

U.S. SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549

FORM S-8
 REGISTRATION STATEMENT
 UNDER
 THE SECURITIES ACT OF 1933

INTUIT INC.
 (Exact Name of Registrant as Specified in Its Charter)

DELAWARE
 (State of Incorporation)

77-0034661
 (I.R.S. Employer
 Identification No.)

2535 GARCIA AVENUE
 MOUNTAIN VIEW, CALIFORNIA 94043
 (Address of Principal Executive Offices)

OPTIONS GRANTED UNDER THE EMPLOYEE MATTERS, INC.
 1999 STOCK OPTION PLAN AND ASSUMED BY INTUIT INC.
 (Full title of the Plan)

CATHERINE L. VALENTINE, ESQ.
 INTUIT INC.
 2632 MARINE WAY, MS 7-1145
 MOUNTAIN VIEW, CALIFORNIA 94303
 (650) 944-6000
 (Name, Address and Telephone Number of Agent for Service)

Copies to:

KENNETH A. LINHARES, ESQ.
 FENWICK & WEST LLP
 TWO PALO ALTO SQUARE
 PALO ALTO, CALIFORNIA 94306

CALCULATION OF REGISTRATION FEE

<TABLE>
 <CAPTION>

TITLE OF SECURITIES OF TO BE REGISTERED REGISTRATION FEE	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT
<S> Common Stock, \$0.01 par value \$70.11 (3)	<C> 23,195 (1)	<C> \$12.09 (2)	<C> \$280,427.55 (2)	<C>

</TABLE>

- (1) Represents shares subject to issuance on exercise of options assumed by the Registrant on December 20, 2000 in connection with its acquisition of EmployeeMatters, Inc.
- (2) The offering price information is calculated with reference to the weighted average exercise price per share of the options pursuant to Rule 457(h), under the Securities Act of 1933, as amended, solely for the purpose of calculating the registration fee.
- (3) Fee calculated pursuant to Section 6(b) of the Securities Act of 1933, as amended.

PART II: INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

This Registration Statement relates to 23,195 shares of Common Stock, \$0.01 par value per share, of the Registrant subject to issuance on exercise of options assumed by the Registrant in connection with its acquisition of EmployeeMatters, Inc.

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE

The Registrant incorporates into this Registration Statement the following documents filed with the Securities and Exchange Commission (the "Commission"):

- (a) The Registrant's latest annual report filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or the latest prospectus filed by the Registrant pursuant to Rule 424(b) under the Securities Act of 1933, as amended (the "Securities Act"), that contains audited financial statements for the Registrant's latest fiscal year for which such statements have been filed.
- (b) All other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the Registrant's annual report or prospectus referred to in (a) above.
- (c) The description of the Registrant's Common Stock contained in the Registrant's registration statement on Form 8-A filed with the Commission under Section 12 of the Exchange Act, including any amendment or report filed for the purpose of updating such description.

All documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed incorporated by reference herein and to be a part hereof from the date of the filing of such documents.

ITEM 5. NAMED EXPERTS; INTERESTS OF NAMED COUNSEL

The consolidated financial statements and schedule of Registrant appearing in Registrant's Form 10-K for the year ended July 31, 2000, have been audited by Ernst & Young LLP, independent auditors, to the extent indicated in their report thereon that is included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

The statements of income, stockholders' equity, and cash flows of Rock Financial Corporation for the year ended December 31, 1998 have been audited by KPMG LLP, independent auditors, as set forth in their report thereon that is included in the Registrant's Form 10-K for the year ended July 31, 2000. The report of KPMG LLP refers to a change in method of accounting for software developed for internal use. Such financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

The validity of the issuance of the shares of Common Stock offered hereby will be passed upon for the Registrant by Virginia R. Coles, Esq., Assistant General Counsel and Assistant Secretary of the Registrant. Ms. Coles is an employee of the Registrant. As of January 4, 2001, Ms. Coles held 1,856 shares of Intuit's common stock and held options to purchase 36,315 shares of Common Stock (of which 16,105 shares are exercisable within the next 60 days).

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

As permitted by Section 145 of the Delaware General Corporation Law, the Registrant's Certificate of Incorporation includes a provision that eliminates the personal liability of its directors for monetary damages for breach or alleged breach of their duty of care. In addition, as permitted by Section 145 of the Delaware General Corporation Law, the Registrant's Bylaws provide that: (i) the Registrant is required to indemnify its directors and officers and persons serving in such capacities at the Registrant's request in other business enterprises (including, for example, subsidiaries of the Registrant), to the fullest extent permitted by Delaware law, including those circumstances in which indemnification would otherwise be discretionary; (ii) the Registrant may, in its discretion, indemnify employees and agents in those circumstances where indemnification is not required by law; (iii) the Registrant is required to advance expenses, as incurred, to its directors and officers in connection with defending a proceeding (except that it is not required to advance expenses to a person against whom the Registrant brings a claim for breach of the duty of loyalty, for an act or omission not in good faith, intentional misconduct, a knowing violation of law or deriving an improper personal benefit from a

transaction); (iv) the rights conferred in the Bylaws are not exclusive and the Registrant is authorized to enter into indemnification agreements with its directors, officers and employees; and (v) the Registrant may not retroactively amend the Bylaw provisions in a way that is adverse to such directors, officers and employees.

The Registrant's policy is to enter into indemnity agreements with each of its directors and officers that provide the maximum indemnity allowed to directors and officers by Section 145 of the Delaware General Corporation Law and the Bylaws, as well as certain additional procedural protections. In addition, the indemnity agreements provide that directors and officers will be indemnified to the fullest possible extent not prohibited by law against all expenses (including attorney's fees) and settlement amounts paid or incurred by them in any action or proceeding, by reason of their services as directors or officers of the Registrant or as directors or officers of any other company or enterprise when they are serving in such capacities at the request of the Registrant. The Registrant will not be obligated pursuant to the agreements to indemnify or advance expenses to an indemnified party with respect to proceedings or claims initiated by the indemnified party and not by way of defense, except with respect to proceedings specifically authorized by the Board of Directors or brought to enforce a right of indemnification under the indemnity agreements, the Registrant's Bylaws or any statute or law. Under the agreements, the Registrant is not obligated to indemnify the indemnified party: (i) for any expenses incurred by the indemnified party with respect to any proceeding instituted by the indemnified party to enforce or interpret the agreement, if a court of competent jurisdiction determines that each of the material assertions made by the indemnified party in such proceeding was not made in good faith or was frivolous; (ii) for any amounts paid in settlement of a proceeding unless the Registrant consents to such settlement; (iii) with respect to any proceeding or claim brought by the Registrant against the indemnified party for willful misconduct, unless a court determines that each of such claims was not made in good faith or was frivolous; (iv) on account of any suit in which judgment is rendered against the indemnified party for an accounting of profits made from the purchase or sale by the indemnified party of securities of the Registrant pursuant to the provisions of Section 16(b) of the Exchange Act and related laws; (v) on account of the indemnified party's conduct which is finally adjudged to have been knowingly fraudulent or deliberately dishonest, or to constitute willful misconduct or a knowing violation of the law; (vi) on account of any conduct from which the indemnified party derived an improper personal benefit; (vii) on account of conduct the indemnified party believed to be contrary to the best interests of the Registrant or its stockholders; (viii) on account of conduct that constituted a breach of the indemnified party's duty of loyalty to the Registrant or its stockholders; or (ix) if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

The indemnification provision in the Bylaws, and the indemnity agreements entered into between the Registrant and its directors and officers, may be sufficiently broad to permit indemnification of the Registrant's officers and directors for liabilities arising under the Securities Act.

The indemnity agreements require the Registrant to maintain director and officer liability insurance to the extent readily available. The Registrant currently carries a director and officer liability insurance policy.

ITEM 8. EXHIBITS.

<TABLE>	<C>
<S>	<C>
4.01	EmployeeMatters, Inc./eSourceOne, Inc. 1999 Stock Option Plan.
4.02	Form of Nonstatutory Stock Option Agreement for use under the EmployeeMatters, Inc./eSourceOne, Inc. 1999 Stock Option Plan.
4.03(1)	Registrant's Restated Certificate of Incorporation, dated January 19, 2000.
4.04(2)	Second Amended and Restated Rights Agreement, dated October 15, 1999.
4.05(3)	Bylaws of Intuit, as amended and restated effective April 29, 1998.
4.06(4)	Form of Specimen Certificate for Intuit's Common Stock.
4.07(2)	Form of Right Certificate for Series B Junior Participating Preferred Stock.
5.01	Opinion of Counsel.
23.01	Consent of Counsel (included in Exhibit 5.01).

23.02	Consent of Ernst & Young LLP, Independent Auditors.
23.03	Consent of KPMG LLP, Independent Auditors.
24.01	Power of Attorney (see page 8).

</TABLE>

- -----
- (1) Filed as an exhibit to Intuit's Form 10-Q for the quarter ended April 30, 2000, filed with the Commission on June 14, 2000 and incorporated by reference.
 - (2) Filed as an exhibit to Intuit's Registration Statement on Form S-8 (File No. 333-92503) filed with the Commission on December 10, 1999, and incorporated by reference.
 - (3) Filed as an exhibit to Intuit's Form 8-K filed with the Commission on May 5, 1998 and incorporated by reference.
 - (4) Filed as an exhibit to Intuit's Form 10-K for the fiscal year ended July 31, 2000, filed with the Commission on October 13, 2000 and incorporated by reference.

ITEM 9. UNDERTAKINGS

The undersigned Registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:
 - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement; provided, however, that paragraphs (1)(i) and (1)(ii) above do not apply if the Registration Statement is on Form S-3 or Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the Registration Statement.
- (2) That for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered, which remain, unsold at the termination of the offering.

The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Sections 13(a) or 15(d) of the Exchange Act, (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities

/s/ WILLIAM V. CAMPBELL ----- William V. Campbell	Director	January 4, 2001
/s/ SCOTT D. COOK ----- Scott D. Cook	Director	January 4, 2001
----- L. John Doerr	Director	January 4, 2001
/s/ DONNA L. DUBINSKY ----- Donna L. Dubinsky	Director	January 4, 2001
/s/ MICHAEL R. HALLMAN ----- Michael R. Hallman	Director	January 4, 2001
/s/ WILLIAM H. HARRIS, JR. ----- William H. Harris, Jr.	Director	January 4, 2001

</TABLE>

EXHIBIT INDEX

<TABLE>		
<CAPTION>		
Exhibit Number -----	Description -----	Page -----
<S>		
4.01	EmployeeMatters, Inc./eSourceOne, Inc. 1999 Stock Option Plan.	<C>
4.02	Form of Nonstatutory Stock Option Agreement for use under the EmployeeMatters, Inc./eSourceOne, Inc. 1999 Stock Option Plan.	
5.01	Opinion of Counsel.	
23.01	Consent of Counsel (included in Exhibit 5.01).	
23.02	Consent of Ernst & Young LLP, Independent Auditors.	
23.03	Consent of KPMG LLP, Independent Auditors.	
24.01	Power of Attorney (see page 8).	
</TABLE>		

EMPLOYEE MATTERS, INC./ESOURCEONE, INC.
1999 STOCK OPTION PLAN
(EFFECTIVE AS OF OCTOBER 25, 1999)

PURPOSE.

The purpose of the Plan is to offer selected Employees, Non-Employee Directors and Consultants an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, to encourage such persons to remain in the employ of the Company or certain related entities and to attract new employees with outstanding qualifications. The Plan provides for the grant of Options to purchase Shares. Options granted under the Plan may include Nonstatutory Options as well as Incentive Stock Options intended to qualify under section 422 of the Internal Revenue Code, as amended.

SECTION 1. DEFINITIONS.

"AFFILIATE" shall mean any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries own, directly or indirectly, not less than 50% of such entity. An entity that attains the status of Affiliate on a date after adoption of the Plan shall be considered an Affiliate as of such date.

"BOARD" shall mean the Board of Directors of the Company, as constituted from time to time.

"CAUSE" shall mean the Optionee's (i) material violation of any law or regulation applicable to the business of the Company or a Parent, Subsidiary or Affiliate; (ii) conviction for, or guilty plea to, a felony, a crime involving moral turpitude or the perpetration of a common law fraud; (iii) commission of an act of personal dishonesty which involves personal profit in connection with the Company or a Parent, Subsidiary or Affiliate; (iv) material breach of any provision of any agreement or understanding with the Company or a Parent, Subsidiary or Affiliate regarding the performance of Service, including without limitation, a willful and continued failure or refusal to perform material required duties, other than as a result of having a Disability, or material breach of any applicable invention assignment or confidentiality agreement or similar agreement with the Company or a Parent, Subsidiary or Affiliate; (v) disregard of the policies of the Company or a Parent, Subsidiary or Affiliate so as to cause material loss, damage or injury to the property, reputation or employees of the Company or a Parent, Subsidiary or Affiliate; or (vi) other misconduct, of any sort, which is materially injurious to the Company, or a Parent, Subsidiary or Affiliate.

(a) "CHANGE IN CONTROL" shall mean:

The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if more than fifty percent (50%) of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or

2

other reorganization is owned by persons who were not stockholders of the Company immediately prior to such merger, consolidation or other reorganization; or

(i) The sale, transfer or other disposition of all or substantially all of the Company's assets.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(b) "CODE" shall mean the Internal Revenue Code of 1986, as amended.

(c) "COMMITTEE" shall mean a committee consisting of members of the Board that is appointed by the Board to administer the Plan. If no committee has been appointed, the entire Board shall constitute the Committee.

(d) "COMPANY" shall mean eSourceOne, Inc., a Delaware corporation.

(e) "CONSULTANT" shall mean a consultant or advisor who performs bona fide services to the Company, a Parent or a Subsidiary as an independent

contractor.

(f) "DISABILITY" shall mean the Optionee is unable to perform each of the essential duties of such Optionee's occupation by reason of a medically determinable physical or mental impairment which is potentially permanent in character or which can be expected to last for a continuous period of not less than 12 months; provided, however, that, with respect to rules regarding expiration of an ISO following termination of the Optionee's Service, Disability shall mean the Optionee is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

(g) "EMPLOYEE" shall mean any individual who is a common-law employee of the Company, or of a Parent or a Subsidiary.

(h) "EXERCISE PRICE" shall mean the amount for which one Share may be purchased upon exercise of an Option, as specified by the Board in the applicable Stock Option Agreement.

(i) "FAIR MARKET VALUE" shall mean the fair market value of a Share, as determined by the Board in good faith. Such determination shall be conclusive and binding on all persons.

(j) "INCENTIVE STOCK OPTION" OR "ISO" shall mean an employee incentive stock option described in Code section 422(b)."

(k) "NON-EMPLOYEE DIRECTOR" shall mean a member of the Board who is not an Employee.

3

(l) "NONSTATUTORY OPTION" or "NSO" shall mean an employee stock option that is not an ISO.

(m) "OPTION" shall mean an ISO or Nonstatutory Option granted under the Plan and entitling the holder to purchase Shares.

(n) "OPTIONEE" shall mean an individual who holds an Option.

(o) "PARENT" shall mean any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(p) "PLAN" shall mean this 1999 Stock Option Plan.

(q) "SERVICE" shall mean service as an Employee, Non-Employee Director or Consultant, service as an employee or consultant of an Affiliate and service as a non-employee director of a Parent, a Subsidiary or an Affiliate.

(r) "SHARE" shall mean one share of Stock, as adjusted in accordance with Section 8 (if applicable).

(s) "STOCK" shall mean the common stock of the Company.

(t) "STOCK OPTION AGREEMENT" shall mean the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to an Option.

(u) "SUBSIDIARY" shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

(v) "TEN PERCENT STOCKHOLDER" shall mean an individual who owns more than ten percent (10%) of the total combined voting power of all classes of outstanding stock of the Company, its Parent or any of its Subsidiaries. In determining stock ownership, the attribution rules of section 424(d) of the Code shall be applied.

SECTION 2. ADMINISTRATION.

(a) COMMITTEES OF THE BOARD. The Plan may be administered by one or more Committees. Each Committee shall consist of one or more members of the Board who have been appointed by the Board. Each Committee shall have such authority and be responsible for such functions as the Board has assigned to it. If no

shall administer the Plan. Any reference to the Board in the Plan shall be construed as a reference to the Committee (if any) to whom the Board has assigned a particular function.

(b) COMMITTEE COMPOSITION UPON IPO. Effective with the Company's initial public offering, and with respect to grants to persons who are officers or directors of the Company under Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Committee appointed by the Board shall consist of two or more directors of the Company who satisfy the requirements of Rule 16b-3 (or its successor) under the Exchange Act.

(c) AUTHORITY OF THE BOARD. Subject to the provisions of the Plan, the Board shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. All decisions, interpretations and other actions of the Board shall be final and binding on all Optionees and all persons deriving their rights from an Optionee.

SECTION 3. ELIGIBILITY.

Only Employees, Non-Employee Directors and Consultants shall be eligible for the grant of Options. Only Employees of the Company, its Parent or its Subsidiary shall be eligible for the grant of ISOs.

SECTION 4. STOCK SUBJECT TO PLAN.

(a) BASIC LIMITATION. Shares offered under the Plan shall be authorized but unissued Shares, or issued Shares that have been reacquired by the Company. The aggregate number of Shares that may be issued under the Plan upon exercise of Options shall be Five Million (5,000,000) Shares, subject to adjustment pursuant to Section 8. The number of Shares that are subject to Options outstanding at any time under the Plan shall not exceed the number of Shares that then remain available for issuance under the Plan. During the term of the Plan, the Company shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan.

(b) ADDITIONAL SHARES. If any outstanding Option for any reason expires or is canceled or otherwise terminated, the Shares allocable to the unexercised portion of such Option shall again be available for the purposes of the Plan.

SECTION 5. TERMS AND CONDITIONS OF OPTIONS.

(a) STOCK OPTION AGREEMENT. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and that the Board deems appropriate for inclusion in a Stock Option Agreement. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical. The Stock Option Agreement shall also specify whether the Option is an ISO or a Nonstatutory Option.

(b) NUMBER OF SHARES. Each Stock Option Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 8.

(c) EXERCISE PRICE. Each Stock Option Agreement shall specify the Exercise Price. The Exercise Price of an ISO shall not be less than 100% of the Fair Market Value (110% for a Ten Percent Stockholder) of the Shares subject to the ISO on the date of grant. In the case of an NSO, the Stock Option Agreement may specify a fixed Exercise Price or an Exercise Price that varies in accordance with a predetermined formula while the NSO is outstanding. Notwithstanding the preceding provisions, to the extent required by applicable law, the Exercise Price for an NSO shall not be less than 85% of the Fair Market Value (110% for a Ten Percent Stockholder) of the Share subject to the NSO on the date of grant. Subject to the terms of this paragraph, the Exercise Price under any Option shall be determined by the Board in its sole discretion. The Exercise Price shall be payable in a form described in Section 7.

(d) WITHHOLDING TAXES. As a condition to the exercise of an Option, the Optionee shall make such arrangements as the Board may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such exercise. The Optionee shall also make such arrangements as the Board may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with the disposition of Shares acquired by exercising an Option.

(e) EXERCISABILITY. Each Stock Option Agreement shall specify the date when all or any installment of the Option is to become exercisable based on the Optionee's Service or attainment of performance or other criteria. To the extent

required by applicable law, an Option shall become exercisable no less rapidly than the rate of twenty percent (20%) per year for each of the first five (5) years from the date of grant. Subject to the preceding sentence, the vesting of any Option shall be determined by the Board in its sole discretion, and the Board may provide, for example, in any Stock Option Agreement for (i) accelerated exercisability of the Option in the event the Optionee's Service terminates on account of death, Disability or another event, (ii) expiration of the Option prior to its term in the event of the termination of the Optionee's Service, (iii) immediate forfeiture of the Option in the event the Optionee's Service is terminated for Cause or (iv) unvested Options to be exercised subject to the Company's right of repurchase with respect to unvested Shares.

(f) TERM. The Stock Option Agreement shall specify the term of the Option. The term of an ISO shall not exceed ten (10) years from the date of grant (5 years in the case of an ISO granted to a Ten Percent Stockholder). To the extent required by applicable law, the term of an NSO shall not exceed ten (10) years from the date of grant. Subject to the preceding sentences, the Board in its sole discretion shall determine when an Option is to expire.

(g) NONTRANSFERABILITY. No Option shall be transferable by the Optionee other than by will or by the laws of descent and distribution. An Option may be exercised during the lifetime of the Optionee only or by the guardian or legal representative of the Optionee. No Option or interest therein may be transferred, assigned, pledged or hypothecated by the Optionee during his

6

lifetime, whether by operation of law or otherwise, or be made subject to execution, attachment or similar process.

(h) EXERCISE OF OPTIONS ON TERMINATION OF SERVICE. Each Stock Option Agreement shall set forth the extent to that the Optionee shall have the right to exercise the Option following termination of the Optionee's Service. Such provisions shall be determined in the sole discretion of the Board, need not be uniform among all Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination of employment. Notwithstanding the foregoing, to the extent required by applicable law, each Option shall provide that the Optionee shall have the right to exercise the vested portion of any Option held at termination for at least thirty (30) days following termination of service with the Company for any reason (other than for Cause), and that the Optionee shall have the right to exercise the Option for at least six (6) months if the Optionee's service terminates due to death or disability.

(i) EFFECT OF A CHANGE IN CONTROL. Except as provided in the applicable Stock Option Agreement, in the event that a Change in Control occurs with respect to the Company and the applicable agreement of merger or reorganization provides for assumption or continuation of Options pursuant to Section 8(b), no acceleration of vesting shall occur. In the event that a Change in Control occurs with respect to the Company and there is no assumption or continuation of the Options pursuant to Section 8(b), all outstanding Options shall vest and become immediately exercisable.

(j) NO RIGHTS AS A STOCKHOLDER. An Optionee, or a transferee of an Optionee, shall have no rights as a stockholder with respect to any Shares covered by an Option until such person becomes entitled to receive such Shares by filing a notice of exercise and paying the Exercise Price pursuant to the terms of such Option.

(k) MODIFICATION, EXTENSION AND ASSUMPTION OF OPTIONS. Within the limitations of the Plan, the Board may modify, extend or assume outstanding Options or may accept the cancellation of outstanding Options (whether granted by the Company or another issuer) in return for the grant of new Options for the same or a different number of Shares and at the same or a different Exercise Price. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair the Optionee's rights or increase the Optionee's obligations under such Option.

(l) RESTRICTIONS ON TRANSFER OF SHARES. No Shares issued upon exercise of an Option may be sold or otherwise transferred or disposed of by the Optionee during the one hundred eighty (180) day period following the effective date of a registration statement covering securities of the Company filed under the Securities Act of 1933 (unless such restriction is consented to or waived by the managing underwriter). Subject to the preceding sentence, any Shares issued upon exercise of an Option shall be subject to such rights of repurchase, rights of first refusal and other transfer restrictions as the Board may determine. Such restrictions shall be set forth in the applicable Stock Option Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally.

7

SECTION 6. PAYMENT FOR SHARES.

(a) GENERAL RULE. The entire Exercise Price of Shares issued under the Plan shall be payable in cash or cash equivalents acceptable to the Company at the time when such Shares are purchased, except as otherwise provided below.

(b) SURRENDER OF STOCK. To the extent that a Stock Option Agreement so provides, payment may be made all or in part with Shares that have already been owned by the Optionee or the Optionee's representative for six months and that are surrendered to the Company in good form for transfer. Such Shares shall be valued at their Fair Market Value on the date when the new Shares are purchased under the Plan.

(c) PROMISSORY NOTES. To the extent that a Stock Option Agreement so provides, payment may be made all or in part with a full recourse promissory note executed by the Optionee. The interest rate and other terms and conditions of such note shall be determined by the Board. The Board may require that the Optionee pledge his or her Shares to the Company for the purpose of securing the payment of such note. In no event shall the stock certificate(s) representing such Shares be released to the Optionee until such note is paid in full.

(d) CASHLESS EXERCISE. To the extent that a Stock Option Agreement so provides and a public market for the Shares exists, payment may be made all or in part by delivery (on a form acceptable to the Board) of an irrevocable direction to a securities broker to sell Shares and to deliver all or part of the sale proceeds to the Company in payment of the aggregate Exercise Price.

SECTION 7. ADJUSTMENT OF SHARES.

(a) GENERAL. In the event of a subdivision of the outstanding Stock, a declaration of a dividend payable in Shares, a declaration of an extraordinary dividend payable in a form other than Shares in an amount that has a material effect on the value of Shares, a combination or consolidation of the outstanding Stock into a lesser number of Shares, a recapitalization, a reclassification, spin-off or a similar occurrence, the Board shall make such adjustments as it, in its sole discretion, deems appropriate in one or more of (i) the number of Shares available for future grants of Options, (ii) the number of Shares covered by each outstanding Option or (iii) the Exercise Price of each outstanding Option.

(b) MERGERS AND CONSOLIDATIONS. In the event that the Company is a party to a merger or consolidation, outstanding Options or other rights to acquire Shares shall be subject to the agreement of merger or reorganization. Such agreement, may provide, without limitation and without the Optionee's consent, for assumption of outstanding Options by the surviving corporation or its parent, or for their continuation by the Company (if the Company is a surviving corporation).

(c) RESERVATION OF RIGHTS. Except as provided in this Section 8, an Optionee shall have no rights by reason of (i) any subdivision or consolidation of shares of stock of any class, (ii) the payment of any dividend, or (iii) any other increase or decrease in the number of shares of stock

8

of any class. Any issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Option. The grant of an Option pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 8. LEGAL REQUIREMENTS.

(a) RESTRICTIONS ON ISSUANCE. Any other provision of this Plan notwithstanding, the Company's obligation to issue Shares under the Plan shall be subject to all applicable requirements of laws, including (without limitation) the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange on which the Company's securities may then be listed, and such approvals or favorable rulings from any governmental agency that the Company determines is necessary or advisable. The Company reserves the right to restrict, in whole or in part, the delivery of Shares pursuant to any Option prior to satisfaction of all legal requirements relating to issuance of such Shares, to their registration, qualification or listing or exemption from registration, qualification or listing.

(b) FINANCIAL REPORTS. To the extent required by applicable law, not less often than annually, the Company shall furnish to Optionees the Company's summary financial information including a balance sheet regarding the Company's financial condition and results of operations, unless such Optionees have duties

with the Company that assure them access to equivalent information. Such financial statements need not be audited.

SECTION 9. NO EMPLOYMENT RIGHTS.

No provision of the Plan, nor any Option granted under the Plan, shall be construed to give any person any right to become, to be treated as, or to remain an Employee. The Company and its Parent, Subsidiaries and Affiliates reserve the right to terminate any person's Service at any time and for any reason.

SECTION 10. DURATION AND AMENDMENTS.

(a) TERM OF THE PLAN. The Plan, as set forth herein, shall become effective on the date of its adoption by the Board, subject to the approval of the Company's stockholders. In the event that the stockholders fail to approve the Plan within twelve (12) months after its adoption by the Board, any Option grants already made shall be null and void, and no additional Option grants shall be made after such date. The Plan shall terminate automatically ten (10) years after its adoption by the Board and may be terminated on any earlier date pursuant to Subsection (b) below.

(b) RIGHT TO AMEND OR TERMINATE THE PLAN. The Board may amend or terminate the Plan at any time and for any reason. The termination of the Plan, or any amendment thereof, shall

not affect adversely any rights and obligations under any Option granted before such termination or amendment of the Plan, except with consent of the Optionee. No Options shall be granted under the Plan after the Plan's termination. An amendment of the Plan shall be subject to the approval of the Company's stockholders only to the extent required by applicable laws, regulations or rules.

SECTION 11. EXECUTION.

To record the adoption of the Plan by the Board as of October 25, 1999, and the subsequent amendment of the definition of Consultant by the Board as of November __, 1999, the Company has caused its authorized officer to execute the same.

eSourceOne, Inc.

By _____
Title _____

TABLE OF CONTENTS

<TABLE>
<CAPTION>

	PAGE

	<C>
SECTION 1. PURPOSE.....	1
SECTION 2. DEFINITIONS.....	1
(a) Affiliate.....	1
(b) Board.....	1
(c) Cause.....	1
(d) Change in Control.....	1
(e) Code.....	2
(f) Committee.....	2
(g) Company.....	2
(h) Consultant.....	2
(i) Disability.....	2

(j) Employee.....	2
(k) Exercise Price.....	2
(l) Fair Market Value.....	2
(m) Incentive Stock Option or ISO.....	2
(n) Non-Employee Director.....	2
(o) Nonstatutory Option or NSO.....	2
(p) Option.....	3
(q) Optionee.....	3
(r) Parent.....	3
(s) Plan.....	3
(t) Service.....	3
(u) Share.....	3
(v) Stock.....	3
(w) Stock Option Agreement.....	3
(x) Subsidiary.....	3
(y) Ten Percent Stockholder.....	3
SECTION 3. ADMINISTRATION.....	3
(a) Committees of the Board.....	3
(b) Committee Composition Upon IPO.....	4

</TABLE>

-i-
TABLE OF CONTENTS
(CONTINUED)

<TABLE>	
<S>	<C>
(c) Authority of the Board.....	4
SECTION 4. ELIGIBILITY.....	4
SECTION 5. STOCK SUBJECT TO PLAN.....	4
(a) Basic Limitation.....	4
(b) Additional Shares.....	4
SECTION 6. TERMS AND CONDITIONS OF OPTIONS.....	4
(a) Stock Option Agreement.....	4
(b) Number of Shares.....	4
(c) Exercise Price.....	4
(d) Withholding Taxes.....	5
(e) Exercisability.....	5
(f) Term.....	5
(g) Nontransferability.....	5
(h) Exercise of Options on Termination of Service.....	5
(i) Effect of a Change in Control.....	6
(j) No Rights as a Stockholder.....	6
(k) Modification, Extension and Assumption of Options.....	6
(l) Restrictions on Transfer of Shares.....	6

SECTION 7. PAYMENT FOR SHARES.....	6
(a) General Rule.....	6
(b) Surrender of Stock.....	6
(c) Promissory Notes.....	7
(d) Cashless Exercise.....	7
SECTION 8. ADJUSTMENT OF SHARES.....	7
(a) General.....	7
(b) Mergers and Consolidations.....	7
(c) Reservation of Rights.....	7

</TABLE>

-ii-
TABLE OF CONTENTS
(CONTINUED)

<TABLE>	
<S>	<C>
SECTION 9. LEGAL REQUIREMENTS.....	8
(a) Restrictions on Issuance.....	8
(b) Financial Reports.....	8
SECTION 10. NO EMPLOYMENT RIGHTS.....	8
SECTION 11. DURATION AND AMENDMENTS.....	8
(a) Term of the Plan.....	8
(b) Right to Amend or Terminate the Plan.....	8
SECTION 12. EXECUTION.....	9

</TABLE>

EMPLOYEEMATTERS/ESOURCEONE, INC.
1999 STOCK OPTION PLAN

NONSTATUTORY STOCK OPTION AGREEMENT

EmployeeMatters, Inc. (formerly known as eSourceOne, Inc.), a Delaware corporation (the "Company"), hereby grants an option to purchase shares of its common stock (the "Shares") to the optionee named below. The terms and conditions of the option are set forth in this cover sheet, in the attachment and in the Company's 1999 Stock Option Plan (the "Plan").

Date of Option Grant: _____

Name of Optionee: <<Name>>

Optionee's Social Security Number: <<SSN>>

Number of Shares Covered by Option: <<Shares>>

Exercise Price per Share: \$0.10

Vesting Start Date: <<Vesting_Start_Date>>

BY SIGNING THIS COVER SHEET, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED IN THE ATTACHED AGREEMENT AND IN THE PLAN, A COPY OF WHICH IS ALSO ATTACHED.

Optionee:

(Signature)

Company:

(Signature)

Title:

Attachment

EMPLOYEEMATTERS/ESOURCEONE, INC.
1999 STOCK OPTION PLAN

NONSTATUTORY STOCK OPTION AGREEMENT

NONSTATUTORY STOCK OPTION This option is not intended to be an incentive stock option under section 422 of the Internal Revenue Code and will be interpreted accordingly.

VESTING This option is only exercisable before it expires and then only with respect to the vested portion of the option.

Your right to purchase Shares under this option vests as to one-fourth (1/4) of the total number of Shares covered by this option, as shown on the cover sheet, on the one-year anniversary of the Vesting Start Date, provided you then continue in Service. Thereafter, the number of Shares which you may purchase under this option shall vest at the rate of one-fourth (1/4) of the total number of Shares covered by this option on each of the three succeeding anniversaries of the Vesting Start Date, and provided that you then remain in Service. The resulting aggregate number of vested Shares will be rounded to the nearest whole number, and you cannot vest in more than the number of Shares covered by this option.

In the event of a Change in Control of the Company prior to expiration of this option and at a time when you are an Employee of the Company, any unvested Shares covered by this option shall become fully and immediately vested on your CiC Involuntary Termination Date. You will experience a "CiC Involuntary Termination Date" if your Service is

terminated by the Company or its successor (other than for Cause) within one year of the date of consummation of a Change in Control of the Company. No additional Shares will vest after your Service has terminated for any reason.

TERM Your option will expire in any event at the close of business at Company headquarters on the day before the 10th anniversary of the Date of Option Grant, as shown on the cover sheet. Your option will expire earlier if your Service terminates, as described below.

REGULAR TERMINATION If your Service terminates for any reason, other than death, Disability or Cause, then your option will expire at the close of business at Company headquarters on the 90th day after your termination date.

TERMINATION FOR CAUSE If your Service is terminated for Cause, then you shall immediately forfeit all rights to your option and the option shall immediately expire.

-iii-

DEATH If your Service terminates because of your death, then your option will expire at the close of business at Company headquarters on the date twelve (12) months after the date of death. During that twelve month period, your estate or heirs may exercise the vested portion of your option.

In addition, if you die during the 90-day period described in connection with a regular termination (i.e., a termination of your Service not on account of your death, Disability or Cause), and a vested portion of your option has not yet been exercised, then your option will instead expire on the date twelve (12) months after your termination date. In such a case, during the period following your death up to the date twelve (12) months after your termination date, your estate or heirs may exercise the vested portion of your option.

DISABILITY If your Service terminates because of your Disability, then your option will expire at the close of business at Company headquarters on the date twelve (12) months after your termination date.

LEAVES OF ABSENCE For purposes of this option, your Service does not terminate when you go on a bona fide employee leave of absence that was approved by the Company in writing, if the terms of the leave provide for continued Service crediting, or when continued Service crediting is required by applicable law. However, your Service will be treated as terminating 90 days after you went on employee leave, unless your right to return to active work is guaranteed by law or by a contract. Your Service terminates in any event when the approved leave ends unless you immediately return to active employee work.

The Company determines which leaves count for this purpose, and when your Service terminates for all purpose under the Plan.

NOTICE OF EXERCISE When you wish to exercise this option, you must notify the Company by filing the proper "Notice of Exercise" form at the address given on the form. Your notice must specify how many Shares you wish to purchase. Your notice must also specify how your Shares should be registered (in your name only or in your and your spouse's names as community property or as joint tenants with right of survivorship). The notice will be effective when it is received by the Company.

If someone else wants to exercise this option after your death, that person must prove to the Company's satisfaction that he or she is entitled to do so.

FORM OF PAYMENT When you submit your notice of exercise, you must include payment of the option price for the Shares you are purchasing. Payment may be made in one (or a combination) of the following forms:

- Cash, your personal check, a cashier's check or a money order.

- Shares which have already been owned by you for more than six months and which are surrendered to the Company. The value of the Shares, determined as of the effective date of the option exercise, will be applied to the option price.
- To the extent a public market for the Shares exists as determined by the Company, by delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker to sell Shares and

-iv-

to deliver all or part of the sale proceeds to the Company in payment of the aggregate exercise price.

WITHHOLDING TAXES

You will not be allowed to exercise this option unless you make acceptable arrangements to pay any withholding or other taxes that may be due as a result of the option exercise or sale of Shares acquired under this option.

RESTRICTIONS ON EXERCISE AND SALE

By signing this Agreement, you agree not to exercise this option or sell any Shares acquired under this option at a time when applicable laws, regulations or Company or underwriter trading policies prohibit exercise or sale. In particular, the Company may impose the following two types of "Suspension Periods."

- The Company shall have the right to designate one or more periods of time, each of which shall not exceed 180 days in length, during which this option shall not be exercisable if the Company determines (in its sole discretion) that such limitation on exercise could in any way facilitate a lessening of any restriction on transfer pursuant to the Securities Act of 1933 (the "Securities Act") or any state securities laws with respect to any issuance of securities by the Company, facilitate the registration or qualification of any securities by the Company under the Securities Act or any state securities laws, or facilitate the perfection of any exemption from the registration or qualification requirements of the Securities Act or any applicable state securities laws for the issuance or transfer of any securities. Such limitation on exercise shall not alter the vesting schedule set forth in this Agreement other than to limit the periods during which this option shall be exercisable; and
- In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, you shall not sell, make any short sale of, loan, hypothecate, pledge, grant any option for the purchase of, or otherwise dispose or transfer for value or agree to engage in any of the foregoing transactions with respect to any Shares without the prior written consent of the Company or its underwriters, for such period of time after the effective date of such registration statement as may be requested by the Company or the underwriters (not to exceed 180 days in length).

If the sale of Shares under the Plan is not registered under the Securities Act, but an exemption is available which requires an investment or other representation, you shall represent and agree at the time of exercise that the Shares being acquired upon exercise of this option are being acquired for investment, and not with a view to the sale or distribution thereof, and shall make such other representations as are deemed necessary or appropriate by the Company and its counsel.

-v-

THE COMPANY'S RIGHT OF FIRST REFUSAL

In the event that you propose to sell, pledge or otherwise transfer to a third party any Shares acquired under this Agreement, or any interest in such Shares, the Company shall have the "Right of First Refusal" with respect to all (and not less than all) of such Shares. If you desire to transfer Shares acquired under this Agreement, you must

give a written "Transfer Notice" to the Company describing fully the proposed transfer, including the number of Shares proposed to be transferred, the proposed transfer price and the name and address of the proposed transferee.

The Transfer Notice shall be signed both by you and by the proposed new transferee and must constitute a binding commitment of both parties to the transfer of the Shares. The Company shall have the right to purchase all, and not less than all, of the Shares on the terms of the proposal described in the Transfer Notice (subject, however, to any change in such terms permitted in the next paragraph) by delivery of a notice of exercise of the Right of First Refusal within thirty (30) days after the date when the Transfer Notice was received by the Company. The Company's rights under this subsection shall be freely assignable, in whole or in part.

If the Company fails to exercise its Right of First Refusal within thirty (30) days after the date when it received the Transfer Notice, you may, not later than ninety (90) days following receipt of the Transfer Notice by the Company, conclude a transfer of the Shares subject to the Transfer Notice on the terms and conditions described in the Transfer Notice. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by you, shall again be subject to the Right of First Refusal and shall require compliance with the procedure described in the paragraph above. If the Company exercises its Right of First Refusal, the parties shall consummate the sale of the Shares on the terms set forth in the Transfer Notice within 60 days after the date when the Company received the Transfer Notice (or within such longer period as may have been specified in the Transfer Notice); provided, however, that in the event the Transfer Notice provided that payment for the Shares was to be made in a form other than lawful money paid at the time of transfer, the Company shall have the option of paying for the Shares with lawful money equal to the present value of the consideration described in the Transfer Notice.

The Company's Right of First Refusal shall inure to the benefit of its successors and assigns and shall be binding upon any transferee of the Shares.

The Company's Right of First Refusal shall terminate in the event that Stock is listed on an established stock exchange or is quoted regularly on the NASDAQ National Market.

TRANSFER OF OPTION

Prior to your death, only you may exercise this option. You cannot transfer or assign this option. For instance, you may not sell this option or use it as security for a loan. If you attempt to do any of these things, this option will immediately become invalid. You may, however, dispose of this option in your will or it may be transferred upon your death by the laws of descent and distribution.

-vi-

Regardless of any marital property settlement agreement, the Company is not obligated to honor a notice of exercise from your spouse, nor is the Company obligated to recognize your spouse's interest in your option in any other way.

RETENTION RIGHTS

Your option or this Agreement do not give you the right to be retained by the Company (or any Parent, Subsidiaries or Affiliates) in any capacity. The Company (and any Parent, Subsidiaries or Affiliates) reserve the right to terminate your Service at any time and for any reason.

SHAREHOLDER RIGHTS

You, or your estate or heirs, have no rights as a shareholder of the Company until a certificate for your option's Shares has been issued. No adjustments are made for dividends or other rights if the applicable record date occurs before your stock certificate is issued, except as described in the Plan.

ADJUSTMENTS

In the event of a stock split, a stock dividend or a similar change in the Company stock, the number of Shares covered by this option and the exercise price per Share may

be adjusted (and rounded down to the nearest whole number) pursuant to the Plan. Your option shall be subject to the terms of the agreement of merger, liquidation or reorganization in the event the Company is subject to such corporate activity.

LEGENDS

All certificates representing the Shares issued upon exercise of this option shall, where applicable, have endorsed thereon the following legends:

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OPTIONS TO PURCHASE SUCH SHARES SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER, OR HIS OR HER PREDECESSOR IN INTEREST. A COPY OF SUCH AGREEMENT IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY AND WILL BE FURNISHED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY BY THE HOLDER OF RECORD OF THE SHARES REPRESENTED BY THIS CERTIFICATE."

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED."

APPLICABLE LAW

This Agreement will be interpreted and enforced under the laws of the State of New York, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

THE PLAN AND

The text of the Plan is incorporated in this Agreement by reference.

-vii-

OTHER AGREEMENTS

CERTAIN CAPITALIZED TERMS USED IN THIS AGREEMENT ARE DEFINED IN THE PLAN, AND HAVE THE MEANING SET FORTH IN THE PLAN. This Agreement and the Plan constitute the entire understanding between you and the Company regarding this option. Any prior agreements, commitments or negotiations concerning this option are superseded.

BY SIGNING THE COVER SHEET OF THIS AGREEMENT, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

-viii-

January 5, 2001

Securities and Exchange Commission
450 Fifth Street NW
Washington, D.C. 20549

Subject: Intuit Inc.

Ladies and Gentlemen:

This opinion is provided in connection with a Form S-8 Registration Statement (the "Registration Statement") being filed by Intuit Inc. (the "Company") on or about January 5, 2001. The Registration Statement relates to the registration of 23,195 of the Company's Common Stock, par value \$0.01 per share (the "Shares"). The Shares are subject to issuance on exercise of options assumed by the Registrant in connection with its acquisition of EmployeeMatters, Inc. on December 20, 2000 (the "Intuit Options").

For purposes of this opinion, I have examined copies of (i) the Registration Statement, (ii) the Certificate of Incorporation of the Company, as amended to date, (iii) the Bylaws of the Company, as amended to date, (iv) EmployeeMatters, Inc./eSourceOne, Inc. 1999 Stock Option Plan, and (v) the Agreement and Plan of Merger By and Among Intuit Inc., Echo Acquisition Corp., EmployeeMatters, Inc., Frontline Capital Group, Inc. and certain stockholders named therein pursuant to which outstanding EmployeeMatters, Inc. options were assumed by the Company and converted into the Intuit Options. In rendering the opinion expressed herein, I have assumed the genuineness of all signatures, the authenticity of all documents, instruments and certificates purporting to be originals, the conformity with the original documents, instruments and certificates of all documents, instruments and certificates purporting to be copies, and the legal capacity to sign of all individuals executing documents, instruments and certificates. I have also assumed that all Shares will be issued pursuant to the Intuit Options for a purchase price of not less than \$0.01 per share.

Based upon and subject to the foregoing and to the effectiveness of the Registration Statement, I am of the opinion that the Shares that may be issued by the Company pursuant to the Intuit Options, when issued and paid for in accordance with the Intuit Options, will be legally issued, fully paid and non-assessable.

I hereby consent to the filing of this opinion as an exhibit to the Registration Statement. In giving this consent, I do not admit thereby that I come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission.

Very truly yours,

/s/ VIRGINIA R. COLES

Virginia R. Coles
Assistant General Counsel and Assistant Secretary
Intuit Inc.

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Named Experts; Interests of Named Counsel" in the Registration Statement (Form S-8) pertaining to the Options Granted under the EmploymentMatters.com, Inc. 1999 Stock Option Plan and Assumed by Intuit Inc. and to the incorporation by reference therein of our report dated August 22, 2000 with respect to the consolidated financial statements and schedule of Intuit Inc. included in its Annual Report (Form 10-K) for the year ended July 31, 2000, filed with the Securities and Exchange Commission.

/s/ ERNST & YOUNG LLP

Palo Alto, California
January 5, 2001

CONSENT OF KPMG LLP, INDEPENDENT AUDITORS

The Board of Directors
Intuit Inc.:

We consent to the incorporation by reference in the Registration Statement on Form S-8 for registration of 23,195 common shares of Intuit Inc. under the Options Granted Under the Employee Matters, Inc. 1999 Stock Option Plan and Assumed by Intuit Inc. of our report dated January 28, 1999, relating to the statements of income, stockholders' equity, and cash flows of Rock Financial Corporation for the year ended December 31, 1998, which includes an explanatory paragraph relating to the change in method of accounting for software developed for internal use, which report appears in the July 31, 2000, Annual Report on Form 10-K of Intuit Inc., and to the reference to our firm under the heading "Named Experts" in the Registration Statement.

/s/ KPMG LLP

Detroit, Michigan
January 4, 2001