

MONEYGRAM PAYMENT SYSTEMS INC

Form S-3

December 14, 2010

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**As filed with the Securities and Exchange Commission on December 14, 2010**  
**Registration No. 333-**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**Form S-3**  
**REGISTRATION STATEMENT**  
**UNDER**  
**THE SECURITIES ACT OF 1933**

**MoneyGram International, Inc.**  
**(And the Guarantors Identified in the Table of Subsidiary Guarantor Registrants Below)**  
*(Exact name of registrant as specified in its charter)*

**Delaware**  
*(State or other jurisdiction of  
incorporation or organization)*

**16-1690064**  
*(I.R.S. Employer  
Identification No.)*

**2828 N. Harwood Street, 15<sup>th</sup> Floor**  
**Dallas, Texas 75201**  
**(214) 999-7552**

*(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)*

**Timothy C. Everett**  
**Executive Vice President, General Counsel and Corporate Secretary**  
**MoneyGram International, Inc.**  
**2828 Harwood, Suite 1500**  
**Dallas, Texas 75201**  
**(214) 999-7552**

*(Name, address, including zip code, and telephone number, including area code, of agent for service)*

**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

### CALCULATION OF REGISTRATION FEE

| Title of Securities<br>to be Registered        | Amount to be<br>Registered | Proposed<br>Maximum<br>Offering<br>Price<br>per Unit | Proposed Maximum<br>Aggregate<br>Offering Price | Amount of<br>Registration<br>Fee |
|--|----------------------------|--|---|----------------------------------|
| Primary Offering:                              |                            |  |   |                                  |
| Common Stock, par value<br>\$0.01 per share    | (3)                        | (5)  |   |                                  |
| Preferred Stock, par value<br>\$0.01 per share | (3)                        | (5)  |   |                                  |
| Depositary Shares                              | (3)                        | (5)  |   |                                  |
| Debt Securities(1)                             | (3)                        | (5)  |   |                                  |
| Guarantees of Debt<br>Securities(2)            | (3)                        | (5)  |   | (8)                              |
| Warrants                                       | (3)                        | (5)  |   |                                  |
| Rights   | (3)                        | (5)  |   |                                  |
| Units  | (3)                        | (5)  |   |                                  |
| Total Primary                                  |                            |  | \$500,000,000 (7)                               | \$35,650 (9)                     |
| Secondary Offering:                            |                            |  |   |                                  |
| Common Stock, par value<br>\$0.01 per share    | 568,087,162 (4)            | \$2.63 (6)   | \$1,494,069,236.05                              | \$106,528 (6)                    |
| Total Secondary                                |                            |  | \$1,494,069,236.05                              | \$106,528                        |
| Total (Primary and Secondary)                  |                            |  | \$1,994,069,236.05                              | \$142,178                        |

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- (1) If any debt securities are issued at an original issue discount, then the offering price of such debt securities shall be in such amount as shall result in an aggregate initial offering price not to exceed \$500,000,000, less the dollar amount of any registered securities previously issued.
- (2) See inside facing page for table of guarantor registrants.
- (3) There are being registered hereunder, in each case as may from time to time be sold, a presently indeterminate number of shares of Common Stock, an indeterminate number of shares of Preferred Stock, an indeterminate number of shares of Depositary Shares, an indeterminate aggregate principal amount of Debt Securities, an indeterminate aggregate principal amount of Guarantees of Debt Securities, an indeterminate number of Warrants, an indeterminate number of Rights and an indeterminate number of Units. This registration statement also covers an indeterminate amount of securities as may be issued in exchange for, or upon conversion or exercise of, as the case may be, the securities registered hereunder.
- (4) Includes the resale of 568,087,162 shares of Common Stock issuable upon the conversion of (a) the Company's Series B Participating Convertible Preferred Stock to Common Stock and (b) the Company's Series B-1 Participating Convertible Preferred Stock to the Company's Series D Participating Convertible Preferred Stock and the subsequent conversion of the Company's Series D Participating Convertible Preferred Stock to Common Stock. Calculated assuming accrual of dividends on the Series B Participating Convertible Preferred Stock and on the Series B-1 Participating Convertible Preferred Stock, as applicable, through March 25, 2013 (at which date the ability to accrue dividends in lieu of currently paying such dividends in cash expires).
- (5) The proposed maximum aggregate offering price for each class of securities to be registered is not specified pursuant to General Instruction II.D. of Form S-3.
- (6) Pursuant to Rule 457(c) under the Securities Act, the offering price and registration fee are computed based on the average of the high and low prices reported for Common Stock traded on the New York Stock Exchange on December 9, 2010.
- (7) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) of the Securities Act. In no event will the aggregate initial offering price of all securities offered from time to time pursuant to the first prospectus included as a part of this registration statement exceed \$500,000,000. To the extent applicable, the aggregate amount of shares of Common Stock registered is further limited to that which is permissible under Rule 415(a)(4) under the Securities Act. Any securities registered hereunder may be sold separately or as units with other securities registered hereunder.
- (8) Pursuant to Rule 457(n) under the Securities Act of 1933, no separate fee filing fee is required for the guarantees.
- (9) Calculated in accordance with Rule 457(o) of the Securities Act of 1933.

**Table of Subsidiary Guarantor Registrants**

**State or Other  
Jurisdiction of I.R.S. Employ**

| Exact Name of Registrant as Specified in its Charter (or Other Organizational Document) | Incorporation or Organization | Identification Number |
|---|-------------------------------|-----------------------|
| MoneyGram of New York, LLC  | Delaware                      | No                    |
| MoneyGram Payment Systems Worldwide, Inc.   | Delaware                      | 41-01869              |
| MoneyGram Payment Systems, Inc.   | Delaware                      | 84-13278              |
| PropertyBridge, Inc.  | Delaware                      | 20-42052              |

Note: The address of each of the subsidiary guarantor registrants is 1550 Utica Avenue South, Suite 100, Minneapolis, Minnesota 55416, and the telephone number for each is (952) 591-3000. Each of the subsidiary guarantor registrants has the same agent for service as MoneyGram International, Inc.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to such Section 8(a), may determine.**

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**EXPLANATORY NOTE**

This registration statement consists of two separate forms of prospectus to be used in connection with the offering of:

common stock, preferred stock, depositary shares, debt securities, guarantees of debt securities, warrants, rights and units of MoneyGram International, Inc. ( MoneyGram ); and

common stock of MoneyGram that may be sold in one or more secondary offerings by the selling stockholders listed in the form of prospectus, including (i) common stock that may be issued upon conversion of Series B Participating Convertible Preferred Stock, and (ii) common stock that may be issued upon the conversion of Series B-1 Participating Convertible Preferred Stock to Series D Participating Convertible Preferred Stock and the subsequent conversion of Series D Participating Convertible Preferred Stock to common stock.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where such offer or sale is not permitted.

**SUBJECT TO COMPLETION. DATED DECEMBER 14, 2010**

**PRELIMINARY PROSPECTUS**

**MoneyGram International, Inc.**

**\$500,000,000**

**Common Stock**

**Preferred Stock**

**Depositary Shares**

**Debt Securities**

**Guarantees of Debt Securities**

**Warrants**

**Rights**

**Units**

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission using a shelf registration process. Under this shelf registration process, we may sell the securities described in this prospectus in one or more offerings up to a total dollar amount of \$500,000,000. The debt securities described in this prospectus may be fully and unconditionally guaranteed by one or more of our subsidiaries.

We may offer and sell these securities directly or to or through underwriters, agents or dealers at prevailing market prices or at prices different from prevailing market prices. See **Plan of Distribution** on page 33. The supplements to this prospectus will describe the terms of any particular plan of distribution, including names of any underwriters, agents or dealers.

Each time we sell securities pursuant to this prospectus, we will provide a prospectus supplement and attach it to this prospectus. You should carefully read this prospectus and any accompanying prospectus supplement, together with documents we incorporate by reference before you invest in our securities. The prospectus supplements will contain more specific information about the offering and the securities being offered. The prospectus supplements may also add, update or change information contained in this prospectus. This prospectus may not be used to carry out sales of securities unless accompanied by a prospectus supplement.

Our common stock is traded on the New York Stock Exchange under the symbol **MGI**. The last reported sales price of our common stock on December 9, 2010 was \$2.60. We have not yet determined whether any of the other securities we are registering hereby will be listed on any exchange, interdealer quotation system or over-the-counter system. If we decide to seek a listing for any of our other securities, we will disclose that in a prospectus supplement.

**Investing in our securities involves risks. See **Risk Factors** beginning on page 3 and the risk factors incorporated herein by reference. You should carefully read and consider the risk factors before you invest in our securities.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is .

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All references in this prospectus to MoneyGram, we, us, our and our company are to MoneyGram International, and not to our consolidated subsidiaries, unless otherwise indicated or the context otherwise requires.

All references in this prospectus to \$, U.S. Dollars and dollars are to United States dollars.

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission (the SEC) using a shelf registration process on Form S-3. Under this shelf registration, we may sell the securities described in this prospectus. The registration statement that contains this prospectus (including the exhibits to the registration statement) contains additional information about us and the securities we are offering under this prospectus. You can read that registration statement at the SEC's website at <http://www.sec.gov> or at the SEC office mentioned under the heading "Where You Can Find More Information."

This prospectus provides you with a general description of the securities we may offer. Each time we sell any of these securities, we will provide one or more prospectus supplements containing specific information about the terms of that offering. The prospectus supplements may also add, update or change information contained in this prospectus. If information in the prospectus supplement is inconsistent with the information in this prospectus, then the information in the prospectus supplement will apply and will supersede the information in this prospectus. You should carefully read both this prospectus and any prospectus supplement together with additional information described under the headings "Where You Can Find More Information" and "Documents Incorporated by Reference" before you invest.

You should rely only on the information contained or incorporated by reference in this prospectus and any accompanying prospectus supplement. We have not authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it.

You should not assume that the information in this prospectus, any accompanying prospectus supplement or any document incorporated by reference is accurate as of any date other than the date on its front cover. Our business, financial condition, results of operations and prospects may have changed since those dates.

Neither we nor anyone acting on our behalf is making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public through the Internet at the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at the SEC's public reference room at 100 F Street, N.E. Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about its public reference facilities and their copy charges.

We also make available free of charge on our Internet website at <http://www.moneygram.com> all of the documents that we file with the SEC as soon as reasonably practicable after we electronically file those documents with the SEC. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website as part of this prospectus.

**DOCUMENTS INCORPORATED BY REFERENCE**

The SEC allows us to incorporate by reference the information we file with them. This allows us to disclose important information to you by referencing those filed documents. We have previously filed the following documents with the SEC and are incorporating them by reference into this prospectus:

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our Annual Report on Form 10-K for the year ended December 31, 2009, filed on March 15, 2010 (excluding Item 8);

our Amended Annual Report on Form 10-K/A for the year ended December 31, 2009, filed on August 9, 2010;

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our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2010, filed on May 7, 2010, June 30, 2010, filed on August 9, 2010, and September 30, 2010, filed on November 5, 2010;

our Current Reports on Form 8-K filed on January 19, 2010, February 22, 2010, February 25, 2010, April 5, 2010, April 14, 2010, April 26, 2010, June 2, 2010, June 9, 2010, June 23, 2010, July 14, 2010, August 26, 2010, September 23, 2010, December 8, 2010 and December 14, 2010 (excluding any information furnished pursuant to Item 2.02 or Item 7.01 on any Current Report on Form 8-K);

our amended Current Report on Form 8-K/A filed on November 22, 2010; and

the description of our common stock and preferred share purchase rights contained in our registration statement on Form 10, which we filed with the SEC on December 29, 2003, and any amendment or report filed for the purpose of updating this description.

These reports contain important information about us, our financial condition and our results of operations.

We also are incorporating by reference any future filings made by us with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act ), excluding any information furnished pursuant to Item 2.02 or Item 7.01 on any Current Report on Form 8-K, after the date of the initial filing of the registration statement of which this prospectus is a part and before the filing of a post-effective amendment to that registration statement that indicates that all securities offered hereunder have been sold or that deregisters all securities then remaining unsold. The most recent information that we file with the SEC automatically updates and supersedes more dated information. Please note that we have not incorporated by reference a description of the Series B Participating Convertible Preferred Stock (the B Stock ), the Series B-1 Participating Convertible Preferred Stock (the B-1 Stock ) and collectively with the B Stock, the Series B Stock ) or the Series D Participating Convertible Preferred Stock (the Series D Stock ) because such a description was not filed pursuant to Section 12 of the Exchange Act.

You can obtain a copy of any documents that are incorporated by reference in this prospectus or prospectus supplement at no cost, by writing or telephoning us at:

Corporate Secretary  
MoneyGram International, Inc.  
2828 N. Harwood Street, Suite 1500  
Dallas, Texas 75201  
(214) 999-7552

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus, any prospectus supplement and the documents incorporated by reference in this prospectus or any prospectus supplement may contain forward-looking statements with respect to the financial condition, results of operations, plans, objectives, future performance and business of MoneyGram and its subsidiaries. Statements preceded by, followed by or that include words such as may, will, expect, anticipate, continue, estimate, believe or similar expressions are intended to identify some of the forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are included, along with this statement, for purposes of complying with the safe harbor provisions of that Act. These forward-looking statements involve risks and uncertainties. Actual results may differ materially from those contemplated by the forward-looking statements due to, among others, the risks and uncertainties described in this prospectus, including under the heading Risk Factors, and

the documents incorporated by reference in this prospectus. We undertake no obligation to update publicly or revise any forward-looking statements for any reason, whether as a result of new information, future events or otherwise.

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**SUMMARY**

MoneyGram is a leading global payment services company. Our major products include global money transfers, bill payment solutions and money orders. We help people and businesses by providing affordable, reliable and convenient payment services.

The MoneyGram® brand is recognized throughout the world. We offer more choices and more control for people separated from friends and family by distance or those with limited bank relationships to meet their financial needs. Our payment services are available at approximately 207,000 agent locations in approximately 191 countries and territories. Our services enable consumers throughout the world to transfer money and pay bills, helping them meet the financial demands of their daily lives. Our payment services also help businesses operate more efficiently and cost-effectively.

In March 2008, we completed a recapitalization pursuant to which we received an infusion of \$1.5 billion of gross equity and debt capital. The equity component of the recapitalization consisted of the sale to affiliates of Thomas H. Lee Partners, L.P., or THL, and affiliates of Goldman, Sachs & Co., or Goldman Sachs and collectively with THL, the Investors, in a private placement of 760,000 shares of the B Stock and the B-1 Stock for an aggregate purchase price of \$760.0 million. We also paid Goldman Sachs an investment banking advisory fee equal to \$7.5 million in the form of 7,500 shares of the B-1 Stock.

Also as part of the recapitalization, our wholly-owned subsidiary, MoneyGram Payment Systems Worldwide, Inc., or Worldwide, issued Goldman Sachs \$500.0 million of senior secured second lien notes with a 10-year maturity, or the Notes. We also entered into a senior secured amended and restated credit agreement with JPMorgan Chase Bank, N.A., or JPMorgan, as agent for a group of lenders, bringing the total facility, or the Senior Facility, to \$600.0 million. The Senior Facility included \$350.0 million in two term loan tranches and a \$250.0 million revolving credit facility.

Our principal executive offices are located at 2828 N. Harwood Street, Suite 1500, Dallas, Texas 75201, and our telephone number is (214) 999-7500. Our website address is [www.moneygram.com](http://www.moneygram.com). The information on our website is not part of this prospectus.

**Our Segments**

We manage our business primarily through two segments: Global Funds Transfer and Financial Paper Products. Following is a description of each segment.

***Global Funds Transfer Segment***

The Global Funds Transfer segment is our primary segment, providing money transfer and bill payment services to consumers, who are often unbanked or underbanked. Unbanked consumers are those consumers who do not have a traditional relationship with a financial institution. Underbanked consumers are consumers who, while they may have a savings account with a financial institution, do not have a checking account. Other consumers who use our services are convenience users and emergency users who may have a checking account with a financial institution but prefer to use our services on the basis of convenience or to make emergency payments. We primarily offer services to consumers through third-party agents, including retail chains, independent retailers and financial institutions.

In 2009, our Global Funds Transfer segment had total fee and investment revenue of \$1,027.9 million. We continue to focus on the growth of our Global Funds Transfer segment outside of the United States. During 2009, 2008 and 2007,

operations outside of the United States generated 27 percent, 25 percent and 21 percent, respectively, of our total company fee and investment revenue and 31 percent of our Global Funds Transfer segment fee and investment revenue in all three years.

We derive our money transfer revenues primarily from consumer transaction fees and the management of currency exchange spreads on money transfer transactions involving different send and receive currencies, and we derive our bill payment revenues primarily from transaction fees charged to consumers for each bill payment transaction completed.

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***Financial Paper Products Segment***

Our Financial Paper Products segment provides money orders to consumers through our retail and financial institution agent locations in the United States and Puerto Rico and provides official check services for financial institutions in the United States.

In 2009, our Financial Paper Products segment posted revenues of \$122.8 million. Since early 2008, our investment portfolio has consisted of lower risk, highly liquid, short-term securities that produce a lower rate of return, which has resulted in lower revenues and profit margins in our Financial Paper Products segment.

We generate revenue from money orders by charging per item and other fees, as well as from the investment of funds underlying outstanding money orders, which generally remain outstanding for fewer than ten days. As with money orders, we generate revenue from our official check outsourcing services from per item and other fees and from the investment of funds underlying outstanding official checks, which generally remain outstanding for fewer than 3.5 days.



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**RISK FACTORS**

An investment in our securities involves risks. You should carefully consider all of the information contained or incorporated by reference in this prospectus and the accompanying prospectus supplement before deciding whether to purchase shares of our securities. In particular, you should carefully consider the risk factors described below and the risk factors included in our most recent Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q and those that may be included in any applicable prospectus supplement, as well as risks described in Management's Discussion and Analysis of Financial Condition and Results of Operations included in any such reports or documents and cautionary notes regarding forward looking statements included or incorporated by reference herein, together with all of the other information included in this prospectus, any prospectus supplement and the documents we incorporate by reference. If any of these risks were to materialize, our business, results of operations, cash flows and financial condition could be materially adversely affected. Additional risks not currently known to us or that we currently deem immaterial may also have a material adverse effect on us.

***Our board of directors has the power to issue series of preferred stock and to designate the rights and preferences of those series, which could adversely affect the voting power, dividend, liquidation and other rights of holders of our common stock.***

Under our certificate of incorporation, our board of directors has the power to issue series of preferred stock and to designate the rights and preferences of those series. Therefore, our board of directors may designate a new series of preferred stock with the rights, preferences and privileges that the board of directors deems appropriate, including special dividend, liquidation and voting rights. The creation and designation of a new series of preferred stock could adversely affect the voting power, dividend, liquidation and other rights of holders of our common stock and, possibly, any other class or series of stock that is then in existence.

***Except for our common stock, there is no public market for the securities that we may offer using this prospectus.***

Except for our common stock, no public market exists for the securities that we may offer using this prospectus, and we cannot assure the liquidity of any market that may develop, the ability of the holders of the securities to sell their securities, or the price at which the securities may be sold. Our common stock is traded on the New York Stock Exchange. We do not intend to apply for listing of any other securities that we may offer using this prospectus on any securities exchange. Future trading prices of the securities will depend on many factors including, among others, prevailing interest rates, our operating results and the market for similar securities.

***The market price of our common stock may be volatile.***

The market price of our common stock may fluctuate significantly in response to a number of factors, some of which may be beyond our control. These factors include the perceived prospects or actual operating results of our business; changes in estimates of our operating results by analysts, investors or our management; our actual operating results relative to such estimates or expectations; actions or announcements by us or our competitors; litigation and judicial decisions; legislative or regulatory actions; and changes in general economic or market conditions. In addition, the stock market in general has from time to time experienced extreme price and volume fluctuations. These market fluctuations could reduce the market price of our common stock for reasons unrelated to our operating performance.

***Our charter documents and Delaware law contain provisions that could delay or prevent an acquisition of our company, which could inhibit our stockholders' ability to receive a premium on their investment from a possible sale of our company.***

Our charter documents contain provisions that may discourage third parties from seeking to acquire our company. These provisions and specific provisions of Delaware law relating to business combinations with interested stockholders may have the effect of delaying, deterring or preventing a merger or change in control

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of our company. Some of these provisions may discourage a future acquisition of our company even if stockholders would receive an attractive value for their shares or if a significant number of our stockholders believed such a proposed transaction to be in their best interests. As a result, stockholders who desire to participate in such a transaction may not have the opportunity to do so.

### ***Our debt securities are effectively subordinated to the obligations of our subsidiaries.***

We conduct our operations through our subsidiaries. Even if our debt securities are unsubordinated obligations, they will be effectively subordinated to all liabilities of our subsidiaries, to the extent of their assets. Our subsidiaries are separate and distinct legal entities and, unless they guarantee our debt securities, have no obligation to pay any amounts due under our indebtedness, including our debt securities, or to make any funds available to us, whether by paying dividends or otherwise, so that we can do so.

### ***The Indentures do not limit the amount of indebtedness that we may incur.***

The Indentures, which are described below under the heading Description of Debt Securities, do not limit the amount of secured or unsecured indebtedness that we may incur. The Indentures do not contain any debt covenants or provisions that would afford the holders of our debt securities protection in the event we participate in a highly leveraged transaction.

### ***Any debt securities that we may issue could contain covenants that may restrict our ability to operate, obtain financing or pay dividends, and our noncompliance with one of these restrictive covenants could lead to a default on those debt securities and any other indebtedness.***

If we issue debt securities covered by this prospectus or any future indebtedness, those securities or future indebtedness may be subject to restrictive covenants, some of which may limit the way in which we can operate our business and significantly restrict our ability to incur additional indebtedness or to issue preferred stock or pay dividends. Noncompliance with any covenants under that indebtedness, unless cured, modified or waived, could lead to a default not only with respect to that indebtedness, but also under any other indebtedness that we may incur. If this were to happen, we might not be able to repay or refinance all of our debt.

### ***If we issue a large amount of debt, it may be more difficult for us to obtain financing and will increase the cost of our debt.***

The issuance of debt securities could increase our debt-to-equity ratio or leverage, which may in turn make it more difficult for us to obtain future financing. In addition, the issuance of any debt securities will increase the amount of interest we will need to pay, except to the extent that the proceeds from the issuance of debt securities are used to repay other outstanding indebtedness. Finally, our level of indebtedness, and in particular any significant increase in it, may make us more vulnerable if there is a downturn in our business or the economy.

## **THE SUBSIDIARY GUARANTORS**

Certain of our subsidiaries, which we refer to as the Subsidiary Guarantors in this prospectus, may fully and unconditionally guarantee our payment obligations under any series of debt securities offered by this prospectus. If we issue a series of debt securities guaranteed by any of our subsidiaries, we will identify the specific subsidiary and describe the particular terms of any guarantees of such series in the applicable prospectus supplement.

Financial information relating to our Subsidiary Guarantors and any non-guarantor subsidiaries has been included in our consolidated financial statements filed as part of our periodic reports filed pursuant to the Exchange Act to the

extent required by the rules and regulations of the SEC.

Additional information concerning our subsidiaries and us is included in reports and other documents incorporated by reference in this prospectus. See [Where You Can Find More Information](#).

**Table of Contents****USE OF PROCEEDS**

Unless the applicable prospectus supplement states otherwise, we will use the net proceeds we receive from the sale of the securities for general corporate purposes, which may include, among other things, working capital, capital expenditures, debt repayment, the financing of possible acquisitions or stock repurchases. We may provide additional information on the use of the net proceeds from the sale of securities in an applicable prospectus supplement.

**RATIOS OF EARNINGS TO FIXED CHARGES AND TO FIXED CHARGES AND PREFERRED DIVIDEND REQUIREMENTS**

Our consolidated ratios of earnings to fixed charges and of earnings to fixed charges and preferred dividend requirements for the periods indicated are as follows:

|  | <b>Nine<br/>Months<br/>Ended</b> |             | <b>Year Ended December 31,</b> |             |             |             |
|--|----------------------------------|-------------|--------------------------------|-------------|-------------|-------------|
|  | <b>September 30,<br/>2010</b>    | <b>2009</b> | <b>2008</b>                    | <b>2007</b> | <b>2006</b> | <b>2005</b> |
| Ratio of Earnings to Fixed Charges                                     | 1.45                             | 0.80        | (2.52)                         | (63.42)     | 16.70       | 16.86       |
| Ratio of Earnings to Fixed Charges and Preferred Dividend Requirements | 0.52                             | 0.32        | (1.13)                         | (63.42)     | 16.70       | 16.86       |

For purposes of computing the ratios, earnings consist of consolidated income from continuing operations before income taxes plus fixed charges. Fixed charges consist of interest on long-term debt, amortization of debt expense, premium and discount, and the portion of interest expense on operating leases we believe to be representative of the interest factor.

**DESCRIPTION OF COMMON STOCK**

This section summarizes the general terms of the common stock that we may offer using this prospectus. The following description is only a summary and does not purport to be complete and is qualified by reference to our certificate of incorporation and bylaws. Our certificate of incorporation and bylaws have been incorporated by reference as exhibits to the registration statement of which this prospectus is a part. See [Where You Can Find More Information](#) and [Documents Incorporated by Reference](#) for information on how to obtain copies.

**General**

Our certificate of incorporation currently authorizes the issuance of two classes of capital stock:

common stock, par value \$0.01 per share (1,300,000,000 shares authorized), and

preferred stock, par value \$0.01 per share (7,000,000 shares authorized).

As of December 9, 2010, there were 83,620,522 shares of our common stock outstanding. As of December 9, 2010, there were zero shares of the Series A Junior Participating Preferred Stock (the [Series A Junior Stock](#) and collectively

with the Series B Stock and the Series D Stock, the Preferred Stock ), 495,000 shares of the B Stock, 272,500 shares of the B-1 Stock and zero shares of the Series D Stock outstanding. Our outstanding common stock is, and any newly issued common stock will be, fully paid and non-assessable.

Our board of directors is authorized to provide for the issue, from time to time, of preferred stock in series and, as to each series, to establish the number of shares to be included in each such series and to fix the designations, powers, preferences and rights of those shares and the qualifications, limitations and restrictions of those shares. As a result, our board of directors could, without stockholder approval, authorize the issuance of preferred stock with dividend, redemption or conversion provisions that could have an adverse effect on the availability of earnings for distribution to the holders of our common stock, or with voting, conversion or other

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rights that could proportionately reduce, minimize or otherwise adversely affect the voting power and other rights of holders of our common stock. See Description of Preferred Stock.

### **Dividend Rights**

Subject to the prior dividend rights of the holders of any preferred stock and the other limitations set forth in the following paragraph, dividends may be declared by our board of directors and paid from time to time on outstanding shares of our common stock from any funds legally available therefor.

We and our subsidiaries are parties to agreements pursuant to which we borrow money, and certain covenants in these agreements limit our ability to pay dividends or other distributions with respect to the common stock or to repurchase common stock. In addition, we and our subsidiaries may become parties to future agreements that contain such restrictions. These covenants will be described in more detail in the prospectus supplement relating to any common stock that we offer using this prospectus.

### **Voting Rights**

The holders of our common stock have voting rights and are entitled to one vote for each share held. There are no cumulative voting rights.

### **Liquidation Rights**

Upon any liquidation, dissolution or winding up of our company, the holders of our common stock shall be entitled to share in our assets remaining after the payment of liabilities and the satisfaction of any liquidation preference granted to the holders of any outstanding shares of preferred stock.

### **Conversion, Redemption and Preemptive Rights**

Our common stock is not entitled to any conversion or redemption rights. Holders of our common stock do not have any preemptive right or other subscription rights to subscribe for additional securities we may issue.

### **Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is Wells Fargo Shareowner Services.

### **Certain Provisions of Our Certificate of Incorporation and Bylaws**

Some provisions of our certificate of incorporation and bylaws could make the acquisition of control of our company and/or the removal of our existing management more difficult, including those that provide as follows:

subject to the rights of holders of shares of the B Stock and the B-1 Stock, our board of directors fixes the size of our board of directors within certain limits, may create new directorships and may appoint new directors to serve for the full term of the class of directors in which the new directorship was created. Our board of directors (or its remaining members, even though less than a quorum) also may fill vacancies on our board of directors occurring for any reason for the remainder of the term of the class of director in which the vacancy occurred;

our board of directors may issue preferred stock without any vote or further action by the stockholders;

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subject to the rights of holders of shares of the B Stock and the B-1 Stock, special meetings of our stockholders may be called only by our chairman of our board of directors, and not by our stockholders;

our board of directors may adopt, amend, alter or repeal our bylaws without a vote of our stockholders;



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subject to the rights of holders of shares of the B Stock and B-1 Stock, all stockholder actions must be taken at a regular or special meeting of our stockholders and cannot be taken by written consent without a meeting;

we have advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, which generally require that stockholder proposals and nominations be provided to us between 90 and 120 days before the anniversary of our last annual meeting in order to be properly brought before a stockholder meeting; and

certain business combinations with an interested stockholder (defined in our certificate of incorporation as a holder of 10% or more of our outstanding voting stock) must be approved by holders of 66 $\frac{2}{3}$ % of the voting power of shares not owned by the interested stockholder, unless the business combination is approved by certain continuing directors (as defined in our certificate of incorporation) or meets certain requirements regarding price and procedure.

These provisions are expected to discourage coercive takeover practices and inadequate takeover bids. They are also designed to encourage persons seeking to acquire control of MoneyGram to first negotiate with our board of directors. We believe that the benefits of increased protection give us the potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us and that these benefits outweigh the disadvantages of discouraging the proposals. Negotiating with the proponent could result in an improvement of the terms of the proposal.

**Section 203 of the Delaware General Corporation Law**

Section 203 of the Delaware General Corporation Law regulates corporate acquisitions. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date the person became an interested stockholder unless:

the board of directors approved the transaction in which the stockholder became an interested stockholder prior to the date the interested stockholder attained such status;

upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding shares owned by persons who are directors or officers and shares held by certain employee stock plans; and

the business combination is approved by the board of directors and by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder at a stockholder meeting, and not by written consent.

However, this business combination prohibition may be negated by certain actions. For example:

if we, with the support of a majority of our continuing directors, propose at any time another merger or sale or do not oppose another tender offer for at least 50% of our shares, the interested stockholder is released from the three-year prohibition and free to compete with that other transaction; or

our stockholders may choose to amend our certificate of incorporation to opt out of Section 203 of the Delaware General Corporation Law at any time by a vote of at least a majority of its outstanding voting power; provided that, the amendment to opt out of Section 203 will not be effective until 12 months after the adoption

of such amendment.

Under Section 203 of the Delaware General Corporation Law, a business combination generally includes a merger, asset or stock sale, loan, substantial issuance of stock, plan of liquidation, reincorporation or other transaction resulting in a financial benefit to the interested stockholder. In general, an interested stockholder is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status, did own, 15% or more of a corporation's voting stock.

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The provisions of Section 203 of the Delaware General Corporation Law do not apply to the Investors' acquisition of shares of the Series B Stock or to any transaction related to such acquisition, which were approved by our continuing directors (as defined in our certificate of incorporation).

### **DESCRIPTION OF PREFERRED STOCK**

This section summarizes the general terms and provisions of our existing preferred stock and the preferred stock that we may offer using this prospectus. This section is only a summary and does not purport to be complete. You must look at our certificate of incorporation and the relevant certificate of designations for a full understanding of all the rights and preferences of any series of our preferred stock. Our certificate of incorporation and the certificates of designations have been or will be filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part. See **Where You Can Find More Information** and **Documents Incorporated by Reference** for information on how to obtain copies.

With respect to preferred stock that we may offer using this prospectus, a prospectus supplement will describe the specific terms of any particular series of preferred stock offered under that prospectus supplement, including any of the terms in this section that will not apply to that series of preferred stock, and any special considerations, including tax considerations, applicable to investing in that series of preferred stock.

#### **Preferred Stock We May Issue Under this Prospectus**

The following description of the terms of the preferred stock sets forth certain general terms and provisions of our authorized preferred stock. If we offer preferred stock, a description will be filed with the SEC and the specific designations and rights will be described in the prospectus supplement, including the following terms:

the series, the number of shares offered and the liquidation value of the preferred stock;

the price at which the preferred stock will be issued;

the dividend rate, the dates on which the dividends will be payable and other terms relating to the payment of dividends on the preferred stock;

the liquidation preference of the preferred stock;

the voting rights of the preferred stock;

whether the preferred stock is redeemable or subject to a sinking fund, and the terms of any such redemption or sinking fund;

whether the preferred stock is convertible or exchangeable for any other securities, and the terms of any such conversion; and

any additional rights, preferences, qualifications, limitations and restrictions of the preferred stock.

The description of the terms of the preferred stock to be set forth in an applicable prospectus supplement will not be complete and will be subject to and qualified in its entirety by reference to the certificate of designations relating to the applicable series of preferred stock. The registration statement of which this prospectus forms a part will include the certificate of designations as an exhibit or incorporate it by reference.

Our board of directors can, without approval of stockholders, issue one or more series of preferred stock. Subject to the provisions of our certificate of incorporation and limitations prescribed by law, our board of directors may adopt resolutions to determine the number of shares of each series and the rights, preferences and limitations of each series, including the dividend rights, voting rights, conversion rights, redemption rights and any liquidation preferences of any wholly unissued series of preferred stock, the number of shares constituting each series and the terms and conditions of issue. Under certain circumstances, preferred stock could restrict dividend payments to holders of our common stock.

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Undesignated preferred stock may enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a tender offer, proxy contest, merger or otherwise, and to thereby protect the continuity of our management. The issuance of shares of preferred stock may adversely affect the rights of the holders of our common stock. For example, any preferred stock issued may rank prior to our common stock as to dividend rights, liquidation preference or both, may have full or limited voting rights and may be convertible into shares of common stock. As a result, the issuance of shares of preferred stock may discourage bids for our common stock or may otherwise adversely affect the market price of our common stock or any existing preferred stock.

The preferred stock will, when issued, be fully paid and non-assessable.

## **Existing Preferred Stock**

Under our certificate of incorporation, our board of directors has the authority to issue up to 7,000,000 shares of preferred stock in one or more series and to determine the rights, preferences, privileges and restrictions of the preferred stock. The rights, preferences, privileges and restrictions on different series of preferred stock may differ with respect to dividend rates, amounts payable on liquidation, voting rights, conversion rights, redemption provisions, sinking fund provisions, and purchase funds and other matters.

As of December 9, 2010, there were 83,620,522 shares of our common stock and 767,500 shares of our preferred stock issued and outstanding. We have issued and outstanding 495,000 shares of B Stock and 272,500 shares of B-1 Stock. We have designated 760,000 shares of preferred stock as B Stock, 500,000 shares of preferred stock as B-1 Stock, 200,000 shares of preferred stock as Series D Stock, and 2,000,000 shares of preferred stock as Series A Junior Stock.

On March 25, 2008, we issued 495,000 shares of B Stock and 272,500 shares of B-1 Stock in a private offering to qualified institutional buyers. We entered into a Registration Rights Agreement, dated as of March 25, 2008 (the Registration Rights Agreement), pursuant to which we agreed to file a shelf registration statement with the SEC covering resales of the Preferred Stock, as well as shares of our common stock issuable upon conversion of, or in connection with, the B Stock and B-1 Stock.

The following is a summary of the material terms of the B Stock, the B-1 Stock, the Series D Stock and the Series A Junior Stock and the Registration Rights Agreement. You should refer to the actual terms of each class of Preferred Stock and certificate of designations with respect to such class of Preferred Stock filed with the Secretary of State of the State of Delaware and the Registration Rights Agreement. Each holder may request a copy of the certificates of designations governing the Preferred Stock and Registration Rights Agreement from us at the address set forth under Documents Incorporated by Reference. The certificates of designations with respect to the B Stock, the B-1 Stock and the Series D Stock are included as exhibits to our Current Report on Form 8-K, filed with the SEC on March 28, 2008. Additionally, the certificate of designations with respect to the Series A Junior Stock is included as an exhibit to our Quarterly Report for the quarter ended June 30, 2004 on Form 10-Q, filed with the SEC on August 13, 2004.

The Preferred Stock is not listed on any securities exchange.

The transfer agent and registrar for our preferred stock is Wells Fargo Shareowner Services.

## ***The B Stock***

*Rank.* The B Stock ranks, with respect to dividend rights and rights upon our liquidation, dissolution or winding up of our affairs, (i) senior to our common stock, the Series D Stock and all shares of capital stock that we have issued or will issue, the terms of which specifically provide that such shares of capital stock rank junior to the B Stock, (ii) on a

parity with the B-1 Stock and all shares of capital stock that we have issued or will issue, the terms of which do not specifically provide that such shares of capital stock rank senior or junior to the B Stock, and (iii) junior to all shares of capital stock that we have issued or will issue, the terms of which specifically provide that such shares of capital stock rank senior to the B Stock.

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*Dividends.* We pay the record holders of the B Stock, when and as declared by our board of directors, a quarterly cash dividend on each share of the B Stock at an annual rate of 10.00% of the sum of (i) the \$1,000 liquidation preference on each share and (ii) all accumulated and unpaid dividends, excluding any dividends accruing during the current dividend period (the B Stock Dividends ). Dividends are payable only out of the assets legally available therefor. The B Stock Dividends accrue and accumulate on a daily basis from the date of our original issue of the B Stock (March 25, 2008) and, if declared, are payable quarterly on the following dates each year: June 24 (the 91st calendar day after March 25), September 22 (the 181st calendar day after March 25), December 21 (the 271st calendar day after March 25) and March 25 (the anniversary of the original issuance date), or if those dates are not a business day, the next succeeding business day. In the event that we fail to timely pay dividends to the holders of the B Stock or the B-1 Stock or we fail to redeem shares of the B Stock or the B-1 Stock as required, the annual rate will be changed to 15.00%; provided, however, that upon a determination by the independent directors, until March 25, 2013, dividends may be accrued at an annual rate of 12.50% of the sum of (i) the \$1,000 liquidation preference and (ii) all accumulated and unpaid dividends, compounding quarterly, in lieu of paying such dividends in cash currently.

In addition to the B Stock Dividends, the record holders of the B Stock are entitled to participate equally and ratably with the holders of our common stock in all dividends and distributions paid on our common stock (the Common Stock Dividends ) as if, immediately prior to such payment, each outstanding share of the B stock were converted into shares of our common stock in the manner described below under Existing Preferred Stock The B Stock Conversion.

Dividends are payable to holders of the B Stock as they appear in our records at the close of business on the applicable record date, which (i) with respect to the B Stock Dividends, is not more than 30 days nor less than ten days preceding such dividend payment date and (ii) with respect to the Common Stock Dividends is the same day as the record date for the payment of dividends to the holders of shares of our common stock.

During any period (i) beginning with our failure to pay dividends in full upon the B Stock or the B-1 Stock and ending at such time when all such dividends have been paid in full in cash, (ii) prior to March 25, 2013, in respect of which we elect to accrue dividends, or (iii) beginning with our failure to redeem shares of the B Stock as required and ending at such time when the full redemption price for such shares have been paid in cash ( Stoppage Period ), (a) no dividends will be declared or paid or set apart for payment on any shares of our common stock, shares of the Series D Stock or shares of capital stock that we have issued or will issue, the terms of which specifically provide that such shares of capital stock rank junior to the B Stock, and (b) with limited exceptions, no such shares described in clause (a) will be redeemed, purchased or otherwise acquired. Further, during any Stoppage Period, we will not redeem, purchase or otherwise acquire any shares of the B-1 Stock or any shares of capital stock that we have issued or will issue, the terms of which do not specifically provide that such shares of capital stock rank senior to the B Stock.

*Liquidation.* In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, the record holders of shares of the B Stock will be entitled to be paid out of our assets or proceeds therefore legally available for distribution to our stockholders, subject to the rights of any of our creditors, a liquidation preference equal to the greater of (i) the sum of (a) \$1,000 per share and (b) an amount equal to all accumulated and unpaid dividends, if any (whether or not declared), to the date of payment and (ii) the payment such holders would have received had such holders, immediately prior to such liquidation, dissolution or winding up, converted their shares of the B Stock into shares of our common stock in the manner described below under Existing Preferred Stock The B Stock Conversion. Such amount is to be paid before any payment or distribution of any of our assets is made or set apart for holders of our common stock, the Series D Stock or any shares of capital stock that we have issued or will issue, the terms of which specifically provide that such shares of capital stock rank junior to the B Stock.

If, upon our voluntary or involuntary liquidation, dissolution or winding up of our affairs, our available assets are insufficient to pay the amount of the liquidating distributions on all outstanding shares of the B Stock and the corresponding amounts payable on all other classes or series of our capital stock ranking on a parity with the B Stock

as to liquidation rights, then the record holders of shares of the B Stock and all other



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classes or series of capital stock of that kind will share proportionately in any such distribution of assets in proportion to the full respective liquidating distributions to which they would otherwise be entitled.

After payment of the full amount of the liquidating distributions to which they are entitled, such record holders will have no right or claim to any of our remaining assets. Our consolidation or merger with or into any other corporation or other entity, by itself, will not be deemed to constitute the liquidation, dissolution or winding-up of our affairs.

*Redemption at our Option.* After March 25, 2013, if the average market price of our common stock during a period of thirty consecutive trading days ending on the tenth day prior to the date we exercise this option exceeds the

Redemption Trigger Price, we may, at our option, redeem, out of assets lawfully available for the redemption of shares, all (but not less than all) of the outstanding shares of the B Stock for an amount in cash equal to \$1,000 per share and all accumulated and unpaid dividends, if any, to the date of redemption. The Redemption Trigger Price is initially set at \$15.00 but is subject to adjustment in the same manner as the B Conversion Price is, which is discussed below in Existing Preferred Stock The B Stock Conversion .

In the event of a redemption at our option of shares of the B Stock, we will deliver written notice to each holder not less than 15 days and no more than 20 days prior to the date on which the holder is to surrender the certificates representing shares to be redeemed. Until the date on which the holder is to surrender its certificates, it may convert its B Stock as described below under Existing Preferred Stock The B Stock Conversion.

*Redemption at the Option of the Holder.* At any time after March 25, 2018, upon the approval by holders of at least a majority of the outstanding shares of the B Stock and the B-1 Stock voting together as a class, we will redeem all, but not less than all, of the outstanding shares of the B Stock and the B-1 Stock at a redemption price in cash equal to the sum of \$1,000 per share and all accumulated and unpaid dividends to the date of redemption. Additionally, in connection with a change of control, each holder of shares of the B Stock will have the right to require us to redeem such holder's shares of the B Stock at a redemption price in cash equal to 101% of the sum of (i) \$1,000 per share and (ii) an amount equal to all accumulated and unpaid dividends to the date of change of control. A change of control includes, among other things, the acquisition by any person (other than any Investor or any of its affiliates) of 50% or more of the combined voting power of our outstanding voting securities and the approval by stockholders of our liquidation or dissolution.

*Conversion.* Each holder of shares of the B Stock has the right, at such holder's option and upon providing us with a written notice, to convert any or all of such holder's shares of the B Stock into fully paid and non-assessable shares of our common stock at a conversion price equal to \$2.50, subject to adjustments as described in the paragraph below (the B Conversion Price ). The number of shares of our common stock into which each share of the B Stock is convertible will be determined by dividing the sum of \$1,000 per share and all accumulated and unpaid dividends to the date of conversion by the B Conversion Price. Notwithstanding the foregoing, the B Stock may not be converted into our common stock to the extent such conversion would result in a number of shares of our common stock to be issued that would exceed the number of shares of our common stock authorized for issuance. In such an event, however, the holder may, at the election of the holder, convert such shares of the B Stock into the number of shares of the Series D Stock, or fraction thereof, that are then convertible into the number of shares of our common stock that such holder would have been entitled to upon conversion. We will not issue fractional shares of our common stock upon conversion; instead, we will pay cash for each fractional share based upon the market price of our common stock on the date of conversion.

The B Conversion Price will be reduced in the event we issue or sell any shares of our common stock without consideration or for consideration per share less than the market price of our common stock, as of the day of such issuance or sale. In such event, the B Conversion Price will be reduced by multiplying it by a fraction of which the numerator is the sum of (i) the number of shares of our common stock outstanding immediately prior to such issuance

or sale and (ii) the number of additional shares of our common stock that the aggregate consideration we received for the number of shares of our common stock so offered would purchase at the market price per share of our common stock on the last trading day immediately preceding

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such issuance or sale, and of which the denominator is the number of shares of our common stock outstanding immediately after such issuance or sale. Additionally, the B Conversion Price will be adjusted in the event we declare a stock dividend on our common stock or subdivide, combine or reclassify the outstanding shares of common stock. In such event, the B Conversion Price will be adjusted to the number obtained by multiplying the B Conversion Price by a fraction, the numerator of which will be the number of shares of our common stock outstanding immediately prior to such action and denominator of which will be the number of shares of our common stock outstanding immediately following such action. Further, in the event we effect a pro rata repurchase of our common stock, then the B Conversion Price will be reduced by multiplying it by a fraction of which the numerator will be the product of the number of shares of our common stock outstanding and the market price per share of our common stock on the trading day next succeeding the dividend payment date, and the denominator of which will be the sum of the fair market value of the aggregate consideration payable to stockholders based upon the acceptance of all shares validly tendered or exchanged and not withdrawn as of the dividend payment date and the product of the number of shares of our common stock outstanding (less any purchased shares) at the dividend payment date and the market price per share of common stock on the trading day next succeeding the dividend payment date. Lastly, in the event we fix a record date for the making of a dividend to all holders of shares of our common stock of shares of any person other than ourselves, of evidence of our indebtedness, of assets, or of rights in respect of any of the foregoing, the B Conversion Price will be reduced to the price determined by multiplying it by a fraction, the numerator of which will be the market price per share of our common stock on such record date less the then fair market value as of such record date of the dividends so paid with respect to one share of our common stock, and the denominator of which will be the market price per share of our common stock on such record date. In the event such dividend is not made, the B Conversion Price will be re-adjusted as if such record date had not been fixed.

*Voting Rights.* In general, the holders of shares of the B Stock are entitled to vote with the holders of the our common stock on all matters submitted for a vote of holders of our common stock (voting together with the holders of our common stock as one class). However, with respect to (i) the issuance of any security convertible into, or exchangeable for, shares of securities senior to or on par with the B Stock, except for issuances of shares of the B Stock upon conversion of the B-1 Stock, (ii) a split, reclassification or combination of shares of the B Stock or the B-1 Stock, (iii) an increase in the authorized number of shares of the B Stock or the B-1 Stock, or (iv) the amendment, alteration or repeal of any provision of the certificate of designations applicable to the B Stock or any other provision of our Certificate of Incorporation in a manner that would adversely affect the preferences, rights, privileges and powers of the holders of shares of the B Stock, the written consent or affirmative vote by holders of at least a majority of the outstanding shares of the B Stock and B-1 Stock (voting together as one class) will be needed. Further, during any period beginning when we fail to redeem shares of the B Stock or the B-1 Stock as required and ending with such redemption, the written consent or affirmative vote by holders of at least a majority of the outstanding shares of the B Stock and the B-1 Stock (voting together as one class) is required for us to (i) institute (or permit any of our subsidiaries to institute) a voluntary bankruptcy proceeding, (ii) make an assignment for the benefit of creditors, (iii) adopt a plan or agreement of liquidation or dissolution, or (iv) increase the number of directors comprising our board of directors above thirteen. Lastly, during any period beginning when we fail to redeem shares of the B Stock or the B-1 Stock as required and ending with such redemption, the written consent or affirmative vote by holders of at least a majority of the outstanding shares of the B Stock is required for us to, among other things, (i) declare, set aside or pay any dividend on our common stock, the Series D Stock or any shares of capital stock that we have issued or will issue, the terms of which specifically provide that such shares of capital stock rank junior to the B Stock, (ii) purchase, redeem or otherwise acquire or retire for value any shares of our common stock, our Series D Stock or any shares of capital stock that we have issued or will issue, the terms of which specifically provide that such shares of capital stock rank junior to the B Stock, (iii) issue any shares of our common stock, our Series D Stock or any shares of capital stock that we have issued or will issue, the terms of which specifically provide that such shares of capital stock rank junior to the B Stock, except for issuances to holders of shares of the B Stock or the B-1 Stock, (iv) incur or guarantee in an aggregate principal amount of outstanding indebtedness in excess of \$1.1 billion; (v) effect any acquisition of a business or a material portion of the assets of any other person for consideration in

excess of \$25.0 million, (vi) make any sale or other disposition of any of our assets with a fair market value in excess

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of \$25.0 million individually, except sales in the ordinary course of business, or (vii) hire, terminate or change the compensation of any executive officer except for ordinary raises consistent with past practices.

***The B-1 Stock***

*Rank.* The B-1 Stock ranks, with respect to dividend rights and rights upon our liquidation, dissolution or winding up of our affairs, (i) senior to our common stock, the Series D Stock and all shares of capital stock that we have issued or will issue, the terms of which specifically provide that such shares of capital stock rank junior to the B-1 Stock, (ii) on a parity with the B Stock and all shares of capital stock that we have issued or will issue, the terms of which do not specifically provide that such shares of capital stock rank senior or junior to the B-1 Stock, and (iii) junior to all shares of capital stock that we have issued or will issue, the terms of which specifically provide that such shares of capital stock rank senior to the B-1 Stock.

*Dividends.* We pay the record holders of shares of the B-1 Stock, when and as declared by our board of directors, a quarterly cash dividend on each share of the B-1 Stock at an annual rate of 10.00% of the sum of (i) the \$1,000 liquidation preference on each share and (ii) all accumulated and unpaid dividends, excluding any dividends accruing during the current dividend period (the B-1 Stock Dividends ). Dividends are payable only out of the assets legally available therefor. The B-1 Stock Dividends accrue and accumulate on a daily basis from the date of our original issue of the B-1 Stock (March 25, 2008) and, if declared, are payable quarterly on each of the following dates each year: June 24 (the 91st calendar day after March 25), September 22 (the 181st calendar day after March 25), December 21 (the 271st calendar day after March 25) and March 25 (the anniversary of the original issuance date), or if such date is not a business day, the next succeeding business day. In the event that we fail to timely pay dividends to the holders of shares of the B Stock or the B-1 Stock or we fail to redeem shares of the B Stock or the B-1 Stock as required, the annual rate will be changed to 15.00%; provided, however, that upon a determination by the independent directors, until March 25, 2013 dividends may be accrued at an annual rate of 12.50% of the sum of (i) the \$1,000 liquidation preference and (ii) all accumulated and unpaid dividends, compounding quarterly, in lieu of paying such dividends in cash currently.

In addition to the B-1 Stock Dividends, the record holders of the B-1 Stock are entitled to participate equally and ratably with the holders of the Series D Stock in all dividends and distributions paid on such shares (the Series D Stock Dividends ) as if, immediately prior to such payment, each outstanding share of the B-1 stock were converted into shares of the Series D stock in the manner described below under Existing Preferred Stock The B-1 Stock Conversion.

Dividends are payable to holders of shares of the B-1 Stock as they appear in our records at the close of business on the applicable record date, which (i) with respect to the B-1 Stock Dividends, is not more than 30 days nor less than ten days preceding such dividend payment date and (ii) with respect to the Series D Stock Dividends is the same day as the record date for the payment of dividends to the holders of shares of the Series D Stock.

During any Stoppage Period, (i) no dividends will be declared or paid or set apart for payment on any of our common stock, the Series D Stock or shares of capital stock that we have issued or will issue, the terms of which specifically provide that such shares of capital stock rank junior to the B-1 Stock, and (ii) with limited exceptions, no such shares described in clause (i) will be redeemed, purchased or otherwise acquired. Further, during any Stoppage Period, we will not redeem, purchase or otherwise acquire any shares of the B Stock or any shares of capital stock that we have issued or will issue, the terms of which do not specifically provide that such shares of capital stock rank senior to the B-1 Stock

*Liquidation.* In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, the record holders of shares of the B-1 Stock will be entitled to be paid out of our assets or proceeds therefore legally

available for distribution to our stockholders, subject to the rights of any of our creditors, a liquidation preference equal to the greater of (i) the sum of (a) \$1,000 per share and (b) an amount equal to all accumulated and unpaid dividends, if any (whether or not declared), to the date of payment and (ii) the payment such holders would have received had such holders, immediately prior to such liquidation, dissolution or winding up, converted their shares of the B-1 Stock into shares of our common stock in the manner

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described below under Existing Preferred Stock The B-1 Stock Conversion. Such amount is to be paid before any payment or distribution of any of our assets are made or set apart for holders of our common stock, the Series D Stock and any shares of capital stock that we have issued or will issue, the terms of which specifically provide that such shares of capital stock rank junior to the B-1 Stock.

If, upon our voluntary or involuntary liquidation, dissolution or winding up of our affairs, our available assets are insufficient to pay the amount of the liquidating distributions on all outstanding shares of the B-1 Stock and the corresponding amounts payable on all other classes or series of our capital stock ranking on a parity with the B-1 Stock as to liquidation rights, then the record holders of the B-1 Stock and all other classes or series of capital stock of that kind will share proportionately in any such distribution of assets in proportion to the full respective liquidating distributions to which they would otherwise be entitled.

After payment of the full amount of the liquidating distributions to which they are entitled, such record holders will have no right or claim to any of our remaining assets. Our consolidation or merger with or into any other corporation or other entity will not, by itself, be deemed to constitute the liquidation, dissolution or winding-up of our affairs.

*Redemption at Our Option.* After March 25, 2013, if the average market price of our common stock during a period of 30 consecutive trading days ending on the tenth day prior to the date we exercise this option exceeds the Redemption Trigger Price, we may, at our option, redeem, out of assets lawfully available for the redemption of shares, all (but not less than all) of the outstanding shares of the B-1 Stock for an amount in cash equal to \$1,000 per share plus all accumulated and unpaid dividends, if any, to the date of redemption. The Redemption Trigger Price is initially set at \$15.00 but is subject to adjustment in the same manner as the B Conversion Price is, as discussed above in Existing Preferred Stock The B Stock Conversion .

In the event of a redemption at our option of shares of the B-1 Stock, we will deliver written notice to each holder not less than 15 days and no more than 20 days prior to the date on which the holder is to surrender the certificates representing shares to be redeemed. Until the date on which the holder is to surrender its certificates, it may convert its shares of the B-1 Stock as described below under Existing Preferred Stock The B-1 Stock Conversion.

*Redemption at the Option of the Holder.* At any time after March 25, 2018, upon the approval by holders of at least a majority of the outstanding shares of the B Stock and the B-1 Stock voting together as a class, we will redeem all, but not less than all, of the outstanding shares of the B Stock and the B-1 Stock at a redemption price in cash equal to the sum of \$1,000 per share and all accumulated and unpaid dividends to the date of redemption. Additionally, in connection with a change of control, each holder of shares of the B-1 Stock will have the right to require we redeem such holder's shares of the B-1 Stock at a redemption price in cash equal to 101% of the sum of (i) \$1,000 per share and (ii) an amount equal to all accumulated and unpaid dividends to the date of change of control. A change of control includes, among other things, the acquisition by any person (other than any Investor or any of its affiliates) of 50% or more of the combined voting power of our outstanding voting securities and the approval by stockholders of our liquidation or dissolution.

*Conversion.* Each holder of shares of the B-1 Stock has the right, at such holder's option and upon providing us with a written notice, to convert any or all of such holder's shares of the B-1 Stock into fully paid and non-assessable shares of the Series D Stock at a conversion price equal to the product of \$2.50, subject to adjustments as described above under Existing Preferred Stock The B Stock Conversion (the B-1 Conversion Price ), and 1,000. The number of shares of the Series D Stock into which each share of the B-1 Stock is convertible is determined by dividing the sum of \$1,000 per share and all accumulated and unpaid dividends to the date of conversion by the B-1 Conversion Price. Notwithstanding the foregoing, shares of the B-1 Stock may not be converted into shares of the Series D Stock to the extent such conversion would result in a number of shares of the Series D Stock to be issued that would exceed the number of shares of the Series D Stock authorized for issuance. Fractional shares of the Series D Stock may be issued

upon conversion.



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Notwithstanding the foregoing, each share of the B-1 Stock, if transferred by the beneficial owner of such share to any person other than an affiliate of Goldman Sachs, will automatically be converted upon transfer into one share of the B Stock.

*Voting Rights.* In general, the holders of the shares of the B-1 Stock will have no voting rights. With respect to an amendment, alteration or repeal of any provision of the certificate of designations applicable to the B-1 Stock in a manner that would adversely affect the preferences, rights, privileges and powers of the B-1 Stock, however, the written consent or affirmative vote by holders of at least a majority of the outstanding shares of the B Stock and the B-1 Stock (voting together as one class) will be needed. Further, during any period beginning when we fail to redeem shares of the B Stock or the B-1 Stock as required and ending with such redemption, the written consent or affirmative vote by holders of at least a majority of the outstanding shares of the B Stock and B-1 Stock (voting together as one class) is required for us to (i) institute (or permit any of our subsidiaries to institute) a voluntary bankruptcy proceeding, (ii) make an assignment for the benefit of creditors, (iii) adopt a plan or agreement of liquidation or dissolution, or (iv) increase the number of directors comprising our board of directors above thirteen.

### ***The Series D Stock***

*Rank.* The Series D Stock ranks, with respect to dividend rights and rights upon our liquidation, dissolution or winding up of our affairs, (i) on a parity with our common stock, and (ii) junior to all other class or series of our equity securities that we have issued or will issue that by its terms ranks senior to the Series D Stock.

*Dividends.* The record holders of the Series D Stock are entitled to participate equally and ratably with the holders of our common stock in all dividends and distributions paid on such shares as if, immediately prior to such payment, each outstanding share of the Series D Stock were converted into shares of our common stock in the manner described below under Existing Preferred Stock The Series D Stock Conversion. Dividends are payable to holders of the Series D Stock as they appear in our records at the close of business on the applicable record date, which is the same day as the record date for the payment of dividends to the holders of shares of our common stock.

*Liquidation.* In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, the record holders of shares of the Series D Stock will be entitled to be paid out of our assets or proceeds therefor legally available for distribution to our stockholders, subject to the rights of any of our creditors, a liquidation preference equal to the sum of (i) \$0.01 per share and (ii) the payment such holders would have received had such holders, immediately prior to such liquidation, dissolution or winding up, converted their shares of the Series D Stock into shares of our common stock in the manner described below under Existing Preferred Stock The Series D Stock Conversion.

After payment of the full amount of the liquidating distributions to which they are entitled, such record holders will have no right or claim to any of our remaining assets. Our consolidation or merger with or into any other corporation or other entity will not, by itself, be deemed to constitute the liquidation, dissolution or winding-up of our affairs.

*Redemption.* Shares of the Series D Stock are not redeemable at either our option or the holder's option.

*Conversion.* Each holder of shares of the Series D Stock has the right, at such holder's option and upon providing us with a written notice, to convert any or all of such holder's shares of the Series D Stock into fully paid and non-assessable shares of our common stock unless such conversion would result in a number of shares of our common stock to be issued that would exceed the number of shares of our common stock authorized for issuance. The number of shares of our common stock into which each share of the Series D Stock is convertible will be determined by multiplying each share of the Series D Stock by the conversion ratio, which is initially 1,000 but which is subject to adjustments as discussed in the paragraph below (the Conversion Ratio). We will not issue fractional shares of

common stock upon conversion; instead, we will pay cash for each fractional share based upon the market price of the common stock on the date of conversion. Notwithstanding the foregoing, shares of the Series D Stock beneficially owned by holders that own such

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shares by virtue of having converted their shares of the B-1 Stock into shares of the Series D Stock are not entitled to convert into our common stock.

In the event we subdivide, combine or reclassify the outstanding shares of our common stock, the Conversion Ratio will be adjusted to the number obtained by multiplying the Conversion Ratio by a fraction, the numerator of which will be the number of shares of our common stock outstanding immediately following such action, and the denominator of which will be the number of shares of our common stock outstanding immediately prior to such action.

*Business Combination.* In the event of any reorganization, merger or similar business combination transaction ( Business Combination ) or the reclassification of our common stock, each holder of a share of the Series D Stock then outstanding will have the right thereafter to exchange such share for the kind and amount of securities, cash and other property, if any, receivable upon the Business Combination or reclassification by a holder of the number of shares of our common stock into which a share of the Series D Stock would have been convertible immediately prior to the Business Combination or reclassification.

*Voting Rights.* In general, the holders of shares of the Series D Stock are entitled to vote with the holders of our common stock on an as-converted basis as one class on all matters submitted for a vote of holders of our common stock, except that those who hold such shares by virtue of having converted their shares of the B-1 Stock into shares of the Series D Stock are not entitled to vote with the holders of our common stock. Additionally, with respect to an amendment, alteration or repeal of any provision of the certificate of designations applicable to the Series D Stock in a manner that would adversely affect the preferences, rights, privileges and powers of the Series D Stock, the written consent or affirmative vote by holders of at least a majority of the outstanding shares of the Series D Stock will be needed.

### ***The Series A Junior Stock***

In connection with our 2004 spin-off from Viad Corp., our former parent company, we adopted a rights agreement (the Rights Agreement ) by and between us and Wells Fargo Bank, N.A., as the rights agent. The preferred share purchase rights issuable under the Rights Agreement were attached to the shares of our common stock distributed in the spin-off. The rights allowed its holder to purchase one one-hundredth of a share of the Series A Junior Stock for \$100, once they become exercisable. There are no shares of the Series A Junior Stock outstanding, and, as of December 31, 2008, the Rights Agreement was terminated. The certificate of designations with respect to the Series A Junior Stock remains on file with the Secretary of State of the State of Delaware.

*Rank.* The Series A Junior Stock ranks, with respect to dividends and distribution of assets, senior to our common stock and junior to all series of any other class of the Preferred Stock.

*Dividends.* Each holder of one one-hundredth of a share of the Series A Junior Stock will be entitled to quarterly dividend payments of \$0.01 per share or an amount equal to the dividend paid on one share of our common stock, whichever is greater.

*Liquidation.* Upon liquidation, each holder of one one-hundredth of a share of the Series A Junior Stock will be entitled to receive the greater of either \$1.00 per share or an amount equal to the payment made on one share of our common stock.

*Redemption.* Shares of the Series A Junior Stock are not redeemable.

*Voting Rights.* Each holder of one one-hundredth of a share of the Series A Junior Stock will have the same voting power as a holder of one share of our common stock.

*Business Combination.* If shares of our common stock are exchanged in a Business Combination, holders of one one-hundredth of a share of the Series A Junior Stock will be entitled to a per share payment equal to the payment made on one share of our common stock.

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### **Registration Rights Agreement**

The following summary of the registration rights provided in the Registration Rights Agreement is not complete. Investors should refer to the Registration Rights Agreement, which is filed as Exhibit 4.5 to the Current Report on Form 8-K filed on March 28, 2008, for a full description of the registration rights.

Pursuant to the Registration Rights Agreement, we agreed to use reasonable best efforts to qualify for registration on Form S-3 and to file a shelf registration statement under the Securities Act of 1933 (the "Securities Act") promptly after January 1, 2009. We are obligated to use reasonable best efforts to have a shelf registration statement remain effective at all times.

The B Stock, any shares of common stock issuable upon conversion of the B Stock, the B-1 Stock, any shares of the Series D Stock issuable upon conversion of the B-1 Stock, and any common stock issuable upon the conversion of the Series D Stock are referred to collectively as "Registrable Securities." A holder of Registrable Securities that sells Registrable Securities pursuant to the shelf registration statement generally will be required to provide information about itself and the specifics of the sale, be named as a selling stockholder in the related prospectus, deliver a prospectus to purchasers, be subject to relevant civil liability provisions under the Securities Act in connection with such sales and be bound by the provisions of the Registration Rights Agreement that are applicable to such holder.

### **Miscellaneous**

We will at all times reserve and keep available out of our authorized and unissued common stock, solely for issuance upon the conversion of the B Stock and the Series D Stock, that number of shares of our common stock as shall from time to time be issuable upon the conversion of all the shares of the B Stock and all of the shares of the Series D Stock then outstanding. Shares of the B Stock and the Series D Stock converted into shares of our common stock or otherwise reacquired by us will resume the status of authorized and unissued shares of our preferred stock, undesignated as to series, and will be available for subsequent issuance.

We will at all times reserve and keep available out of our authorized and unissued B Stock and Series D Stock, solely for issuance upon the conversion of the B-1 Stock, that number of shares of the Series D Stock and that number of shares of the B Stock as shall from time to time be issuable upon the conversion of all the shares of the B-1 Stock then outstanding. Shares of the B-1 Stock converted into shares of the Series D Stock or the B Stock or otherwise reacquired by us will resume the status of authorized and unissued shares of our preferred stock, undesignated as to series, and will be available for subsequent issuance.

### **Certain Provisions of Our Certificate of Incorporation and Bylaws**

For a description of some additional provisions of our certificate of incorporation and bylaws, see "Description of Common Stock - Certain Provisions of Our Certificate of Incorporation and Bylaws."

## **DESCRIPTION OF DEPOSITARY SHARES**

### **General**

We may offer fractional shares of preferred stock, rather than full shares of preferred stock. If we do so, we may issue receipts for depositary shares that each represents a fraction of a share of a particular series of preferred stock. The applicable prospectus supplement will indicate that fraction. The shares of preferred stock represented by depositary shares will be deposited under a depositary agreement between us and a bank depositary. The phrase "bank depositary" means a bank or trust company that meets certain requirements and is selected by us. Each owner of a depositary share

will be entitled to all the rights and preferences of the preferred stock represented by the depositary share. The depositary shares will be evidenced by depositary receipts issued pursuant to the depositary agreement. Depositary receipts will be distributed to those persons purchasing the fractional shares of preferred stock in accordance with the terms of the offering.

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We have summarized some common provisions of a depositary agreement and the related depositary receipts. The forms of the depositary agreement and the depositary receipts relating to any particular issue of depositary shares will be filed with the SEC each time we issue depositary shares, and you should read those documents for provisions that may be important to you.

### **Dividends and Other Distributions**

If we pay a cash distribution or dividend on a series of preferred stock represented by depositary shares, the bank depositary will distribute such dividends to the record holders of such depositary shares. If the distributions are in property other than cash, the bank depositary will distribute the property to the record holders of the depositary shares. However, if the bank depositary determines that it is not feasible to make the distribution of property, the bank depositary may, with our approval, sell such property and distribute the net proceeds from such sale to the record holders of the depositary shares.

### **Redemption of Depositary Shares**

If we redeem a series of preferred stock represented by depositary shares, the bank depositary will redeem the depositary shares from the proceeds received by the bank depositary in connection with the redemption. The redemption price per depositary share will equal the applicable fraction of the redemption price per share of the preferred stock. If fewer than all the depositary shares are redeemed, the depositary shares to be redeemed will be selected by lot or pro rata as the bank depositary may determine.

### **Voting the Preferred Stock**

Upon receipt of notice of any meeting at which the holders of the preferred stock represented by depositary shares are entitled to vote, the bank depositary will mail the notice to the record holders of the depositary shares relating to such preferred stock. Each record holder of these depositary shares on the record date (which will be the same date as the record date for the preferred stock) may instruct the bank depositary as to how to vote the preferred stock represented by such holder's depositary shares. The bank depositary will endeavor, insofar as practicable, to vote the amount of the preferred stock represented by such depositary shares in accordance with such instructions, and we will take all action that the bank depositary deems necessary in order to enable the bank depositary to do so. The bank depositary will abstain from voting shares of the preferred stock to the extent it does not receive specific instructions from the holders of depositary shares representing such preferred stock.

### **Amendment and Termination of the Depositary Agreement**

The form of depositary receipt evidencing the depositary shares and any provision of the depositary agreement may be amended by agreement between the bank depositary and us. However, any amendment that materially and adversely alters the rights of the holders of depositary shares will not be effective unless such amendment has been approved by the holders of at least a majority of the depositary shares then outstanding. The depositary agreement may be terminated by the bank depositary or us only if (i) all outstanding depositary shares have been redeemed or (ii) there has been a final distribution in respect of the preferred stock in connection with our liquidation, dissolution or winding and such distribution has been distributed to the holders of depositary shares.

### **Charges of Bank Depositary**

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. We will pay charges of the bank depositary in connection with the initial deposit of the preferred stock and any redemption of the preferred stock. Holders of depositary shares will pay other transfer and other taxes and

governmental charges and any other charges, including a fee for the withdrawal of shares of preferred stock upon surrender of depositary receipts, as are expressly provided in the depositary agreement to be payable by such holders.



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### **Withdrawal of Preferred Stock**

Except as may be provided otherwise in the applicable prospectus supplement, upon surrender of depositary receipts at the principal office of the bank depositary, subject to the terms of the depositary agreement, the owner of the depositary shares may demand delivery of the number of whole shares of preferred stock and all money and other property, if any, represented by those depositary shares. Partial shares of preferred stock will not be issued. If the depositary receipts delivered by the holder evidence a number of depositary shares in excess of the number of depositary shares representing the number of whole shares of preferred stock to be withdrawn, the bank depositary will deliver to such holder at the same time a new depositary receipt evidencing the excess number of depositary shares. Holders of preferred stock thus withdrawn may not thereafter deposit those shares under the depositary agreement or receive depositary receipts evidencing depositary shares therefor.

### **Miscellaneous**

The bank depositary will forward to holders of depositary shares all reports and communications from us that are delivered to the bank depositary and that we are required to furnish to the holders of the preferred stock.

Neither we nor the bank depositary will be liable if we are prevented or delayed by law or any circumstance beyond its control in performing its obligations under the depositary agreement. Our obligations and the obligations of the bank depositary under the depositary agreement will be limited to performance in good faith of their respective duties under the depositary agreement, and we will not be obligated to prosecute or defend any legal proceeding in respect of any depositary shares or preferred stock unless satisfactory indemnity is furnished. We may rely upon written advice of counsel or accountants, or upon information provided by persons presenting preferred stock for deposit, holders of depositary shares or other persons believed to be competent and on documents believed to be genuine.

### **Resignation and Removal of Bank Depositary**

The bank depositary may resign at any time by delivering to us notice of its election to do so, and we may at any time remove the bank depositary. Any such resignation or removal will take effect upon the appointment of a successor bank depositary and its acceptance of such appointment. The successor bank depositary must be appointed within 60 days after delivery of the notice of resignation or removal and must be a bank or trust company meeting the requirements of the depositary agreement.

## **DESCRIPTION OF DEBT SECURITIES**

The offered debt securities will be either our senior debt securities (the Senior Debt Securities ) or our subordinated debt securities (the Subordinated Debt Securities and together with the Senior Debt Securities, the Debt Securities ). The Senior Debt Securities and the Subordinated Debt Securities will be issued under separate indentures among us, the Subsidiary Guarantors of such Debt Securities, if any, and a trustee to be determined (the Trustee ). Senior Debt Securities will be issued under a Senior Indenture and Subordinated Debt Securities will be issued under a Subordinated Indenture. Together, the Senior Indenture and the Subordinated Indenture are called the Indentures.

The Indentures provide that the Debt Securities may be issued from time to time in one or more series. The particular terms of each series that are offered by a prospectus supplement will be described in the prospectus supplement.

The rights of our creditors, including holders of the Debt Securities, to participate in the assets of any subsidiary upon the latter's liquidation or reorganization will be subject to the prior claims of the subsidiary's creditors, except to the extent that we may ourselves be a creditor with recognized claims against such subsidiary and except to the extent that the Debt Securities are guaranteed by our subsidiaries as described below.



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We have summarized selected provisions of the Indentures below. The summary is not complete. The form of each Indenture has been filed with the SEC as an exhibit to the registration statement of which this prospectus is a part, and you should read the Indentures for provisions that may be important to you. Capitalized terms used in the summary have the meanings specified in the Indentures.

### **General**

The Indentures provide that Debt Securities in separate series may be issued thereunder from time to time without limitation as to aggregate principal amount. We may specify a maximum aggregate principal amount for the Debt Securities of any series. We will determine the terms and conditions of the Debt Securities, including the maturity, principal and interest, but those terms must be consistent with the applicable Indenture.

The Subordinated Debt Securities will be subordinated in right of payment to the prior payment in full of all of our senior debt as described under Subordination of Subordinated Debt Securities and in the prospectus supplement applicable to any Subordinated Debt Securities. If the prospectus supplement so indicates, the Debt Securities will be convertible into our common stock or other securities.

If and to the extent specified in the prospectus supplement respecting a particular series of Debt Securities, one or more Subsidiary Guarantors will jointly and severally, fully and unconditionally guarantee (the Subsidiary Guarantee ) that series as described in the prospectus supplement and under Subsidiary Guarantee. Each Subsidiary Guarantee will be an unsecured obligation of the Subsidiary Guarantor. A Subsidiary Guarantee of Subordinated Debt Securities will be subordinated to the Senior Debt of the Subsidiary Guarantor on the same basis as the Subordinated Debt Securities are subordinated to our Senior Debt.

The applicable prospectus supplement will set forth the price or prices at which the Debt Securities to be issued will be offered for sale and will describe the following terms of such Debt Securities:

the title of the Debt Securities;

whether the Debt Securities are Senior Debt Securities or Subordinated Debt Securities and, if Subordinated Debt Securities, the related subordination terms;

whether any Subsidiary Guarantor will provide a Subsidiary Guarantee of the Debt Securities;

any limit on the aggregate principal amount of the Debt Securities;

each date on which the principal of the Debt Securities will be payable;

the interest rate that the Debt Securities will bear and the interest payment dates for the Debt Securities;

each place where payments on the Debt Securities will be payable;

any terms upon which the Debt Securities may be redeemed, in whole or in part, at our option;

any sinking fund or other provisions that would obligate us to redeem or otherwise repurchase the Debt Securities;

the portion of the principal amount, if less than all, of the Debt Securities that will be payable upon declaration of acceleration of the Maturity of the Debt Securities;

whether the Debt Securities are defeasible;

any addition to or change in the Events of Default;

whether the Debt Securities are convertible into our common stock and, if so, the terms and conditions upon which conversion will be effected, including the initial conversion price or conversion rate and any adjustments thereto and the conversion period;

any addition to or change in the covenants in the Indenture applicable to the Debt Securities; and

any other terms of the Debt Secur