

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
April 23, 2001

FAIR, ISAAC AND COMPANY, INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware

94-1499887

(State or Other Jurisdiction
of Incorporation)

(I.R.S. Employer
Identification Number)

0-16439

(Commission
File Number)

200 Smith Ranch Road, San Rafael, California

94903

(Address of principal executive offices)

(Zip Code)

(415) 472-2211

(Registrant's telephone number,
including area code)

Item 6. Resignations of Registrant's Directors.

On April 23, 2001, the Registrant received a letter from Robert D. Sanderson, one of the Registrant's directors, a copy of which is attached hereto as Exhibit 17.1. In his letter, Dr. Sanderson resigned as a director of Registrant effective April 23, 2001 and stated his disagreement with a proposal that Registrant's Board of Directors grant Thomas G. Grudnowski, Registrant's Chief Executive Officer, the option to purchase 50,000 shares of Registrant's common stock outside of Registrant's 1992 Long-term Incentive Plan. The proposed options were in addition to 50,000 options granted to Mr. Grudnowski under the Registrant's 1992 Long-term Incentive Plan. The proposed options would vest over a 4-year period and be exercisable at the fair market value of the common stock on the date of grant.

The proposed option grant was approved on May 1, 2001 by each of Registrant's remaining directors, with Mr. Grudnowski abstaining, after the proposed grant was unanimously recommended by Registrant's Compensation Committee. The Compensation Committee based its recommendation on, among other factors, a review of Mr. Grudnowski's performance over the past year and the compensation of other similarly situated chief executive officers.

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

17.1 Letter from Robert D. Sanderson dated April 23, 2001

SIGNATURE

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 hereunto duly authorized.

Dated: June 1, 2001

Fair, Isaac and Company, Incorporated

By /s/ Henk J. Evenhuis

 Henk J. Evenhuis
 Vice President, Chief Financial Officer and Secretary

EXHIBIT INDEX

Exhibit No.	Description
----- 17.1	----- Letter from Robert D. Sanderson dated April 23, 2001

Exhibit 17.1

Robert D. Sanderson
11 Deer Park Avenue
San Rafael, CA 94901

April 23, 2001

Dr. Robert M. Oliver, Chairman
Fair, Isaac & Co., Inc.
200 Smith Ranch Road
San Rafael, CA 94903

Dear Dr. Oliver:

I hereby resign as a Director of Fair, Isaac effective immediately.

I am resigning because I disagree with the rest of the Board's willingness to grant 100,000 stock options to Tom Grudnowski in fiscal 2001. This was an incorrect decision for two principal reasons.

First, the Company's 1992 Long-Term Incentive Plan limits the number of options which may be granted to any one employee to 50,000 a year. While it may be legal to grant Mr. Grudnowski 100,000 options, doing so would violate the spirit of the agreement among the Company, the Board and the shareholders embodied in the plan.

Second, Mr. Grudnowski doesn't deserve the grant. He was hired to get the Company growing again and to develop Internet-based new business. During his tenure as CEO revenue growth has been below the Company's long-term record, and revenues from new business have been miniscule. He has not earned the reward of an extraordinary option grant.

It is my hope that the Board will conclude, as I have, that the Company will not achieve long-term success with Mr. Grudnowski in charge and that the best way to increase shareholder value is to sell the Company.

Sincerely,

Robert D. Sanderson