

ADVANCED MICRO DEVICES INC
Form DEFA14A
April 26, 2013

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

ADVANCED MICRO DEVICES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Reference is made to the definitive proxy statement on Schedule 14A filed by Advanced Micro Devices, Inc. (the Company) with the U.S. Securities and Exchange Commission (SEC) on March 25, 2013 (the Original Filing) and made available to the Company's stockholders in connection with the solicitation of proxies by the Company's Board of Directors for the 2013 Annual Meeting of Stockholders (the Annual Meeting) and any adjournment and postponement of such meeting.

Proposal 3 in the Original Filing requested stockholder approval for the amendment and restatement of the Company's 2004 Equity Incentive Plan (the 2004 Plan), to make certain changes to the 2004 Plan, including, among other things, an increase in the number of shares of common stock reserved for issuance under said plan by 19,500,000.

The Company revises Proposal 3 to reduce the size of the requested increase in the number of shares reserved for issuance under the 2004 Plan from 19,500,000 to 16,500,000.

All references to 19,500,000 shares in the Original Filing are hereby replaced with 16,500,000 shares .

This filing does not modify or update any other proposals or information presented in the Original Filing. A copy of the Original Filing and Annual Report on Form 10-K for the fiscal year ended December 29, 2012 is available online at www.sec.gov.

A copy of the full text of the amended Proposal 3 marked to show changes from the text in the Original Filing is attached hereto as Annex 1.

If a stockholder returns his or her proxy or votes via the Internet or by telephone at any time (either before or after the date of this filing) indicating **FOR** Proposal 3, such vote will constitute a vote in favor of Proposal 3, as modified hereby. If any stockholder has already returned his or her properly executed proxy card or voted via the Internet or by telephone and would like to change his or her vote on any matter, such stockholder may revoke his or her proxy before it is voted at the Annual Meeting by (1) delivering a written notice of revocation to our Assistant Corporate Secretary at One AMD Place, Sunnyvale, California 94088, (2) submitting a new proxy card with a later date via the Internet, by telephone or by mail or (3) by attending the Annual Meeting and voting in person. However, the stockholder's attendance in person at the Annual Meeting will not automatically revoke his or her proxy unless he or she votes again at the Annual Meeting or specifically request in writing that his or her prior proxy be revoked. If any stockholder would like to request a new proxy, he or she should contact our Assistant Corporate Secretary at One AMD Place, Sunnyvale, California 94088.

Supplemental Disclosure In Proposal 3 of the Original Filing

As of March 7, 2013, the number of shares subject to outstanding equity compensation awards under all Company equity compensation plans and shares available for future grants under all Company equity compensation plans are as follows:

37,023,228 options to purchase shares are outstanding, with a weighted average exercise price of \$5.40 and a weighted average remaining term of 4.44 years.

26,045,813 restricted stock units are outstanding.

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15,186,464 shares were left available for issuance under the 2004 Plan, which is the sole equity compensation plan under which the Company grants equity awards.

The updated information provided above is consistent with the information described in the Original Filing, as updated to reflect the shares outstanding and shares available for future grants under our equity compensation plans as of March 7, 2013. The complete text of the 2004 Plan, as amended and restated, is attached as Exhibit A.

The Board of Directors unanimously recommends that stockholders vote FOR all of the nominees for director in Proposal 1, and FOR Proposals 2, 3 and 4.

It is important that your shares be represented and voted at the meeting whether or not you plan to attend. Therefore, we urge you to vote your shares as soon as possible.

Annex 1

ITEM 3 APPROVAL OF THE AMENDMENT AND RESTATEMENT OF THE 2004 EQUITY INCENTIVE PLAN

We are asking our stockholders to approve the amendment and restatement of our 2004 Plan to:

Increase the number of authorized shares that can be awarded to our employees, consultants and advisors under the 2004 Plan by ~~19,500,000~~16,500,000 shares;

Amend the definition of performance goals that may be used in connection with performance-based awards granted under the 2004 Plan as described in the section titled Eligibility to Receive Awards; Performance Criteria, below; and

Implement certain administrative amendments.

Our Named Executive Officers who are current employees of AMD and members of our Board will be eligible to receive Awards under the 2004 Plan and therefore have an interest in this proposal. In the event that the amendment and restatement of our 2004 Plan is not approved by our stockholders, the 2004 Plan will continue to be in full force in accordance with its terms.

We are also asking our stockholders to approve the amendment and restatement of our 2004 Plan to satisfy the stockholder approval requirements of Section 162(m) of the Code and to approve the material terms of the performance goals for awards that may be granted under the 2004 Plan as required for grants of awards intended to comply with the performance-based compensation exemption under Section 162(m) of the Code. In general, Section 162(m) of the Code, which is discussed in more detail below, denies a tax deduction to public companies for compensation paid to certain covered employees within a taxable year to the extent such compensation exceeds \$1,000,000. However, compensation that qualifies as performance-based under Section 162(m) of the Code does not count against this \$1,000,000 limit. In order for awards under the 2004 Plan to be treated as performance-based compensation under Section 162(m) of the Code, the material terms of the plan under which such awards may be granted must be disclosed to and approved by the stockholders. For purposes of Section 162(m) of the Code, the material terms include (a) the employees eligible to receive compensation, (b) a description of the business criteria on which the performance goals may be based and (c) the maximum amount of compensation that can be paid to an employee under the performance goals. Each of these aspects of the 2004 Plan is discussed below, and stockholder approval of the proposal in this Item 3 will constitute approval of the material terms of the Plan and the performance goals for purposes of Section 162(m) of the Code.

Stockholder approval of the amendment and restatement is only one of several requirements under Section 162(m) that must be satisfied for amounts realized under the 2004 Plan to qualify for the performance-based compensation exemption under Section 162(m), and submission of the material terms of the 2004 Plan's performance goals for stockholder approval should not be viewed as a guarantee that we will be able to deduct all compensation under the 2004 Plan. Nothing in this proposal or any prior proposals relating to the 2004 Plan precludes us or the Compensation Committee from making any payment or granting awards that do not qualify for tax deductibility under Section 162(m) of the Code or any other provision of the Code.

If stockholders do not approve the proposal in this Item 3, the 2004 Plan, which was previously approved by our stockholders, will continue in full force and effect without the amended performance goals definition described above. We may continue to grant performance-vesting and other equity awards under the 2004 Plan but will only provide for awards under the 2004 Plan that vest or pay out based upon the existing definition of performance goals, which consists of achievement relating to annual revenue, cash position, earnings per share, operating cash flow, market share, new product releases, net income, operating income, return on assets, return on equity, return on investment, other financial

measures or any other performance related goal that the 2004 Plan administrator deems appropriate.

Introduction and Background for Current Request to Increase the Share Reserve

Awards of shares of our common stock are a major part of long-term incentive program for our employees, consultants and members of our Board. As noted in the Compensation Discussion and Analysis, we have long

recognized that having an ownership interest in AMD is critical to aligning the financial interests of our employees with the interests of our stockholders. In order to ensure that shares continue to be available for future grants, in 2013, the Board of Directors amended our 2004 Plan, subject to stockholder approval, to increase the number of shares that may be granted under the 2004 Plan.

The Board of Directors believes it is important to obtain an additional ~~49,500,000~~ 16,500,000 shares for grant under the 2004 Plan. In this proxy statement, we refer to any grant from the 2004 Plan as an Award.

As of March 7, 2013, stock options covering ~~31,701,888~~ 37,023,228 shares of our common stock with a weighted average exercise price of \$~~5.845~~ 4.0 and a weighted average remaining term of ~~4.074~~ 4.44 years were outstanding under ~~the 2004 Plan~~ all our equity compensation plans. As of March 7, 2013, unvested RSUs covering 26,045,813 shares of our common stock were outstanding under ~~the 2004 Plan~~ all our equity compensation plans. These numbers include performance-based options and performance-based RSUs assuming achievement of the market-based component.

In addition, as of March 7, 2013, 15,186,464 shares were available for grant under the 2004 Plan, which is the sole equity compensation plan under which we grant equity compensation awards. We do not believe that this amount is sufficient to meet AMD's anticipated grants of Awards through the date of our 2014 annual meeting of stockholders. As of March 7, 2013, approximately 8,100 or 74% of our employees, officers, consultants and directors were eligible to participate in the 2004 Plan, of which 6 were executive officers, 11 were non-employee directors and none were consultants. If stockholders do not approve the amendment and restatement of the 2004 Plan, the 2004 Plan will remain in effect; however, the shares available for equity-based compensation may be quickly depleted, and we may lose our ability to use equity as a compensation tool. The Board anticipates that the additional shares requested will enable AMD to fund its current equity compensation program for at least the next year, accommodating anticipated grants related to the hiring, retention and promotion of employees.

In its determination to recommend that the Board approve the amendment and restatement of the 2004 Plan, the Compensation Committee reviewed the burn rate, dilution and overhang metrics disclosed in the section titled "Key Equity Metrics," below.

YOU ARE URGED TO READ THIS ENTIRE PROPOSAL, WHICH EXPLAINS OUR REASONS FOR SUPPORTING THE 2004 PLAN AMENDMENT AND RESTATEMENT.

The Importance of Equity Compensation

The Board believes that long-term equity awards in the form of stock options and RSUs are an extremely important way to attract and retain key employees, including a talented executive team, and align the employees' and executives' interests with AMD's stockholders. The Board also believes that long-term equity compensation is essential to link executive compensation with long-term stockholder value creation. Equity compensation represents a significant portion of the compensation package for our key employees. Since our equity awards generally vest over several years, the value ultimately realized from these awards depends on the long-term value of our common stock. In addition, in 2012, our Compensation Committee revised the 2012 equity award mix to include PRSUs for our senior officers. The introduction of PRSUs is intended to reinforce our objective that senior officers direct their efforts towards the creation of stockholder value because the vesting of the PRSUs awarded is contingent on a significant increase in our share price over a multi-year performance period. We strongly believe that granting equity awards motivates employees to think and act like owners, rewarding them when value is created for stockholders.

Key Equity Metrics

Approval of the amendment and restatement of the 2004 Plan will enable us to compete effectively in the competitive market for employee talent over the coming years, while maintaining reasonable burn rates and overhang.

The following table shows key equity metrics under the 2004 Plan:

<u>Key Equity Metrics</u>	<u>2012</u>	<u>3-Year Average (2010-2012)</u>
Shares subject to awards granted ⁽¹⁾	27.44 million	22.1 million
Gross burn rate ⁽²⁾	3.85%	3.16%
Net burn rate ⁽³⁾	2.12%	1.75%
Dilution at Fiscal Year End ⁽⁴⁾	11.11%	11.12%
Overhang at Fiscal Year End ⁽⁵⁾	8.86%	8.69%

- (1) Reflects total number of shares subject to equity awards granted during the fiscal year and excludes any cancelled or forfeited equity awards.
- (2) Gross burn rate is calculated by dividing the total number of shares subject to equity awards granted during the fiscal year by the total weighted-average number of shares outstanding during the period, and excludes any cancelled or forfeited equity awards.
- (3) Net burn rate is calculated by dividing the total number of shares subject to equity awards granted during the fiscal year by the total weighted-average number of shares outstanding during the period, and takes into account any cancelled or forfeited equity awards.
- (4) Dilution is calculated by dividing the sum of (x) the number of shares subject to equity awards outstanding at the end of the fiscal year and (y) the number of shares available for future grants, by the number of shares outstanding at the end of the fiscal year.
- (5) Overhang is calculated by dividing the number of shares subject to equity awards outstanding at the end of the fiscal year by the number of shares outstanding at the end of the fiscal year.

We believe strongly that the approval of the amendment and restatement of the 2004 Plan is essential to our continued success. Our employees are our most valuable asset. Awards such as those provided under the 2004 Plan are vital to our ability to attract and retain outstanding and highly skilled individuals in the extremely competitive labor markets in which we must compete. Such Awards also are crucial to our ability to motivate employees to achieve AMD's goals.

Summary of the 2004 Plan

The following paragraphs provide a brief summary of the principal features of the 2004 Plan and its operation. Because the following is a summary, it may not contain all of the information that is important to you. A copy of the 2004 Plan as amended and restated is attached as Exhibit A to this proxy statement. The description that follows is qualified in its entirety by reference to the full text of the 2004 Plan as set forth in Exhibit A. The closing price of AMD's common stock on March 7, 2013 was \$2.55.

Background and Purpose of the Plan

The 2004 Plan permits the grant of the following types of Awards: (1) nonstatutory stock options that are not intended to qualify for favorable tax treatment under Section 422 of the Code, incentive stock options that are intended to qualify for favorable tax treatment under Section 422 of the Code and stock appreciation rights granted at the fair market value of our common stock on the date of grant (Fair Market Value Awards), and (2) restricted stock awards and RSU (Full Value Awards). This amendment and restatement will increase the total number of shares remaining available for grant under the 2004 Plan to ~~34,686,464~~ 31,686,464 (based on 15,186,464 shares remaining available for grant as of March 7, 2013). If an Award or an award currently outstanding under any of the following prior equity compensation plans: 1995 Stock Plan of NexGen, Inc., 1996 Stock Incentive Plan, 1998 Stock Incentive Plan and 2000 Stock Incentive Plan (the Prior Plans) expires or is cancelled without having been fully exercised or vested, the unvested or cancelled shares generally will be returned to the available pool of shares reserved for issuance under the 2004 Plan. As of March 7, 2013, there were 748,146 awards outstanding under the Prior Plans.

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The 2004 Plan is intended to attract, motivate, and retain employees, consultants, and non-employee directors who provide significant services to us. The 2004 Plan also is intended to further our growth and profitability.

Administration of the Plan

Our Board of Directors or a delegate or committee appointed by our Board of Directors (the Committee) administers the 2004 Plan. Awards will also be made pursuant to the Outside Director Equity Compensation Policy.

Subject to the terms of the 2004 Plan, the Committee has the sole discretion to select the employees and consultants who will receive Awards, determine the terms and conditions of Awards (for example, the exercise price and vesting schedule), and interpret the provisions of the 2004 Plan and outstanding Awards. The Committee may delegate any part of its authority and powers under the 2004 Plan to one or more directors and/or officers of AMD, but only the Committee itself can make Awards to participants who are officers of AMD. In addition, Awards that are intended to be qualified performance-based compensation as described under Section 162(m) of the Code may only be granted by a committee comprised exclusively of non-employee independent directors.

If we experience a stock dividend, reorganization or other change in our capital structure, the Committee has the discretion to adjust the number of shares available for issuance under the 2004 Plan, the outstanding Awards, and the per-person limits on Awards, as appropriate to reflect the stock dividend or other change.

Eligibility to Receive Awards; Performance Criteria

The Committee selects the employees and consultants who will be granted Awards under the 2004 Plan. Nonstatutory stock options, restricted stock, RSUs and stock appreciation rights may be granted to employees, directors and consultants. Incentive stock options can only be granted to employees. The actual number of individuals who will receive an Award under the 2004 Plan cannot be determined in advance because the Committee has the discretion to select the participants. No individual may receive Award(s) covering more than 3,000,000 shares under the 2004 Plan in any calendar year, except that an individual may receive Award(s) covering up to 6,000,000 shares during the first 12 months of employment.

In determining whether an Award should be made, and/or the vesting schedule for any such Award, the Committee may impose whatever conditions to vesting that it determines to be appropriate. For example, the Committee may decide to grant an Award only if the participant satisfies performance goals established by the Committee. The Committee may set performance periods and performance goals that differ from participant to participant. The Committee may choose performance goals based on either company-wide or business unit results, as deemed appropriate in light of the participant's specific responsibilities. For purposes of qualifying awards as performance-based compensation under Section 162(m) of the Code, the Committee may (but is not required to) specify performance goals for the entire company and/or a business unit. Currently, performance goals may be based on business criteria including: cash position, earnings per share, operating cash flow, market share, new product releases, net income, operating income, return on assets, return on equity, return on investment, other financial measures or any other performance-related goal that the Committee deems appropriate. The amendment and restatement amends the definition of performance goals under the 2004 Plan to consist of the following, which may be measured on a GAAP or non-GAAP basis: net income, operating income, earnings before interest and taxes, earnings before interest, taxes, depreciation and amortization, earnings per share, return on investment, return on capital, return on invested capital, return on capital compared to cost of capital, return on capital employed, return on equity, return on assets, return on net assets, total shareholder return, cash return on capitalization, revenue, revenue ratios (per employee or per customer), stock price, market share, shareholder value, net cash flow, cash flow, cash flow from operations, cash balance, cash conversion cycle, cost reductions and cost ratios (per employee or per customer), new product releases and strategic positioning programs, including the achievement of specified milestones or the completion of specified projects. The performance goals may differ from participant to participant and from award to award. Such performance goals also may (but is not required to) be based solely by reference to the performance of the individual, the Company as a whole or any subsidiary, division, business segment or business unit of the Company, or any combination thereof or based upon the relative performance of other companies or upon comparisons of any of the indicators of performance relative to a peer group of other companies. Unless otherwise stated, a performance goal need not be based upon an increase or positive result under a particular

business criterion and could include, for example, maintaining the status quo or limiting economic losses (measured, in each case, by reference to specific business criteria). The Committee, in its sole discretion, may provide that one or more objectively determinable adjustments will be made to one or more of the performance goals. Such adjustments may include one or more of the following: (i) items related to a change in accounting principle; (ii) items relating to financing activities; (iii) expenses for restructuring or productivity initiatives; (iv) other non-operating items; (v) items related to acquisitions; (vi) items attributable to the business operations of any entity acquired by the Company during the applicable performance period; (vii) items related to the disposal of a business or segment of a business; (viii) items related to discontinued operations that do not qualify as a segment of a business under applicable accounting standards; (ix) items attributable to any stock dividend, stock split, combination or exchange of stock occurring during the applicable performance period; (x) any other items of significant income or expense which are determined to be appropriate adjustments; (xi) items relating to unusual or extraordinary corporate transactions, events or developments, (xii) items related to amortization of acquired intangible assets; (xiii) items that are outside the scope of the Company's core, on-going business activities; (xiv) items related to acquired in-process research and development; (xv) items relating to changes in tax laws; (xvi) items relating to major licensing or partnership arrangements; (xvii) items relating to asset impairment charges; (xviii) items relating to gains or losses for litigation, arbitration and contractual settlements; or (xix) items relating to any other unusual or nonrecurring events or changes in applicable law, accounting principles or business conditions. To the extent that the Committee determines it to be desirable to qualify awards granted under the 2004 Plan as performance-based compensation within the meaning of Section 162(m) of the Code, the performance goals will be set by the Committee within the time period prescribed by, and will otherwise comply with the requirements of, Section 162(m) of the Code and the regulations thereunder.

After the end of each performance period, a determination will be made as to the extent to which the performance goals applicable to each participant were achieved or exceeded. The actual award (if any) for each participant will be determined by the level of actual performance.

Fair Market Value Awards

Stock Options. A stock option is the right to purchase shares of AMD's common stock at a fixed exercise price for a fixed period of time. Under the 2004 Plan, the Committee may grant nonstatutory and incentive stock options. The Committee will determine the number of shares covered by each option.

The exercise price of the shares subject to each nonstatutory stock option and incentive stock option cannot be less than 100 percent of the fair market value of our common stock on the date of the grant. The 2004 Plan prohibits any repricing of options after their grant, other than with stockholder approval.

Any option granted under the 2004 Plan cannot be exercised until it becomes vested. The Committee establishes the vesting schedule of each option at the time of the grant. Options become exercisable at the times and on the terms established by the Committee. Options granted under the 2004 Plan expire at the times established by the Committee, but not later than 10 years after the grant date.

The exercise price of each option granted under the 2004 Plan must be paid in full at the time of the exercise. The Committee may also permit payment by check, the tender of shares that are already owned by the participant, a broker-assisted cashless exercise, any combination of the foregoing, or by any other means that the Committee determines to be consistent with the purpose of the 2004 Plan.

Stock Appreciation Rights. Awards of stock appreciation rights may be granted pursuant to the 2004 Plan. The Committee determines the terms and conditions of stock appreciation rights. However, no stock appreciation right may be granted at less than fair market value of our common stock on the date of grant or have a term of over ten (10) years from the date of grant. Upon exercising a stock appreciation right, the holder of such right shall be entitled to receive payment from AMD in an amount determined by multiplying (i) the difference between the closing price of a share of our common stock on the date of exercise and the exercise price by (ii) the number of shares with respect to which the

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stock appreciation right is exercised. AMD's obligation arising upon the exercise of a stock appreciation right may be paid in shares or in cash, or any combination thereof, as the

Committee may determine. The Committee may choose to grant stock appreciation rights in tandem with the grant of stock options, such that the exercise of either the stock option or the stock appreciation right would cancel the other.

Awards to Outside Directors

Non-employee directors' initial and annual equity awards are made in the form of RSUs. See "Directors' Compensation and Benefits" section above for discussion relating to our Outside Director Equity Compensation Policy.

Full Value Awards

Under the 2004 Plan, the Committee can make the following Full Value Awards:

Restricted Stock. Awards of restricted stock are shares that vest in accordance with the terms and conditions established by the Committee. The purchase price for an award of restricted stock will be \$0.00 per share. The Committee will determine the number of shares of restricted stock granted to any employee or consultant. Once the restricted stock is issued, voting, dividend and other rights as a stockholder will exist with respect to the restricted stock. However, the restricted stock will not be transferable until the restricted stock vests.

Restricted Stock Units. RSUs are awards that obligate AMD to pay the recipient of the award a value equal to the fair market value of a specific number of shares of AMD common stock in the future if the vesting terms and conditions scheduled by the Committee are satisfied. Payment under an RSU may be made in cash or in shares of our common stock. The purchase price for the shares will be \$0.00 per share. The Committee will determine the number of shares that are subject to such RSUs. A holder of an RSU does not have any rights as a stockholder until shares of common stock, if any, are issued with respect to the RSU. Payment under a RSU will be made at a time that is permissible under or exempt from Section 409A of the Code. The Committee may permit a participant to defer the receipt of cash or shares pursuant to a RSU under the 2004 Plan. Any such deferral will be administered as determined by the Committee and in a manner that is intended to comply with Section 409A of the Code.

Change of Control

Awards. In the event of a merger or sale of substantially all of our assets, the successor corporation will either assume or provide a substitute award for each outstanding Award. In the event the successor corporation refuses to assume or provide a substitute award, the Committee will provide at least 15 days notice that the Award will immediately vest and become exercisable as applicable as to all of the shares subject to such Award and that such Award will terminate upon the expiration of such notice period.

Outside Director Awards. In the event of a change of control of AMD, the Awards described above will vest 100 percent immediately upon the change of control.

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Acceleration in Connection with a Termination of Employment. If, within one year after a change of control, a participant's employment is terminated for any reason other than for misconduct (as defined in the 2004 Plan) or, with respect to certain participants who are executive officers, there is a constructive termination of their employment, all Awards held by that participant become fully vested. A constructive termination generally occurs if the executive officer resigns because of a diminution or adverse change in his or her conditions of employment. In general, a Change of Control will be deemed to have occurred upon the acquisition of more than 20 percent of either the then-outstanding shares of AMD common stock or the combined voting power of our then outstanding securities, a change in the majority of the Board of Directors over a two-year period (generally excluding any new directors approved by two-thirds of the existing members of the Board of Directors), certain mergers or corporate transactions in which we are not the surviving entity, or our liquidation or a sale of substantially all of our assets.

Non-Transferability of Awards

Unless a participant's employment or award agreement provides otherwise, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the participant, only by the participant.

Federal Tax Aspects

The following is a general summary under current law of the material federal income tax consequences of the grant, vesting and exercise of Awards under the 2004 Plan. This summary deals with general tax principles that apply only to employees who are citizens or residents of the United States and is provided only for general information purposes. The following discussion does not address the tax consequences of Awards that may be subject to and do not comply with the rules and guidance issued pursuant to Section 409A of the Code. Section 409A has implications that affect traditional deferred compensation plans, as well as certain equity awards. Accordingly, additional adverse tax consequences could apply to certain equity awards as a result of Section 409A based on the terms of the equity awards or modifications that have been made to the provisions of the equity awards.

The following discussion does not purport to be complete, and does not cover, among other things, federal employment tax and state and local income and employment tax treatment of participants in the 2004 Plan. Tax laws are complex and subject to change and may vary depending on individual circumstances and from locality to locality. The summary does not discuss all aspects of income taxation that may be relevant in light of personal investment circumstances. This summarized tax information is not tax advice.

Incentive Stock Options. No taxable income is reportable when an incentive stock option is granted to a participant, when that option vests or when that option is exercised. However, the amount by which the fair market value of the shares at the time of exercise exceeds the option price will be an item of adjustment for a participant for purposes of the alternative minimum tax. Gain realized on the sale of shares issued under an incentive stock option is taxable at capital gains rates, unless the participant disposes of the shares within (1) two years after the date of grant of the option or (2) within one year of the date the shares were transferred to the participant. If the shares of common stock are sold or otherwise disposed of before the end of the one-year or two-year periods specified above, the difference between the option exercise price and the fair market value of the shares on the date of the options' exercise will be taxed at ordinary income rates. If such a sale or disposition takes place in the year in which the participant exercises the option, the income recognized upon the sale or disposition of the shares will not be considered income for alternative minimum tax purposes. If the participant sells or otherwise disposes the shares before the end of the one-year or two-year periods specified above, the maximum amount that will be included as alternative minimum tax income is the gain, if any, the participant recognizes on the disposition of the shares.

Nonstatutory Stock Options. No taxable income is reportable when a nonstatutory stock option is granted to a participant or when the option vests. Upon exercise, the participant will recognize ordinary income in an amount equal to the excess of the fair market value (on the exercise date) of the shares purchased over the exercise price of the option.

Stock Appreciation Rights. No taxable income is reportable when a stock appreciation right is granted to a participant or when the stock appreciation right vests. Upon exercise, the participant will recognize ordinary income in an amount equal to the amount of cash received and the fair market value of any shares received. Any additional gain or loss recognized upon any later disposition of any shares issued would be capital gain or loss.

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Restricted Stock. Generally, a participant will not have taxable income upon grant of restricted stock. Instead, he or she will recognize ordinary income, if any, at the time of vesting equal to the fair market value of the shares received (determined as of the date of vesting) minus any amount paid for the shares.

Restricted Stock Units. A participant will generally not recognize taxable income at the time of the grant of a RSU or when the RSU vests. When an award is paid (whether it is at or after the time that the award vests),

the participant will recognize ordinary income. In the event of an award that is paid or settled at a time following the vesting date, income tax may be deferred beyond vesting and until shares are actually delivered or payment is made to the participant if deferred in compliance with the timing of distributions and other requirements under Section 409A of the Code.

Gain or Loss on Sale or Disposition of Shares. In general, gain or loss from the sale or disposition of shares granted or awarded under the 2004 Plan will be treated as capital gain or loss, provided that the shares are held as capital assets at the time of the sale or exchange.

Withholding. Where an award results in income subject to withholding, AMD may require the participant to remit the withholding amount to the Company or cause shares of common stock to be withheld or sold in order to satisfy the tax withholding obligations.

Tax Effect for AMD. Generally we will be entitled to a tax deduction in connection with an Award under the 2004 Plan in an amount equal to the ordinary income realized by a participant and at the time the participant recognizes such income (for example, the exercise of a nonstatutory stock option), provided that, among other things, the income meets the test of reasonableness, is an ordinary and necessary business expense, is not an excess parachute payment within the meaning of Section 280G of the Code and is not disallowed by the \$1,000,000 limitation on certain executive compensation under Section 162(m) of the Code.

Special rules under Section 162(m) of the Code limit the deductibility of compensation paid by a public company during a tax year to its chief executive officer and its other three most highly compensated executive officers for that tax year. Under Section 162(m) of the Code, the annual compensation paid to any of these specified executives will be deductible only to the extent that it does not exceed \$1,000,000. However, under Section 162(m) of the Code qualifying performance-based compensation, including income from stock options and other performance based awards, may be deductible if the conditions of Section 162(m) are met. These conditions include, among other things, stockholder approval of the material terms of the 2004 Plan as discussed above, setting limits on the number of Awards that any individual may receive and establishing performance criteria that must be met before the Award (other than certain stock options) actually will vest or be paid. The amendment and restatement has been designed to permit the Committee in its discretion to grant Awards which may qualify as performance-based for purposes of satisfying the conditions of Section 162(m) which may permit AMD to receive a federal income tax deduction in connection with such Awards.

Additionally, under the so-called "golden parachute" provisions of Section 280G of the Code, the accelerated vesting of options and benefits paid under other Awards in connection with a change of control of a corporation may be required to be valued and taken into account in determining whether participants have received compensatory payments contingent on the change of control, in excess of certain limits. If these limits are exceeded, a portion of the amounts payable to the participant may be subject to an additional 20% federal tax and may be nondeductible by AMD.

Amendment and Termination of the 2004 Plan and Prohibition on Repricing or Exchange of Awards Without Stockholder Approval

The Board generally may amend or terminate the 2004 Plan at any time and for any reason; provided, however, that the Board cannot reprice or otherwise exchange awards under the 2004 Plan, amend the 2004 Plan to increase the number of shares available under the 2004 Plan, or change the class of employees eligible to participate in the 2004 Plan without stockholder consent.

New Plan Benefits

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The amount, if any, of equity compensation to be awarded to officers, directors, employees and consultants is determined from time to time by the Compensation Committee or the Board, as applicable, and is not presently determinable.

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Historically, our non-employee directors have received annual equity grants under our 2004 Plan. Commencing with the 2012 annual meeting of stockholders, under our current Outside Director Equity Compensation Policy, each non-employee director who has served on the Board for at least six months prior to the respective annual meeting, will automatically be granted the number of RSUs equal to the quotient of (i) \$225,000 divided by (ii) the trailing average closing price of our common stock for the 30-day period preceding and ending with the date of the respective RSU grant. If a non-employee director has served on the Board for less than six months prior to the respective annual meeting, his or her grant will be pro-rated based on the number of months of service divided by 12. For purposes of the pro-rata calculation, service during any portion of a month, counts as a full month of service. See Directors Compensation and Benefits section, above, for equity grants received by our non-employee directors in 2012.

The following table sets forth summary information concerning the number of shares of our common stock subject to stock option and RSUs made under the 2004 Plan to our Named Executive Officers and director nominees as of March 7, 2013:

Name and Position	Number of Shares Underlying Option Grants (#)	Number of Shares Underlying Performance- based Option Grants (#)	Number of Shares Underlying RSU Grants (#)	Number of Shares Underlying PRSU Grants (#)
Rory P. Read President, Chief Executive Officer	2,543,969	739,000	1,131,957	830,914
Devinder Kumar SVP, Chief Financial Officer	1,421,999 ⁽¹⁾	0	577,051	112,089 ⁽²⁾
Thomas J. Seifert Former Chief Financial Officer	1,112,342 ⁽³⁾	0	522,616 ⁽⁴⁾	238,485 ⁽⁵⁾
John Byrne SVP, Chief Sales Officer	579,769 ⁽⁶⁾	0	470,865	83,679
Mark D. Papermaster SVP, Chief Technology Officer	661,445	0	568,790	167,358
Lisa Su SVP, General Manager, Global Business Units	931,424	0	656,663	167,358
Bruce L. Claffin	100,000	0	353,588	0
W. Michael Barnes	100,000	0	163,454	0
John E. Caldwell	50,000	0	163,454	0
Henry WK Chow	0	0	58,205	0
Nicholas M. Donofrio	0	0	107,204	0
H. Paulett Eberhart	100,000	0	163,454	0
Martin L. Edelman	0	0	30,080	0
John R. Harding	0	0	30,080	0
Ahmed Yahia	0	0	30,080	0
All current directors who are not executive officers as a group (11 persons)	425,000	0	1,398,382	0
All employees, including current officers who are not executive officers, as a group	72,521,659 ⁽⁷⁾	0	72,080,361 ⁽⁸⁾	3,408,377 ⁽⁹⁾

(1) Number includes 151,250 shares subject to stock option grants that were cancelled in connection with a stock option exchange in 2009. We granted 64,160 replacement stock options in connection with the stock option exchange.

(2) Number includes 46,075 shares subject to PRSUs that were cancelled/forfeited.

(3) Number includes 567,878 shares subject to stock option grants that were cancelled/forfeited upon Mr. Seifert's resignation.

(4) Number includes 304,844 shares subject to RSUs that were cancelled/forfeited upon Mr. Seifert's resignation.

(5) All of these PRSUs were cancelled/forfeited upon Mr. Seifert's resignation.

(6) Number includes 20,000 shares subject to a stock option grant that was cancelled in connection with a stock option exchange in 2009. We granted 4,000 replacement stock options in connection with the stock option exchange.

- (7) Number includes 30,125,374 shares subject to stock option grants that were cancelled/forfeited. Of this amount, 7,747,124 stock options were cancelled in connection with a stock option exchange in 2009, and we granted 3,921,819 replacement stock options in connection with the stock option exchange.
- (8) Number includes 15,974,021 shares subject to RSUs that were cancelled/forfeited.
- (9) Number includes 2,243,964 shares subject to PRSUs that were cancelled/forfeited.

Summary

We believe strongly that the approval of the amendment and restatement of the 2004 Plan is essential to our success. Awards such as those provided under the 2004 Plan constitute an important incentive for key employees and other service providers of AMD and help us to attract, retain and motivate people whose skills and performance are critical to our success. Our employees are our most valuable asset. We strongly believe that the amendment and restatement to the 2004 Plan is essential for us to compete for talent in the very difficult labor markets in which we operate.

Required Vote

The affirmative vote of the majority of the votes cast by holders of our common stock present in person or represented by proxy at the Annual Meeting will be required to approve the amendment and restatement of the 2004 Plan, provided that the total votes cast on the proposal represent over 50% of the outstanding stock entitled to vote on the proposal.

Recommendation of the Board of Directors

The Board of Directors unanimously recommends a vote FOR the approval of the amendment and restatement of the AMD 2004 Equity Incentive Plan.

ADVANCED MICRO DEVICES, INC.

2004 EQUITY INCENTIVE PLAN

(Amendment and Restatement Adopted by the Board of Directors on March 22, 2006)

(Approved by the Stockholders on May 5, 2006)

(Amendment Adopted by the Board of Directors on October 13, 2006)

(Second Amendment and Restatement Adopted by the Board of Directors on February 26, 2009)

(Approved by Stockholders on May 7, 2009)

(Third Amendment and Restatement Adopted by the Board of Directors on March 5, 2010)

(Approved by Stockholders on April 29, 2010)

(Fourth Amendment and Restatement Adopted by the Board of Directors on March 14, 2012)

(Approved by Stockholders on May 10, 2012)

1. *Purposes of the Plan.* The purposes of this 2004 Equity Incentive Plan (the *Plan*) are:

t#160;

8. SHARED VOTING POWER

3,821

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

3,821

11. AGGREGATE AMOUNT BENEFICIALLY OWNED
BY EACH REPORTING PERSON

3,821

12. CHECK BOX IF THE AGGREGATE AMOUNT IN
ROW (11)
EXCLUDES CERTAIN SHARES

13. PERCENT OF CLASS REPRESENTED BY
AMOUNT IN ROW (11)

Less than 1%

14. TYPE OF REPORTING PERSON

CO

1. NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

LCG Holdings, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

AF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

386,038 (1)

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

386,038 (1)

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH
REPORTING PERSON

386,038 (1)

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)
EXCLUDES CERTAIN SHARES
13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
12.1% (2)
14. TYPE OF REPORTING PERSON
OO

(1) Includes 115,108 Shares issuable upon the conversion of Preferred Stock. See Item 5(a).

(2) Calculated in accordance with the Blocker restrictions of the Preferred Stock. See Item 5(a).

1. NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Luxor Capital Group, LP

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

AF, OO

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

400,215 (1)

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

400,215 (1)

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH
REPORTING PERSON

400,215 (1)

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)

EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

12.5% (2)

14. TYPE OF REPORTING PERSON

PN

(1) Includes 120,000 Shares issuable upon the conversion of Preferred Stock. See Item 5(a).

(2) Calculated in accordance with the Blocker restrictions of the Preferred Stock. See Item 5(a).

1. NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Luxor Management, LLC
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)
(b)
3. SEC USE ONLY
4. SOURCE OF FUNDS

AF
5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7. SOLE VOTING POWER

0
8. SHARED VOTING POWER

400,215 (1)
9. SOLE DISPOSITIVE POWER

0
10. SHARED DISPOSITIVE POWER

400,215 (1)
11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

400,215 (1)
12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)

EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

12.5% (2)

14. TYPE OF REPORTING PERSON

OO

(1) Includes 120,000 Shares issuable upon the conversion of Preferred Stock. See Item 5(a).

(2) Calculated in accordance with the Blocker restrictions of the Preferred Stock. See Item 5(a).

1. NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Christian Leone
 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)
(b)
 3. SEC USE ONLY
 4. SOURCE OF FUNDS

AF
 5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
 6. CITIZENSHIP OR PLACE OF ORGANIZATION

USA
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:
7. SOLE VOTING POWER

0
 8. SHARED VOTING POWER

400,215 (1)
 9. SOLE DISPOSITIVE POWER

0
 10. SHARED DISPOSITIVE POWER

400,215 (1)
 11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

400,215 (1)
 12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)

EXCLUDES CERTAIN SHARES []

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

12.5% (2)

14. TYPE OF REPORTING PERSON

IN

(1) Includes 120,000 Shares issuable upon the conversion of Preferred Stock. See Item 5(a).

(2) Calculated in accordance with the Blocker restrictions of the Preferred Stock. See Item 5(a).

The following constitutes Amendment No. 3 to the Schedule 13D filed by the undersigned (“Amendment No. 3”). This Amendment No. 3 is being amended solely to update the percentage ownership of certain of the Reporting Persons whose percentage ownership had previously been disclosed on an as-converted basis without taking into account the Blocker restrictions discussed below.

Item 3. Source and Amount of Funds or Other Consideration.

Item 3 is hereby amended and restated to read as follows:

A total of \$220,009,693.37 was paid to acquire the securities reported as beneficially owned by the Reporting Persons herein. The funds used to purchase these securities were obtained from the general working capital of the Onshore Fund, the Wavefront Fund, the Offshore Master Fund, the Spectrum Master Fund and the Separately Managed Account and margin account borrowings made in the ordinary course of business, although the Reporting Persons cannot determine whether any funds allocated to purchase such securities were obtained from any margin account borrowings.

Item 5. Interest in Securities of the Issuer.

Item 5 is hereby amended and restated to read as follows:

(a) The aggregate percentage of Shares reported owned by each person named herein is based upon 2,242,672 Shares outstanding as of July 18, 2014, which is the total number of Shares outstanding as reported in the Issuer’s Form 10-Q filed with the Securities and Exchange Commission on July 22, 2014.

The Series A Convertible Preferred Stock, Par Value \$0.01 Per Share (“Preferred Stock”), reported owned by the Reporting Persons contain “blocker” provisions that could restrict the Reporting Persons’ ability to convert all or a portion of the Preferred Stock to the extent that in no event will any holder of Preferred Stock be allowed to accept an aggregate number of Shares (taking into account Shares obtained upon conversion of the Preferred Stock or otherwise) that, when taken together with the Shares beneficially owned by such holder and any affiliates of such holder, collectively exceeds 9.9% of the Shares outstanding on the trading date immediately prior to the date of conversion (the “Blocker”).

As of the close of business on August 22, 2014, the Onshore Fund may be deemed to have beneficially owned 162,423 Shares, including 42,246 Shares issuable upon the conversion of Preferred Stock, the Offshore Master Fund may be deemed to have beneficially owned 181,760 Shares, including 60,648 Shares issuable upon the conversion of Preferred Stock, the Spectrum Master Fund may be deemed to have beneficially owned 3,821 Shares and the Wavefront Fund may be deemed to have beneficially owned 38,033 Shares, including 12,214 Shares issuable upon the conversion of Preferred Stock, constituting approximately 6.8%, 7.5%, less than 1% and 1.7%, respectively, of the Shares calculated in accordance with the Blocker restrictions, assuming no other Luxor Fund or the Separately Managed Account has converted any Preferred Stock.

The Offshore Feeder Fund, as the owner of a controlling interest in the Offshore Master Fund, may be deemed to beneficially own the 181,760 Shares beneficially owned by the Offshore Master Fund, including 60,648 Shares issuable upon the conversion of Preferred Stock, constituting approximately 7.5% of the Shares outstanding calculated in accordance with the Blocker restrictions, assuming no Luxor Fund, other than the Offshore Master Fund, or the Separately Managed Account has converted any Preferred Stock.

The Spectrum Feeder Fund, as the owner of a controlling interest in the Spectrum Master Fund, may be deemed to beneficially own the 3,821 Shares beneficially owned by the Spectrum Master Fund constituting less than 1% of the

Shares outstanding.

LCG Holdings, as the general partner of the Onshore Fund, the Wavefront Fund, the Offshore Master Fund and the Spectrum Master Fund, may be deemed to have beneficially owned the 386,038 Shares, including 115,109 Shares issuable upon the conversion of Preferred Stock, beneficially owned in the aggregate by the Onshore Fund, the Wavefront Fund, the Offshore Master Fund and the Spectrum Master Fund, constituting approximately 12.1% of the Shares outstanding calculated in accordance with the Blocker restrictions.

Luxor Capital Group, as the investment manager of the Luxor Funds and the Separately Managed Account, may be deemed to have beneficially owned the 386,038 Shares owned in the aggregate by the Luxor Funds, including 115,109 Shares issuable upon the conversion of Preferred Stock, and the 14,177 Shares beneficially owned by the Separately Managed Account, including 4,891 Shares issuable upon the conversion of Preferred Stock, constituting approximately 12.5% of the Shares outstanding calculated in accordance with the Blocker restrictions.

Luxor Management, as the general partner of Luxor Capital Group, may be deemed to have beneficially owned the 400,215 Shares beneficially owned by Luxor Capital Group, including 120,000 Shares issuable upon the conversion of Preferred Stock, constituting approximately 12.5% of the Shares outstanding calculated in accordance with the Blocker restrictions.

Mr. Leone, as the managing member of Luxor Management, may be deemed to have beneficially owned the 400,215 Shares owned by Luxor Management, including Shares issuable upon the conversion of Preferred Stock, including 120,000 Shares issuable upon the conversion of Preferred Stock, constituting approximately 12.5% of the Shares outstanding calculated in accordance with the Blocker restrictions.

(b) Each of the Onshore Fund, LCG Holdings, Luxor Capital Group, Luxor Management and Mr. Leone have shared power to vote or direct the vote of, and to dispose or direct the disposition of, the Shares beneficially owned by the Onshore Fund.

Each of the Wavefront Fund, LCG Holdings, Luxor Capital Group, Luxor Management and Mr. Leone have shared power to vote or direct the vote of, and to dispose or direct the disposition of, the Shares beneficially owned by the Wavefront Fund.

Each of the Offshore Master Fund, the Offshore Feeder Fund, LCG Holdings, Luxor Capital Group, Luxor Management and Mr. Leone have shared power to vote or direct the vote of, and to dispose or direct the disposition of, the Shares beneficially owned by the Offshore Master Fund.

Each of Luxor Capital Group, Luxor Management and Mr. Leone have shared power to vote or direct the vote of, and to dispose or direct the disposition of, the Shares held in the Separately Managed Accounts.

Each of the Spectrum Master Fund, the Spectrum Feeder Fund, LCG Holdings, Luxor Capital Group, Luxor Management and Mr. Leone have shared power to vote or direct the vote of, and to dispose or direct the disposition of, the Shares owned directly by the Spectrum Master Fund.

(c) The transactions effected by the Reporting Persons during the past 60 days, are set forth on Schedule B attached hereto.

(d) No person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, the Shares.

(e) Not applicable.

SIGNATURES

After reasonable inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information with respect to it set forth in this statement is true, complete, and correct.

Dated: August 25, 2014

LUXOR CAPITAL PARTNERS, LP

By: LCG Holdings, LLC
General Partner

By: /s/ Norris Nissim
Name: Norris Nissim
Title: General Counsel

LUXOR WAVEFRONT, LP

By: LCG Holdings, LLC
General Partner

By: /s/ Norris Nissim
Name: Norris Nissim
Title: General Counsel

LUXOR CAPITAL PARTNERS OFFSHORE MASTER FUND, LP

By: LCG Holdings, LLC
General Partner

By: /s/ Norris Nissim
Name: Norris Nissim
Title: General Counsel

LUXOR CAPITAL PARTNERS OFFSHORE, LTD.

By: Luxor Capital Group, LP
Investment Manager

By: /s/ Norris Nissim
Name: Norris Nissim
Title: General Counsel

LUXOR SPECTRUM OFFSHORE MASTER FUND, LP

By: LCG Holdings, LLC
General Partner

By: /s/ Norris Nissim
Name: Norris Nissim
Title: General Counsel

LUXOR SPECTRUM OFFSHORE, LTD.

By: Luxor Capital Group, LP
Investment Manager

By: /s/ Norris Nissim
Name: Norris Nissim
Title: General Counsel

LUXOR CAPITAL GROUP, LP

By: Luxor Management, LLC
General Partner

By: /s/ Norris Nissim
Name: Norris Nissim
Title: General Counsel

LCG HOLDINGS, LLC

By: /s/ Norris Nissim
Name: Norris Nissim
Title: General Counsel

LUXOR MANAGEMENT, LLC

By: /s/ Norris Nissim
Name: Norris Nissim
Title: General Counsel

/s/ Norris Nissim
NORRIS NISSIM, as Agent for Christian
Leone

SCHEDULE B

TRANSACTIONS EFFECTED BY THE REPORTING PERSONS DURING THE PAST 60 DAYS

Class of Security	Amount of Securities Purchased	Price (\$)	Date of Purchase
LUXOR CAPITAL PARTNERS, LP			
Common Stock	3,950	580.30	08/20/14
Common Stock	8,955	575.00	08/20/14
Common Stock	288	586.22	08/21/14
Common Stock	2,307	592.59	08/21/14
Common Stock	1,037	594.68	08/21/14
Common Stock	9	596.16	08/21/14
Common Stock	92	597.23	08/21/14
Common Stock	602	600.00	08/22/14
Common Stock	77	606.52	08/22/14
Common Stock	445	615.77	08/22/14
Common Stock	804	615.85	08/22/14
Common Stock	424	620.00	08/22/14
Common Stock	94	621.36	08/22/14

LUXOR CAPITAL PARTNERS OFFSHORE MASTER FUND, LP

Common Stock	421	580.30	08/20/14
Common Stock	955	575.00	08/20/14
Common Stock	322	586.22	08/21/14
Common Stock	2,589	592.59	08/21/14
Common Stock	1,163	594.68	08/21/14
Common Stock	12	596.16	08/21/14
Common Stock	104	597.23	08/21/14
Common Stock	675	600.00	08/22/14
Common Stock	85	606.52	08/22/14
Common Stock	502	615.77	08/22/14
Common Stock	902	615.85	08/22/14
Common Stock	478	620.00	08/22/14
Common Stock	106	621.36	08/22/14