# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
# FORM 10-Q

(Mark One)

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

**For the quarterly period ended June 30, 2014**

**or**

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

**For the transition period from to**

Commission file number 000-52049

# SYNCHRONOSS TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **Delaware**<br>(State or other jurisdiction of incorporation or organization) | **06-1594540**<br>(I.R.S. Employer Identification No.) |
| **200 Crossing Boulevard, 8th Floor**<br>**Bridgewater, New Jersey**<br>(Address of principal executive offices) | **08807**<br>(Zip Code) |

**(866) 620-3940**
(Registrant's telephone number, including area code)

(Former name, former address, and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes☑ No☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer☑ Accelerated filer☐ Non-accelerated filer☐ Smaller Reporting Company☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes☐ No☑

Shares outstanding of the Registrant's common stock:

| Class | Outstanding at July 25, 2014 |
|---|---|
| Common stock, $0.0001 par value | 41,838,908 |

**SYNCHRONOSS TECHNOLOGIES, INC.**
**FORM 10-Q INDEX**

**SYNCHRONOSS TECHNOLOGIES, INC.**
**CONSOLIDATED BALANCE SHEETS**
**(Unaudited)**
**(In thousands)**

| | June 30, 2014 | December 31, 2013 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 66,940 | $ 63,512 |
| Marketable securities | 13,540 | 9,105 |
| Accounts receivable, net of allowance for doubtful accounts of $321 and $237 at June 30, 2014 and December 31, 2013, respectively | 86,681 | 64,933 |
| Prepaid expenses and other assets | 24,705 | 19,451 |
| Deferred tax assets | 3,780 | 4,626 |
| Total current assets | 195,646 | 161,627 |
| Marketable securities | 3,582 | 4,988 |
| Property and equipment, net | 102,696 | 106,106 |
| Goodwill | 140,282 | 137,743 |
| Intangible assets, net | 99,808 | 101,963 |
| Deferred tax assets | 4,150 | 4,210 |
| Other assets | 9,413 | 10,382 |
| Total assets | $ 555,577 | $ 527,019 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 7,976 | $ 9,528 |
| Accrued expenses | 29,264 | 37,919 |
| Deferred revenues | 12,279 | 15,372 |
| Contingent consideration obligation | 6,616 | 22 |
| Total current liabilities | 56,135 | 62,841 |
| Lease financing obligation - long term | 9,258 | 9,252 |
| Contingent consideration obligation - long-term | — | 4,468 |
| Other liabilities | 3,577 | 2,819 |
| Stockholders' equity: | | |
| Preferred stock, $0.0001 par value; 10,000 shares authorized, 0 shares issued and outstanding at June 30, 2014 and December 31, 2013 | — | — |
| Common stock, $0.0001 par value; 100,000 shares authorized, 45,565 and 44,456 shares issued; 41,798 and 40,663 outstanding at June 30, 2014 and December 31, 2013, respectively | 4 | 4 |
| Treasury stock, at cost (3,767 and 3,793 shares at June 30, 2014 and December 31, 2013, respectively) | (66,770) | (67,104) |
| Additional paid-in capital | 415,827 | 393,644 |
| Accumulated other comprehensive loss | (221) | (723) |
| Retained earnings | 137,767 | 121,818 |
| Total stockholders' equity | 486,607 | 447,639 |
| Total liabilities and stockholders' equity | $ 555,577 | $ 527,019 |

See accompanying notes to consolidated financial statements.

**SYNCHRONOSS TECHNOLOGIES, INC.**
**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**
**(Unaudited)**
**(In thousands, except per share data)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2014** | **2013** | **2014** | **2013** |
| Net revenues | $ 103,451 | $ 83,848 | $ 201,928 | $ 162,124 |
| Costs and expenses: | | | | |
| Cost of services* | 41,290 | 35,527 | 81,269 | 67,658 |
| Research and development | 17,305 | 16,358 | 32,845 | 33,076 |
| Selling, general and administrative | 17,149 | 14,943 | 34,274 | 29,595 |
| Net change in contingent consideration obligation | 115 | 1,743 | 1,326 | 2,176 |
| Restructuring charges | — | — | — | 5,172 |
| Depreciation and amortization | 13,758 | 9,610 | 26,024 | 18,579 |
| Total costs and expenses | 89,617 | 78,181 | 175,738 | 156,256 |
| Income from operations | 13,834 | 5,667 | 26,190 | 5,868 |
| Interest income | 62 | 197 | 111 | 283 |
| Interest expense | (279) | (247) | (699) | (479) |
| Other income | 256 | 301 | 1,052 | 43 |
| Income before income tax expense | 13,873 | 5,918 | 26,654 | 5,715 |
| Income tax expense | (5,509) | (2,506) | (10,705) | (1,827) |
| Net income | $ 8,364 | $ 3,412 | $ 15,949 | $ 3,888 |
| Net income per common share: | | | | |
| Basic | $ 0.21 | $ 0.09 | $ 0.40 | $ 0.10 |
| Diluted | $ 0.20 | $ 0.09 | $ 0.39 | $ 0.10 |
| Weighted-average common shares outstanding: | | | | |
| Basic | 40,139 | 38,551 | 39,961 | 38,368 |
| Diluted | 40,978 | 39,523 | 40,878 | 39,367 |
| | | | | |
| Comprehensive income (loss) | $ 7,867 | $ (795) | $ 16,451 | $ (2,796) |

* Cost of services excludes depreciation and amortization which is shown separately.

See accompanying notes to consolidated financial statements

**SYNCHRONOSS TECHNOLOGIES, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Unaudited)**
**(In thousands)**

| | Six Months Ended June 30, 2014 | Six Months Ended June 30, 2013 |
|---|---|---|
| **Operating activities:** | | |
| Net income | $ 15,949 | $ 3,888 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization expense | 26,024 | 18,579 |
| Loss on disposal of asset | — | 32 |
| Amortization of bond premium | 166 | 149 |
| Deferred income taxes | 2,128 | (1,137) |
| Non-cash interest on leased facility | 460 | 462 |
| Stock-based compensation | 12,682 | 11,040 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable, net of allowance for doubtful accounts | (21,806) | 985 |
| Prepaid expenses and other current assets | (3,913) | 807 |
| Other assets | 933 | (444) |
| Accounts payable | (2,220) | 3,364 |
| Accrued expenses | (10,095) | (8,658) |
| Contingent consideration obligation | 2,127 | 2,672 |
| Excess tax benefit from the exercise of stock options | (1,224) | — |
| Other liabilities | 1,152 | 511 |
| Deferred revenues | (3,160) | 1,082 |
| Net cash provided by operating activities | 19,203 | 33,332 |
| **Investing activities:** | | |
| Purchases of fixed assets | (15,672) | (37,728) |
| Purchases of marketable securities available-for-sale | (4,070) | (3,496) |
| Maturities of marketable securities available-for-sale | 880 | 9,391 |
| Business acquired, net of cash | (6,322) | — |
| Net cash used in investing activities | (25,184) | (31,833) |
| **Financing activities:** | | |
| Proceeds from the exercise of stock options | 7,870 | 10,630 |
| Excess tax benefit from the exercise of stock options | 1,224 | — |
| Proceeds from the sale of treasury stock in connection with an employee stock purchase plan | 740 | 670 |
| Repayments of capital obligations | (618) | (910) |
| Net cash provided by financing activities | 9,216 | 10,390 |
| Effect of exchange rate changes on cash | 193 | (1,713) |
| Net increase in cash and cash equivalents | 3,428 | 10,176 |
| Cash and cash equivalents at beginning of period | 63,512 | 36,028 |
| Cash and cash equivalents at end of period | $ 66,940 | $ 46,204 |
| **Supplemental disclosures of cash flow information:** | | |
| Cash paid for income taxes | $ 10,275 | $ 1,047 |

See accompanying notes to consolidated financial statements.

The consolidated financial statement
s as of June 30, 2014 and for the three and six months ended June 30, 2014 and 2013 are unaudited, but in the opinion of management include all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the results for the interim periods. They do not include all of the information and footnotes required by U.S. generally accepted accounting principles ("GAAP") for complete financial statements and should be read in conjunction with the consolidated financial statements and notes in the Annual Report of Synchronoss Technologies, Inc. incorporated by reference in the Company's annual report on Form 10-K for the year ended December 31, 2013. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions are eliminated in consolidation. The Company has no unconsolidated subsidiaries or investments accounted for under the equity method. The results reported in these consolidated financial statements should not necessarily be taken as indicative of results that may be expected for the entire year. The balance sheet at December 31, 2013 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by GAAP for complete financial statements.

**1. Description of Business**

Synchronoss Technologies, Inc. (the "Company" or "Synchronoss") is a mobile innovation company that provides cloud solutions and software-based activation for connected devices globally. Such services include intelligent connectivity management and content synchronization, backup and sharing, as well as device and service procurement, provisioning, activation, support, that enable communications service providers ("CSPs"), cable operators/multi-services operators ("MSOs"), original equipment manufacturers ("OEMs") with embedded connectivity (e.g. smartphones, laptops, tablets and mobile Internet devices, such as automobiles, wearables for personal health and wellness, and connected homes), multi-channel retailers and other customers to accelerate and monetize their go-to-market strategies for connected devices. This includes automating subscriber activation, order management, upgrades, service provisioning and connectivity and content management from any sales channel to any communication service (wireless or wireline), across any connected device type and managing the content transfer, synchronization and share. The Company's global solutions touch all aspects of connected devices on the mobile Internet.

The Company's Synchronoss Personal Cloud™ solution targets individual consumers while the Synchronoss WorkSpace™ solution focuses on providing a secure, integrated file sharing and collaboration solution for small and medium businesses. In addition, the Company's Integrated Life™ platform is specifically designed to power the activation of the devices and technologies that seamlessly connect today's consumer and leverage the Company's cloud assets to manage these devices and contents associated with them. The Integrated Life™ platform enables Synchronoss to drive a natural extension of its mobile activations and cloud services with leading wireless networks around the world to link other non-traditional devices (i.e., automobiles, wearables for personal health and wellness, and connected homes).

The Company's Activation Services, Synchronoss Personal Cloud™, Synchronoss WorkSpace™, and Synchronoss Integrated Life™ platforms provide end-to-end seamless integration between customer-facing channels/applications, communication services, or devices and "back-office" infrastructure-related systems and processes. The Company's customers rely on Synchronoss' solutions and technology to automate the process of activation and content and settings management for their customers' devices while delivering additional communication services. The Synchronoss Integrated Life™ platform brings together the capabilities of device/service activation with content and settings management to provide a seamless experience of activating and managing non-traditional devices. The Company's platforms also support automated customer care processes through use of accurate and effective speech processing technology and enable the Company's customers to offer their subscribers the ability to store in and retrieve from the Cloud their personal and work content and data to their connected mobile devices, such as personal computers, smartphones and tablets. The Company's platforms are designed to be carrier-grade, high availability, flexible and scalable to enable multiple converged communication services to be managed across multiple distribution channels, including e-commerce, m-commerce, telesales, customer stores, indirect and other retail outlets, allowing Synchronoss to meet the rapidly changing and converging services and connected devices offered by the Company's customers. The Company enables its customers to acquire, retain and service subscribers quickly, reliably and cost-effectively by enabling backup, restore, synchronization and sharing of subscriber content. Through the use of the Company's platforms, customers can simplify the processes associated with managing the customer experience for procuring, activating, connecting, backing-up, synchronizing and social media and enterprise-wide sharing/collaboration connected devices and contents from these devices and associated services. The extensibility, scalability, reliability and relevance of the Company's platforms enable new revenue streams and retention opportunities for customers through new subscriber acquisitions, sale of new devices, accessories and new value-added service offerings in the Cloud, while optimizing their cost of operations and enhancing customer experience. The Company currently operates in and markets its solutions and services directly through its sales organizations in North America, Europe and Asia-Pacific.

The Company's industry-leading customers include Tier 1 mobile service providers such as AT&T Inc., Verizon Wireless, Vodafone, Orange, Sprint, Telstra and U.S. Cellular, Tier 1 cable operators/MSOs and wireline operators like AT&T Inc., Comcast, Cablevision, Charter, CenturyLink, Mediacom and Level 3 Communications and large OEMs such as Apple and Ericsson. These customers utilize the Company's platforms, technology and services to service both consumer and business customers.

**2. Basis of Presentation and Consolidation**

For further information about the Company's basis of presentation and consolidation or its significant accounting policies, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2013.

*Impact of Recently Issued Accounting Standards*

In May 2014, The Financial Accounting Standards Board ("FASB") and the International Accounting Standards Board ("IASB") (collectively, the "Boards") jointly issued a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance under US GAAP and IFRS. The standard's core principle (issued as ASU 2014-09 by the FASB and as IFRS 15 by the IASB), is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. The new guidance must be adopted using either a full retrospective approach for all periods presented in the period of adoption or a modified retrospective approach. The effective date is fiscal years beginning after December 15, 2016. Early application is not permitted. The Company is currently evaluating the methods of adoption and the impact that this ASU will have on its financial statements.

**3. Earnings per Common Share**

Basic earnings per share is calculated by using the weighted-average number of common shares outstanding during the period. The diluted earnings per share calculation is based on the weighted-average number of shares of common stock outstanding adjusted for the number of additional shares that would have been outstanding had all potentially dilutive common shares been issued. Potentially dilutive shares of common stock include stock options and non-vested share awards. The dilutive effects of stock options and restricted stock awards are based on the treasury stock method. The following table provides a reconciliation of the numerator and denominator used in computing basic and diluted net income attributable to common stockholders per common share. Stock options that are anti-dilutive and excluded from the following table totaled 1,508 and 1,477 for the three months ended June 30, 2014 and 2013, respectively, and 1,329 and 1,434 for the six months ended June 30, 2014 and 2013, respectively.

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| Numerator: | | | | |
| Net income attributable to common stockholders | $ 8,364 | $ 3,412 | $ 15,949 | $ 3,888 |
| Denominator: | | | | |
| Weighted average common shares outstanding — basic | 40,139 | 38,551 | 39,961 | 38,368 |
| Dilutive effect of: | | | | |
| Options and unvested restricted shares | 839 | 972 | 917 | 999 |
| Weighted average common shares outstanding — diluted | 40,978 | 39,523 | 40,878 | 39,367 |

**4. Fair Value Measurements of Assets and Liabilities**

The Company classifies marketable securities as available-for-sale. The fair value hierarchy established in the guidance adopted by the Company prioritizes the inputs used in valuation techniques into three levels as follows:

- Level 1 – Observable inputs – quoted prices in active markets for identical assets and liabilities;
- Level 2 – Observable inputs – other than the quoted prices in active markets for identical assets and liabilities – includes quoted prices for similar instruments, quoted prices for identical or similar instruments in inactive markets, and amounts derived from valuation models where all significant inputs are observable in active markets; and
- Level 3 – Unobservable inputs – includes amounts derived from valuation models where one or more significant inputs are unobservable and require the Company to develop relevant assumptions.

The following is a summary of assets and liabilities held by the Company and their related classifications under the fair value hierarchy:

| | June 30, 2014 | December 31, 2013 |
|---|---|---|
| Level 1 (A) | $ 72,350 | $ 68,911 |
| Level 2 (B) | 11,712 | 8,694 |
| Level 3 (C) | (6,616) | (4,490) |
| Total | $ 77,446 | $ 73,115 |

(A) Level 1 assets include money market funds and enhanced income money market funds which are classified as cash equivalents and marketable securities, respectively.
(B) Level 2 assets include certificates of deposit, municipal bonds and corporate bonds which are classified as marketable securities.
(C) Level 3 liabilities include the contingent consideration obligation.

The Company utilizes the market approach to measure fair value for its financial assets. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets. The Company's marketable securities investments classified as Level 2 primarily utilize broker quotes in a non-active market for valuation of these securities. No transfers of assets between Level 1 and Level 2 of the fair value measurement hierarchy occurred during the six months ended June 30, 2014.

The aggregate fair value of available-for-sale securities and aggregate amount of unrealized gains and losses for available-for-sale securities at June 30, 2014 were as follows:

| | Aggregate Fair Value | Aggregate Amount of Unrealized Gains | Aggregate Amount of Unrealized Losses |
|---|---|---|---|
| Due in one year or less | $ 13,540 | $ 12 | $ (34) |
| Due after one year, less than five years | 3,582 | 10 | — |
| | $ 17,122 | $ 22 | $ (34) |

The aggregate fair value of available-for-sale securities and aggregate amount of unrealized gains and losses for available-for-sale securities at December 31, 2013 were as follows:

| | Aggregate Fair Value | Aggregate Amount of Unrealized Gains | Aggregate Amount of Unrealized Losses |
|---|---|---|---|
| Due in one year or less | $ 9,105 | $ 5 | $ (32) |
| Due after one year, less than five years | 4,988 | 11 | (2) |
| | $ 14,093 | $ 16 | $ (34) |

Unrealized gains and losses are reported as a component of accumulated other comprehensive loss in stockholders' equity. The cost of securities sold is based on the specific identification method. The Company evaluates investments with unrealized losses to determine if the losses are other than temporary. The Company has determined that the gross unrealized losses at June 30, 2014 and December 31, 2013 are temporary. In making this determination, the Company considered the financial condition, credit ratings and near-term prospects of the issuers, the underlying collateral of the investments, and the magnitude of the losses as compared to the cost and the length of time the investments have been in an unrealized loss position. Additionally, while the Company classifies the securities as available-for-sale, the Company does not currently intend to sell such investments and it is more likely than not to recover the carrying value prior to being required to sell such investments.

The Company determined the fair value of the contingent consideration obligation using the probability-weighted income approach derived from quarterly revenue estimates and a probability assessment with respect to the likelihood of achieving the various performance criteria. The fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement. The significant unobservable inputs used in the fair value measurement of the Company's contingent consideration obligation are the probabilities of achieving certain financial targets and contractual milestones. Significant increases (decreases) in any of those probabilities in isolation may result in a higher (lower) fair value measurement. No changes in valuation techniques occurred during the six months ended June 30, 2014.

The changes in fair value of the Company's Level 3 contingent consideration obligation during the six months ended June 30, 2014 were as follows:

| | | Level 3 |
|---|---|---|
| Balance at December 31, 2013 | $ | 4,490 |
| Fair value adjustment to contingent consideration obligation included in net income | | 1,326 |
| Earn-out compensation due to Strumsoft employees | | 800 |
| Balance at June 30, 2014 | $ | 6,616 |

**5. Acquisition**

***Digi-Data Corporation ("Digi-Data")***

On May 12, 2014, the Company acquired certain assets and workforce from Digi-Data, a U.S. company, for total consideration of $6.3 million.

The Company accounted for this business combination by applying the acquisition method, and accordingly, the purchase price was allocated to the tangible assets acquired and liabilities assumed based upon their fair values at the acquisition date. The excess of the purchase price over the net tangible assets and liabilities, approximately $2.9 million, was recorded as goodwill, which is not tax deductible, with the remaining preliminary purchase price attributed to technology and customer relationships.

The Company believes that the assets and workforce acquired from Digi-Data will expedite the Company's integration of broadband technologies into the Company's wireless cloud offerings.

**6. Stockholders' Equity**

***Stock Options***

The Company uses the Black-Scholes option pricing model for determining the estimated fair value for stock-based awards. The weighted-average assumptions used in the Black-Scholes option pricing model are as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| Expected stock price volatility | 49 % | 65 % | 58 % | 66 % |
| Risk-free interest rate | 1.27 % | 0.84 % | 1.43 % | 0.85 % |
| Expected life of options (in years) | 4.20 | 4.40 | 4.25 | 4.45 |
| Expected dividend yield | 0 % | 0 % | 0 % | 0 % |

The weighted-average fair value (as of the date of grant) of the options was $12.02 and $15.84 per share for the three months ended June 30, 2014 and 2013, respectively and $14.59 and $15.76 per share for the six months ended June 30, 2014 and 2013, respectively. During the three months ended June 30, 2014 and 2013, the Company recorded total pre-tax stock-based compensation expense of $6.8 million ($4.5 million after tax or $0.11 per diluted share) and $6.1 million ($4.0 million after tax or $0.10 per diluted share), respectively, which includes the fair value for equity awards issued after January 1, 2006. During the six months ended June 30, 2014 and 2013, the Company recorded total pre-tax stock-based compensation expense of $12.7 million ($8.4 million after tax or $0.20 per diluted share) and $11.0 million ($7.3 million after tax or $0.19 per diluted share), respectively, which includes the fair value for equity awards issued after January 1, 2006. The total stock-based compensation cost related to non-vested equity awards not yet recognized as an expense as of June 30, 2014 was approximately $53.5 million. That cost is expected to be recognized over a weighted-average period of approximately 2.83 years.

The following table summarizes information about stock options outstanding as of June 30, 2014:

| Options | Number of Options | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Term (Years) | Aggregate Intrinsic Value |
|---|---|---|---|---|
| Outstanding at December 31, 2013 | 3,315 | $ 23.97 | | |
| Options Granted | 774 | 31.33 | | |
| Options Exercised | (398) | 19.77 | | |
| Options Cancelled | (92) | 29.05 | | |
| Outstanding at June 30, 2014 | 3,599 | $ 25.90 | 4.41 | $ 33,009 |
| Vested or expected to vest at June 30, 2014 | 3,335 | $ 25.53 | 4.27 | $ 31,856 |
| Exercisable at June 30, 2014 | 2,068 | $ 22.79 | 3.31 | $ 25,549 |

A summary of the Company's non-vested restricted stock at June 30, 2014, and changes during the six months ended June 30, 2014, is presented below:

| Non-Vested Restricted Stock | Number of Awards |
|---|---|
| Non-vested at December 31, 2013 | 1,120 |
| Granted | 806 |
| Vested | (339) |
| Forfeited | (89) |
| Non-vested at June 30, 2014 | 1,498 |

***Employee Stock Purchase Plan***

On February 1, 2012, the Company established a ten year Employee Stock Purchase Plan ("ESPP" or the "Plan") for certain eligible employees. The Plan is to be administered by the Company's Board of Directors. The total number of shares available for purchase under the Plan is 500 thousand shares of the Company's Common Stock. Employees participate over a six month period through payroll withholdings and may purchase, at the end of the six month period, the Company's Common Stock at the lower of 85% of the fair market value on the first day of the offering period or the fair market value on the purchase date. No participant will be granted a right to purchase Common Stock under the Plan if such participant would own more than 5% of the total combined voting power of the Company. In addition, no participant may purchase more than one thousand shares of Common Stock within any purchase period.

The expected life of ESPP shares is the average of the remaining purchase period under each offering period. The weighted-average assumptions used to value employee stock purchase rights are as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| Expected stock price volatility | 63 % | 66 % | 64 % | 67 % |
| Risk-free interest rate | 0.07 % | 0.13 % | 0.08 % | 0.14 % |
| Expected life (in years) | 0.50 | 0.50 | 0.50 | 0.50 |
| Expected dividend yield | 0 % | 0 % | 0 % | 0 % |

During the three months ended June 30, 2014 and 2013, the Company recorded $156 thousand and $151 thousand, respectively, of compensation expense related to the ESPP. During the six months ended June 30, 2014 and 2013, the Company recorded $355 thousand and $329 thousand, respectively, of compensation expense related to the ESPP. During the six months ended June 30, 2014 and 2013, the Company sold a total of 27 and 35 shares, respectively, of its Treasury Stock pursuant to purchases under its ESPP Plan. There were no shares sold during the three months ended June 30, 2014 and 2013. Cash received from purchases through the ESPP Plan during the six months ended June 30, 2014 and 2013, was approximately $740 thousand and $670 thousand, respectively, and is included within the financing activities section of the consolidated statements of cash flows. The total unrecognized compensation expense related to the ESPP as of June 30, 2014 was approximately $79 thousand, which is expected to be recognized over the remainder of the offering period.

**7. Accumulated Other Comprehensive Income (Loss)**

Comprehensive income (loss) was as follows:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| Net income | $ 8,364 | $ 3,412 | $ 15,949 | $ 3,888 |
| Translation adjustments. | (497) | (4,188) | 498 | (6,663) |
| Unrealized gain (loss) on securities, (net of tax) | — | (19) | 4 | (21) |
| Total other comprehensive income (loss) | $ 7,867 | $ (795) | $ 16,451 | $ (2,796) |

The changes in accumulated other comprehensive income (loss) during the six months ended June 30, 2014, are as follows, net of tax:

| | Foreign Currency | Unrealized Holding Gains on Available-for-Sale Securities | Total |
|---|---|---|---|
| Balance at December 31, 2013 | $ (712) | $ (11) | $ (723) |
| Other comprehensive income | 498 | 4 | 502 |
| Total other comprehensive income (loss) | 498 | 4 | 502 |
| Balance at June 30, 2014 | $ (214) | $ (7) | $ (221) |

**8. Goodwill**

The Company recorded Goodwill which represents the excess of the purchase price over the fair value of assets acquired, including other definite-lived intangible assets. Goodwill is not amortized, but reviewed annually for impairment or upon the occurrence of events or changes in circumstances that would more likely than not reduce the fair value of the reporting unit below its carrying amount.

The changes in Goodwill during the six months ended June 30, 2014 are as follows:

| | |
|---|---|
| Balance at December 31, 2013 | $ 137,743 |
| Acquisitions | 2,934 |
| Reclassifications, adjustments and other | (1,287) |
| Translation adjustments | 892 |
| Balance at June 30, 2014 | $ 140,282 |

The reclassification adjustment of $1.3 million is primarily related to an increase in the Company's deferred taxes in connection with a foreign tax election.

**9. Credit Facility**

In September 2013, the Company entered into a Credit Agreement (the "Credit Facility") with JP Morgan Chase Bank, N.A., as administrative agent, Wells Fargo Bank, National Association, as syndication agent and Capital One, National Association and KeyBank National Association, as co-documentation agents. The Credit Facility, which will be used for general corporate purposes, is a $100 million unsecured revolving line of credit that matures on September 27, 2018. The Company pays a commitment fee of 25 basis points on the unused balance of the revolving credit facility under the Credit Agreement. Commitment fees totaled approximately $125 thousand during the period ended June 30, 2014. Synchronoss has the right to request an increase in the aggregate principal amount of the Credit Facility to $150 million. As of June 30, 2014, Synchronoss has not drawn down any funds under the Credit Facility.

On July 2, 2014, the Company borrowed $40 million under the Credit Facility to fund acquisitions and capital asset purchases. Interest on the borrowing is based upon LIBOR plus a 175 basis point margin.

The Credit Facility is subject to certain financial covenants. As of June 30, 2014, the Company was in compliance with all required covenants and there were no outstanding balances on the Credit Facility.

**10. Legal Matters**

The Company's 2011 acquisition agreement with Miyowa SA provided that former shareholders of Miyowa SA would be eligible for earn-out payments, to the extent specified business milestones were achieved following the acquisition. In December 2013, Eurowebfund and Bakamar, two former shareholders of Miyowa SA, filed a complaint against the Company in the Commercial Court of Paris, France claiming that they are entitled to certain earn-out payments under the acquisition agreement. The Company was served with a copy of this complaint in January 2014. The Company believes Miyowa SA failed to meet the criteria required for it to pay the claimed amounts and that no earn-out payments are owed. Although the Company cannot predict the outcome of the lawsuit due to the inherent uncertainties of litigation, it believes the positions of Eurowebfund and Bakamar are without merit, and the Company intends to vigorously defend against all claims brought by them.

The Company is not currently subject to any legal proceedings that could have a material adverse effect on its operations; however, it may from time to time become a party to various legal proceedings arising in the ordinary course of its business. The Company is currently the plaintiff in several patent infringement cases. The defendants in several of these cases have filed counterclaims. Although the Company cannot predict the outcome of the cases at this time due to the inherent uncertainties of litigation, the Company continues to pursue its claims and believes that the counterclaims are without merit, and the Company intends to defend all of such counterclaims.

**11. Subsequent Events**

On July 11, 2014, the Company acquired 100% of the capital stock of Voxmobili ("Vox"), a French company, for cash consideration of $26.0 million, subject to certain working capital adjustments. The Company believes that this acquisition will enable its position as the leading provider of personal cloud solutions to the world's largest mobile operators.

On July 2, 2014, the Company acquired certain assets, liabilities and workforce from Clarity OSS Limited ("Clarity"), an Australian company, for cash consideration of $6.0 million ($6.3 million AUD), net of liabilities assumed. The Company believes that the assets and workforce acquired from Clarity will assist the Company's access to new markets in the Asia Pacific region.

Since these acquisitions occurred subsequent to June 30, 2014, they are not included in the results of operations for any of the periods presented. In addition, the preliminary purchase price allocations are not yet available.

## ITEM 2.
## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the information set forth in our consolidated financial statements and related notes included elsewhere in this quarterly report on Form 10-Q and in our annual report Form 10-K for the year ended December 31, 2013. This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties and are based on the beliefs and assumptions of our management as of the date hereof based on information currently available to our management. Use of words such as "believes," "expects," "anticipates," "intends," "plans," "hopes," "should," "continues," "seeks," "likely" or similar expressions, indicate a forward-looking statement. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions. Actual results may differ materially from the forward-looking statements we make. We caution investors not to place substantial reliance on the forward-looking statements included in this report. These statements speak only as of the date of this report (unless another date is indicated), and we undertake no obligation to update or revise the statements in light of future developments. All numbers are expressed in thousands unless otherwise stated.

### Overview

We are a mobile innovation company that provides cloud solutions and software-based activation for connected devices globally. Such services include intelligent connectivity management and content synchronization, backup and sharing, as well as device and service procurement, provisioning, activation, and support, that enable communications service providers ("CSPs"), cable operators/multi-services operators ("MSOs"), original equipment manufacturers ("OEMs") with embedded connectivity (e.g. smartphones, laptops, tablets and mobile Internet devices, such as automobiles, wearables for personal health and wellness, and connected homes), multi-channel retailers and other customers to accelerate and monetize their go-to-market strategies for connected devices. This includes automating subscriber activation, order management, upgrades, service provisioning and connectivity and content management from any sales channel to any communication service (wireless or wireline), across any connected device type and managing the content transfer, synchronization and share. Our global solutions touch all aspects of connected devices on the mobile Internet.

Our Synchronoss Personal Cloud™ solution targets individual consumers while our Synchronoss WorkSpace™ solution focuses on providing a secure, integrated file sharing and collaboration solution for small and medium businesses. In addition, our Integrated Life™ platform is specifically designed to power the activation of the devices and technologies that seamlessly connect today's consumer and leverage our cloud assets to manage these devices and contents associated with them. The Integrated Life™ platform enables us to drive a natural extension of our mobile activations and cloud services with leading wireless networks around the world to link other non-traditional devices (i.e., automobiles, wearables for personal health and wellness, and connected homes).

Our Activation Services, Synchronoss Personal Cloud™, Synchronoss WorkSpace™, and Synchronoss Integrated Life™ platforms provide end-to-end seamless integration between customer-facing channels/applications, communication services, or devices and "back-office" infrastructure-related systems and processes. Our customers rely on our solutions and technology to automate the process of activation and content and settings management for their customers' devices while delivering additional communication services. Our Synchronoss Integrated Life™ platform brings together the capabilities of device/service activation with content and settings management to provide a seamless experience of activating and managing non-traditional devices. Our platforms also support automated customer care processes through use of accurate and effective speech processing technology and enable our customers to offer their subscribers the ability to store in and retrieve from the Cloud their personal and work content and data to their connected mobile devices, such as personal computers, smartphones and tablets. Our platforms are designed to be carrier-grade, high availability, flexible and scalable to enable multiple converged communication services to be managed across multiple distribution channels, including e-commerce, m-commerce, telesales, customer stores, indirect and other retail outlets, allowing us to meet the rapidly changing and converging services and connected devices offered by our customers. We enable our customers to acquire, retain and service subscribers quickly, reliably and cost-effectively by enabling backup, restore, synchronization and sharing of subscriber content. Through the use of our platforms, our customers can simplify the processes associated with managing the customer experience for procuring, activating, connecting, backing-up, synchronizing and social media and enterprise-wide sharing/collaboration connected devices and contents from these devices and associated services. The extensibility, scalability, reliability and relevance of our platforms enable new revenue streams and retention opportunities for our customers through new subscriber acquisitions, sale of new devices, accessories and new value-added service offerings in the Cloud, while optimizing their cost of operations and enhancing customer experience.

We currently operate in and market our solutions and services directly through our sales organizations in North America, Europe and Asia-Pacific.

Our industry-leading customers include Tier 1 mobile service providers such as AT&T Inc., Verizon Wireless, Vodafone, Orange, Sprint, Telstra and U.S. Cellular, Tier 1 cable operators/MSOs and wireline operators like AT&T Inc., Comcast, Cablevision, Charter, CenturyLink, Mediacom and Level 3 Communications, and large OEMs such as Apple and Ericsson. These customers utilize our platforms, technology and services to service both consumer and business customers.

***Revenues***

We generate a substantial portion of our revenues on a per-transaction or subscription basis, which is derived from contracts that extend up to 60 months from execution. For the three months ended June 30, 2014 and 2013, we derived approximately 77% and 70%, respectively, of our revenues from transactions processed and subscription arrangements. This is a result of new subscription arrangements with our existing customers. The remainder of our revenues were generated from professional services and licenses.

Historically, our revenues have been directly impacted by the number of transactions processed. The future success of our business depends on the continued growth of consumer and business transactions and, as such, the volume of transactions that we process could fluctuate on a quarterly basis. See “Current Trends Affecting Our Results of Operations” for certain matters regarding future results of operations.

Most of our revenues are recorded in U.S. dollars but as we continue to expand our footprint with international carriers and increase the extent of recording our international activities in local currencies, we will become subject to currency translation risk that could affect our future net sales.

Our five largest customers accounted for 85% and 77% of net revenues for the three months ended June 30, 2014 and 2013, respectively. Of these customers, AT&T and Verizon Wireless each accounted for more than 10% of our revenues for the three months ended June 30, 2014 and 2013. See “Risk Factors” for certain matters bearing risks on our future results of operations.

***Costs and Expenses***

Our costs and expenses consist of cost of services, research and development, selling, general and administrative, depreciation and amortization, change in contingent consideration and interest and other expense.

Cost of services includes all direct materials, direct labor, cost of facilities and those indirect costs related to revenues such as indirect labor, materials and supplies. Our primary cost of services is related to our information technology and systems department, including co-location fees, network costs, data center maintenance, database management and data processing costs, as well as personnel costs associated with service implementation, customer deployment and customer care. Also included in cost of services are costs associated with our exception handling centers and the maintenance of those centers. Currently, we utilize a combination of employees and third-party providers to process transactions through these centers.

Research and development costs are expensed as incurred unless they meet U.S. Generally Accepted Accounting Principles (“GAAP”) criteria for deferral and amortization. Software development costs incurred prior to the establishment of technological feasibility do not meet these criteria, and are expensed as incurred. Research and development expense consists primarily of costs related to personnel, including salaries and other personnel-related expenses, consulting fees and the cost of facilities, computer and support services used in service technology development. We also expense costs relating to developing modifications and minor enhancements of our existing technology and services.

Selling, general and administrative expense consists of personnel costs including salaries, sales commissions, sales operations and other personnel-related expenses, travel and related expenses, trade shows, costs of communications equipment and support services, facilities costs, consulting fees, costs of marketing programs, such as internet and print and other overhead costs.

Net change in contingent consideration obligation consists of the changes to the fair value estimate of the obligation to the former equity holders which resulted from our acquisitions. The estimate is based on the weighted probability of achieving certain financial targets and milestones. The contingent consideration obligation earn-out periods are no longer than 12 months in duration. As such, we recognize the changes in fair value over that period. Final determination of the payment is done up to 90 days after the earn-out period.

Depreciation relates to our property and equipment and includes our network infrastructure and facilities. Amortization primarily relates to trademarks, customer lists and technology acquired.

Interest expense consists primarily of interest on our lease financing obligations.

**Current Trends Affecting Our Results of Operations**

Business from our Activation Platforms and Synchronoss Cloud Solutions has been driven by the unprecedented growth in mobile devices globally. Certain industry trends, such as Next programs from AT&T, have resulted in faster device upgrade cycles increasing device order transactions and activations. With mobile devices becoming content rich and acting as a replacement for other traditional devices like PC's, the need to securely back up content from mobile devices, sync it with other devices and share it with others in their community of family, friends and business associates have become essential needs. The major Tier 1 carriers are also publicly discussing achieving 500% penetration (multiple connected devices per user) by enabling connectivity to non-traditional devices. Such devices include connected cars, health and wellness devices, connected home and health care. The need for these devices to be activated, managed and the contents from them to be stored in a common cloud are also expected to be drivers of our businesses in the long term.

Bring Your Own Technology is impacting the work environment for Small and Medium Businesses, which find themselves in a position where they need to offer their employees a safe environment to share and collaborate on their work documents and files via mobile devices. Leveraging our Synchronoss Personal Cloud™ solution infrastructure and technology to build our Synchronoss WorkSpace™ solution for this purpose is enabling us to serve a completely new market, which we believe will also contribute to our growth.

To support our expected growth driven by the favorable industry trends mentioned above, we continue to look for opportunities to improve our operating efficiencies, such as the utilization of offshore technical and non-technical resources for our exception handling center management as well as routine software maintenance activities. We also leverage modular components from our existing software platforms to build new products. We believe that these opportunities will continue to provide future benefits and position us to support revenue growth. In addition, we anticipate further automation of the transactions generated by our more mature customers and additional transaction types. Our cost of services can fluctuate from period to period based upon the level of automation and the on-boarding of new transaction and service types. We are also making investments in new research and development for development of products designed to enable us to grow rapidly in the mobile wireless market. Our purchase of capital assets and equipment may also increase based on aggressive deployment, subscriber growth and promotional offers for storage incentives by our major Tier 1 carrier customers.

We continue to advance our plans for the expansion of our platforms' footprint with broadband carriers and international mobile carriers to support connected devices and multiple networks through our focus on transaction management and cloud-based services for back up, synchronization and sharing of content. Our initiatives with AT&T, Verizon Wireless, Vodafone and other CSPs continue to grow both with our current businesses as well as new products. We are also exploring additional opportunities through merger and acquisition activities to support our customer, product and geographic diversification strategies.

**Critical Accounting Policies and Estimates**

The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements in accordance with GAAP requires us to utilize accounting policies and make certain estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during a fiscal period. The Securities and Exchange Commission ("SEC") considers an accounting policy to be critical if it is important to a company's financial condition and results of operations, and if it requires significant judgment and estimates on the part of management in its application. We have discussed the selection and development of the critical accounting policies with the audit committee of our Board of Directors, and the audit committee has reviewed our related disclosures in this Form 10-Q. Although we believe that our judgments and estimates are appropriate, correct and reasonable under the circumstances, actual results may differ from those estimates. If actual results or events differ materially from those contemplated by us in making these estimates, our reported financial condition and results of operations for future periods could be materially affected. See "Risk Factors" for certain matters bearing risks on our future results of operations.

We believe that of our significant accounting policies, which are described in Note 2 in our Annual Report on Form 10-K for the year ended December 31, 2013, the following accounting policies involve a greater degree of judgment and complexity. Accordingly, these are the policies which we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations:

- Revenue Recognition and Deferred Revenue
- Allowance for Doubtful Accounts
- Income Taxes
- Goodwill and Impairment of Long-Lived Assets
- Business Combinations
- Stock-Based Compensation

There were no significant changes in our critical accounting policies and estimates discussed in our Form 10-K during the six months ended June 30, 2014. Please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations contained in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2013 for a more complete discussion of our critical accounting policies and estimates.

**Results of Operations**

***Three months ended June 30, 2014 compared to the three months ended June 30, 2013***

The following table presents an overview of our results of operations for the three months ended June 30, 2014 and 2013:

| | Three Months Ended June 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2014 | | 2013 | | 2014 vs 2013 | |
| | $ | % of Revenue | $ | % of Revenue | $ Change | % Change |
| | (in thousands) | | | | | |
| Net revenues | $ 103,451 | 100.0 % | $ 83,848 | 100.0 % | $ 19,603 | 23.4 % |
| Cost of services* | 41,290 | 39.9 % | 35,527 | 42.4 % | 5,763 | 16.2 % |
| Research and development | 17,305 | 16.7 % | 16,358 | 19.5 % | 947 | 5.8 % |
| Selling, general and administrative | 17,149 | 16.6 % | 14,943 | 17.8 % | 2,206 | 14.8 % |
| Net change in contingent consideration obligation | 115 | 0.1 % | 1,743 | 2.1 % | (1,628) | (93.4) % |
| Depreciation and amortization | 13,758 | 13.3 % | 9,610 | 11.5 % | 4,148 | 43.2 % |
| Total costs and expenses | 89,617 | 86.6 % | 78,181 | 93.2 % | 11,436 | 14.6 % |
| Income from operations | $ 13,834 | 13.4 % | $ 5,667 | 6.8 % | $ 8,167 | 144.1 % |

* Cost of services excludes depreciation and amortization which is shown separately.

***Net Revenues.*** Net revenues increased $19.6 million to $103.5 million for the three months ended June 30, 2014, compared to the same period in 2013. This increase was due primarily to the expansion of our services provided to our customers. Transaction and subscription revenues as a percentage of sales were 77% or $79.1 million for the three months ended June 30, 2014 compared to 70% or $58.5 million for the same period in 2013. The increase in transaction and subscription revenue is primarily due to new subscription arrangements with our existing customers. Professional service and license revenues as a percentage of sales were 23% or $24.3 million for the three months ended June 30, 2014, compared to 30% or $25.3 million for the same period in 2013.

Net revenues related to Activation Services decreased $700 thousand to $56.8 million for the three months ended June 30, 2014 compared to the same period in 2013. Net revenues related to Activation Services represented 55% for the three months ended June 30, 2014, compared to 69% for the same period in 2013. Net revenues related to our Cloud Services increased by $20.4 million to $46.7 million of our revenues for the three months ended June 30, 2014 compared to the same period in 2013. Net revenues related to our Cloud Services represented 45% for the three months ended June 30, 2014, compared to 31% for the same period in 2013. The increase in our Cloud Service performance was a result of a strong adoption of our cloud offerings across our customer base.

***Expenses***

***Cost of Services.*** Cost of services increased $5.8 million to $41.3 million for the three months ended June 30, 2014, compared to the same period in 2013, due primarily to an increase of $4.5 million in co-location costs related to the expansion of our hosting and storage offerings. Additionally, our personnel and related costs increased $1.1 million primarily as a result of our continued growth in existing and new programs with our customers. As a result of increased revenues, cost of services as a percentage of revenues decreased to 39.9% for the three months ended June 30, 2014, as compared to 42.4% for the same period in 2013.

***Research and Development.*** Research and development expense increased $947 thousand to $17.3 million for the three months ended June 30, 2014, compared to the same period in 2013 primarily due to an increase of $492 thousand in outside consultants as a result of the expansion of our programs. Personnel and related costs increased $532 thousand as a result of our continued growth as we further expand the capabilities of our offerings. Research and development expense as a percentage of revenues decreased to 16.7% for the three months ended June 30, 2014 as compared to 19.5% for the same period in 2013.

***Selling, General and Administrative.*** Selling, general and administrative expense increased $2.2 million to $17.1 million for the three months ended June 30, 2014, compared to the same period in 2013. There was an increase of $1.8 million in personnel and related costs and an increase of $735 thousand in stock-based compensation. The increase in personnel and related costs primarily related to increased headcount as a result of our international expansion as well as the earn-out compensation due to the former owners and employees of Strumsoft. Our marketing expense increase of $347 thousand related to our expanded marketing activities associated with rebranding and the launch of our new products. The remaining increase of $357 thousand was related to telecommunication and facility costs that were impacted by the increase of the common area maintenance costs. These increases were offset by $985 thousand decrease in selling costs. As a result of increased revenues, selling, general and administrative expense as a percentage of revenues decreased to 16.6% for the three months ended June 30, 2014, compared to 17.8% for the same period in 2013.

***Net change in contingent consideration obligation****.* The net change in contingent consideration obligation resulted in a $1.6 million decrease of the contingent consideration obligation for the three months ended June 30, 2014 driven by a $115 thousand increase in the fair value estimates related to the weighted probability of achieving revenue milestones for the Strumsoft earn-out offset by a $1.7 million decrease in the fair value of the contingent consideration liability due to the completion of the revenue and product milestones earning period for the SpeechCycle, Inc. ("SpeechCycle) and Spatial Systems Nominees PTY Limited ("Spatial") earn-outs.

***Depreciation and amortization****.* Depreciation and amortization expense increased $4.1 million to $13.8 million for the three months ended June 30, 2014, compared to the same period in 2013. This was primarily related to the increase in depreciable fixed assets necessary for the continued expansion of our platforms and amortization of our newly acquired intangible assets of Strumsoft and Digi-Data Corporation ("Digi-Data"). Depreciation and amortization expense as a percentage of revenues increased to 13.3% for the three months ended June 30, 2014, as compared to 11.5% for the three months ended June 30, 2013.

***Income from Operations****.* Income from operations increased $8.2 million to $13.8 million for the three months ended June 30, 2014, compared to the same period in 2013. This was due primarily to increased revenues and gross profitability and decreased charges related to the net change in contingent consideration obligation offset by increases in depreciable fixed assets and intangible amortization. Income from operations as a percentage of revenues increased to 13.4% for the three months ended June 30, 2014, as compared to 6.8% for the three months ended June 30, 2013.

***Interest income****.* Interest income decreased $135 thousand to $62 thousand for the three months ended June 30, 2014, compared to the same period in 2013.

***Interest expense****.* Interest expense decreased $32 thousand to $279 thousand for the three months ended June 30, 2014, compared to the same period in 2013.

***Other income****.* Other income decreased $45 thousand to $256 thousand for the three months ended June 30, 2014, compared to the same period in 2013.

***Income Tax.*** We recognized approximately $5.5 million and $2.5 million in related tax expense during the three months ended June 30, 2014 and 2013, respectively. Our effective tax rate was approximately 39.7% for the three months ended June 30, 2014, which was higher than our U.S. federal statutory rate primarily due to the unfavorable impact of the fair market value adjustment for the contingent consideration obligation related to the Strumsoft earn-out. Our effective tax rate was approximately 42.3% for the three months ended June 30, 2013, which was higher than our U.S. federal statutory rate primarily due to the unfavorable impact of the fair market value adjustment for the contingent consideration obligation related to the Spatial equity holders. We review the expected annual effective income tax rate and make changes on a quarterly basis as necessary based on certain factors such as changes in forecasted annual operating income, changes to the actual and forecasted permanent book-to-tax differences, and changes resulting from the impact of tax law changes.

***Six months ended June 30, 2014 compared to the six months ended June 30, 2013***

The following table presents an overview of our results of operations for the six months ended June 30, 2014 and 2013:

| | Six Months Ended June 30, | | | | 2014 vs 2013 | |
|---|---|---|---|---|---|---|
| | 2014 | | 2013 | | | |
| | $ | % of Revenue | $ | % of Revenue | $ Change | % Change |
| | (in thousands) | | | | | |
| Net revenues | $ 201,928 | 100.0 % | $ 162,124 | 100.0 % | $ 39,804 | 24.6 % |
| Cost of services* | 81,269 | 40.2 % | 67,658 | 41.7 % | 13,611 | 20.1 % |
| Research and development | 32,845 | 16.3 % | 33,076 | 20.4 % | (231) | (0.7) % |
| Selling, general and administrative | 34,274 | 17.0 % | 29,595 | 18.3 % | 4,679 | 15.8 % |
| Net change in contingent consideration obligation | 1,326 | 0.7 % | 2,176 | 1.3 % | (850) | (39.1) % |
| Restructuring charges | — | — % | 5,172 | 3.2 % | (5,172) | (100.0) % |
| Depreciation and amortization | 26,024 | 12.9 % | 18,579 | 11.5 % | 7,445 | 40.1 % |
| Total costs and expenses | 175,738 | 87.0 % | 156,256 | 96.4 % | 19,482 | 12.5 % |
| Income from operations | $ 26,190 | 13.0 % | $ 5,868 | 3.6 % | $ 20,322 | 346.3 % |

* Cost of services excludes depreciation and amortization which is shown separately.

***Net Revenues.*** Net revenues increased $39.8 million to $201.9 million for the six months ended June 30, 2014, compared to the same period in 2013. This increase was due primarily to the expansion of our services provided to our customers. Transaction and subscription revenues as a percentage of sales were 73% or $147.7 million for the six months ended June 30, 2014 compared to 68% or $110.5 million for the same period in 2013. The increase in transaction and subscription revenue was primarily due to new subscription arrangements with our existing customers. Professional service and license revenues as a percentage of sales were 27% or $54.2 million for the six months ended June 30, 2014, compared to 32% or $51.6 million for the same period in 2013.

Net revenues related to Activation Services decreased $700 thousand to $111.6 million for the six months ended June 30, 2014 compared to the same period in 2013. Net revenues related to Activation Services represented 55% for the six months ended June 30, 2014, compared to 69% for the same period in 2013. Net revenues related to our Cloud Services increased by $40.5 million to $90.3 million of our revenues for the six months ended June 30, 2014 compared to the same period in 2013. Net revenues related to our Cloud Services represented 45% for the six months ended June 30, 2014, compared to 31% for the same period in 2013. The increase in our Cloud Service performance was a result of a strong adoption of our cloud offerings across our customer base.

***Expenses***

***Cost of Services.*** Cost of services increased $13.6 million to $81.3 million for the six months ended June 30, 2014, compared to the same period in 2013, due primarily to an increase of $8.8 million in co-location costs related to the expansion of our hosting and storage offerings. There was also an increase of $2.7 million in outside consulting expense, due to our increased use of third party exception handling vendors as a result of increased call volume. Additionally, our personnel and related costs increased $2.4 million as a result of our continued growth in existing and new programs with our customers. As a result of increased revenues, cost of services as a percentage of revenues decreased to 40.2% for the six months ended June 30, 2014, as compared to 41.7% for the same period in 2013.

***Research and Development.*** Research and development expense decreased $231 thousand to $32.8 million for the six months ended June 30, 2014, compared to the same period in 2013 primarily due to the capitalization of software development costs related to the Synchronoss WorkSpace™ solution. There were no such costs capitalized for the six months ended June 30, 2013. Research and development expense as a percentage of revenues decreased to 16.3% for the six months ended June 30, 2014 as compared to 20.4% for the same period in 2013.

***Selling, General and Administrative.*** Selling, general and administrative expense increased $4.7 million to $34.3 million for the six months ended June 30, 2014, compared to the same period in 2013. There was an increase of $2.0 million in personnel and related costs and an increase of $1.6 million in stock-based compensation. The increase in personnel and related costs primarily related to increased headcount as a result of our international expansion as well as the earn-out compensation due to the former owners and employees of Strumsoft. Our marketing expense increase of $1.2 million related to our expanded marketing activities associated with rebranding and the launch of our new products. The remaining increase of $1.0 million related to telecommunication and facility costs that were impacted by the common area maintenance cost increase and an increase in outside consultant's costs supporting various strategic projects. The increases were partially offset by $1.3 million decrease in selling costs. As a result of increased revenues, selling, general and administrative expense as a percentage of revenues decreased to 17.0% for the six months ended June 30, 2014, compared to 18.3% for the same period in 2013.

***Net change in contingent consideration obligation***. The net change in contingent consideration obligation resulted in an $850 thousand decrease of the contingent consideration obligation for the six months ended June 30, 2014 driven by a $1.3 million increase in the fair value estimates related to the weighted probability of achieving revenue milestones for the Strumsoft earn-out offset by a $2.2 million decrease in the fair value of the contingent consideration liability due to the completion of the revenue and product milestones earning period for the SpeechCycle, Inc. ("SpeechCycle) and Spatial Systems Nominees PTY Limited ("Spatial") earn-outs.

***Restructuring charges.*** There were no restructuring charges recorded for the six months ended June 30, 2014. Restructuring charges were $5.2 million for the six months ended June 30, 2013, as a result of the January 2013 work-force reduction plan to reduce costs and align our resources with our key strategic priorities.

***Depreciation and amortization***. Depreciation and amortization expense increased $7.4 million to $26.0 million for the six months ended June 30, 2014, compared to the same period in 2013, primarily related to the increase in depreciable fixed assets necessary for the continued expansion of our platforms and amortization of our newly acquired intangible assets of Strumsoft and Digi-Data. Depreciation and amortization expense as a percentage of revenues increased to 12.9% for the six months ended June 30, 2014, as compared to 11.5% for the six months ended June 30, 2013.

***Income from Operations***. Income from operations increased $20.3 million to $26.2 million for the six months ended June 30, 2014, compared to the same period in 2013. This was due primarily to increased revenues and gross profitability, decreased charges related to the net change in contingent consideration obligation, no restructuring activities offset by increases in depreciable fixed assets and intangible amortization. Income from operations as a percentage of revenues increased to 13.0% for the six months ended June 30, 2014, as compared to 3.6% for the six months ended June 30, 2013.

***Interest income***. Interest income decreased $172 thousand to $111 thousand for the six months ended June 30, 2014, compared to the same period in 2013.

***Interest expense***. Interest expense decreased $220 thousand to $699 thousand for the six months ended June 30, 2014, compared to the same period in 2013.

***Other income***. Other income increased $1.0 million to $1.1 million for the six months ended June 30, 2014, compared to the same period in 2013. Other income increased primarily due to an increase in New York state refundable research and development tax credits domestically, upon the state's completion of its audit, and changes in foreign currency exchange rate fluctuations.

***Income Tax.*** We recognized approximately $10.7 million and $1.8 million in related tax expense during the six months ended June 30, 2014 and 2013, respectively. Our effective tax rate was approximately 40.2% for the six months ended June 30, 2014, which was higher than our U.S. federal statutory rate primarily due to the unfavorable impact of the fair market value adjustment for the contingent consideration obligation related to the Strumsoft earn-out offset by the favorable impact of profits in foreign jurisdictions, which have lower tax rates than the U.S. Our effective tax rate was approximately 32.0% for the six months ended June 30, 2013, which was lower than our U.S. federal statutory rate primarily due to the favorable impact of profits in foreign jurisdictions, which have lower tax rates than the U.S., the favorable impact of recognizing the 2012 tax credit for research and experimentation expenses as a discrete benefit in the first quarter, in accordance with the date of enactment of the American Taxpayer Relief Act of 2012, offset by the unfavorable impact of the fair market value adjustment for the contingent consideration obligation related to the Spatial equity holders. We review the expected annual effective income tax rate and make changes on a quarterly basis as necessary based on certain factors such as changes in forecasted annual operating income, changes to the actual and forecasted permanent book-to-tax differences, and changes resulting from the impact of tax law changes.

**Liquidity and Capital Resources**

Our principal source of liquidity has been cash provided by operations. Our cash, cash equivalents and marketable securities balance was $84.1 million at June 30, 2014, an increase of $6.5 million as compared to the balance at December 31, 2013. This increase was primarily due to cash generated from operations and the exercise of stock options offset by purchases of fixed assets and the acquisition of Digi-Data. We anticipate that our principal uses of cash in the future will be to fund the expansion of our business through both organic growth as well as possible acquisition activities and the expansion of our customer base internationally. Uses of cash will also include facility and technology expansion, capital expenditures, and working capital.

In September 2013, we entered into a Credit Agreement (the "Credit Facility") with JP Morgan Chase Bank, N.A., as administrative agent, Wells Fargo Bank, National Association, as syndication agent and Capital One, National Association and KeyBank National Association, as co-documentation agents. The Credit Facility, which will be used for general corporate purposes, is a $100 million unsecured revolving line of credit that matures on September 27, 2018. We pay a commitment fee of 25 basis points on the undrawn balance of the revolving credit facility under the Credit Agreement. Commitment fees totaled approximately $125 thousand during the period ended June 30, 2014. We have the right to request an increase in the aggregate principal amount of the Credit Facility to $150 million. On July 2, 2014 we borrowed $40 million under the Credit Facility to fund the acquisitions of Digi-Data, Vox and Clarity. Interest on the borrowing is based upon LIBOR plus a 175 basis point margin.

The Credit Facility is subject to certain financial covenants. As of June 30, 2014, we were in compliance with all required covenants and there were no outstanding balances on the Credit Facility.

At June 30, 2014, our non-U.S. subsidiaries held approximately $20.7 million of cash and cash equivalents that are available for use by all of our operations around the world. At this time, we believe these funds will be permanently reinvested. However, if these funds were repatriated to the U.S. or used for U.S. operations, certain amounts could be subject to U.S. tax for the incremental amount in excess of the foreign tax paid.

**Discussion of Cash Flows**

*Cash flows from operations.* Net cash provided by operating activities for the six months ended June 30, 2014 was $19.2 million, as compared to $33.3 million provided for the same period in 2013. Cash flows from operations decreased by approximately $14.1 million. Although the operating cash flows for the six months ended June 30, 2014 benefited from the increase in net income and non-cash items by $24.4 million compared to the same period in 2013, changes in working capital decreased cash flows for the six months ended June 30, 2014, by approximately $38.8 million. Among the changes in working capital, the accounts receivable increase accounted for most of the change.

*Cash flows from investing.* Net cash used in investing activities for the six months ended June 30, 2014 was $25.2 million, as compared to $31.8 million used for the same period in 2013. The decrease in net cash used in investing activities for the six months ended June 30, 2014 of $6.6 million compared to 2013 was primarily due to a decrease in capital expenditures offset by the Digi-Data acquisition.

*Cash flows from financing.* Net cash provided by financing activities for the six months ended June 30, 2014 was $9.2 million, as compared to $10.4 million provided by financing activities for the same period in 2013. The decrease in net cash provided by financing activities for the six months ended June 30, 2014 of $1.2 million as compared to 2013 was primarily due to a decrease in proceeds from the exercise of stock options.

We believe that our existing cash and cash equivalents, cash generated from our existing operations, our available credit facilities and other available sources of financing will be sufficient to fund our operations for the next twelve months based on our current business plan.

**Effect of Inflation**

Although inflation generally affects us by increasing our cost of labor and equipment, we do not believe that inflation has had any material effect on our results of operations for six months ended June 30, 2014 or 2013.

**Impact of Recently Issued Accounting Standards**

In May 2014, The Financial Accounting Standards Board ("FASB") and the International Accounting Standards Board ("IASB") (collectively, the "Boards") jointly issued a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance under US GAAP and IFRS. The standard's core principle (issued as ASU 2014-09 by the FASB and as IFRS 15 by the IASB), is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. The new guidance must be adopted using either a full retrospective approach for all periods presented in the period of adoption or a modified retrospective approach. The effective date is fiscal years beginning after December 15, 2016. Early application is not permitted. Management is currently evaluating the methods of adoption and the impact that this ASU will have on our financial statements.

**Off-Balance Sheet Arrangements**

We had no off-balance sheet arrangements as of June 30, 2014 and December 31, 2013, that have or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to our interests.

## ITEM 3.
## QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

**Market Risk**

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part II, "Item 7A. Quantitative and Qualitative Disclosures about Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2013, which could materially affect our business, financial condition or future results. We believe our exposure associated with these market risks has not changed materially since December 31, 2013.

**Foreign Currency Exchange Risk**

We conduct business outside of the U.S. in several currencies including the British Pound Sterling, Euro, Australian Dollar, and Indian Rupee. Prior to the third quarter of 2013, several of our subsidiaries that operate outside of the U.S. used the U.S. dollar as the functional currency. Effective July 1, 2013, we changed the functional currencies of those subsidiaries that operate outside of the U.S. to their local currency. The functional currency is translated into U.S. dollars for balance sheet accounts using the month end rates in effect as of the balance sheet date and average exchange rate for revenue and expense accounts for each respective period. The translation adjustments are deferred as a separate component of stockholders' equity within accumulated other comprehensive income. Gains or losses resulting from transactions denominated in foreign currencies are included in other income or expense, within the consolidated statements of income. The effects of the change in functional currency were not material to our consolidated financial statements.

We do not hold any derivative instruments and do not engage in any hedging activities. Although our reporting currency is the U.S. dollar, we may conduct business and incur costs in the local currencies of other countries in which we may operate, make sales and buy materials. As a result, we are subject to currency translation risk. Further, changes in exchange rates between foreign currencies and the U.S. dollar could affect our future net sales and cost of sales and could result in exchange losses.

We cannot accurately predict future exchange rates or the overall impact of future exchange rate fluctuations on our business, results of operations and financial condition. To the extent that our international activities recorded in local currencies increase in the future, our exposure to fluctuations in currency exchange rates will correspondingly increase and hedging activities may be considered if appropriate.

**Interest Rate Risk**

We are exposed to the risk of interest rate fluctuations on the interest income earned on our cash and cash equivalents. A hypothetical 100 basis point movement in interest rates applicable to our cash and cash equivalents outstanding at June 30, 2014 would increase interest income by less than $73 thousand on an annual basis. We are subject to foreign currency exchange risk with respect to cash balances maintained in foreign currencies. As we drew down on our Credit Facility on July 2, 2014 we are also subject to U.S. LIBOR interest rate fluctuations.

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## ITEM 4.
## CONTROLS AND PROCEDURES

***Evaluation of Disclosure Controls and Procedures.***

Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of June 30, 2014. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective as of June 30, 2014, the end of the period covered by this quarterly report, to ensure that the information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, are recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

***Changes in internal controls over financial reporting***

We have implemented new financial systems that will continue in phases over the remainder of the year. In connection with this initiative and the resulting changes in our financial systems, the Company continues to enhance the design and documentation of our internal control processes to ensure that controls over our financial reporting remain effective. Except as noted, there were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rule 13a-15 that was conducted during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART I
## I – OTHER INFORMATION

## ITEM 1. LEGAL PROCEEDINGS

On November 21, 2011, we filed an amended complaint in the United States District Court for the District of New Jersey (Civ Act. No. 3:11-cv-06713) against OnMobile Global Limited, VoxMobili, Inc. and VoxMobili, S.A. (collectively, "VoxMobili"), claiming that VoxMobili has infringed, and continues to infringe, several of our patents. On April 2, 2012, VoxMobili filed an answer to our complaint and asserted certain counterclaims that our patents at issue are invalid. In March 2014, we entered into a patent license and settlement agreement with OnMobile Global Limited, VoxMobili, Inc. and VoxMobili, S.A. whereby we granted each of these companies (but not their subsidiaries or affiliates) a limited license to our patents. As a result of entering into the patent license and settlement agreement, the parties filed a joint stipulation to dismiss the above complaint.

Our 2011 acquisition agreement with Miyowa SA provided that former shareholders of Miyowa SA would be eligible for earn-out payments to the extent specified business milestones were achieved following the acquisition. In December 2013, Eurowebfund and Bakamar, two former shareholders of Miyowa SA filed a complaint against us in the Commercial Court of Paris, France claiming that they are entitled to certain earn-out payments under the acquisition agreement. We were served with a copy of this complaint in January 2014. We believe Miyowa SA failed to meet the criteria required for us to pay the claimed amounts and that no earn-out payments are owed. Although we cannot predict the outcome of the lawsuit due to the inherent uncertainties of litigation, we believe the positions of Eurowebfund and Bakamar are without merit, and we intend to vigorously defend against all claims brought by them.

We are not currently subject to any legal proceedings that could have a material adverse effect on our operations; however, we may from time to time become a party to various legal proceedings arising in the ordinary course of our business. For instance, on October 4, 2011, we filed a complaint in the United States District Court for the District of New Jersey (Civ Act. No. 3:11-cv-05811 FLW-TJB) against Assurion, Inc. ("Assurion"), claiming that Assurion has infringed, and continues to infringe, several of our patents. On February 3, 2012, Assurion filed an answer to our complaint and asserted certain counterclaims that our patents at issue are invalid. On March 23, 2013, the Court stayed this action pending reexamination of several asserted patents in the United States Patent and Trademark Office. Although due to the inherent uncertainties of litigation, we cannot predict the outcome of the action at this time, we continue to pursue our claims and believe that any counterclaims are without merit, and we intend to defend against all such counterclaims.

## ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2013, which could materially affect our business, financial condition or future results. The risks described in our Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. If any of the risks actually occur, our business, financial condition or results of operations could be negatively affected. In that case, the trading price of our stock could decline, and our stockholders may lose part or all of their investment.

## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

## ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

## ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

## ITEM 5. OTHER INFORMATION

None.

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**ITEM 6. EXHIBITS**

| Exhibit No. | Description |
|---|---|
| 3.2 | Restated Certificate of Incorporation of the Registrant, incorporated by reference to Registrant's Registration Statement on Form S-1 (Commission File No. 333-132080). |
| 3.4 | Amended and Restated Bylaws of the Registrant, incorporated by reference to Registrant's Registration Statement on Form S-1 (Commission File No. 333-132080). |
| 4.2 | Form of the Registrant's Common Stock certificate, incorporated by reference to Registrant's Registration Statement on Form S-1 (Commission File No. 333-132080). |
| 10.8 | Credit Agreement dated as of September 27, 2013 between the Registrant and JPMorgan Chase Bank, N.A., as Administrative Agent, incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 2013. |
| 10.9 | Cingular Mater Services Agreement, effective September 1, 2005 by and between the Registrant and Cingular Wireless LLC, incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 2008. |
| 10.9.1 | Subordinate Material and Services Agreement No. SG021306.S.025 by and between the Registrant and AT&T Services, Inc. dated as of August 1, 2013, including order numbers SG021306.S.025.S.001, SG021306.S.025.S.002, SG021306.S.025.S.003 and SG021306.S.025.S.004, incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 2013. |
| 10.11† | Transition agreement dated as of April 1, 2014 between the Registrant and Lawrence Irving. |
| 10.15† | Employment agreement dated as of April 1, 2014 between the Registrant and Karen Rosenberger. |
| 31.1 | Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and section 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | Certification of Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and section 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002 |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Schema Document |
| 101.CAL | XBRL Calculation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase |
| 101.PRE | XBRL Presentation Linkbase Document |

† Compensation Arrangement.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Synchronoss Technologies, Inc.

/s/ Stephen G. Waldis

**Stephen G. Waldis**
**Chairman of the Board of Directors and**
**Chief Executive Officer**
**(Principal executive officer)**

/s/ Karen L. Rosenberger

**Karen L. Rosenberger**
**Executive Vice President, Chief Financial Officer**
**and Treasurer**

August 1, 2014

**Exhibit 10.11**

April 1, 2014

Lawrence R. Irving

Dear Larry,

This letter (the "Agreement") is to confirm the agreement between you and Synchronoss Technologies, Inc. ("Synchronoss", and together with its subsidiaries, the "Company") regarding your resignation from the Company, effective December 31, 2014.

1. Your resignation shall be effective, and your employment with the Company will terminate, on December 31, 2014 ("Termination Date"). In addition, effective April 1, 2014, you will resign from your positions as Executive Vice President, Chief Financial Officer, Chief Compliance Officer and Treasurer and your new position as of April 1, 2014 shall be Executive Vice President, Business Strategy.

2. The Company will pay you your regular wages through December 31, 2014 in the normal course of business. You will receive information about your right to continue your group health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA") after the Termination Date. In order to continue your coverage, you must file the required election form. If you elect to continue group health insurance coverage, then the Company will pay the employer portion of the monthly premium under COBRA for yourself for the period of twelve months following the month in which the Termination Date occurs. You acknowledge that you otherwise would not have been entitled to any continuation of Company-paid health insurance.

3. In consideration for the Company's agreement to continue your employment through the Termination Date, to the fullest extent permitted by law, you waive, release and promise never to assert any claims or causes of action, whether or not now known, against the Company or its predecessors, successors or past or present subsidiaries, stockholders, directors, officers, employees, consultants, attorneys, agents, assigns and employee benefit plans with respect to any matter, including (without limitation) any matter related to your employment with the Company or the termination of that employment, including (without limitation) claims to attorneys' fees or costs, claims of wrongful discharge, constructive discharge, emotional distress, defamation, invasion of privacy, fraud, breach of contract or breach of the covenant of good faith and fair dealing and any claims of discrimination or harassment based on sex, age, race, national origin, disability or any other basis under Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the Equal Pay Act of 1963, and all other federal and state laws and regulations relating to employment. However, this release covers only those claims that arose prior to the execution of this Agreement and only those claims that may be waived

by applicable law. Execution of this Agreement does not bar any claim that arises hereafter, including (without limitation) a claim for breach of this Agreement.

4. The Company previously granted to you stock options and shares of restricted stock under the Company's 2006 Equity Incentive Plan. The Company agrees that, provided you provide the Company with an executed copy of the release attached hereto as Exhibit A (the "General Release") signed no earlier than the Termination Date, and that you do not revoke the General Release, any stock options or shares of restricted stock granted to you on or prior to the Termination Date will be deemed, as of the Termination Date, to be vested to such extent that they would have vested had your employment continued until February 15, 2015 ("Final Vesting Date"), notwithstanding that the Final Vesting Date is after the Termination Date. These grants are governed by the terms and conditions of such plan. You should review the terms and conditions of the plan to determine the period of time you have to exercise your stock options. If you do not exercise your stock options during this period your stock options will be lost. A copy of the plan is available from Human Resources.

5. At all times in the future, you will remain bound by the Company's Proprietary Information and Invention Agreement ("PIIA") signed by you on ________, a copy of which is attached and incorporated into this Agreement.

6. You agree that the terms of this Agreement are confidential and that you will not disclose the terms of this Agreement or the negotiations leading to this Agreement to any person or entity, including but not limited to any current or former employee of the Company, with the exception of a disclosure (a) required by law or to enforce any obligations in this Agreement; and (b) to your spouse, attorneys, accountants, immediate family, and financial advisors, who must be advised of the confidential nature of this Agreement and must agree to be bound by this confidentiality provision. You represent that on your Termination Date you will return all property that belongs to the Company, including without limitation, company laptop and phone, copies of documents that belong to the Company and files stored on your personal computer or data storage devices that contain information belonging to the Company, that the Company has agreed to transfer your cell phone number to you for your personal use. The Company will use commercial reasonable efforts to forward to an e-mail designated to you any non-Company-related e-mails.

7. You agree that except for that certain Employment Agreement dated as of December 31, 2011 between you and the Company (the "Employment Agreement"), the PIIA as expressly provided in Paragraph 5 of this Agreement and your participation in the Company's 2006 Equity Incentive Plan subject to Paragraph 4 of this Agreement, effective as of the Termination Date, this Agreement renders null and void any and all prior agreements between you and the Company. You and the Company agree that, except for the Employment Agreement, the PIIA as expressly provided in Paragraph 5 of this Agreement and your participation in the Company's 2006 Equity Incentive Plan subject to Paragraph 4 of this Agreement, this Agreement constitutes the entire agreement between you and the Company regarding the subject matter of this Agreement, and that this Agreement may be modified only in a written document signed by you and a duly authorized officer of the Company.

8. You agree that this Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one agreement. Execution of a facsimile copy shall have the same force and effect as execution of an original, and a facsimile signature shall be deemed an original and valid signature.

9. Should any provision of this Agreement be held to be illegal, void or unenforceable by a court of competent jurisdiction, such provision shall be of no force and effect. However, the illegality or unenforceability of any such provision shall have no effect upon, and shall not impair the enforceability of, any other provision of this Agreement.

10. You understand and agree not to engage in any act or say anything that is intended, or may reasonably be expected, to harm the reputation, business or operations of the Company, its customers, employees, officers, directors or shareholders.

11. You have up to 21 days after receipt of this Agreement within which to review it, and to discuss it with an attorney of your own choosing regarding whether or not you wish to execute it. Furthermore, you have seven days after you have signed this Agreement during which time you may revoke this Agreement. If you wish to revoke this Agreement, you may do so by delivering a letter of revocation to the Company's Senior Director of Global Human Resources. Because of this revocation period, you understand that this Agreement shall not become effective or enforceable until the eighth day after the date you sign it.

Please indicate your agreement with the above terms by signing below.

Sincerely,

__________________________________

Stephen G. Waldis
Chief Executive Officer

My agreement with the above terms is signified by my signature below. Furthermore, I acknowledge that I have read and understand this Agreement and that I voluntarily sign this release of all claims, known and unknown, with full understanding that at no time in the future may I pursue any of the rights I have waived in this Agreement.

Signed: ____________________________ Dated: ______________________________

Lawrence R. Irving

**EXHIBIT A**

## GENERAL RELEASE OF ALL CLAIMS

In consideration for partial acceleration of stock options and shares of restricted stock to Lawrence R. Irving ("Employee") by Synchronoss Technologies, Inc. (the "Company"), pursuant to Paragraph 5 of the letter agreement dated April 1, 2014 (the "Agreement") to which this General Release of All Claims ("General Release") is attached as Exhibit A, Employee, on Employee's own behalf and on behalf of Employee's heirs, executors, administrators and assigns, hereby fully and forever releases and discharges the Company and its directors, officers, employees, agents, successors, predecessors, subsidiaries, parent, shareholders, employee benefit plans and assigns (together called "the Releasees"), from all known and unknown claims and causes of action including, without limitation, any claims or causes of action arising out of or relating in any way to Employee's employment with the Company, including the termination of that employment.

**1.** EMPLOYEE UNDERSTANDS AND AGREES THAT THIS GENERAL RELEASE IS A FULL AND COMPLETE WAIVER OF ALL CLAIMS, INCLUDING (WITHOUT LIMITATION) CLAIMS TO ATTORNEYS' FEES OR COSTS, CLAIMS OF WRONGFUL DISCHARGE, CONSTRUCTIVE DISCHARGE, BREACH OF CONTRACT, BREACH OF THE COVENANT OF GOOD FAITH AND FAIR DEALING, HARASSMENT, RETALIATION, DISCRIMINATION, VIOLATION OF PUBLIC POLICY, DEFAMATION, INVASION OF PRIVACY, INTERFERENCE WITH A LEAVE OF ABSENCE, PERSONAL INJURY, FRAUD OR EMOTIONAL DISTRESS AND ANY CLAIMS OF DISCRIMINATION OR HARASSMENT BASED ON SEX, AGE, RACE, NATIONAL ORIGIN, DISABILITY OR ANY OTHER BASIS UNDER TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, THE EQUAL PAY ACT OF 1963, THE AMERICANS WITH DISABILITIES ACT, THE CIVIL RIGHTS ACT OF 1866, THE FAMILY MEDICAL LEAVE ACT OR ANY OTHER FEDERAL OR STATE LAW OR REGULATION RELATING TO EMPLOYMENT OR EMPLOYMENT DISCRIMINATION. EMPLOYEE FURTHER UNDERSTANDS AND AGREES THAT THIS WAIVER INCLUDES ALL CLAIMS, KNOWN AND UNKNOWN, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW.

**2.** THIS AGREEMENT EXTENDS TO ALL CLAIMS OF EVERY NATURE AND KIND, KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, PAST OR PRESENT, ARISING FROM OR ATTRIBUTABLE TO EMPLOYEE'S RELATIONSHIP WITH THE COMPANY OR THE TERMINATION OF THAT RELATIONSHIP, AND EMPLOYEE HEREBY EXPRESSLY WAIVES ANY AND ALL RIGHTS GRANTED TO EMPLOYEE UNDER ANY LAW OR REGULATION THAT WOULD PURPORT TO MAKE INVALID ANY RELEASE OF CLAIMS THE RELEASER DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE.

**3.** EMPLOYEE ALSO HEREBY AGREES THAT NOTHING CONTAINED IN THIS GENERAL RELEASE SHALL CONSTITUTE OR BE TREATED AS AN ADMISSION OF LIABILITY OR WRONGDOING BY THE RELEASEES OR EMPLOYEE.

**4.** EMPLOYEE REPRESENTS THAT HE HAS RETURNED TO THE COMPANY ALL PROPERTY THAT BELONGS TO THE COMPANY, INCLUDING (WITHOUT LIMITATION) COPIES OF DOCUMENTS THAT BELONG TO THE COMPANY AND FILES STORED ON HIS COMPUTER(S) THAT CONTAIN OR EMBODY BUSINESS, TECHNICAL OR FINANCIAL INFORMATION THAT HE HAS DEVELOPED, LEARNED OR OBTAINED DURING THE TERM OF HIS SERVICE TO THE COMPANY THAT RELATE TO THE COMPANY OR THE BUSINESS OR DEMONSTRABLY ANTICIPATED BUSINESS OF THE COMPANY, EXCEPT THAT HE MAY KEEP HIS PERSONAL COPIES OF HIS EMPLOYMENT AND COMPENSATION RECORDS.

**5.** IF ANY PROVISION OF THIS GENERAL RELEASE IS FOUND TO BE UNENFORCEABLE, IT SHALL NOT AFFECT THE ENFORCEABILITY OF THE REMAINING PROVISIONS AND THE COURT SHALL ENFORCE ALL REMAINING PROVISIONS TO THE FULL EXTENT PERMITTED BY LAW.

**6.** THIS GENERAL RELEASE CONSTITUTES THE ENTIRE AGREEMENT BETWEEN EMPLOYEE AND RELEASEES WITH REGARD TO THE SUBJECT MATTER OF THIS GENERAL RELEASE. IT SUPERSEDES ANY OTHER AGREEMENTS, REPRESENTATIONS OR UNDERSTANDINGS, WHETHER ORAL OR WRITTEN AND WHETHER EXPRESS OR IMPLIED, WHICH RELATE TO THE SUBJECT MATTER OF THIS GENERAL RELEASE EXCEPT AS OTHERWISE SET FORTH IN THE AGREEMENT. HOWEVER, THIS GENERAL RELEASE COVERS ONLY THOSE CLAIMS THAT AROSE PRIOR TO THE EXECUTION OF THIS GENERAL RELEASE. EXECUTION OF THIS GENERAL RELEASE DOES NOT BAR ANY CLAIM THAT ARISES HEREAFTER, INCLUDING (WITHOUT LIMITATION) A CLAIM FOR BREACH OF THE GENERAL RELEASE.

**7.** THIS GENERAL RELEASE IS NOT TO BE SIGNED, AND WILL NOT BECOME EFFECTIVE, PRIOR TO EMPLOYEE’S CESSATION OF EMPLOYMENT. EMPLOYEE ACKNOWLEDGES THAT (A) HIS WAIVER AND RELEASE DOES NOT APPLY TO ANY CLAIMS THAT MAY ARISE AFTER HE SIGNS THIS GENERAL RELEASE; (B) HE SHOULD CONSULT WITH AN ATTORNEY BEFORE EXECUTING THIS GENERAL RELEASE; (C) HE HAS HAD AT LEAST TWENTY-ONE (21) DAYS FROM THE DATE HE FIRST RECEIVED THIS GENERAL RELEASE WITHIN WHICH TO REVIEW THE GENERAL RELEASE; (D) HE HAS SEVEN (7) DAYS FOLLOWING THE EXECUTION OF THIS GENERAL RELEASE TO REVOKE THIS GENERAL RELEASE; AND (E) THIS GENERAL RELEASE SHALL NOT BE EFFECTIVE UNTIL THE EIGHTH DAY AFTER THIS GENERAL RELEASE HAS BEEN SIGNED BY EMPLOYEE (THE “EFFECTIVE DATE”). TO REVOKE THIS GENERAL RELEASE, EMPLOYEE MUST NOTIFY THE COMPANY’S CHIEF EXECUTIVE OFFICER IN WRITING OF HIS REVOCATION, AND SUCH WRITTEN NOTIFICATION MUST BE RECEIVED WITHIN SEVEN (7) DAYS OF THE DATE EMPLOYEE SIGNS THIS GENERAL RELEASE. EMPLOYEE SHALL NOT BE ENTITLED TO RECEIVE ANY OF THE CONSIDERATION BEING PROVIDED IN EXCHANGE FOR THIS GENERAL RELEASE UNTIL THE EFFECTIVE DATE.

**8.** EMPLOYEE AGREES NOT TO DISCLOSE TO OTHERS THE TERMS OF THIS GENERAL RELEASE, EXCEPT THAT EMPLOYEE MAY DISCLOSE SUCH

INFORMATION TO EMPLOYEE'S SPOUSE AND TO EMPLOYEE'S ATTORNEY OR ACCOUNTANT IN ORDER FOR SUCH ATTORNEY OR ACCOUNTANT TO RENDER SERVICES TO EMPLOYEE RELATED TO THIS GENERAL RELEASE. EMPLOYEE AGREES THAT HE WILL NEVER MAKE ANY NEGATIVE OR DISPARAGING STATEMENTS (ORALLY OR IN WRITING) ABOUT THE COMPANY OR ITS STOCKHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, PRODUCTS, SERVICES OR BUSINESS PRACTICES, EXCEPT AS REQUIRED BY LAW.

**9.** EMPLOYEE STATES THAT BEFORE SIGNING THIS GENERAL RELEASE, EMPLOYEE:

- Has read it,
- Understands it,
- Knows that he is giving up important rights,
- Is aware of his right to consult an attorney before signing it, and
- Has signed it knowingly and voluntarily.

Date:

_______________________________ _______________________________

Signature of Lawrence R. Irving

**NOT TO BE SIGNED BEFORE DECEMBER 31, 2014**

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**Exhibit 10.15**

# EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of April 1, 2014, by and between Karen Rosenberger (the "Executive") and Synchronoss Technologies, Inc., a Delaware corporation (the "Company"). Except as otherwise provided herein, defined terms are set forth in Section 10 below.

1. **Duties and Scope of Employment.**

(a) **Position**. For the term of her employment under this Agreement (the "Employment"), the Company agrees to continue to employ the Executive in the position of Executive Vice President, Chief Financial Officer and Treasurer. The Executive shall report to the Company's President or Chief Executive Officer or his or her designee.

(b) **Obligations to the Company**. During her Employment, the Executive (i) shall devote her full business efforts and time to the Company, (ii) shall not engage in any other employment, consulting or other business activity that would create a conflict of interest with the Company, (iii) shall not assist any person or entity in competing with the Company or in preparing to compete with the Company, and (iv) shall comply with the Company's policies and rules, as they may be in effect from time to time.

(c) **No Conflicting Obligations**. The Executive represents and warrants to the Company that she is under no obligations or commitments, whether contractual or otherwise, that are inconsistent with her obligations under this Agreement. The Executive represents and warrants that she will not use or disclose, in connection with her Employment, any trade secrets or other proprietary information or intellectual property in which the Executive or any other person has any right, title or interest and that her Employment will not infringe or violate the rights of any other person. The Executive represents and warrants to the Company that she has returned all property and confidential information belonging to any prior employer.

(d) **Commencement Date**. The Executive has previously commenced full-time Employment. This Agreement shall govern the terms of Executive's Employment effective as of April 1, 2014 (the "Commencement Date") through the Term (as defined in Section 5(a) below).

2. **Compensation**

(a) **Salary**. The Company shall pay the Executive as compensation for her services a base salary at a gross annual rate of not less than $300,000. Such salary shall be payable in accordance with the Company's standard payroll procedures. (The annual compensation specified in this Subsection (a), together with any increases in such compensation that the Company may grant from time to time, is referred to in this Agreement as "Base Salary.").

(b) **Incentive Bonuses**. The Executive shall be eligible for an annual incentive bonus with a target amount equal to 60% of her Base Salary (the "Target Bonus"). The Executive's bonus (if any) shall be awarded based on criteria established by the Company's Board of Directors (the "Board") or its Compensation Committee. The Executive shall not be entitled to an incentive bonus if she is not employed by the Company on the last day of the fiscal year for which such bonus is payable. Any bonus for a fiscal year shall be paid within 2½ months after the close of that fiscal year. The determinations of the Board or its Compensation Committee with respect to such bonus shall be final and binding.

3. **Vacation and Employee Benefits.** During her Employment, the Executive shall be eligible for paid vacations in accordance with the Company's vacation policy, as it may be amended from time to time, with a minimum of 20 vacation days per year. During her Employment, the Executive shall be eligible to participate in the employee benefit plans maintained by the Company, subject in each case to the generally applicable terms and conditions of the plan in question and to the determinations of any person or committee administering such plan.

4. **Business Expenses.** During her Employment, the Executive shall be authorized to incur necessary and reasonable travel, entertainment and other business expenses in connection with her duties hereunder. The Company shall reimburse the Executive for such expenses upon presentation of an itemized account and appropriate supporting documentation, all in accordance with the Company's generally applicable policies. Notwithstanding anything to the contrary herein, except to the extent any expense or reimbursement provided pursuant to this Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A of the Code, (a) the amount of expenses eligible for reimbursement provided to the Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to the Executive in any other calendar year, (b) the reimbursements for expenses for which the Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred, and (c) the right to payment or reimbursement hereunder may not be liquidated or exchanged for any other benefit.

5. **Term of Employment.**

(a) **Employment Term**. The Company hereby employs Executive to render services to the Company in the position and with the duties and responsibilities described in Section 1 for the period commencing on the Commencement Date and ending upon the earlier of (i) December 31, 2014, and (ii) the date Executive's Employment is terminated in accordance with Section 5(b) (the "Term"). After the initial three-year term of this Agreement Executive's Employment shall be "at will" and either Executive or the Company shall be entitled to terminate Executive's Employment at any time and for any reason, with or without cause. However, this Agreement will not govern the terms of Executive's employment after the Term.

(b) **Termination of Employment**. The Company may terminate the Executive's Employment at any time and for any reason (or no reason), and with or without Cause, by giving the Executive 30 days' advance notice in writing. The Executive may terminate her Employment by giving the Company 30 days' advance notice in writing. The Executive's Employment shall terminate automatically in the event of her death. The termination of the Executive's Employment shall not limit or otherwise affect her obligations under Section 7.

(c) **Rights Upon Termination**. Upon Executive's termination of Employment for any reason, Executive shall be entitled to the compensation, benefits and reimbursements described in Sections 1, 2, 3, and 4 for the period preceding the effective date of such termination. Upon the termination of Executive's Employment under certain circumstances, Executive may be entitled to additional severance pay benefits described in Section 6. The payments under this Agreement shall fully discharge all responsibilities of the Company to the Executive. This Agreement shall terminate when all obligations of the parties hereunder have been satisfied.

(d) **Rights Upon Death**. If Executive's Employment ends due to death, Executive's estate shall be entitled to receive an amount equal to her target bonus for the fiscal year in which her death occurred, prorated based on the number of days she was employed by the Company during that fiscal year. All amounts under this Section 5(d) shall be paid on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's date of death.

(e) **Rights Upon Permanent Disability**. If Executive's Employment ends due to Permanent Disability and a Separation occurs, Executive shall be entitled to receive (i) an amount equal to her Target Bonus for the fiscal year in which her Employment ended, prorated based on the number of days she was employed by the Company during that fiscal year, and (ii) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and her eligible dependents with respect to the Company's health insurance plans in which the Executive and her eligible dependents were participants as of the date of Separation. The amounts payable under this Section 5(e) shall be paid on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's Separation.

6. **Termination Benefits.**

(a) **Preconditions**. Any other provision of this Agreement notwithstanding, Subsections (b) and (c) below shall not apply unless the Executive:

(i) Has executed a general release of all claims the Executive may have against the Company or persons affiliated with the Company (substantially in the form attached hereto as Exhibit A) (the "Release");

(ii) Has returned all property of the Company in the Executive's possession; and

(iii) If requested by the Board, has resigned as a member of the Board and as a member of the boards of directors of all subsidiaries of the Company, to the extent applicable.

The Executive must execute and return the Release within the period of time set forth in the Release (the "Release Deadline"). The Release Deadline will in no event be later than 50 days after the Executive's Separation. If the Executive fails to return the Release on or before the Release Deadline or if the Executive revokes the Release, then the Executive will not be entitled to the benefits described in this Section 6.

(b) **Severance Pay in the Absence of a Change in Control**. If, during the term of this Agreement and prior to the occurrence of a Change in Control or more than 12 months following a Change in Control, the Company terminates the Executive's Employment with the Company for a reason other than Cause or Permanent Disability and a Separation occurs, then the Company shall pay the Executive a lump sum severance payment equal to (i) one and one-half times her Base Salary in effect at the time of the termination of Employment, (ii) her average annual bonus based on the actual amounts received in the immediately preceding two years and (iii) the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and her eligible dependents with respect to the Company's health insurance plans in which the Executive and her eligible dependents were participants as of the date of Separation. If, during the term of this Agreement and prior to the occurrence of a Change in Control or more than 12 months following a Change in Control, Executive resigns her Employment for Good Reason and a Separation occurs, then the Company shall pay the Executive a lump sum severance payment equal to (i) one times her Base Salary in effect at the time of the termination of Employment (ii) her average annual bonus based on the actual amounts received in the immediately preceding two years and a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and her eligible dependents with respect to the Company's health insurance plans in which the Executive and her eligible dependents were participants as of the date of Separation. .
Notwithstanding anything herein to the contrary, in the event that the Executive Employment is terminated for a reason other than Cause or Permanent Disability or the Executive resigns her Employment for Good Reason under this Subsection (b) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use her Target Bonus in the year of termination if such termination under this Subsection (b) occurs in the first year of employment with the Company and the actual bonus the Executive received during the first year of employment with the Company if such termination under this Subsection (b) occurs in the second year of employment with the Company. However, the amount of the severance payment under this Subsection (b) shall be **reduced** by the amount of any severance pay or pay in lieu of notice that the Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(c) **Severance Pay in Connection with a Change in Control.** If, during the term of this Agreement and within 12 months following a Change in Control, the Executive is subject to an Involuntary Termination, then (i) the Company shall pay the Executive a lump sum severance payment equal to (x) two times her Base Salary in effect at the time of the termination of Employment plus two times the Executive's average bonus received in the immediately preceding two years and (y) a lump sum amount equal to the product of (A) 24 and (B) the monthly amount the Company was paying on behalf of the Executive and her eligible dependents with respect to the Company's health insurance plans in which the Executive and her eligible dependents were participants as of the date of Separation , (ii) the vesting of all stock options and shares of restricted stock granted by the Company and held by the Executive shall be accelerated in full as of the date of the Involuntary Termination. Notwithstanding anything herein to the contrary, in the event that the Executive is subject to an Involuntary Termination under this Subsection (c) within two years after commencement of employment with the Company, then in lieu of using the average bonus received in the immediately preceding two years for the above calculation, such calculation shall use her Target Bonus in the year of the Involuntary Termination if such termination under this Subsection (c) occurs in the first year of employment with the Company and the actual bonus the Executive received during the first year of employment with the Company if such termination under this Subsection (c) occurs in the second year of employment with the Company. However, the amount of the severance payment under this Subsection (c) shall be reduced by the amount of any severance pay or pay in lieu of notice that the Executive receives from the Company under a federal or state statute (including, without limitation, the Worker Adjustment and Retraining Notification Act).

(d) **Commencement of Severance Payments.** Payment of the severance pay provided for under this Agreement will be made on the first regularly scheduled payroll date that occurs on or after 60 days after the Executive's Separation, but only if the Executive has complied with the release and other preconditions set forth in Subsection (a) (to the extent applicable).

7. **Non-Solicitation and Non-Disclosure.**

(a) **Non-Solicitation**. During the period commencing on the date of this Agreement and continuing until the second anniversary of the date the Executive's Employment terminated for any reason, the Executive shall not directly or indirectly, personally or through others, solicit or attempt to solicit (on the Executive's own behalf or on behalf of any other person or entity) either (i) the employment of any employee or consultant of the Company or any of the Company's affiliates or (ii) the business of any customer of the Company or any of the Company's affiliates in a manner that could constitute engaging in sale of goods or services in or for a Restricted Business or otherwise interferes with Company's relationship with such customer.

(b) **Non-Competition**. As one of the Company's executive and management personnel and officer, Executive has obtained extensive and valuable knowledge and confidential information concerning the business of the Company, including certain trade secrets the Company wishes to protect. Executive further acknowledges that during her Employment she will have access to and knowledge of Proprietary Information. To protect the Company's Proprietary Information, Executives agrees that during her Employment with the Company, whether full-time or half-time and for a period of 24 months after her last day of Employment with the Company, she will not directly or indirectly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), or have any ownership interest in, or participate in the financing, operation, management or control of, any person, firm, corporation or business that engages in a Restricted Business in a Restricted Territory. It is agreed that ownership of (i) no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation, or (ii) any stock she presently owns shall not constitute a violation of this provision.

(c) **Reasonable**. Executive agrees and acknowledges that the time limitation on the restrictions in this Section 7, combined with the geographic scope, is reasonable. Executive also acknowledges and agrees that this provision is reasonably necessary for the protection of Proprietary Information, that through her Employment she shall receive adequate consideration for any loss of opportunity associated with the provisions herein, and that these provisions provide a reasonable way of protecting the Company's business value which will be imparted to him. If any restriction set forth in this Section 7 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

(d) **Non-Disclosure**. The Executive has entered into a Proprietary Information and Inventions Agreement with the Company, which is incorporated herein by this reference.

8. **Successors.**

(a) **Company's Successors**. This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which becomes bound by this Agreement.

(b) **Employee's Successors**. This Agreement and all rights of the Executive hereunder shall inure to the benefit of, and be enforceable by, the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

9. **Taxes.**

(a) **Withholding Taxes**. All payments made under this Agreement shall be subject to reduction to reflect applicable withholding and payroll taxes or other deductions required to be withheld by law.

(b) **Tax Advice**. The Executive is encouraged to obtain her own tax advice regarding her compensation from the Company. The Executive agrees that the Company does not have a duty to design its compensation policies in a manner that minimizes the Executive's tax liabilities, and the Executive shall not make any claim against the Company or the Board related to tax liabilities arising from the Executive's compensation.

(c) **Parachute Taxes**. Notwithstanding anything in this Agreement to the contrary, if it shall be determined that any payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise ("Total Payments") to be made to Executive would otherwise exceed the amount (the "Safe Harbor Amount") that could be received by Executive without the imposition of an excise tax under Section 4999 of Code, then the Total Payments shall be reduced to the extent, and only to the extent, necessary to assure that their aggregate present value, as determined in accordance the applicable provisions of Section 280G of the Code and the regulations thereunder, does not exceed the greater of the following dollar amounts (the "Benefit Limit"): (i) the Safe Harbor Amount, or (ii) the greatest after-tax amount payable to Executive after taking into account any excise tax imposed under section 4999 of the Code on the Total Payments. All determinations to be made under this subparagraph (c) shall be made by an independent public accounting firm selected by the Company before the date of the Change of Control (the "Accounting Firm"). In determining whether such Benefit Limit is exceeded, the Accounting Firm shall make a reasonable determination of the value to be assigned to the restrictive covenants in effect for Executive pursuant to Section 7 of this Agreement, and the amount of her potential parachute payment under Section 280G of the Code shall reduced by the value of those restrictive covenants to the extent consistent with Section 280G of the Code and the regulations thereunder. To the extent a reduction to the Total Payments is required to be made in accordance with this subparagraph (c), such reduction and/or cancellation of acceleration of equity awards shall occur in the order that provides the maximum economic benefit to Executive. In the event that acceleration of equity awards is to be reduced, such acceleration of vesting also shall be canceled in the order that provides the maximum economic benefit to Executive. Notwithstanding the foregoing, any reduction shall be made in a manner consistent with the requirements of section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this subparagraph (c) shall be borne solely by the Company. The Company agrees to indemnify and hold harmless the Accounting Firm from any and all claims, damages and expenses resulting from or relating to its determinations pursuant to this subparagraph (c), except for claims, damages or expenses resulting from the gross negligence or willful misconduct of the Accounting Firm.

(d) **Section 409A**. Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. If the Company determines that the Executive is a “specified employee” under Section 409A(a)(2)(B)(i) of the Code at the time of her Separation, then (i) the severance payments under Section 6, to the extent that they are subject to Section 409A of the Code, shall commence on the first business day following (A) expiration of the six-month period measured from the Executive’s Separation, or (B) the date of the Executive’s death, and (ii) the installments that otherwise would have been paid prior to such date will be paid in a lump sum when such payments commence.

10. **Definitions.**

(a) **Cause**. For all purposes under this Agreement, “Cause” shall mean:

(i) An unauthorized use or disclosure by the Executive of the Company’s confidential information or trade secrets, which use or disclosure causes material harm to the Company;

(ii) A material breach by the Executive of any material agreement between the Executive and the Company;

(iii) A material failure by the Executive to comply with the Company’s written policies or rules;

(iv) The Executive’s conviction of, or plea of “guilty” or “no contest” to, a felony under the laws of the United States or any State thereof;

(v) The Executive’s gross negligence or willful misconduct which causes material harm to the Company;

(vi) A continued failure by the Executive to perform reasonably assigned duties after receiving written notification of such failure from the Board; or

(vii) A failure by the Executive to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested the Executive's cooperation.

(b) **Change of Control**. For all purposes under this Agreement, "Change of Control" shall mean the occurrence of:

(i) The acquisition, by a person or persons acting as a group, of the Company's stock that, together with other stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the Company;

(ii) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of 30% or more of the total voting power of the Company;

(iii) The replacement of a majority of the members of the Board, during any 12-month period, by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of such appointment or election; or

(iv) The acquisition, during a 12-month period ending on the date of the most recent acquisition, by a person or persons acting as a group, of the Company's assets having a total gross fair market value (determined without regard to any liabilities associated with such assets) of 80% or more of the total gross fair market value of all of the assets of the Company (determined without regard to any liabilities associated with such assets) immediately prior to such acquisition or acquisitions.

Notwithstanding the foregoing, a Change of Control shall not be deemed to occur unless such transaction also qualifies as an event under Treas. Reg. §1.409A-3(i)(5)(v) (change in the ownership of a corporation), Treas. Reg. §1.409A-3(i)(5)(vi) (change in the effective control of a corporation), or Treas. Reg. §1.409A-3(i)(5)(vii) (change in the ownership of a substantial portion of a corporation's assets).

(c) **Code**. For all purposes under this Agreement, "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) **Good Reason**. For all purposes under this Agreement, "Good Reason" shall mean:

(i) a change in the Executive's position with the Company that materially reduces her level of authority or responsibility;

(ii) a reduction in the Executive's base salary by more than 10% unless pursuant to a Company-wide salary reduction affecting all Executives proportionately;

(iii) relocation of the Executive's principal workplace by more than 50 miles;

(iv) a substantial reduction, without good business reasons, of the facilities and perquisites (including office space and location) available to the Executive immediately prior to such reduction; or

(v) a material reduction in the kind or level of employee benefits to which the Executive is entitled immediately prior to such reduction with the result that the Executive's overall benefits package is significantly reduced, unless such reduction is made in connection with a reduction in the kind or level of employee benefits of employees of the Company generally.

A condition shall not be considered "Good Reason" unless the Executive gives the Company written notice of such condition within 90 days after such condition comes into existence and the Company fails to remedy such condition within 30 days after receiving the Executive's written notice. In addition, the Executive's resignation must occur within 12 months after the condition comes into existence.

(e) **Involuntary Termination**. For all purposes under this Agreement, "Involuntary Termination" shall mean either (i) the Company terminates the Executive's Employment with the Company for a reason other than Cause or Permanent Disability and a Separation occurs, or (ii) the Executive resigns her Employment for Good Reason and a Separation occurs.

(f) **Permanent Disability**. For all purposes under this Agreement, "Permanent Disability" shall mean the Executive's inability to perform the essential functions of the Executive's position, with or without reasonable accommodation, for a period of at least 120 consecutive days because of a physical or mental impairment.

(g) **Proprietary Information**. For all purposes under this Agreement, "Proprietary Information" shall mean any and all confidential and/or proprietary knowledge, data or information of the Company. By way of illustration but not limitation, Proprietary Information includes (i) trade secrets, inventions, mask works, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques; and (ii) information regarding plans for research, development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers; and (iii) information regarding the skills and compensation of other employees of the Company.

(h) **Restricted Business**. For all purposes under this Agreement, "Restricted Business" shall mean the design, development, marketing or sales of software, or any other process, system, product, or service marketed, sold or under development by the Company at the time Executive's Employment with the Company ends.

(i) **Restricted Territory**. For all purposes under this Agreement, "Restricted Territory" shall mean any state, county, or locality in the United States in which the Company conducts business.

(j) **Separation**. For all purposes under this Employment Agreement, "Separation" means a "separation from service," as defined in the regulations under Section 409A of the Code.

11. **Miscellaneous Provisions.**

(a) **Notice**. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered, when delivered by FedEx with delivery charges prepaid, or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of the Executive, mailed notices shall be addressed to him at the home address that she most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(b) **Modifications and Waivers**. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Executive and by an authorized officer of the Company (other than the Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) **Whole Agreement**. This Agreement and the Proprietary Information and Inventions Agreement supersede and replace any prior agreements, representations or understandings (whether oral or written and whether express or implied) between the Executive and the Company and constitute the complete agreement between the Executive and the Company regarding the subject matter set forth herein.

(d) **Choice of Law and Severability**. This Agreement shall be interpreted in accordance with the laws of the State of New Jersey (except their provisions governing the choice of law). If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is rendered illegal by any present or future statute, law, ordinance or regulation (collectively the "Law"), then such provision shall be curtailed or limited only to the minimum extent necessary to bring such provision into compliance with the Law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

(e) **No Assignment**. This Agreement and all rights and obligations of the Executive hereunder are personal to the Executive and may not be transferred or assigned by the Executive at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company's obligations hereunder in connection with any sale or transfer of all or a substantial portion of the Company's assets to such entity.

(f) **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, each of the parties has executed this Agreement, in the case of the Company by

Karen Rosenberger

SYNCHRONOSS TECHNOLOGIES, INC.

By

Stephen G. Waldis
President and Chief Executive Officer

its duly authorized officer, as of the day and year first above written.

**Exhibit 31.1**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**
**PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 13a-14(a)**

I, Stephen G. Waldis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Synchronoss Technologies, Inc. for the quarter ended June 30, 2014;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s Board of Directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 1, 2014

/s/ Stephen G. Waldis
Stephen G. Waldis
Chairman of the Board of Directors &
Chief Executive Officer

**Exhibit 31.2**

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**
**PURSUANT TO SECURITIES AND EXCHANGE COMMISSION RULE 13a-14(a)**

I, Karen L. Rosenberger, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Synchronoss Technologies, Inc. for the quarter ended June 30, 2014;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2014

/s/ Karen L. Rosenberger
Karen L. Rosenberger
Executive Vice President, Chief Financial Officer &
Treasurer

**Exhibit 32.1**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Synchronoss Technologies, Inc. (the "Company") for the quarter ended June 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen G. Waldis, the Chairman of the Board of Directors, President & Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being provided pursuant to 18 U.S.C. 1350 and is not to be deemed a part of the Report, nor is it to be deemed to be "filed" for any purpose whatsoever.

Date: August 1, 2014

/s/ Stephen G. Waldis
Stephen G. Waldis
Chairman of the Board of Directors &
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**Exhibit 32.2**

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Synchronoss Technologies, Inc. (the "Company") for the quarter ended June 30, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Karen L. Rosenberger, the Chief Financial Officer & Treasurer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being provided pursuant to 18 U.S.C. 1350 and is not to be deemed a part of the Report, nor is it to be deemed to be "filed" for any purpose whatsoever.

Date: August 1, 2014

/s/ Karen L. Rosenberger
Karen L. Rosenberger
Executive Vice President, Chief Financial Officer &
Treasurer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.