the indicated ranges:

Debt to EBITDAR Ratio	Applicable Margin
GREATER THAN OR EQUAL 2.5 to 1.0	2.000%
GREATER THAN OR EQUAL 2.0 to 1.0 and **2.50 to 1.0	1.750%
GREATER THAN OR EQUAL 1.0 to 1.0 and **2.0 to 1.0	1.500%
**1.0 to 1.0	1.125%

** = Less than

The Debt to EBITDAR Ratio shall be calculated by the Company as of the end of each fiscal quarter and shall be reported to the Administrative Agent pursuant to a Compliance Certificate executed by a Responsible Officer of the Company and delivered pursuant to subsection 7.02(b). The Applicable Margin with respect to Tranche B Loans shall be adjusted, if necessary, on the third Business Day after the delivery of such certificate, with such adjustment to apply to all Interest Periods then outstanding and beginning thereafter until the next adjustment date; provided, that if such certificate, together with the financial statements to which such certificate relates, is not delivered to the Administrative Agent by the fifth Business Day after the date on which the related financial statements are due to be delivered to the Administrative Agent pursuant to subsection 7.01(a) or (b), then, from such fifth Business Day until the third Business Day after delivery of such certificate, the Applicable Margin with respect to Tranche B Loans shall be equal to 2.000%. From the Third Amendment Effective Date until adjusted as described above, the Applicable Margin with respect to the Tranche B Loans shall be equal to 1.750%.

(c) The definition of "EBITDAR" in Article I of the Credit Agreement shall be amended and restated to read as follows:

"EBITDAR" means, for any period, for the Company and its Subsidiaries on a consolidated basis, determined in accordance with GAAP, the sum of (a) the Net Income (or net loss) for such period, plus (b) all amounts treated as expenses for depreciation and interest and the amortization of intangibles of any kind to the extent deducted in the determination of such Net Income (or net loss), plus (c) all accrued taxes on or measured by income to the extent included in the determination of such Net Income (or net loss), less (d) any nonrecurring gains (or plus any nonrecurring losses resulting directly from or incurred directly as a consequence of the sale or closure of any operating facilities by the Company and its Subsidiaries), plus (e) Rental Expenses for such period, plus (f) all interest payments made in such period in respect of Synthetic Lease Obligations, plus (g) up to $16,500,000 of non-cash nonrecurring charges taken during the fiscal quarter ended June 30, 2001 relating to the Company's investment in enhansiv holdings, inc. and plus (h) up to $16,000,000 of non-cash nonrecurring charges taken on the Dry Creek Property during the period beginning on October 1, 2000 and ending on June 30, 2001.

3. Waiver. The Administrative Agent and the undersigned Lenders hereby waive any breach of Section 8.18 of the Credit Agreement for the fiscal quarter ended June 30, 2001.

4. Conditions to Effectiveness of this Amendment. This Amendment shall become effective upon the satisfaction of the following conditions (the "Effective Date"):

(a) Executed Amendment. Receipt by the Administrative Agent of duly executed counterparts of this Amendment from the Company, the Guarantors and all of the Lenders;

(b) Joinder Agreement. Receipt by the Administrative Agent of a joinder agreement which has been executed by each of the Domestic Subsidiaries not currently parties to the Subsidiary Guaranty.

(c) Incumbency. Receipt by the Administrative Agent of a certificate of the Secretary or Assistant Secretary of the Company certifying the names and true signatures of the officers of the Company authorized to execute, deliver and perform, as applicable, this Amendment.

(d) Closing Certificate. Receipt by the Administrative Agent of a certificate, signed by a Responsible Officer, dated as of the Effective Date, stating that:

(i) the representations and warranties contained in Article VI of the Credit Agreement are true and correct on and as of such date, as though made on and as of such date;

(ii) no Default or Event of Default exists or would result from the transactions contemplated by the Amendment; and

(iii) there has occurred since December 31, 2000 no event or circumstance that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(e) Amendment Fee. Receipt by the Administrative Agent of the amendment fee set forth in Section 6(a).

(f) Miscellaneous. Receipt by the Administrative Agent of such other documents, certificates, instruments or opinions as may reasonably be requested by it.

5. Certain Representations and Warranties by the Company. In order to induce the Lenders and the Administrative Agent to enter into this Amendment, the Company represents and warrants to the Lenders and the Administrative Agent that:

(a) Authority. The Company has the right, power and capacity and has been duly authorized and empowered by all requisite corporate and shareholder action to enter into, execute, deliver and perform this Amendment and the Credit Agreement as amended hereby.

(b) Validity. This Amendment and the Credit Agreement as amended hereby have each been duly and validly executed and delivered by the Company and constitutes its legal, valid and binding obligations, enforceable against the Company in accordance with its respective terms, except as enforcement thereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether such enforcement is sought in a proceeding in equity or at law or otherwise).

(c) No Conflicts. The Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby does not and will not violate

its Certificates or Articles of Incorporation or Bylaws, any law, rule, regulation, order, writ, judgment, decree or award applicable to the Company or any contractual provision to which the Company is party or to which the Company or any of its Subsidiaries are subject.

(d) Approvals. No authorization or approval or other action by, and no notice to or filing or registration with, any Governmental Authority or regulatory body (other than those which have been obtained and are in force and effect) is required in connection with the Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby.

(e) Incorporated Representations and Warranties. All representations and warranties contained in the Loan Documents are true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date hereof and the effective date hereof, except as to any representations or warranties which expressly relate to an earlier date, in which event, such representations and warranties are true as of such date.

(f) No Defaults. No Default or Event of Default exists as of the date hereof or will exist after giving effect to this Amendment.

6. Miscellaneous. The parties hereto hereby further agree as follows:

(a) Fees. The Company shall pay to the Administrative Agent, for the benefit of the Lenders party hereto, an amendment fee in an amount equal to 12.5 basis points on each Lender's commitment, provided that such Lender is a party hereto.

(b) Further Assurances. Each of the parties hereto hereby agrees to do such further acts and things and to execute, deliver and acknowledge such additional agreements, powers and instruments as any other party hereto may reasonably require to carry into effect the purposes of this Amendment and the Credit Agreement as amended hereby.

(c) Counterparts. This Amendment may be executed in one or more counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same document with the same force and effect as if the signatures of all of the parties were on a single counterpart, and it shall not be necessary in making proof of this Amendment to produce more than one such counterpart.

(d) Headings. Headings used in this Amendment are for convenience of reference only and shall not affect the construction of this Amendment.

(e) Integration. This Amendment and the Loan Documents constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof.

(f) Governing Law. THIS AMENDMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF ILLINOIS, AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF SAID STATE, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

(g) Binding Effect. This Amendment shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns; provided, however, that the Company may not assign or transfer its rights, interests or obligations hereunder without the prior written consent of the Administrative Agent and all of the Lenders. Except as expressly set forth to the contrary herein, this Amendment shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Amendment and their respective successors and permitted assigns.

(h) Amendment; Waiver; Reaffirmation of Loan Documents. The parties hereto agree and acknowledge that nothing contained in this Amendment in any manner or respect limits or terminates any of the provisions of the Credit Agreement or the other Loan Documents other than as expressly set forth herein and further agree and acknowledge that the Credit Agreement and each of the other Loan Documents remain and continue in full force and effect and are hereby ratified and reaffirmed in all respects. No delay on the part of any Lender or the Administrative Agent in exercising any of their respective rights, remedies, powers and privileges under the Credit Agreement or any of the other Loan Documents or partial or single exercise thereof, shall constitute a waiver thereof. None of the terms and conditions of this Amendment may be changed, waived, modified or varied in any manner, whatsoever, except in accordance with Section 11.01 of the Credit Agreement.

(i) Reference to and Effect on the Credit Agreement and the other Loan Documents. Upon the effectiveness hereof, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import referring to the Credit Agreement and each reference in the other Loan Documents to the "Credit Agreement," "thereunder," "thereof," or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment. The Credit Agreement shall be deemed to be amended wherever and as necessary to reflect the foregoing amendments.

[signature page follows]

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered as of the date first above written.

TELETECH HOLDINGS, INC.

By: _____

Title: _____

BANK OF AMERICA, N.A., as Administrative Agent

By: _____

Title: _____

BANK OF AMERICA N.A., as a Lender

By: _____

Title: _____

FIRST UNION NATIONAL BANK, as a Lender

By: _____

Title: _____

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By: _____

Title: _____

WELLS FARGO BANK, as a Lender

By: _____

Title: _____

THE NORTHERN TRUST COMPANY, as a Lender

By: _____

Title: _____

GUARANTORS' ACKNOWLEDGMENT

Each of the undersigned hereby (a) consents to and approves the execution and delivery of the foregoing Amendment by the Company, the Administrative Agent and the Lenders, (b) agrees that this Amendment does not nor shall it limit or diminish in any manner its obligations under the Subsidiary Guaranty or under any of the other Loan Documents to which it is a party, (c) agrees that the foregoing Amendment shall not be construed as requiring its consent in any other circumstance, (d) reaffirms its obligations under the Subsidiary Guaranty and all of the other Loan Documents to which it is a party, and (e) agrees that the Subsidiary Guaranty and such other Loan Documents remain in full force and effect and are each hereby ratified and confirmed.

T-TEC Labs, Inc.
Digital Creators, Inc.
TeleTech Customer Care Management (California), Inc.
TeleTech Customer Care Management (Colorado), Inc.
TeleTech Services Corporation
TeleTech Facilities Management (Postal Customer Support), Inc.
TeleTech Facilities Management (Parcel Customer Support), Inc.
TeleTech Customer Care Management (West Virginia), Inc.
TeleTech Customer Care Management (New York), Inc.
TeleTech Customer Care Management (Telecommunications), Inc.
TeleTech Financial Services Management (WV), Inc.
TeleTech Customer Care Management (GS), Inc.
TTEC Nevada, Inc.
TeleTech Customer Services, Inc.
TeleTech South America Holdings, Inc.
TeleTech Health Services Management, Inc.
TeleTech Customer Care Management, Inc.
TeleTech Customer Care Solutions (Japan), Inc.
TeleTech Customer Care Management (General), Inc.
TeleTech Customer Care Management (South America), Inc.
TeleTech Customer Care Management (Texas), Inc.

By:

Chris Batson, Treasurer of each of the corporations listed above

LIST OF SUBSIDIARIES

Exhibit 21.1

- ----------
3472680 Canada, Inc. (Holdco)

- ----------
Apoyo Empresarial de Servicios, S. de R.L. de C.V.

- ----------
Carabunga.com. Inc.

- ----------
Comlink, S.A.

- ----------
Connect, S.A.

- ----------
Contact Center Holdings, S.L. ("CCH")

- ----------
Customer Care (General) Insurance Agency Limited

- ----------
Customer Care Life Insurance Agency Limited f/k/a
3472663 Canada, Inc.

- ----------
Difusio Telemarketing Grup, S.A. ("DTG")

- ----------
Digital Creators, Inc.

- ----------
EDM International, Inc.

- ----------
GFD Belfast, Ltd.

- ----------
Inversiones Caspio, S.L. (a single shareholder company)

- ----------
Newgen Dealer Pricing Center, Inc.

- ----------
Newgen Management Services, Inc.

- ----------
Newgen Results Canada, Ltd.

- ----------
Newgen Results Corporation

- ----------
Pamet River, Inc.

- ----------

- ----------
Percepta UK Limited

- ----------
Percepta, LLC

- ----------
Servicios y Administraciones de Bajio S. de R.L. de C.V.

- ----------
TeleTech (UK) Limited

- ----------
TeleTech Argentina S.A.

- ----------
Teletech Brasil Servicios De Informatica Ltda

- ----------
TeleTech Brasil, Ltda

- ----------
TeleTech Canada, Inc.

- ----------
TeleTech Customer Care Management (California), Inc.

- ----------
TeleTech Customer Care Management (Colorado), Inc.

- ----------
TeleTech Customer Care Management (General), Inc.

- ----------
TeleTech Customer Care Management (GS), Inc.

- ----------
TeleTech Customer Care Management (Ireland) Limited

- ----------
TeleTech Customer Care Management (New York), Inc.

- ----------
TeleTech Customer Care Management (Pennsylvania), LLC

- ----------
TeleTech Customer Care Management (South America), Inc.

- ----------
TeleTech Customer Care Management (Telecommunications), Inc.

- ----------
TeleTech Customer Care Management
- ----------

- ----------
(Texas), Inc.

- ----------
TeleTech Customer Care Management (West Virginia), Inc.

- ----------
TeleTech Customer Care Management, Inc.

- ----------
TeleTech Customer Care Solutions (Japan), Inc.

- ----------
TeleTech Customer Management Pte. Ltd.

- ----------
TeleTech Customer Services, Inc.

- ----------
TeleTech Facilities Management (Parcel Customer Support), Inc.

- ----------
TeleTech Facilities Management (Postal Customer Support), Inc.

- ----------
TeleTech Financial Services Management, LLC

- ----------
TeleTech Germany GmbH

- ----------
TeleTech Health Services Management, Inc.

- ----------
TeleTech International Holdings, Inc.

- ----------
TeleTech International Pty Ltd.

- ----------
TeleTech Limited New Zealand

- ----------
TeleTech Mexico, S.A. de C.V.

- ----------
TeleTech Services Corporation

- ----------
TeleTech South America Holdings, Inc.

- ----------
T-TEC LABS, INC.

- ----------
TTEC Nevada, Inc.

- ----------
Zigzag 200, S.L.

- ----------

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our report included in this Form 10-K, into TeleTech Holdings, Inc.'s previously filed Registration Statement File Nos. 333-17569, 333-60001, 333-64575, 333-78477, 333-82405, 333-47142, 333-48190, 333-51550 and 333-52352.

/s/ Arthur Andersen LLP

Denver, Colorado
March 29, 2001

Exhibit 99

[LOGO]
TELETECH

March 22, 2002

Securities and Exchange Commission
450 Fifth Street NW
Washington, DC 20549

Re: TeleTech Holdings, Inc. (the "Company")
Arthur Andersen Audit Representation Letter

Ladies and Gentlemen:

Arthur Andersen has represented to the Company that the audit for the Company was subject to Arthur Andersen's quality control system for the U.S. accounting and auditing practice to provide reasonable assurance that the engagement was conducted in compliance with professional standards, that there was appropriate continuity of Arthur Andersen personnel working on the audit, availability of national office consultation, and availability of personnel at foreign affiliates of Arthur Andersen to conduct the relevant portions of the audit.

TeleTech Holdings, Inc.

By: /s/ James B. Kaufman

Name: James B. Kaufman

Its: Executive Vice President, General Counsel and Secretary