SunGard VPM Inc.
Form S-4
May 31, 2013
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As filed with the Securities and Exchange Commission on May 31, 2013

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

SunGard Data Systems Inc.

(Exact name of registrant issuer as specified in its charter)

SEE TABLE OF ADDITIONAL REGISTRANTS

Delaware	**7374**	**51-0267091**
(State or other jurisdiction	**(Primary Standard Industrial**	**(I.R.S. Employer**

of incorporation)	**Classification Code Number)**	**Identification Number)**

680 East Swedesford Road

Wayne, Pennsylvania 19087

(484)-582-2000

(Address, including zip code, and telephone number, including area code, of registrants principal executive offices)

Victoria E. Silbey, Esq.

Senior Vice President Legal and Chief Legal Counsel

680 East Swedesford Road

Wayne, Pennsylvania 19087

(484)-582-2000

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

With a copy to:

Richard A. Fenyes, Esq.

Simpson Thacher & Bartlett LLP

425 Lexington Avenue

New York, New York 10017-3954

Tel: (212) 455-2000

Approximate date of commencement of proposed offer: As soon as practicable after this Registration Statement is declared effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, 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(d) 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. ¨

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.

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

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issues Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Note	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
6.625% Senior Subordinated Notes due 2019	$1,000,000,000	100%	$1,000,000,000	$136,400
Guarantees of 6.625% Senior Subordinated Notes due 2019 (2)	(3)	(3)	(3)	(3)

(1) Estimated solely for the purpose of calculating the registration fee under Rule 457(f) of the Securities Act of 1933, as amended (the Securities Act).

(2) See inside facing page for additional registrant guarantors.

(3) Pursuant to Rule 457(n) under the Securities Act, no separate filing fee is required for the guarantees.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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Table of Additional Registrant Guarantors

Exact Name of Registrant Guarantor as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number	Address, Including Zip Code and Telephone Number, Including Area Code, of Registrant Guarantor s Principal Executive Offices
Advanced Portfolio Technologies, Inc.	Delaware	22-3245876	340 Madison Avenue 8th Floor New York, NY 10173
Automated Securities Clearance LLC	Delaware	22-3701255	545 Washington Blvd. 7th Floor Jersey City, NJ 07310
GL Trade Overseas, Inc.	Delaware	06-1414402	340 Madison Avenue New York, NY 10173
Inflow LLC	Delaware	84-1439489	680 E. Swedesford Rd. Wayne, PA 19087
Online Securities Processing Inc.	Delaware	77-0589377	680 E. Swedesford Rd. Wayne, PA 19087
SIS Europe Holdings LLC	Delaware	41-1511643	680 E. Swedesford Rd. Wayne, PA 19087
SRS Development Inc.	Delaware	23-2746281	680 E. Swedesford Rd. Wayne, PA 19087
SunGard Ambit LLC	Delaware	04-2766162	100 High Street 19th Floor Suffolk, MA 02110
SunGard Asia Pacific Inc.	Delaware	51-0370861	601 Walnut St. Suite 1010 Philadelphia, PA 19106
SunGard Availability Services LP	Pennsylvania	23-2106195	680 E. Swedesford Rd. Wayne, PA 19087

SunGard Availability Services Ltd.	Delaware	23-3024711	680 E. Swedesford Rd. Wayne, PA 19087
SunGard AvantGard LLC	California	95-3440473	23975 Park Sorrento 4th Floor Calabasas, CA 91302
SunGard Business Systems LLC	Delaware	23-2139612	377 E. Butterfield Road Suite 800 Lombard, IL 60148
SunGard Computer Services LLC	Delaware	68-0499469	600 Laurel Road Voorhees, NJ 08043
SunGard Consulting Services LLC	Delaware	87-0727844	10375 Richmond Suite 700 Houston, TX 77042
SunGard CSA LLC	Delaware	20-4280640	680 E. Swedesford Rd. Wayne, PA 19087

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Exact Name of Registrant Guarantor as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number	Address, Including Zip Code and Telephone Number, Including Area Code, of Registrant Guarantor s Principal Executive Offices
SunGard Development Corporation	Delaware	23-2589002	680 E. Swedesford Rd. Wayne, PA 19087
SunGard DIS Inc.	Delaware	23-2829670	680 E. Swedesford Rd. Wayne, PA 19087
SunGard Energy Systems Inc.	Delaware	13-4081739	601 Walnut St. Suite 1010 Philadelphia, PA 19106
SunGard eProcess Intelligence LLC	Delaware	13-3217303	600 Lanidex Plaza Parsippany, NJ 07054
SunGard Financial Systems LLC	Delaware	23-2585361	3 Van de Graff Drive Burlington, MA 01803-5148
SunGard Investment Systems LLC	Delaware	23-2115509	377 E. Butterfield Road Suite 800 Lombard, IL 60148
SunGard Investment Ventures LLC	Delaware	51-0297001	680 E. Swedesford Road Wayne, PA 19087
SunGard iWORKS LLC	Delaware	23-2814630	11560 Great Oaks Way Suite 200 Alpharetta, GA 30022
SunGard iWORKS P&C (US) Inc.	Delaware	13-3248040	200 Business Park Dr. Armonk, NY 10504
SunGard Kiodex LLC	Delaware	13-4100480	59 Maiden Lane, 32nd Floor New York, NY 10038-4624
SunGard NetWork Solutions Inc.	Delaware	23-2981034	680 E. Swedesford Rd. Wayne, PA 19087
SunGard Public Sector Inc.	Florida	59-2133858	1000 Business Center Drive

			Lake Mary, FL 32746
SunGard Reference Data Solutions LLC	Delaware	72-1571745	340 Madison Avenue 8th Floor New York, NY 10173
SunGard SAS Holdings Inc.	Delaware	26-0052190	680 E. Swedesford Rd. Wayne, PA 19087
SunGard Securities Finance LLC	Delaware	13-3799258	14 Manor Parkway Salem, NH 03079
SunGard Securities Finance International LLC	Delaware	13-3809371	14 Manor Parkway Salem, NH 03079
SunGard Shareholder Systems LLC	Delaware	23-2025519	2300 Main Street Suite 400 Kansas City, MO 64108
SunGard Software, Inc.	Delaware	51-0287708	680 E. Swedesford Road Wayne, PA 19087

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Exact Name of Registrant Guarantor as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number	Address, Including Zip Code and Telephone Number, Including Area Code, of Registrant Guarantor s Principal Executive Offices
SunGard Systems International Inc.	Pennsylvania	23-2490902	340 Madison Avenue 8th Floor New York, NY 10173
SunGard Technology Services LLC	Delaware	23-2579118	680 E. Swedesford Rd. Wayne, PA 19087
SunGard VeriCenter, Inc	Delaware	76-0624039	680 East Swedesford Rd. Wayne, PA 19087
SunGard VPM Inc.	New York	11-3159462	1660 Walt Whitman Rd. Suite 130 Melville, NY, 11747
SunGard Workflow Solutions LLC	Delaware	63-1019430	104 Inverness Place Suite 325 Birmingham, AL 35242

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The information in this prospectus is not complete and may be changed. We may not sell these securities 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 the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 31, 2013

PROSPECTUS

SunGard Data Systems Inc.

Offer to Exchange

$1,000,000,000 principal amount of its 6.625% Senior Subordinated Notes due 2019, which have been registered under the Securities Act of 1933, for any and all of its outstanding 6.625% Senior Subordinated Notes due 2019.

We are conducting the exchange offer in order to provide you with an opportunity to exchange your unregistered notes for freely tradable notes that have been registered under the Securities Act.

The Exchange Offer

- We will exchange all outstanding notes that are validly tendered and not validly withdrawn for an equal principal amount of exchange notes that are freely tradable.

- You may withdraw tenders of outstanding notes at any time prior to the close of business, New York City time, on the last business day on which the exchange offer remains open.

- The exchange offer expires at 12:00 a.m. midnight, New York City time, on , 2013, unless extended. We do not currently intend to extend the expiration date.

- The exchange of outstanding notes for exchange notes in the exchange offer will not constitute a taxable event to holders for United States federal income tax purposes.

- The terms of the exchange notes to be issued in the exchange offer are substantially identical to the outstanding notes, except that the exchange notes will be freely tradable.

Results of the Exchange Offer

The exchange notes may be sold in the over-the-counter market, in negotiated transactions or through a combination of such methods. We do not plan to list the notes on a national market.

All untendered outstanding notes will continue to be subject to the restrictions on transfer set forth in the outstanding notes and in the indenture. In general, the outstanding notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offer, we do not currently anticipate that we will register the outstanding notes under the Securities Act.

See Risk Factors beginning on page 11 for a discussion of certain risks that you should consider before participating in the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the exchange notes to be distributed in the exchange offer or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired as a result of market-making activities or other trading activities. See Plan of Distribution.

The date of this prospectus is , 2013.

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. The prospectus may be used only for the purposes for which it has been published and no person has been authorized to give any information not contained herein. If you receive any other information, you should not rely on it. We are not making an offer of these securities in any state where the offer is not permitted.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary may not contain all of the information that may be important to you in making your investment decision. You should read the entire prospectus, including the financial data and related notes and section entitled Risk Factors, before making an investment decision. Unless the context otherwise indicates, as used in this prospectus, the terms SunGard, we, our, us, and the Company and similar terms refer to SunGard Data Systems Inc. and its subsidiaries on a consolidated basis. S of the statements in this prospectus constitute forward-looking statements. See Forward-Looking Statements.

Our Company

We are one of the world s leading software and technology services companies. We provide software and technology services to financial services, education and public sector organizations. We also provide disaster recovery services, managed services, information availability consulting services and business continuity management software. We serve approximately 25,000 customers in more than 70 countries. Our high quality software solutions, excellent customer support and specialized technology services result in strong customer retention rates across all of our business segments and create long-term customer relationships.

We operate our business in three segments: Financial Systems (FS), Availability Services (AS) and Public Sector & Education (PS&E), which is comprised of our Public Sector business (PS) and our K-12 Education business (K-12). On January 19 and 20, 2012, the Company completed the sale of its Higher Education (HE) business, which is included in discontinued operations for purposes of this prospectus.

FS provides mission-critical software and technology services to virtually every type of financial services institution, including buy-side and sell-side institutions, third-party administrators, wealth managers, retail banks, insurance companies, corporate treasuries and energy trading firms. Our broad range of complementary software solutions and associated technology services help financial services institutions automate the business processes associated with trading, managing portfolios and accounting for investment assets.

AS provides disaster recovery services, managed services, information availability consulting services and business continuity management software to more than 8,000 customers in North America and Europe. With five million square feet of data center and operations space, AS assists IT organizations across virtually all industry and government sectors to prepare for and recover from emergencies by helping them minimize their computer downtime and optimize their uptime. Through direct sales and channel partners, AS helps organizations ensure their people and customers have uninterrupted access to the information systems they need in order to do business.

PS&E (PS and K-12) provides software and technology services designed to meet the specialized needs of local, state and federal governments, public safety and justice agencies, public and private schools, utilities, nonprofits and other public sector institutions.

We were acquired in August 2005 in a leveraged buy-out (LBO) by a consortium of private equity investment funds associated with Bain Capital Partners, The Blackstone Group, Goldman, Sachs & Co., Kohlberg Kravis Roberts & Co., Providence Equity Partners, Silver Lake and TPG (Sponsors). As a result of the LBO, we are highly leveraged and our equity is not publicly traded.

Our Sponsors continually evaluate various strategic alternatives with respect to the Company. There can be no assurance that we will ultimately pursue any strategic alternatives with respect to any business segment, or, if we do, what the structure or timing for any such transaction would be.

SunGard Data Systems Inc. was incorporated under Delaware law in 1982. Our principal executive offices are located at 680 East Swedesford Road, Wayne, Pennsylvania 19087. Our telephone number is (484) 582-2000.

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The Exchange Offer

In this prospectus, the term outstanding notes refers to the 6.625% Senior Subordinated Notes due 2019. The term exchange notes refers to the 6.625% Senior Subordinated Notes due 2019, as registered under the Securities Act of 1933, as amended (the Securities Act). The term notes refers collectively to the outstanding notes and the exchange notes.

On November 1, 2012, SunGard Data Systems Inc. issued $1,000 million aggregate principal amount of 6.625% Senior Subordinated Notes due 2019 in a private offering.

General	In connection with the private offering, SunGard Data Systems Inc. and the guarantors of the outstanding notes entered into a registration rights agreement with the initial purchasers in which they agreed, among other things, to deliver this prospectus to you and to complete the exchange offer within 360 days after the date of original issuance of the outstanding notes. You are entitled to exchange in the exchange offer your outstanding notes for exchange notes which are identical in all material respects to the outstanding notes except:
	the exchange notes have been registered under the Securities Act;
	the exchange notes are not entitled to any registration rights which are applicable to the outstanding notes under the registration rights agreement; and
	the additional interest provisions of the registration rights agreement are no longer applicable.
The Exchange Offer	SunGard is offering to exchange:
	$1,000 million aggregate principal amount of 6.625% Senior Subordinated Notes due 2019, which have been registered under the Securities Act, for any and all of its existing 6.625% Senior Subordinated Notes due 2019.
	You may only exchange outstanding notes in a minimum denomination of $2,000 and integral multiples of $1,000 in excess of $2,000.
Resale	Based on an interpretation by the staff of the Securities and Exchange Commission (the SEC) set forth in no-action letters issued to third parties, we believe that the exchange notes issued pursuant to the exchange offer in exchange for outstanding notes may be offered for resale, resold and otherwise transferred by you (unless you are our affiliate within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that:
	you are acquiring the exchange notes in the ordinary course of your business; and

you have not engaged in, do not intend to engage in, and have no arrangement or understanding with any person to participate in, a distribution of the exchange notes.

	If you are a broker-dealer and receive exchange notes for your own account in exchange for outstanding notes that you acquired as a result of market-making activities or other trading activities, you must acknowledge that you will deliver this prospectus in connection with any resale of the exchange notes. See Plan of Distribution.
	Any holder of outstanding notes who:
	is our affiliate within the meaning of Rule 405 under the Securities Act;
	does not acquire the exchange notes in the ordinary course of its business; or
	tenders its outstanding notes in the exchange offer with the intention to participate, or for the purpose of participating, in a distribution of exchange notes cannot rely on the position of the staff of the SEC enunciated in *Morgan Stanley & Co. Incorporated* (available June 5, 1991) and *Exxon Capital Holdings Corporation* (available May 13, 1988), as interpreted in the SEC s letter to *Shearman & Sterling* (available July 2, 1993), or similar no-action letters and, in the absence of an exemption therefrom, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes.
Expiration Date	The exchange offer will expire at 12:00 a.m. midnight, New York City time, on , 2013, unless extended by SunGard Data Systems Inc. SunGard Data Systems Inc. does not currently intend to extend the expiration date.
Withdrawal	You may withdraw the tender of your outstanding notes at any time prior to the close of business, New York City time, on the last business day on which the exchange offer remains open. SunGard Data Systems Inc. will return to you any of your outstanding notes that are not accepted for any reason for exchange, without expense to you, promptly after the expiration or termination of the exchange offer.
Conditions to the Exchange Offer	The exchange offer is subject to customary conditions, which SunGard Data Systems Inc. may waive. See The Exchange Offer Conditions to the Exchange Offer.
Procedures for Tendering Outstanding Notes	If you wish to participate in the exchange offer, you must complete, sign and date the accompanying letter of transmittal, or a facsimile of such letter of transmittal, according to the instructions contained in this prospectus and the letter of transmittal. You must then mail or otherwise deliver the letter of transmittal, or a facsimile of such letter of transmittal, together with the outstanding notes and any other required documents, to the exchange agent at the address set forth on the cover page of the letter of transmittal.

	If you hold outstanding notes through The Depository Trust Company (DTC) and wish to participate in the exchange offer, you must comply with the Automated Tender Offer Program procedures of DTC by which you will agree to be bound by the letter of transmittal.
	By signing, or agreeing to be bound by, the letter of transmittal, you will represent to us that, among other things:
	you are not our affiliate within the meaning of Rule 405 under the Securities Act;
	you do not have an arrangement or understanding with any person or entity to participate in the distribution of the exchange notes;
	you are acquiring the exchange notes in the ordinary course of your business;
	if you are not a broker-dealer, you are not engaged in, and do not intend to engage in, the distribution of the exchange notes; and
	if you are a broker-dealer that will receive exchange notes for your own account in exchange for outstanding notes that were acquired as a result of market-making activities, you will deliver a prospectus, as required by law, in connection with any resale of such exchange notes.
Special Procedures for Beneficial Owners	If you are a beneficial owner of outstanding notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender those outstanding notes in the exchange offer, you should contact the registered holder promptly and instruct the registered holder to tender those outstanding notes on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your outstanding notes, either make appropriate arrangements to register ownership of the outstanding notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time and may not be able to be completed prior to the expiration date.
Guaranteed Delivery Procedures	If you wish to tender your outstanding notes and your outstanding notes are not immediately available or you cannot deliver your outstanding notes, the letter of transmittal or any other required documents, or you cannot comply with the procedures under DTC s Automated Tender Offer Program for transfer of book-entry interests, prior to the expiration date, you must tender your outstanding notes according to the guaranteed delivery procedures set forth in this prospectus under The Exchange Offer Guaranteed Delivery Procedures.
Effect on Holders of Outstanding Notes	As a result of the making of, and upon acceptance for exchange of all validly tendered outstanding notes pursuant to the terms of the exchange offer, SunGard Data Systems Inc. and the guarantors of the notes will have fulfilled a covenant under the registration rights

agreement. Accordingly, there will be no increase in the interest rate

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	on the outstanding notes under the circumstances described in the registration rights agreement. If you do not tender your outstanding notes in the exchange offer, you will continue to be entitled to all the rights and limitations applicable to the outstanding notes as set forth in the indenture, except SunGard Data Systems Inc. and the guarantors of the notes will not have any further obligation to you to provide for the exchange and registration of the outstanding notes under the registration rights agreement. To the extent that outstanding notes are tendered and accepted in the exchange offer, the trading market for outstanding notes could be adversely affected.
Consequences of Failure to Exchange	All untendered outstanding notes will continue to be subject to the restrictions on transfer set forth in the outstanding notes and in the indenture. In general, the outstanding notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offer, SunGard Data Systems Inc. and the guarantors of the notes do not currently anticipate that they will register the outstanding notes under the Securities Act.
United States Federal Income Tax Consequences	The exchange of outstanding notes for exchange notes in the exchange offer will not constitute a taxable event to holders for United States federal income tax purposes. See Certain United States Federal Income Tax Consequences of the Exchange Offer.
Use of Proceeds	We will not receive any cash proceeds from the issuance of exchange notes in the exchange offer. See Use of Proceeds.
Exchange Agent	The Bank of New York Mellon is the exchange agent for the exchange offer. The addresses and telephone numbers of the exchange agent are set forth in the section captioned The Exchange Offer Exchange Agent.

The Exchange Notes

The summary below describes the principal terms of the exchange notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of Notes section of this prospectus contains a more detailed description of the terms and conditions of the outstanding notes and the exchange notes. The exchange notes will have terms identical in all material respects to the outstanding notes, except that the exchange notes will not contain terms with respect to transfer restrictions, registration rights and additional interest for failure to observe certain obligations in the registration rights agreement.

Issuer	SunGard Data Systems Inc.
Securities offered	$1,000.0 million aggregate principal amount of 6.625% Senior Subordinated Notes due 2019.
Maturity date	The exchange notes will mature on November 1, 2019.
Interest payment dates	May 1 and November 1, commencing November 1, 2013. Interest began accruing on May 1, 2013.

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Optional redemption	At any time prior to November 1, 2015, we may redeem the exchange notes, in whole or in part, at a price equal to 100% of the principal amount of the exchange notes redeemed plus accrued and unpaid interest, if any, to the redemption date and a make-whole premium, as described under Description of Notes Optional Redemption.
	The exchange notes will be redeemable at our option, in whole or in part, at any time on or after November 1, 2015, at the redemption prices set forth in this prospectus, together with accrued and unpaid interest, if any, to the redemption date.
	At any time prior to November 1, 2015, we may redeem up to 40% of the original principal amount of the exchange notes with the proceeds of certain equity offerings at a redemption price of 106.625% of the principal amount of the exchange notes, together with accrued and unpaid interest, if any, to the redemption date.
Mandatory offers to purchase	The occurrence of a change of control will be a triggering event requiring us to offer to purchase from you all or a portion of your exchange notes at a price equal to 101% of their principal amount, together with accrued and unpaid interest, if any, to the date of purchase.
	Certain asset dispositions will also require us to use the proceeds from those asset dispositions to make an offer to purchase the exchange notes at 100% of their principal amount, together with accrued and unpaid interest, if any, to the date of purchase if such proceeds are not otherwise used within a specified period to repay indebtedness (with a corresponding reduction in commitment, if applicable) or to invest in capital assets related to our business or capital stock of a restricted subsidiary (as defined under the headings Description of Notes).
Guarantees	The exchange notes will be guaranteed, jointly and severally, fully and unconditionally on a unsecured senior subordinated basis by each of our 100% owned domestic subsidiaries that guarantees our senior secured credit facilities. Under certain circumstances, subsidiary guarantors may be released from their guarantees without the consent of the holders of notes. See Description of Notes Guarantees.
Ranking	The exchange notes will be our unsecured senior subordinated obligations and will:
	rank senior in right of payment to our existing and future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the exchange notes;
	rank equally in right of payment to any or all of our future senior subordinated debt;
	be subordinated in right of payment to all of our existing and future senior indebtedness (including the senior secured credit facilities and the existing senior notes); and

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be effectively subordinated to all of our existing and future secured debt, to the extent of the value of the assets securing such debt, and be structurally subordinated to all obligations of each of our subsidiaries that is not a guarantor of the exchange notes.

Similarly, the note guarantees will be unsecured senior subordinated obligations of the guarantors and will:

rank senior in right of payment to all of the applicable guarantor s existing and future debt and other obligations that are, by their terms, expressly subordinated in right of payment to the exchange notes;

rank equally in right of payment to all of the applicable guarantor s existing and future senior subordinated debt;

be subordinated in right of payment to all of the applicable guarantor s existing and future senior debt (including such guarantor s guarantee under the senior secured credit facilities and the existing senior notes) and other obligations that are not, by their terms, expressly subordinated in right of payment to the exchange notes; and

be effectively subordinated in right of payment to all of the applicable guarantor s existing and future secured debt, to the extent of the value of the assets securing such debt, and be structurally subordinated to all obligations of any subsidiary of a guarantor if that subsidiary is not also a guarantor of the exchange notes.

As of March 31, 2013, the exchange notes and related guarantees would have ranked junior to approximately $3,949 million of senior secured indebtedness and approximately $1,600 million of senior unsecured indebtedness.

Absence of public market for the notes	The exchange notes will be freely transferable but will also be new securities for which there will not initially be an actively trading market. We do not intend to apply for a listing of the exchange notes on any securities exchange or an automated dealer quotation system. Accordingly, we cannot assure you as to the future liquidity of any market for the exchange notes. The initial purchasers in the private offering of the outstanding notes have advised us that they currently intend to make a market in the exchange notes. However, they are not obligated to make a market in the exchange notes and any such market-making may be discontinued by the initial purchasers in their discretion at any time without notice.

Risk Factors

You should carefully consider all the information in the prospectus prior to exchanging your outstanding notes. In particular, we urge you to carefully consider the factors set forth under the heading Risk Factors.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table sets forth summary historical consolidated financial and other data as of and for the periods indicated. The summary historical consolidated financial data as of December 31, 2011 and 2012 and for the annual periods ended December 31, 2010, 2011 and 2012 have been derived from our audited consolidated financial statements appearing elsewhere in this prospectus. The summary historical consolidated financial data as of December 31, 2010 has been derived from audited financial statements not included in this prospectus. The summary historical consolidated financial data for the three months ended March 31, 2012 and 2013 and as of March 31, 2013 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus.

Our historical results are not necessarily indicative of our future performance. The summary of historical consolidated financial data should be read in conjunction with Selected Historical Consolidated Financial Information, Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes appearing elsewhere in this prospectus.

(Dollars in millions)	Year Ended December 31, 2010	2011	2012	Three Months Ended March 31, 2012	2013
Consolidated statements of operations data:					
Revenue	$ 4,437	$ 4,440	$ 4,263	$ 1,024	$ 995
Costs and expenses:					
Cost of sales and direct operating (excluding depreciation)	1,895	1,848	1,740	453	437
Sales, marketing and administration	1,057	1,108	1,039	253	242
Product development	350	393	353	94	100
Depreciation and amortization	278	271	287	71	73
Amortization of acquisition-related intangible assets	448	435	385	101	87
Goodwill impairment charges	205	48	385		
Total operating costs and expenses	4,233	4,103	4,189	972	939
Operating income (loss)	204	337	74	52	56
Interest income	2	3	1		
Interest expense and amortization of deferred financing fees	(638)	(524)	(428)	(122)	(108)
Loss on extinguishment of debt	(58)	(3)	(82)	(15)	(5)
Other income (expense)	7			2	1
Loss from continuing operations before income taxes	(483)	(187)	(435)	(83)	(56)
Benefit from (provision for) income taxes	69	118	38	7	9
Loss from continuing operations	(414)	(69)	(397)	(76)	(47)
Income (loss) from discontinued operations, net of tax	(156)	(80)	331	311	
Net income (loss)	$ (570)	$ (149)	$ (66)	$ 235	$ (47)
Consolidated statements of cash flows data:					
Net cash provided by (used in):					
Operating activities	$ 721	$ 678	$ 244	$ 75	$ 179
Continuing operations	601	606	645	70	179
Discontinued operations	120	72	(401)	5	
Investing activities	(260)	(326)	1,461	1,677	(46)
Financing activities	(344)	(253)	(2,039)	(1,254)	(134)

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(Dollars in millions)	Year Ended December 31, 2010	2011	2012	Three Months Ended March 31, 2012	2013
Consolidated balance sheet data:					
Cash and cash equivalents	$ 755	$ 867	$ 546		$ 537
Total assets	12,968	12,550	10,018		9,738
Total debt (including current portion of long-term debt)	8,055	7,829	6,662		6,562
Total stockholders equity	1,607	1,461	716		631
Other financial data:					
EBITDA(1)	$ 879	$ 1,040	$ 664	$ 211	$ 212
Adjusted EBITDA(1)	1,257	1,231	1,245	243	236
Capital expenditures(2)	298	276	260	60	46
Ratio of earnings to fixed charges(3)					

(1) EBITDA, a non-GAAP measure, is defined as income (loss) from continuing operations before interest, taxes, depreciation and amortization (EBITDA). Adjusted EBITDA is defined as EBITDA further adjusted to exclude unusual items and other adjustments permitted in calculating covenant compliance under the indentures and our senior secured credit facilities. Adjusted EBITDA is a non-GAAP measure used to determine our compliance with certain covenants contained in the indenture under which the exchange notes will be issued, the indentures governing our senior unsecured notes and our unsecured senior subordinated notes and in our senior secured credit facilities. EBITDA and Adjusted EBITDA have limitations as analytical tools and you should not consider them in isolation or as a substitute for an analysis of our results under GAAP, however, we believe that including supplementary information concerning Adjusted EBITDA is appropriate to provide additional information to investors to demonstrate compliance with our financing covenants.

Adjusted EBITDA does not represent net income (loss) or cash flow from operations as those terms are defined by GAAP and does not necessarily indicate whether cash flows will be sufficient to fund cash needs. While Adjusted EBITDA and similar measures are frequently used as measures of operations and the ability to meet debt service requirements, these terms are not necessarily comparable to other similarly titled captions of other companies due to the potential inconsistencies in the method of calculation. Adjusted EBITDA does not reflect the impact of earnings or charges resulting from matters that we may consider not to be indicative of SunGard s ongoing operations. In particular, the definition of Adjusted EBITDA in the indentures allows us to add back certain noncash, extraordinary or unusual charges that are deducted in calculating net income (loss). However, these are expenses that may recur, vary greatly and are difficult to predict. Further, SunGard s debt instruments require that Adjusted EBITDA be calculated for the most recent four fiscal quarters. As a result, the measure can be disproportionately affected by a particularly strong or weak quarter. Further, it may not be comparable to the measure for any subsequent four-quarter period or any complete fiscal year.

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The following is a reconciliation of net loss, which is a GAAP measure of SunGard s operating results, to Adjusted EBITDA as defined in SunGard s debt agreements. The terms and related calculations are defined in the indentures.

	Year Ended December 31,			Three Months Ended March 31,	
(Dollars in millions)	**2010**	**2011**	**2012**	**2012**	**2013**
Income (loss) from continuing operations	$ (414)	$ (69)	$ (397)	$ (76)	$ (47)
Interest expense, net	636	521	427	122	108
Taxes	(69)	(118)	(38)	(7)	(9)
Depreciation and amortization	726	706	672	172	160
EBITDA	879	1,040	664	211	212
Goodwill impairment charge	205	48	385		
Purchase accounting adjustments(a)	13	11	9	2	2
Non-cash charges(b)	36	34	39	11	11
Restructuring and other(c)	55	94	63	3	6
Acquired EBITDA, net of disposed EBITDA(d)	9	1	3	1	
Pro forma expense savings related to acquisitions(e)	2				
Loss on extinguishment of debt(f)	58	3	82	15	5
Adjusted EBITDA senior secured credit facilities, senior notes due 2018 and 2020 and senior subordinated notes due 2019	$ 1,257	$ 1,231	$ 1,245	$ 243	$ 236

(a) Purchase accounting adjustments include the adjustment of deferred revenue and lease reserves to fair value at the dates of the LBO and subsequent acquisitions made by SunGard and certain acquisition-related compensation expense.

(b) Non-cash charges include stock-based compensation (see Note 8 of Notes to Consolidated Financial Statements) and loss on the sale of assets.

(c) Restructuring and other charges include severance and related payroll taxes, reserves to consolidate certain facilities, strategic initiative expenses, certain other expenses associated with acquisitions made by the Company, gains or losses related to fluctuation of foreign currency exchange rates impacting the foreign-denominated debt, management fees paid to the Sponsors, and franchise and similar taxes reported in operating expenses, partially offset by certain charges relating to the receivables facility.

(d) Acquired EBITDA net of disposed EBITDA reflects the EBITDA impact of businesses that were acquired or disposed of during the period as if the acquisition or disposition occurred at the beginning of the period.

(e) Pro forma adjustments represent the full-year impact of savings resulting from post-acquisition integration activities.

(f) Loss on extinguishment of debt includes in 2010 the loss on extinguishment of $1.6 billion of senior notes due in 2013 and the write-off of deferred financing fees related to the refinancing of a portion of our U.S. Dollar-denominated term loans and retirement of $100 million of pound Sterling-denominated term loans. Loss on extinguishment of debt includes in 2012 the write-off of deferred financing fees associated with the January 2012 repayment of $1.22 billion of our US$-denominated term loans, the April 2012 retirement of $500 million, 10.625% senior notes due 2015, the December 2012 retirement of $1 billion, 10.25% senior subordinated notes due 2015 and the December 2012 repayment of $217 million of US$-denominated term loans. Loss on extinguishment of debt includes in 2013 the March 2013 refinance of $2.2 billion of term loans and repayment of $50 million of term loans.

(2) Capital expenditures represent cash paid for property and equipment as well as software and other assets.

(3) For purposes of calculating the ratio of earnings to fixed charges, earnings consist of income before income taxes plus fixed charges. Fixed charges include: interest expense, whether expensed or capitalized; amortization of debt issuance cost; and the portion of rental expense representative of the interest factor. Earnings for the years ended December 31, 2010, 2011 and 2012 were inadequate to cover fixed charges by $483 million, $187 million and $435 million, respectively. Earnings for the three months ended March 31, 2012 and 2013 were inadequate to cover fixed charges by $83 million and $56 million, respectively.

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RISK FACTORS

You should carefully consider the following risk factors and all other information contained in this prospectus before deciding whether to tender your outstanding notes in the exchange offer. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become important factors that affect us.

If any of the following risks occur, our business, financial condition or results of operations could be materially and adversely affected. In that case, the trading price of the exchange notes could decline or we may not be able to make payments of interest and principal on the exchange notes, and you may lose some or all of your investment.

Risks Related to the Exchange Offer

There may be adverse consequences if you do not exchange your outstanding notes.

If you do not exchange your outstanding notes for exchange notes in the exchange offer, you will continue to be subject to restrictions on transfer of your outstanding notes as set forth in the offering circular distributed in connection with the private offering of the outstanding notes. In general, the outstanding notes may not be offered or sold unless they are registered or exempt from registration under the Securities Act and applicable state securities laws. Except as required by the registration rights agreement, we do not intend to register resales of the outstanding notes under the Securities Act. You should refer to Summary The Exchange Offer and The Exchange Offer for information about how to tender your outstanding notes.

The tender of outstanding notes under the exchange offer will reduce the outstanding amount of the outstanding notes, which may have an adverse effect upon, and increase the volatility of, the market prices of the outstanding notes due to a reduction in liquidity.

Risks Related to Our Indebtedness

Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our debt obligations.

As a result of being acquired on August 11, 2005 by a consortium of private equity investment funds, we are highly leveraged and our debt service requirements are significant.

Our high degree of debt-related leverage could have important consequences, including:

- making it more difficult for us to make payments on our debt obligations;
- increasing our vulnerability to general economic and industry conditions;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;
- exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under our senior secured credit facilities, are at variable rates of interest;
- restricting us from making acquisitions or causing us to make non-strategic divestitures;

limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes; and

limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged.

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We and our subsidiaries may be able to incur substantial additional indebtedness in the future, subject to the restrictions contained in our senior secured credit agreement and the indentures relating to our senior notes due 2018 and 2020 and the exchange notes. If new indebtedness is added to our current debt levels, the related risks that we now face could intensify.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

Our senior secured credit agreement and the indentures governing our senior notes due 2018 and 2020 and the exchange notes contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit our ability to, among other things:

- incur additional indebtedness or issue certain preferred shares;
- pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments;
- make certain investments;
- sell certain assets;
- create liens;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- enter into certain transactions with our affiliates.

In addition, under the senior secured credit agreement, under certain circumstances, we are required to satisfy and maintain a specified financial ratio and other financial condition tests. Our ability to meet the financial ratio and tests can be affected by events beyond our control, and we may not be able to meet the ratio and tests. A breach of any of these covenants could result in a default under the senior secured credit agreement. Upon an event of default under the senior secured credit agreement, the lenders could elect to declare all amounts outstanding to be immediately due and payable and terminate all commitments to extend further credit.

If we were unable to repay those amounts, the lenders under the senior secured credit agreement could proceed against the collateral granted to them to secure that indebtedness. We have pledged a significant portion of our assets as collateral under the senior secured credit agreement and the senior secured notes due 2014, to the extent required by the indenture governing these notes. If the lenders under the senior secured credit agreement accelerate the repayment of borrowings, we may not have sufficient assets to repay the senior secured credit facilities and the senior secured notes due 2014, as well as our unsecured indebtedness.

Risks Related to Our Business

Our business depends largely on the economy and financial markets, and a slowdown or downturn in the economy or financial markets could adversely affect our business and results of operations.

When there is a slowdown or downturn in the economy, a drop in stock market levels or trading volumes, or an event that disrupts the financial markets, our business and financial results may suffer for a number of reasons. Customers may react to worsening conditions by reducing their capital expenditures in general or by specifically reducing their IT spending. In addition, customers may curtail or discontinue trading operations, delay or cancel IT projects, or seek to lower their costs by renegotiating vendor contracts. Also, customers with excess IT resources may choose to take their information availability solutions in-house rather than obtain those solutions from us. Moreover, competitors may respond to market conditions by lowering prices and attempting to lure away our customers to lower cost solutions. If any of these circumstances remain in effect for an extended period of time, there could be a material adverse effect on our financial results. Because our financial performance tends to lag behind fluctuations in the economy, our recovery from any particular downturn in the economy may not occur until after economic conditions have generally improved.

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Our business depends to a significant degree on the financial services industry, and a weakening of, or further consolidation in, or new regulations affecting, the financial services industry could adversely affect our business and results of operations.

Because our customer base is concentrated in the financial services industry, our business is largely dependent on the health of that industry. When there is a general downturn in the financial services industry, or if our customers in that industry experience financial or business problems, including bankruptcies, our business and financial results may suffer. If financial services firms continue to consolidate, there could be a material adverse effect on our business and financial results. When a customer merges with a firm using its own solution or another vendor s solution, it could decide to consolidate on a non-SunGard system, which could have an adverse effect on our financial results.

To the extent newly adopted regulations negatively impact the business, operations or financial condition of our customers, our business and financial results could be adversely affected. We could be required to invest a significant amount of time and resources to comply with additional regulations or to modify the manner in which we provide products and services to our customers; and such regulations could limit how much we can charge for our services. We may not be able to update our existing products and services, or develop new ones at all or in a timely manner, to satisfy our customers needs. Any of these events, if realized, could have a material adverse effect on our business and financial results.

Catastrophic events may disrupt or otherwise adversely affect the markets in which we operate, our business and our profitability.

Our business may be adversely affected by a war, terrorist attack, natural disaster or other catastrophe. A catastrophic event could have a direct negative impact on us or an indirect impact on us by, for example, affecting our customers, the financial markets or the overall economy. The potential for a direct impact is due primarily to our significant investment in our infrastructure. Although we maintain redundant facilities and have contingency plans in place to protect against both man-made and natural threats, it is impossible to fully anticipate and protect against all potential catastrophes. Despite our preparations, a security breach, criminal act, military action, power or communication failure, flood, severe storm or the like could lead to service interruptions and data losses for customers, disruptions to our operations, or damage to our important facilities. The same disasters or circumstances that may lead to our customers requiring access to our availability services may negatively impact our own ability to provide such services. Our three largest availability services facilities are particularly important, and a major disruption at one or more of those facilities could disrupt or otherwise impair our ability to provide services to our availability services customers. If any of these events happen, we may be exposed to unexpected liability, our customers may leave, our reputation may be tarnished, and there could be a material adverse effect on our business and financial results.

Our application service provider systems may be subject to disruptions that could adversely affect our reputation and our business.

Our application service provider systems maintain and process confidential data on behalf of our customers, some of which is critical to their business operations. For example, our capital markets systems maintain account and trading information for our customers and their clients, and our wealth management and insurance systems maintain investor account information for retirement plans, insurance policies and mutual funds. There is no guarantee that the systems and procedures that we maintain to protect against unauthorized access to such information are adequate to protect against all security breaches. If our application service provider systems are disrupted or fail for any reason, or if our systems or facilities are infiltrated or damaged by unauthorized persons, our customers could experience data loss, financial loss, harm to reputation and significant business interruption. If that happens, we may be exposed to unexpected liability, our customers may leave, our reputation may be tarnished, and there could be a material adverse effect on our business and financial results.

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Because the sales cycle for our software is typically lengthy and unpredictable, our results may fluctuate from period to period.

Our operating results may fluctuate from period to period and be difficult to predict in a particular period due to the timing and magnitude of software sales. We offer a number of our software solutions on a license basis, which means that the customer has the right to run the software on its own computers. The customer usually makes a significant up-front payment to license software, which we generally recognize as revenue when the license contract is signed and the software is delivered. The size of the up-front payment often depends on a number of factors that are different for each customer, such as the number of customer locations, users or accounts. As a result, the sales cycle for a software license may be lengthy and take unexpected turns. Thus, it is difficult to predict when software sales will occur or how much revenue they will generate. Since there are few incremental costs associated with software sales, our operating results may fluctuate from quarter to quarter and year to year due to the timing and magnitude of software sales.

Rapid changes in technology and our customers businesses could adversely affect our business and financial results.

Our business may suffer if we do not successfully adapt our products and services to changes in technology and changes in our customers businesses. These changes can occur rapidly and at unpredictable intervals and we may not be able to respond adequately. If we do not successfully update and integrate our products and services to adapt to these changes, or if we do not successfully develop new products and services needed by our customers to keep pace with these changes, then our business and financial results may suffer. Our ability to keep up with technology and business changes is subject to a number of risks and we may find it difficult or costly to, among other things:

- update our products and services and to develop new products fast enough to meet our customers needs;
- make some features of our products and services work effectively and securely over the Internet;
- integrate more of our FS solutions;
- update our products and services to keep pace with business, regulatory and other developments in the financial services industry, where many of our customers operate; and
- update our services to keep pace with advancements in hardware, software and telecommunications technology.

Some technological changes, such as advancements that have facilitated the ability of our AS customers to develop their own internal solutions, may render some of our products and services less valuable or eventually obsolete. In addition, because of ongoing, rapid technological changes, the useful lives of some technology assets have become shorter and customers are therefore replacing these assets more often. As a result, our customers are increasingly expressing a preference for contracts with shorter terms, which could make our revenue less predictable in the future.

Customers taking their information availability solutions in-house or leveraging inexpensive shared cloud-based solutions may create greater pressure on our organic revenue growth rate.

Our AS solutions allow customers to leverage our technology expertise and process-IP, resource management capabilities and substantial infrastructure investments. Technological advances in recent years have significantly reduced the cost and the complexity of developing in-house solutions. Some customers, especially among the very largest having significant IT resources, prefer to develop and maintain their own in-house availability solutions, which can result in a loss of revenue from those customers. If this trend continues or worsens, there will be continued pressure on our organic revenue growth rate. Also, cloud-based solutions are often perceived as inherently redundant and highly available. This is a misconception, as high availability is only

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provided when expressly engineered into a cloud environment. However, this belief along with the opportunity to leverage inexpensive cloud infrastructure for shared recovery options can, over time, become a more significant competitive threat especially in the area of availability solutions for less critical applications.

The trend toward information availability solutions utilizing more single customer dedicated resources likely will lower our overall operating margin rate over time.

In the information availability services industry, especially among our more sophisticated customers, there is a preference for solutions that utilize some level of dedicated resources, such as blended advanced recovery services and managed services. The primary reason for this is that adding dedicated resources, although more costly, provides greater control, increases security, reduces data loss and facilitates quicker responses to business interruptions. Advanced recovery services often result in greater use of dedicated resources with a modest decrease in operating margin rate. Managed services require significant dedicated resources and, therefore, have an appropriately lower operating margin rate.

Our securities brokerage operations are highly regulated and are riskier than our other businesses.

Domestic and foreign regulatory and self-regulatory organizations, such as the SEC, the Financial Industry Regulatory Authority, and the (U.K.) Financial Services Authority can, among other things, fine, censure, issue cease-and-desist orders against, and suspend or expel a broker-dealer or its officers or employees for failure to comply with the many laws and regulations that govern brokerage activities. Such sanctions may arise out of currently-conducted activities or those conducted in prior periods. Our ability to comply with these laws and regulations is largely dependent on our establishment, maintenance, and enforcement of an effective brokerage compliance program. Failure to establish, maintain, and enforce proper brokerage compliance procedures, even if unintentional, could subject us to significant losses, lead to disciplinary or other actions, and tarnish our reputation. Regulations affecting the brokerage industry may change, which could adversely affect our financial results.

We are exposed to certain risks relating to the execution services provided by our brokerage operations to our customers and counterparties, which include other broker-dealers, active traders, hedge funds, asset managers, and other institutional and non-institutional clients. These risks include, but are not limited to, customers or counterparties failing to pay for or deliver securities, trading errors, the inability or failure to settle trades, and trade execution system failures. In our other businesses, we generally can disclaim liability for trading losses that may be caused by our software, but in our brokerage operations, we may not be able to limit our liability for trading losses or failed trades even when we are not at fault. As a result, we may suffer losses that are disproportionately large compared to the relatively modest profit contributions of our brokerage operations.

If we fail to comply with government regulations in connection with our business or providing technology services to certain financial institutions, our business and results of operations may be adversely affected.

Because we act as a third-party service provider to financial institutions and provide mission-critical applications for many financial institutions that are regulated by one or more member agencies of the Federal Financial Institutions Examination Council (FFIEC), we are subject to examination by the member agencies of the FFIEC. More specifically, we are a Multi-Regional Data Processing Servicer of the FFIEC because we provide mission critical applications for financial institutions from several data centers located in different geographic regions. As a result, the FFIEC conducts periodic reviews of certain of our operations in order to identify existing or potential risks associated with our operations that could adversely affect the financial institutions to whom we provide services, evaluate our risk management systems and controls, and determine our compliance with applicable laws that affect the services we provide to financial institutions. In addition to examining areas such as our management of technology, data integrity, information confidentiality and service availability, the reviews also assess our financial stability. Our incurrence of significant debt in connection with the LBO increases the risk of an FFIEC agency review determining that our financial stability has been

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weakened. A sufficiently unfavorable review from the FFIEC could result in our financial institution customers not being allowed to use our technology services, which could have a material adverse effect on our business and financial condition.

If we fail to comply with any regulations applicable to our business, we may be exposed to unexpected liability and/or governmental proceedings, our customers may leave, our reputation may be tarnished, and there could be a material adverse effect on our business and financial results. In addition, the future enactment of more restrictive laws or rules on the federal or state level, or, with respect to our international operations, in foreign jurisdictions on the national, provincial, state or other level, could have an adverse impact on business and financial results.

If we are unable to retain or attract customers, our business and financial results will be adversely affected.

If we are unable to keep existing customers satisfied, sell additional products and services to existing customers or attract new customers, then our business and financial results may suffer. A variety of factors could affect our ability to successfully retain and attract customers, including the level of demand for our products and services, the level of customer spending for information technology, the level of competition from customers that develop their own solutions internally and from other vendors, the quality of our customer service, our ability to update our products and develop new products and services needed by customers, and our ability to integrate and manage acquired businesses. Further, the markets in which we operate are highly competitive and we may not be able to compete effectively. Our services revenue, which has been largely recurring in nature, comes from the sale of our products and services under fixed-term contracts. We do not have a unilateral right to extend these contracts when they expire. Revenue from our broker/dealer businesses is not subject to minimum or ongoing contractual commitments on the part of brokerage customers. If customers cancel or refuse to renew their contracts, or if customers reduce the usage levels or asset values under their contracts, there could be a material adverse effect on our business and financial results.

If we fail to retain key employees, our business may be harmed.

Our success depends on the skill, experience and dedication of our employees. If we are unable to retain and attract sufficiently experienced and capable personnel, especially in product development, sales and management, our business and financial results may suffer. For example, if we are unable to retain and attract a sufficient number of skilled technical personnel, our ability to develop high quality products and provide high quality customer service may be impaired. Experienced and capable personnel in the technology industry remain in high demand, and there is continual competition for their talents. When talented employees leave, we may have difficulty replacing them, and our business may suffer. There can be no assurance that we will be able to successfully retain and attract the personnel that we need.

We are subject to the risks of doing business internationally.

A portion of our revenue is generated outside the United States, primarily from customers located in Europe. Over the past few years we have expanded our operations in certain emerging markets in Asia, Africa, Europe, the Middle East and South America. Because we sell our services outside the United States, our business is subject to risks associated with doing business internationally. Accordingly, our business and financial results could be adversely affected due to a variety of factors, including:

- changes in a specific country s or region s political and cultural climate or economic condition;
- unexpected or unfavorable changes in foreign laws and regulatory requirements;
- difficulty of effective enforcement of contractual provisions in local jurisdictions;
- inadequate intellectual property protection in foreign countries;

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- trade-protection measures, import or export licensing requirements such as Export Administration Regulations promulgated by the U.S. Department of Commerce and fines, penalties or suspension or revocation of export privileges;

- the effects of applicable and potentially adverse foreign tax law changes;

- significant adverse changes in foreign currency exchange rates;

- longer accounts receivable cycles;

- managing a geographically dispersed workforce; and

- difficulties associated with repatriating cash in a tax-efficient manner.

In foreign countries, particularly in those with developing economies, certain business practices may exist that are prohibited by laws and regulations applicable to us, such as the U.S. Foreign Corrupt Practices Act and other anti-corruption laws. Although our policies and procedures require compliance with these laws and are designed to facilitate compliance with these laws, our employees, contractors and agents may take actions in violation of applicable laws or our policies. Any such violation, even if prohibited by our policies, could have a material adverse effect on our business and reputation.

Our acquisitions may not be successful and we may not be able to successfully integrate and manage acquired businesses.

Generally, we seek to acquire businesses that broaden our existing product lines and service offerings and expand our geographic reach. There can be no assurance that our acquisitions will be successful or that we will be able to identify suitable acquisition candidates and successfully complete acquisitions. In addition, we may finance any future acquisition with debt, which would increase our overall levels of indebtedness and related interest costs. If we are unable to successfully integrate and manage acquired businesses, then our business and financial results may suffer. It is possible that the businesses we have acquired and businesses that we acquire in the future may perform worse than expected, be subject to an adverse litigation outcome or prove to be more difficult to integrate and manage than expected. If that happens, there may be a material adverse effect on our business and financial results for a number of reasons, including:

- we may have to devote unanticipated financial and management resources to acquired businesses;

- we may not be able to realize expected operating efficiencies or product integration benefits from our acquisitions;

- we may have to write off goodwill or other intangible assets; and

- we may incur unforeseen obligations or liabilities (including assumed liabilities not fully indemnified by the seller) in connection with acquisitions.

We could lose revenue due to fiscal funding or termination for convenience clauses in certain customer contracts, especially in our PS and K-12 businesses.

Certain of our customer contracts, particularly those with governments and school districts, may be partly or completely terminated by the customer due to budget cuts or sometimes for any reason at all. These types of clauses are often called fiscal funding or termination for convenience clauses. If a customer exercises one of these clauses, the customer would be obligated to pay for the services we performed up to the date of exercise, but would not have to pay for any further services. In addition, governments and school districts may require contract terms that differ from our standard terms. While we have not been materially affected by exercises of these clauses or other unusual terms in the past, we may be in the future. If customers that collectively represent a substantial portion of our revenue were to invoke the fiscal funding or termination for convenience clauses of their contracts, our future business and results of operations could be adversely affected.

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The private equity firms that acquired the Company control us and may have conflicts of interest with us.

Investment funds associated with or designated by the Sponsors indirectly own, through their ownership in SunGard Capital Corp. (SCC) and SunGard Capital Corp. II (SCCII, and together with SCC, the Parent Companies), a substantial portion of our capital stock. As a result, the Sponsors have control over our decisions to enter into any corporate transaction regardless of whether noteholders believe that any such transaction is in their own best interests. For example, the Sponsors could cause us to make acquisitions or pay dividends that increase the amount of indebtedness that is secured or that is senior to our senior subordinated notes or to sell assets.

Additionally, the Sponsors are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. One or more of the Sponsors may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. So long as investment funds associated with or designated by the Sponsors continue to indirectly own a significant amount of the outstanding shares of our common stock, even if such amount is less than 50%, the Sponsors will continue to be able to strongly influence or effectively control our decisions.

If we are unable to protect our proprietary technologies and defend infringement claims, we could lose one of our competitive advantages and our business could be adversely affected.

Our success depends in part on our ability to protect our proprietary products and services and to defend against infringement claims. If we are unable to do so, our business and financial results may suffer. To protect our proprietary technology, we rely upon a combination of copyright, patent, trademark and trade secret law, confidentiality restrictions in contracts with employees, customers and others, software security measures, and registered copyrights and patents. Despite our efforts to protect the proprietary technology, unauthorized persons may be able to copy, reverse engineer or otherwise use some of our technology. It also is possible that others will develop and market similar or better technology to compete with us. Furthermore, existing patent, copyright and trade secret laws may afford only limited protection, and the laws of certain countries do not protect proprietary technology as well as United States law. For these reasons, we may have difficulty protecting our proprietary technology against unauthorized copying or use. If any of these events happens, there could be a material adverse effect on the value of our proprietary technology and on our business and financial results. In addition, litigation may be necessary to protect our proprietary technology. This type of litigation is often costly and time-consuming, with no assurance of success.

We may be sued for violating the intellectual property rights of others.

The software industry is characterized by the existence of a large number of trade secrets, copyrights and the growing number of issued patents, as well as frequent litigation based on allegations of infringement or other violations of intellectual property rights. We may unknowingly violate the intellectual property rights of others. Some of our competitors or other third parties may have been more aggressive than us in applying for or obtaining patent rights for innovative proprietary technologies both in the United States and internationally. In addition, we use a limited amount of open source software in our products and may use more open source software in the future. Because open source software is developed by numerous independent parties over whom we exercise no supervision or control, allegations of infringement for using open source software are possible. Although we monitor our use and our suppliers use of open source software to avoid subjecting our products to conditions we do not intend, the terms of many open source licenses have not been interpreted by United States or other courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products.

As a result of all of these factors, there can be no assurance that in the future third parties will not assert infringement claims against us and preclude us from using a technology in our products or require us to enter into royalty and licensing arrangements on terms that are not favorable to us, or force us to engage in costly infringement litigation, which could result in us paying monetary damages or being forced to redesign our products to avoid infringement. Additionally, our licenses and service agreements with our customers generally provide that we will defend and indemnify them for claims against them relating to our alleged infringement of the intellectual property rights of third parties with respect to our products or services. We might have to defend or indemnify our customers to the extent they are subject to these types of claims. Any of these claims may be difficult and costly to defend and may lead to unfavorable judgments or settlements, which could have a material adverse effect on our reputation, business and financial results. For these reasons, we may find it difficult or costly to add or retain important features in our products and services.

At present, we are vigorously defending a number of patent infringement cases. While we do not believe we have a potential liability for damages or royalties from any known current legal proceedings or claims related to the infringement of patent or other intellectual property rights that would individually or in the aggregate materially adversely affect our financial condition and operating results, the results of such legal proceedings cannot be predicted with certainty. Should we fail to prevail in any of the matters related to infringement of patent or other intellectual property rights of others or should several of these matters be resolved against us in the same reporting period, it could have a material adverse effect on our business and financial results.

Defects, design errors or security flaws in our products could harm our reputation and expose us to potential liability.

Most of our products are very complex software systems that are regularly updated. No matter how careful the design and development, complex software often contains errors and defects when first introduced and when major new updates or enhancements are released. If errors or defects are discovered in our current or future products, we may not be able to correct them in a timely manner, if at all. In our development of updates and enhancements to our products, we may make a major design error that makes the product operate incorrectly or less efficiently.

In addition, certain of our products include security features that are intended to protect the privacy and integrity of customer data. Despite these security features, our products and systems, and our customers systems may be vulnerable to break-ins and similar problems caused by third parties, such as hackers bypassing firewalls and misappropriating confidential information. Such break-ins or other disruptions could jeopardize the security of information stored in and transmitted through our computer systems and those of our customers, subject us to liability and tarnish our reputation. We may need to expend significant capital resources in order to eliminate or work around errors, defects, design errors or security problems. Any one of these problems in our products may result in the loss of or a delay in market acceptance of our products, the diversion of development resources, a lower rate of license renewals or upgrades and damage to our reputation, and in turn may increase service and warranty costs.

A material weakness in our internal controls could have a material adverse affect on us.

Effective internal controls are necessary for us to provide reasonable assurance with respect to our financial reports and to effectively prevent fraud. If we cannot provide reasonable assurance with respect to our financial reports and effectively prevent fraud, our reputation and operating results could be harmed. Internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Further, the complexities of our quarter- and year-end closing processes increase the risk that a weakness in internal control over financial reporting may go undetected. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. In addition, projections of any evaluation of effectiveness of internal control over financial reporting to future periods are subject to the risk that the control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness in our internal control over financial reporting could adversely impact our ability to provide timely and accurate financial information. If we are unable to report financial information timely and

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accurately or to maintain effective disclosure controls and procedures, we could be subject to, among other things, regulatory or enforcement actions by the SEC, any one of which could adversely affect our business prospects.

In connection with our assessment of internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002 as of December 31, 2011, we identified a material weakness related to our accounting for deferred income taxes. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company s annual or interim financial statements will not be prevented or detected on a timely basis. To remediate the material weakness, we developed and implemented a remediation plan. As a result of the remedial actions completed, we have concluded that we have remediated the material weakness in accounting for deferred income taxes as of December 31, 2012.

Unanticipated changes in our income tax provision or the enactment of new tax legislation, issuance of regulations or relevant judicial decisions could affect our profitability or cash flow.

We are subject to income taxes in the United States and many foreign jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes. We regularly are under examination by tax authorities. Although we believe our income tax provision is reasonable, the final determination of our tax liability could be materially different from our historical income tax provisions, which could have a material effect on our financial position, results of operations or cash flows. In addition, tax-law amendments in the U.S. and other jurisdictions could significantly impact how U.S. multinational corporations are taxed. Although we cannot predict whether or in what form such legislation will pass, if enacted it could have a material adverse effect on our business and financial results.

Risks Related to the Exchange Notes

We may not be able to generate sufficient cash to service all of our indebtedness, including the exchange notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the exchange notes. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness, including the exchange notes. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Our senior secured credit agreement, the indentures governing the senior notes due 2018, senior notes due 2020, as well as the indenture under which the exchange notes will be issued, restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due. See Description of Other Indebtedness and Description of Notes.

Repayment of our debt, including the exchange notes, is dependent on cash flow generated by our subsidiaries.

Our subsidiaries own a significant portion of our assets and conduct a significant portion of our operations. Accordingly, repayment of our indebtedness, including the exchange notes, is dependent, to a significant extent,

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on the generation of cash flow by our subsidiaries and their ability to make cash available to us, by dividend, debt repayment or otherwise. Our non-guarantor subsidiaries do not have any obligation to pay amounts due on the exchange notes or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the exchange notes. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the indenture under which the exchange notes will be issued limits the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the exchange notes.

Your right to receive payments on the exchange notes is effectively junior to those lenders who have a security interest in our assets.

Our obligations under the exchange notes and our guarantors obligations under their guarantees of the exchange notes are unsecured, but our obligations under our senior secured credit facilities and senior secured notes due 2014 and each guarantor s obligations under their respective guarantees of the senior secured credit facilities and senior secured notes due 2014 are secured by a security interest in substantially all of our domestic tangible and, in the case of the senior secured credit facilities, intangible assets, including the stock of most of our wholly owned U.S. subsidiaries, and a portion of the stock of certain of our non-U.S. subsidiaries. If we are declared bankrupt or insolvent, or if we default under our senior secured credit agreement or under the indenture governing the senior secured notes due 2014, the lenders could declare all of the funds borrowed thereunder, together with accrued interest, immediately due and payable. If we were unable to repay such indebtedness, the lenders could foreclose on the pledged assets to the exclusion of holders of the exchange notes, even if an event of default exists under the indenture governing the exchange notes at such time. Furthermore, if the lenders foreclose and sell the pledged equity interests in any subsidiary guarantor under the exchange notes, then that guarantor will be released from its guarantee of the notes automatically and immediately upon such sale. In any such event, because the exchange notes will not be secured by any of our assets or the equity interests in subsidiary guarantors, it is possible that there would be no assets remaining from which your claims could be satisfied or, if any assets remained, they might be insufficient to satisfy your claims fully. See Description of Other Indebtedness. As of March 31, 2013, we had $3,949 million of senior secured indebtedness.

The indenture under which the exchange notes will be issued permits us and our restricted subsidiaries to incur substantial additional indebtedness in the future, including senior secured indebtedness.

Your right to receive payments on the notes will be junior to the rights of the lenders under our senior secured credit facilities and all of our other senior debt and any of our future senior indebtedness.

The exchange notes will be general unsecured obligations that will be junior in right of payment to all of our existing and future senior indebtedness. As of March 31, 2013, we had $1,600 million of senior unsecured indebtedness. As of March 31, 2013, an additional $828 million was available to be drawn under our revolving credit facility.

We may not pay principal, premium, if any, interest or other amounts on account of the exchange notes in the event of a payment default or certain other defaults in respect of certain of our senior indebtedness, including debt under the senior secured credit facilities, unless the senior indebtedness has been paid in full or the default has been cured or waived. In addition, in the event of certain other defaults with respect to the senior indebtedness, we may not be permitted to pay any amount on account of the senior subordinated notes for a designated period of time.

Because of the subordination provisions in the exchange notes, in the event of our bankruptcy, liquidation or dissolution, our assets will not be available to pay obligations under the exchange notes until we have made all

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payments in cash on our senior indebtedness. We cannot assure you that sufficient assets will remain after all these payments have been made to make any payments on the exchange notes, including payments of principal or interest when due.

Claims of noteholders will be structurally subordinate to claims of creditors of all of our non-U.S. subsidiaries and some of our U.S. subsidiaries because they will not guarantee the exchange notes.

The exchange notes will not be guaranteed by any of our non-U.S. subsidiaries, our less than 100% owned U.S. subsidiaries, our receivables subsidiaries or certain other U.S. subsidiaries. Accordingly, claims of holders of the exchange notes will be structurally subordinate to the claims of creditors of these non-guarantor subsidiaries, including trade creditors. All obligations of our non-guarantor subsidiaries will have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon a liquidation or otherwise, to us or a guarantor of the exchange notes.

If we default on our obligations to pay our indebtedness, we may not be able to make payments on the exchange notes.

Any default under the agreements governing our indebtedness, including a default under the senior secured credit agreement, that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness, could prevent us from paying principal, premium, if any, and interest on the exchange notes and substantially decrease the market value of the exchange notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness (including covenants in our senior secured credit agreement, the indentures governing the senior secured notes due 2014, senior notes due 2018, senior notes due 2020 and the indenture under which the exchange notes will be issued), we could be in default under the terms of the agreements governing such indebtedness (including our senior secured credit agreement, the indentures governing the senior secured notes due 2014, senior notes due 2018, senior notes due 2020 and the indenture under which the exchange notes will be issued). In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under our senior secured credit facilities could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to obtain waivers from the required lenders under our senior secured credit facilities to avoid being in default. If we breach our covenants under our senior secured credit facilities and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our senior secured credit agreement, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

We may not be able to repurchase the exchange notes upon a change of control.

Upon the occurrence of specific kinds of change of control events, we will be required to offer to repurchase all outstanding exchange notes at 101% of their principal amount plus accrued and unpaid interest. The source of funds for any such purchase of the exchange notes will be our available cash or cash generated from our subsidiaries operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the exchange notes upon a change of control because we may not have sufficient financial resources to purchase all of the exchange notes that are tendered upon a change of control. Further, we will be contractually restricted under the terms of our senior secured credit agreement from repurchasing all of the exchange notes tendered by holders upon a change of control. Accordingly, we may not be able to satisfy our obligations to purchase the exchange notes unless we are able to refinance or obtain waivers under our senior secured credit agreement. Our failure to repurchase the exchange notes upon a change of control would cause a default or cross-default under the senior secured credit agreement, our indentures governing the senior secured notes due 2014, the senior notes due 2018, senior notes due 2020 and the indenture under which the exchange notes will be issued, as applicable. The senior secured credit agreement also provides that a change of control will be a default that permits lenders to accelerate the maturity of borrowings thereunder. Any of our future debt agreements may contain similar provisions.

Noteholders may not be able to determine when a change of control giving rise to their right to have the exchange notes repurchased has occurred following a sale of substantially all of our assets.

The definition of change of control in the indenture under which the exchange notes will be issued includes a phrase relating to the sale of all or substantially all of our assets. There is no precise established definition of the phrase substantially all under applicable law. Accordingly, the ability of a holder of the exchange notes to require us to repurchase its exchange notes as a result of a sale of less than all our assets to another person may be uncertain.

Many of the covenants in the indenture will not apply while the exchange notes are rated investment grade by both Moody s and Standard & Poor s.

Many of the covenants in the indenture under which the exchange notes will be issued will not apply to us if the exchange notes are rated investment grade by both Moody s Investors Services, Inc. (Moody s) and Standard & Poor s Ratings Services (S&P), provided at such time no default or event of default has occurred and is continuing. There can be no assurance that the exchange notes will ever be rated investment grade, or that if they are rated investment grade, that the exchange notes will maintain these ratings. However, termination or suspension of the these covenants would allow us to engage in certain transactions that would not be permitted while the covenants were in effect. To the extent the suspended covenants are subsequently reinstated, any such actions taken while the covenants were suspended would not result in an event of default under the indenture governing the exchange notes. See Description of Notes Certain Covenants.

Ratings of the exchange notes may cause their trading price to fall and affect the marketability of the exchange notes.

A rating agency s rating of the exchange notes is not a recommendation to purchase, sell or hold any particular security, including the exchange notes. Such ratings are limited in scope, and do not comment as to material risks relating to an investment in the exchange notes. An explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that such credit ratings will remain in effect for any given period of time. Rating agencies also may lower, suspend or withdraw ratings on the exchange notes or our other debt in the future. Noteholders will have no recourse against us or any other parties in the event of a change in or suspension or withdrawal of such ratings. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market prices or marketability of the exchange notes.

The lenders under the senior secured credit facilities will have the discretion to release the guarantors under the senior secured credit agreement in a variety of circumstances, which will cause those guarantors to be released from their guarantees of the exchange notes.

While any obligations under the senior secured credit facilities remain outstanding, any guarantee of the exchange notes may be released without action by, or consent of, any holder of the exchange notes or the trustee under the indenture governing the exchange notes, at the discretion of lenders under the senior secured credit facilities, if the related guarantor is no longer a guarantor of obligations under the senior secured credit facilities or certain of our other indebtedness. See Description of Notes. The lenders under the senior secured credit facilities will have the discretion to release the guarantees under the senior secured credit facilities in a variety of circumstances. You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the exchange notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries will effectively be senior to claims of noteholders.

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Federal and state fraudulent transfer laws may permit a court to void the exchange notes and the related guarantees of the exchange notes, and, if that occurs, you may not receive any payments on the exchange notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the exchange notes and the incurrence of the related guarantees. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the exchange notes or related guarantees could be voided as a fraudulent transfer or conveyance if (1) we or any of the guarantors, as applicable, issued the exchange notes or incurred the related guarantees with the intent of hindering, delaying or defrauding creditors or (2) we or any of the guarantors, as applicable, received less than reasonably equivalent value or fair consideration in return for either issuing the exchange notes or incurring the related guarantees and, in the case of (2) only, one of the following is also true at the time thereof:

- we or any of the guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the exchange notes or the incurrence of the related guarantees;
- the issuance of the exchange notes or the incurrence of the related guarantees left us or any of the guarantors, as applicable, with an unreasonably small amount of capital to carry on the business;
- we or any of the guarantors intended to, or believed that we or such guarantor would, incur debts beyond our or such guarantor s ability to pay as they mature; or
- we or any of the guarantors was a defendant in an action for money damages, or had a judgment for money damages docketed against us or such guarantor if, in either case, after final judgment, the judgment is unsatisfied.

If a court were to find that the issuance of the exchange notes or the incurrence of the related guarantees was a fraudulent transfer or conveyance, the court could void the payment obligations under the exchange notes or such related guarantees or further subordinate the notes or such related guarantees to presently existing and future indebtedness of ours or of the related guarantor, or require the holders of the notes to repay any amounts received with respect to such related guarantees. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the exchange notes. Further, the voidance of the exchange notes could result in an event of default with respect to our and our subsidiaries other debt that could result in acceleration of such debt.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or an antecedent debt is secured or satisfied. A debtor will generally not be considered to have received value in connection with a debt offering if the debtor uses the proceeds of that offering to make a dividend payment or otherwise retire or redeem equity securities issued by the debtor.

We cannot be certain as to the standards a court would use to determine whether or not we or the guarantors were solvent at the relevant time or, regardless of the standard that a court uses, that the issuance of the related guarantees would not be further subordinated to our or any of our guarantors other debt. Generally, however, an entity would not be considered solvent if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets; or
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

Although each guarantee entered into by a guarantor subsidiary will contain a provision intended to limit that guarantor s liability to the maximum amount that it could incur without causing the incurrence of obligations

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under its guarantee to be a fraudulent transfer, this provision may not be effective to protect those guarantees from being voided under fraudulent transfer law, or may reduce that guarantor s obligation to an amount that effectively makes its guarantee worthless. In a recent Florida bankruptcy case, this kind of provision was found to be ineffective to prohibit the guarantees.

Your ability to transfer the exchange notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the exchange notes.

We are offering the exchange notes to the holders of the outstanding notes. The outstanding notes were offered and sold in November 2012 to institutional investors.

We do not intend to apply for a listing of the exchange notes on a securities exchange or on any automated dealer quotation system. There is currently no established market for the exchange notes and we cannot assure you as to the liquidity of markets that may develop for the exchange notes, your ability to sell the exchange notes or the price at which you would be able to sell the exchange notes. If such markets were to exist, the exchange notes could trade at prices that may be lower than their principal amount or purchase price depending on many factors, including prevailing interest rates, the market for similar notes, our financial and operating performance and other factors. The initial purchasers in the private offering of the outstanding notes have advised us that they currently intend to make a market with respect to the exchange notes. However, these initial purchasers are not obligated to do so, and they may discontinue their market-making activities at any time without notice. Therefore, an active market for the exchange notes may not develop or, if developed, may not continue. Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the exchange notes. The market, if any, for the exchange notes may not be free from similar disruptions and any such disruptions may adversely affect the prices at which you may sell your exchange notes. In addition, the exchange notes may trade at a discount from the outstanding notes initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

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FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the federal securities laws, which involve risks and uncertainties. You can identify forward-looking statements because they contain words such as believes, expects, may, will, should, seeks, approxima intends, plans, estimates, or anticipates or similar expressions that concern our strategy, plans or intentions. All statements we make relating to estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates and financial results are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. All of these forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those we expected. We derive most of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations (cautionary statements) are disclosed under Risk Factors and elsewhere in this prospectus, including, without limitation, in conjunction with the forward-looking statements included in this prospectus. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include:

- global economic and market conditions;
- the condition of the financial services industry, including the effect of any further consolidation among financial services firms;
- our high degree of debt-related leverage;
- the effect of war, terrorism, natural disasters or other catastrophic events;
- the effect of disruptions to our systems and infrastructure;
- the timing and magnitude of software sales;
- the timing and scope of technological advances;
- customers taking their information availability solutions in-house;
- the trend in information availability toward solutions utilizing more dedicated resources;
- the market and credit risks associated with broker/dealer operations;
- the ability to retain and attract customers and key personnel;

- risks relating to the foreign countries where we transact business;
- the integration and performance of acquired business;
- the ability to obtain patent protection and avoid patent-related liabilities in the context of a rapidly developing legal framework for software and business-method patents;
- a material weakness in our internal controls;
- unanticipated changes in our income tax provisions or the enactment of new tax legislation, issuance of regulations or relevant judicial decisions; and
- the other factors set forth under Risk Factors.

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this prospectus may not in fact occur. We undertake no obligation to publicly update any written or oral forward-looking statements made by us or on our behalf as a result of new information, future events or otherwise, except as otherwise required by law.

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USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes pursuant to the exchange offer. In consideration for issuing the exchange notes as contemplated in this prospectus, we will receive in exchange a like principal amount of outstanding notes, the terms of which are identical in all material respects to the exchange notes. The outstanding notes surrendered in exchange for the exchange notes will be retired and canceled and cannot be reissued. Accordingly, the issuance of the exchange notes will not result in any change in our capitalization.

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CASH AND CAPITALIZATION

		As of March 31, 2013 (Dollars in millions)
Cash and cash equivalents	$	537
Debt:		
Senior secured credit facilities:		
Revolving credit facility(1)	$	
Existing term loan facilities(2)		3,502
Senior secured notes due 2014(3)		247
Senior notes due 2018		900
Senior notes due 2020		700
Senior subordinated notes due 2019		1,000
Secured accounts receivable facility(4)		200
Other existing debt(5)		13
Total debt		6,562
Equity		631
Total capitalization	$	7,193

(1) On March 2, 2012, we amended our senior secured credit facilities to, among other things, extend the maturity of our $880 million revolving credit facility commitments from May 11, 2013 to November 29, 2016. On March 8, 2013, we amended and restated the senior secured credit facilities to, among other things, replace the $880 million of revolving commitments with $850 million of new revolving commitments, which will mature on March 8, 2018. As of March 31, 2013, we had an $850 million revolving credit facility, of which $828 million was available for borrowing after giving effect to outstanding letters of credit. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources and Note 5 of Notes to Consolidated Financial Statements for further discussion.

(2) In January 2012, we completed the sale of HE. The net cash proceeds from the HE sale of $1.22 billion were applied on a pro-rata basis to repay a portion of our term loans, including $396 million of tranche A, $689 million of tranche B and $137 million of incremental term loans. On March 2, 2012, we amended the senior secured credit facilities to, among other things, extend the maturity date of $908 million in aggregate principal amount of tranche A term loan from February 28, 2014 to February 28, 2017 (tranche C). The tranche C has certain springing maturities. On December 17, 2012, we amended the senior secured credit facilities to, among other things, allow for the issuance of a $720 million term loan (tranche D), which has certain springing maturities. On December 31, 2012, we voluntarily prepaid $48 million of the tranche A term loan and the entire outstanding incremental term loan balance of $169 million. On March 8, 2013, we amended the senior secured credit facilities to, among other things, issue an additional term loan of $2,200 million (tranche E) maturing on March 8, 2020, the proceeds of which were used to repay in full the tranche B term loan and repay $481 million of the tranche C term loan. On March 28, 2013, we voluntarily prepaid $50 million of the tranche A term loan. See Note 5 of Notes to Consolidated Financial Statements and Note 6 of Notes to Consolidated Financial Statements (Unaudited) for further discussion.

(3) On January 15, 2004, we issued $250 million of 4.875% senior unsecured notes due 2014, which are subject to certain standard covenants. As a result of the LBO, these senior notes became collateralized on an equal and ratable basis with loans under the senior secured credit facilities and are guaranteed by all subsidiaries that guarantee the senior notes due 2018 and 2020 and senior subordinated notes due 2019. The senior secured notes due 2014 are recorded at $247 million as of March 31, 2013, reflecting the remaining unamortized discount of $3 million caused by the LBO. See Note 5 of Notes to Consolidated Financial Statements and Note 6 of Notes to Consolidated Financial Statements (Unaudited) for further discussion.

(4) In connection with the sale of our HE business, the participating HE subsidiaries were removed from the receivables facility, effective as of October 3, 2011. As a result, we permanently reduced the maximum revolving commitment amount to $90 million for a combined total amount available for borrowing of $290 million under the receivables facilities. On December 19, 2012, we entered into a Second Amended and Restated Credit and Security Agreement to, among other things, extend the maturity date to December 19, 2017 and reduce the aggregate commitments from $290 million to $275 million. On January 2, 2013, we repaid a $50 million revolving credit advance. As of March 31, 2013, $200 million was drawn against the term loan commitment. As of March 31, 2013, $470 million of accounts receivables secured the borrowings under the receivables facility. See Description of Other Indebtedness Receivables Facility, Note 5 of Notes to Consolidated Financial Statements and Note 6 of Notes to Consolidated Financial Statements (Unaudited) for further discussion.

(5) Consists of payment obligations relating to foreign bank debt, historical acquisitions and capital lease obligations.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth selected historical consolidated financial data of SunGard Data Systems Inc. as of the dates and for the periods indicated. The selected historical consolidated financial data as of December 31, 2011 and 2012 and for the years ended December 31, 2010, 2011 and 2012 have been derived from our audited consolidated financial statements and related notes appearing elsewhere in this prospectus. The selected historical consolidated financial data as of December 31, 2008, 2009 and 2010 and for the years ended December 31, 2008 and 2009 presented in this table have been derived from audited consolidated financial statements not included in this prospectus. The selected historical consolidated financial data for the three months ended March 31, 2012 and 2013 and as of March 31, 2013 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The selected historical consolidated financial data set forth below should be read in conjunction with, and are qualified by reference to, Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes thereto appearing elsewhere in this prospectus.

	Year Ended December 31,					Three Months Ended March 31,	
(Dollars in millions)	**2008**	**2009**	**2010**	**2011**	**2012**	**2012**	**2013**
Statement of Operations Data:							
Revenue	$ 4,795	$ 4,752	$ 4,437	$ 4,440	$ 4,263	$ 1,024	$ 995
Operating income (loss)	537	(684)(2)	204(3)	337(4)	74(5)	52	56
Loss from continuing operations	(142)(1)	(1,182)(2)	(414)(3)	(69)(4)	(397)	(76)	(47)
Income (loss) from discontinued operations, net of tax	(100)(1)	64	(156)(3)	(80)	331	311	
Net income (loss)	$ (242)	$ (1,118)	$ (570)	$ (149)	$ (66)	$ 235	$ (47)
Balance Sheet Data:							
Cash and cash equivalents(6)	$ 957	$ 630	$ 755	$ 867	$ 546		$ 537
Total assets	15,778	13,980	12,968	12,550	10,018		9,738
Total debt (including current portion of long-term debt)	8,875	8,315	8,055	7,829	6,662		6,562
Total stockholders equity	3,063	2,067	1,607	1,461	716		631
Statement of Cash Flows Data:							
Net cash provided by (used in):							
Operating activities	$ 385	$ 639	$ 721	$ 678	$ 244	$ 75	$ 179
Continuing operations			601	606	645	70	179
Discontinued operations			120	72	(401)	5	
Investing activities	(1,125)	(333)	(260)	(326)	1,461	1,677	(46)
Financing activities	1,319	(628)	(344)	(253)	(2,039)	(1,254)	(134)
Other Financial Data:							
EBITDA(7)	$ 1,144	$ 99	$ 879	$ 1,040	$ 664	$ 211	$ 212
Capital expenditures, net(8)	367	315	298	276	260	60	46
Ratio of earnings to fixed charges(9)							

(1) Included in the 2008 loss from continuing operations are intangible asset write-offs of $67 million and foreign exchange losses and unused alternative financing commitment fees associated with the acquisition of GL Trade S.A. of $17 million. Included in the 2008 loss from discontinued operations is a goodwill impairment charge of $128 million.

(2) Included in the 2009 operating loss is a goodwill impairment charge of $1.13 billion in AS and intangible asset write-offs of $35 million in FS.

(3) Included in the 2010 loss from continuing operations is a goodwill impairment charge of $205 million and a loss on the extinguishment of debt of $58 million, including tender and call premiums of $39 million, associated with the early retirement of $1.6 billion senior notes due 2013 and euro denominated term loans. Included in the 2010 loss from discontinued operations is a goodwill impairment charge of $123 million and a loss on disposal of discontinued operations of $94 million.

(4) Included in the 2011 loss from continuing operations are goodwill impairment charges of $48 million related to prior-year periods which have been corrected in 2011 and an income tax benefit of $48 million reflecting amortization of the deferred tax liability which benefit would have been reflected in prior years in the statement of comprehensive income. Included in the 2011 income (loss) from discontinued operations is $135 million of deferred tax expense related to the book-over-tax basis difference of an HE subsidiary that is classified as held for sale at December 31, 2011 and a goodwill impairment charge of $3 million.

(5) Included in the 2012 loss from continuing operations is a goodwill impairment charge of $385 million and a loss on extinguishment of debt of $82 million, including tender and call premiums of $48 million, due primarily to the early extinguishments of the senior notes due 2015 and the senior subordinated notes due 2015, and the partial repayment of term loans in January and December 2012. Included in the 2012 income from discontinued operations are gains on the sale of discontinued operations of $571 million.

(6) Cash excludes cash held by the discontinued operations of $21 million, $33 million, $23 million, $6 million, $0 million and $0 million at December 31, 2008, 2009, 2010, 2011 and 2012 and March 31, 2013, respectively.

(7) EBITDA is calculated as follows:

	Year Ended December 31,					Three Months Ended March 31,	
(Dollars in millions)	2008	2009	2010	2011	2012	2012	2013
Income (loss) from continuing operations	$ (142)	$ (1,182)	$ (414)	$ (69)	$ (397)	$ (76)	$ (47)
Interest expense, net	580	630	636	521	427	122	108
Taxes	7	(117)	(69)	(118)	(38)	(7)	(9)
Depreciation and amortization	699	768	726	706	672	172	160
EBITDA	$ 1,144	$ 99	$ 879	$ 1,040	$ 664	$ 211	$ 212

EBITDA, a measure used by management to measure operating performance, is defined as net income plus interest, taxes, depreciation and amortization. EBITDA is not a recognized term under GAAP and does not purport to be an alternative to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Additionally, EBITDA is not intended to be a measure of free cash flow available for management s discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. Management believes EBITDA is helpful in highlighting trends because EBITDA can differ significantly from company to company depending on long-term strategic decisions regarding capital structure, the tax jurisdictions in which companies operate and capital investments. In addition, EBITDA provides more comparability between the historical results of SunGard and results that reflect purchase accounting and the new capital structure. Management compensates for the limitations of using non-GAAP financial measures by using them to supplement GAAP results to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. Because not all companies use identical calculations, these presentations of EBITDA may not be comparable to other similarly titled measures of other companies.

(8) Capital expenditures represent net cash paid for property and equipment as well as software and other assets.

(9) For purposes of calculating the ratio of earnings to fixed charges, earnings consist of income before income taxes plus fixed charges. Fixed charges include: interest expense, whether expensed or capitalized; amortization of debt issuance cost; and the portion of rental expense representative of the interest factor. Earnings for the years ended December 31, 2008, 2009, 2010, 2011 and 2012 were inadequate to cover fixed charges by $136 million, $1,299 million, $483 million, $187 million and $435 million, respectively. Earnings for the three months ended March 31, 2012 and 2013 were inadequate to cover fixed charges by $83 million and $56 million, respectively.

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are one of the world s leading software and technology services companies. We provide software and technology services to financial services, education and public sector organizations. We also provide disaster recovery services, managed services, information availability consulting services and business continuity management software. We serve approximately 25,000 customers in more than 70 countries. Our high quality software solutions, excellent customer support and specialized technology services result in strong customer retention rates across all of our business segments and create long-term customer relationships.

We operate our business in three segments: Financial Systems (FS), Availability Services (AS) and Public Sector & Education (PS&E), which is comprised of our Public Sector business (PS) and our K-12 Education business (K-12). Our FS segment primarily serves financial services companies, corporate and government treasury departments and energy companies. Our AS segment serves IT-dependent companies across virtually all industries. Our PS&E segment, which is approximately 5% of our total revenue, primarily serves state and local governments, not-for-profit organizations and K-12 school districts and private schools throughout the U.S.

SunGard Data Systems Inc. was acquired on August 11, 2005 in a leveraged buy-out by a consortium of private equity investment funds associated with Bain Capital Partners, The Blackstone Group, Goldman Sachs & Co., Kohlberg Kravis Roberts & Co., Providence Equity Partners, Silver Lake and TPG (the LBO).

SunGard is a wholly owned subsidiary of SunGard Holdco LLC, which is wholly owned by SunGard Holding Corp., which is wholly owned by SCCII, which is a subsidiary of SCC. All four of these companies were formed for the purpose of facilitating the LBO and are collectively referred to as the Holding Companies.

FS provides mission-critical software and technology services to virtually every type of financial services institution, including buy-side and sell-side institutions, third-party administrators, wealth managers, retail banks, insurance companies, corporate treasuries and energy trading firms. Our broad range of complementary software solutions and associated technology services help financial services institutions automate the business processes associated with trading, managing portfolios and accounting for investment assets.

AS provides disaster recovery services, managed IT services, information availability consulting services and business continuity management software to more than 8,000 customers in North America and Europe. With approximately five million square feet of data center and operations space, AS assists IT organizations across virtually all industry and government sectors to prepare for and recover from emergencies by helping them minimize their computer downtime and optimize their uptime. Through direct sales and channel partners, AS helps organizations have uninterrupted access to the information systems so that they can continue to transact business.

Our PS&E segment provides software and technology services designed to meet the specialized needs of local, state and federal governments, public safety and justice agencies, public and private schools, utilities, nonprofits, and other public sector institutions.

In 2012, the difficult economy resulted in cautious customer buying patterns, particularly in the established markets. In FS, this has resulted in fewer new license sales, which in turn drove lower professional services revenue. Offsetting this, processing revenues were fairly stable and license renewals were strong. In addition, in certain product lines, particularly within the emerging markets, we have consistently acquired new customers which in turn resulted in additional professional services revenue. In AS, our managed recovery program, managed service offerings, and cloud solutions helped to offset a contraction in traditional recovery services revenue.

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In this environment, we are managing carefully to protect our profit and improve our profit margins. We are specifically taking steps to exit lower margin or slower growing business lines. We are thoughtfully managing spending and shifting our investments into faster growing products and regions. This has resulted in improved cash flow, reduced debt and greater value to our shareholders.

Use of Estimates and Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires us to make many estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses. Those estimates and judgments are based on historical experience, future expectations and other factors and assumptions we believe to be reasonable under the circumstances. We review our estimates and judgments on an ongoing basis and revise them when necessary. Actual results may differ from the original or revised estimates. A summary of our significant accounting policies is contained in Note 1 of Notes to Consolidated Financial Statements. A description of the most critical policies and those areas where estimates have a relatively greater effect in the financial statements follows. Our management has discussed the critical accounting policies described below with our audit committee.

Intangible Assets and Purchase Accounting

Purchase accounting requires that all assets and liabilities be recorded at fair value on the acquisition date, including identifiable intangible assets separate from goodwill. Identifiable intangible assets include customer base (which includes customer contracts and relationships), software and trade name. Goodwill represents the excess of cost over the fair value of net assets acquired.

The estimated fair values and useful lives of identifiable intangible assets are based on many factors, including estimates and assumptions of future operating performance and cash flows of the acquired business, the nature of the business acquired, the specific characteristics of the identified intangible assets, and our historical experience and that of the acquired business. The estimates and assumptions used to determine the fair values and useful lives of identified intangible assets could change due to numerous factors, including product demand, market conditions, technological developments, economic conditions and competition. In connection with our determination of fair values, we may engage independent appraisal firms to assist us with the valuation of intangible (and certain tangible) assets acquired and certain assumed obligations.

We periodically review carrying values and useful lives of long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Factors that could indicate an impairment include significant underperformance of the asset as compared to historical or projected future operating results, or significant negative industry or economic trends. When we determine that the carrying value of an asset may not be recoverable, the related estimated future undiscounted cash flows expected to result from the use and eventual disposition of the asset are compared to the carrying value of the asset. If the sum of the estimated future undiscounted cash flows is less than the carrying amount, we record an impairment charge based on the difference between the carrying value of the asset and its fair value, which we estimate based on discounted expected future cash flows. In determining whether an asset is impaired, we make assumptions regarding recoverability of costs, estimated future cash flows from the asset, intended use of the asset and other relevant factors. If these estimates or their related assumptions change, we may be required to record non-cash impairment charges for these assets.

GAAP requires the Company to perform a goodwill impairment test, annually and test more frequently when negative conditions or a triggering event arise. In September 2011, the Financial Accounting Standards Board (FASB) issued amended guidance that simplified how entities test goodwill for impairment. After an assessment of certain qualitative factors, if it is determined to be more likely than not that the fair value of a reporting unit is less than its carrying amount, entities must perform the quantitative analysis of the goodwill impairment test. Otherwise, the quantitative test(s) become optional. As allowed under the amended guidance, the Company chose not to assess the qualitative factors of its reporting units and, instead, performed the quantitative test.

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We complete our annual goodwill impairment test as of July 1 for each of our 11 reporting units. In step one, we estimate the fair values of each reporting unit by a combination of (i) estimation of the discounted cash flows of each of the reporting units based on projected earnings in the future (the income approach) and (ii) a comparative analysis of revenue and EBITDA multiples of public companies in similar markets (the market approach). We then compare the estimated fair value to the carrying value. If there is a deficiency (the estimated fair value of a reporting unit is less than the carrying value), a step-two test is required. In step two, the amount of any goodwill impairment is measured by comparing the implied fair value of the reporting unit s goodwill to the carrying value of goodwill, with any resulting impairment reflected in operations. The implied fair value is determined in the same manner as the amount of goodwill recognized in a business combination.

Estimating the fair value of a reporting unit requires various assumptions including projections of future cash flows, perpetual growth rates and discount rates that reflect the risks associated with achieving those cash flows. The assumptions about future cash flows and growth rates are based on management s assessment of a number of factors including the reporting unit s recent performance, performance of the market that the reporting unit serves, as well as industry and general economic data from third party sources. Discount rate assumptions are based on an assessment of the risk inherent in those future cash flows. Changes to the underlying businesses could affect the future cash flows, which in turn could affect the fair value of the reporting unit. For the July 1, 2012 impairment test, the discount rates used were between 10% and 12% and the perpetual growth rates used were between 3% and 4%.

Based on the results of the step-one tests, we determined that the carrying value of our Availability Services North America (AS NA) reporting unit was in excess of its respective fair value and a step-two test was required. The primary driver for the decline in the fair value of the AS NA reporting unit compared to the prior year is the decline in the cash flow projections for AS NA when compared to those used in the 2011 goodwill impairment test as a result of a decline in the overall outlook of this reporting unit. We continue to expect to grow the AS NA business over the long-term, albeit at a slower rate than previously planned.

Prior to completing the step-two test, we first evaluated certain long-lived assets, primarily the software, customer base and property and equipment, for impairment. In performing the impairment tests for long-lived assets, we estimated the undiscounted cash flows for the asset groups over the remaining useful lives of the reporting unit s primary asset and compared that to the carrying value of the asset groups. There was no impairment of the long-lived assets.

In completing the step-two test to determine the implied fair value of goodwill and therefore the amount of impairment, we first determined the fair value of the tangible and intangible assets and liabilities. Based on the testing performed, we determined that the carrying value of goodwill exceeded its implied fair value and recorded a non-cash goodwill impairment charge of $385 million.

The Company has one other reporting unit, whose goodwill balance was $299 million as of December 31, 2012, where the excess of the estimated fair value over the carrying value of the reporting unit was less than 15% of the carrying value. A one hundred basis point decrease in the perpetual growth rate or a one hundred basis point increase in the discount rate would not cause this reporting unit to fail step one and require a step-two analysis. However, if this unit fails to achieve expected performance levels in the near term or experiences a downturn in the business below current expectations, goodwill could be impaired.

The Company s remaining reporting units, whose goodwill balances in aggregate total $3.7 billion at December 31, 2012, each had estimated fair values which exceeded the carrying value of the reporting unit by at least 15% as of the July 1, 2012 impairment test.

In 2009, we recorded an adjustment to the state income tax rate used to calculate the deferred income tax liabilities associated with the intangible assets at the LBO date which resulted in reductions to our deferred tax liability and goodwill balances of approximately $114 million. During 2011, we determined that the 2009

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adjustment was incorrect and reversed it, thereby increasing the December 31, 2011 deferred tax liability and goodwill balances each by approximately $100 million for continuing operations and $14 million for assets (liabilities) related to discontinued operations. As a result of this correction, we recorded a non-cash goodwill impairment charge of $48 million, of which $36 million related to the impairment charge in 2009 and $12 million related to the impairment charge in 2010, and recorded a non-cash goodwill impairment charge of $3 million in discontinued operations that related to the 2010 impairment charge. In addition, we recorded an income tax benefit of $48 million, of which $35 million related to prior periods, reflecting the amortization of the deferred income tax liability which would have been reflected in the statement of comprehensive income had the 2009 adjustment not been made. Had we recorded the goodwill impairment charges in the correct periods, the impairment charge for 2009 would have been $1.162 billion, and the impairment charge in 2010 would have been $217 million. We assessed the impact of correcting these errors in 2011 and do not believe that these amounts are material to any prior period financial statements, nor is the correction of these errors material to the 2011 financial statements. As a result, we have not restated any prior period amounts.

Based on the results of our July 1, 2010 step-one tests, we determined that the carrying values of our combined PS and K-12 reporting units, our Public Sector United Kingdom (PS UK) reporting unit, which has since been sold and is included in discontinued operations, and our Higher Education Managed Services (HE MS) reporting unit, which was sold in January 2012 and is included in discontinued operations, were in excess of their respective fair values and a step-two test was required for each of these reporting units. The primary driver for the decline in the fair value of the reporting units compared to the prior year is the reduction in the perpetual growth rate assumption used for each of these three reporting units, stemming from the disruption in the global financial markets, particularly the markets which these three reporting units serve. Furthermore, there was a decline in the cash flow projections for the combined PS and K-12 reporting units and the PS UK reporting unit compared to those used in the 2009 goodwill impairment test as a result of decline in the overall outlook for these reporting units. Additionally, the discount rate assumption used for the PS UK reporting unit was higher than the discount rate used in the 2009 impairment test.

A one percentage point increase in the perpetual growth rate or a one percentage point decrease in the discount rate would have resulted in our HE MS reporting unit having a fair value in excess of carrying value and a step-two test would not have been required.

Prior to completing the step-two tests, we first evaluated the long-lived assets, primarily the software, customer base and property and equipment, for impairment. In performing the impairment tests for long-lived assets, we estimated the undiscounted cash flows for the asset groups over the remaining useful lives of the reporting unit s primary asset and compared that to the carrying value of the asset groups. There was no impairment of the long-lived assets.

In completing the step two-tests to determine the implied fair value of goodwill and therefore the amount of impairment, we first determined the fair value of the tangible and intangible assets and liabilities. Based on the testing performed, we determined that the carrying value of goodwill exceeded its implied fair value for each of the three reporting units and recorded a non-cash goodwill impairment charge of $328 million, of which $205 million is presented in continuing operations and $123 million in discontinued operations.

Revenue Recognition

We generate revenue from the following sources: (1) services revenue, which includes revenue from processing services, software maintenance and support, software rentals, recovery and managed services, professional services and broker/dealer fees; and (2) software license fees, which result from contracts that permit the customer to use a SunGard product at the customer s site.

The following criteria must be met in determining whether revenue may be recorded: persuasive evidence of a contract exists; services have been provided; the price is fixed or determinable; and collection is reasonably assured.

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Services revenue is recorded as the services are provided based on the fair value of each element. Most AS services revenue consists of fixed monthly fees based upon the specific computer configuration or business process for which the service is being provided. When recovering from an interruption, customers generally are contractually obligated to pay additional fees, which typically cover the incremental costs of supporting customers during recoveries. FS services revenue includes monthly fees, which may include a fixed minimum fee and/or variable fees based on a measure of volume or activity, such as the number of accounts, trades or transactions, users or the number of hours of service.

For fixed-fee professional services contracts, services revenue is recorded based upon proportional performance, measured by the actual number of hours incurred divided by the total estimated number of hours for the project. Changes in the estimated costs or hours to complete the contract and losses, if any, are reflected in the period during which the change or loss becomes known.

License fees result from contracts that permit the customer to use a SunGard software product at the customer s site. Generally, these contracts are multiple-element arrangements since they usually include professional services and ongoing software maintenance. In these instances, license fees are recognized upon the signing of the contract and delivery of the software if the license fee is fixed or determinable, collection is probable, and there is sufficient vendor specific evidence of the fair value of each undelivered element. When there are significant program modifications or customization, installation, systems integration or related services, the professional services and license revenue are combined and recorded based upon proportional performance, measured in the manner described above. Revenue is recorded when billed if customer payments are extended beyond normal billing terms, or at acceptance when there is significant acceptance, technology or service risk. Revenue also is recorded over the longest service period in those instances where the software is bundled together with post-delivery services and there is not sufficient evidence of the fair value of each undelivered service element.

With respect to software related multiple-element arrangements, sufficient evidence of fair value is defined as vendor specific objective evidence (VSOE). If there is no VSOE of the fair value of the delivered element (which is usually the software) but there is VSOE of the fair value of each of the undelivered elements (which are usually maintenance and professional services), then the residual method is used to determine the revenue for the delivered element. The revenue for each of the undelivered elements is set at the fair value of those elements using VSOE of the price paid when each of the undelivered elements is sold separately. The revenue remaining after allocation to the undelivered elements (i.e., the residual) is allocated to the delivered element.

VSOE supporting the fair value of maintenance is based on the optional renewal rates for each product and is typically 18% to 20% of the software license fee per year. VSOE supporting the fair value of professional services is based on the standard daily rates charged when those services are sold separately.

In some software related multiple-element arrangements, the maintenance or services rates are discounted. In these cases, a portion of the software license fee is deferred and recognized as the maintenance or services are performed based on VSOE of the services.

From time to time we enter into arrangements with customers who purchase non-software related services from us at the same time, or within close proximity, of purchasing software (non-software multiple-element arrangements). Each element within a non-software multiple-element arrangement is accounted for as a separate unit of accounting provided the following criteria are met: the delivered services have value to the customer on a standalone basis; and, for an arrangement that includes a general right of return relative to the delivered services, delivery or performance of the undelivered service is considered probable and is substantially controlled by us. Where the criteria for a separate unit of accounting are not met, the deliverable is combined with the undelivered element(s) and treated as a single unit of accounting for the purposes of allocation of the arrangement consideration and revenue recognition.

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For our non-software multiple-element arrangements, we allocate revenue to each element based on a selling price hierarchy at the arrangement inception. The selling price for each element is based upon the following selling price hierarchy: VSOE, then third-party evidence (TPE), then best estimated selling price (BESP). The total arrangement consideration is allocated to each separate unit of accounting for each of the non-software deliverables using the relative selling prices of each unit based on this hierarchy. We limit the amount of revenue recognized for delivered elements to an amount that is not contingent upon future delivery of additional products or services or meeting of any specified performance conditions.

To determine the selling price in non-software multiple-element arrangements, we establish VSOE of the selling price using the price charged for a deliverable when sold separately. Where VSOE does not exist, TPE is established by evaluating similar competitor products or services in standalone arrangements with similarly situated customers. If we are unable to determine the selling price because VSOE or TPE doesn t exist, we determine BESP for the purposes of allocating the arrangement by considering pricing practices, margin, competition, and geographies in which we offer our products and services.

Unbilled receivables are created when services are performed or software is delivered and revenue is recognized in advance of billings. Deferred revenue is created when billing occurs in advance of performing services or when all revenue recognition criteria have not been met.

We believe that our revenue recognition practices comply with the complex and evolving rules governing revenue recognition. Future interpretations of existing accounting standards, new standards or changes in our business practices could result in changes in our revenue recognition accounting policies that could have a material effect on our consolidated financial results.

Accounting for Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are calculated based on the difference between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using the enacted income tax rates expected to be in effect during the years in which the temporary differences are expected to reverse. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Tax benefits related to uncertain tax positions taken or expected to be taken on a tax return are recorded only when such benefits are more likely than not of being sustained. Considerable judgment is required in assessing and estimating these amounts and differences between the actual outcome of these future tax consequences and our estimates could have a material effect on our consolidated financial results.

Accounting for Stock-Based Compensation

Stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the appropriate service period. Fair value for stock options is computed using the Black-Scholes pricing model. Determining the fair value of stock-based awards requires considerable judgment, including estimating the expected term of stock options, expected volatility of our stock price, and the number of awards expected to be forfeited. Since the Company is not publicly traded, the Company utilizes equity valuations based on (a) stock market valuations of public companies in comparable businesses, (b) recent transactions involving comparable companies and (c) any other factors deemed relevant (see Note 8 of Notes to Consolidated Financial Statements). In addition, for stock-based awards where vesting is dependent upon achieving certain operating performance goals, we estimate the likelihood of achieving the performance goals. Differences between actual results and these estimates could have a material effect on our consolidated financial results. A deferred income tax asset is recorded over the vesting period as stock compensation expense is recognized. Our ability to recognize a benefit for this deferred tax asset will be ultimately determined based on the actual value of the stock option upon exercise or restricted stock unit upon distribution. If the actual value is lower than the fair value determined on the date of grant, then there could be income tax expense for the portion of the deferred tax asset that cannot be realized, which could have a material effect on our consolidated financial results.

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Results of Operations

We evaluate our performance using both GAAP and non-GAAP measures. Our primary non-GAAP measure is Internal Adjusted EBITDA, whose corresponding GAAP measure is income from continuing operations before income taxes (see Note 12 of Notes to Consolidated Financial Statements and Note 8 of Notes to Consolidated Financial Statements (Unaudited)). Internal Adjusted EBITDA is defined as operating income excluding the following items:

- depreciation and amortization,
- amortization of acquisition-related intangible assets,
- goodwill impairment,
- severance and facility closure charges,
- stock compensation,
- management fees, and
- certain other costs.

We believe Internal Adjusted EBITDA is an effective tool to measure our operating performance since it excludes non-cash items and certain variable charges. We use Internal Adjusted EBITDA extensively to measure both SunGard and its reporting segments within the Company and also for reporting to our board of directors.

While Internal Adjusted EBITDA is useful for analysis purposes, it should not be considered as an alternative to our reported GAAP results. Also, Internal Adjusted EBITDA may not be comparable to similarly titled measures used by other companies. Internal Adjusted EBITDA is similar, but not identical, to adjusted EBITDA as defined in the Credit Agreement (as defined below) for purposes of our debt covenants.

During 2010, we sold our PS UK operation which is presented as discontinued operations. In January 2012, we sold our HE business which is also presented as discontinued operations.

Except as otherwise noted, all explanations below exclude the impacts from changes in currency translation, which we refer to as constant currency, a non-GAAP measure. We believe presenting our results on a constant currency basis is meaningful for assessing how our underlying businesses have performed due to the fact that we have international operations that are material to our overall operations. As a result, total revenues and expenses are affected by changes in the U.S. Dollar against international currencies. To present this constant currency information, current period results for entities reporting in currencies other than U.S. Dollars are converted to U.S. Dollars at the average exchange rate used in the prior year period rather than the actual exchange rates in effect during the current year period. In each of the tables below, we present the percent change based on actual, unrounded results in reported currency and in constant currency. Also, percentages may not add due to rounding.

The following discussion includes historical and certain forward-looking information that should be read together with the accompanying consolidated financial statements and related footnotes and the discussion above of certain risks and uncertainties (see Risk Factors) that could cause future operating results to differ materially from historical results or the expected results indicated by forward looking statements.

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Three Months Ended March 31, 2013 Compared to Three Months Ended March 31, 2012

The following table sets forth, for the periods indicated, certain supplemental revenue data and the percentage change in those amounts from period to period (in millions).

Three Months Ended March 31, 2013	FS	AS	PS&E	Total
Total revenue	$ 600	$ 345	$ 50	$ 995
Year to year revenue change	(3)%	(3)%	(1)%	(3)%
Year to year revenue change at constant currency	(3)%	(3)%	(1)%	(3)%
Services	$ 566	$ 340	$ 43	$ 949
Year to year services revenue change	(3)%	(2)%	%	(3)%
Year to year services revenue change at constant currency	(3)%	(2)%	%	(2)%
License and resale fees	$ 27	$	$ 6	$ 33
Year to year license and resale fees revenue change	11%	13%	(10)%	6%
Year to year license and resale fees revenue change at constant currency	12%	13%	(10)%	7%
Reimbursable expenses	$ 7	$ 5	$ 1	$ 13
Year to year reimbursable expenses revenue change	(33)%	(27)%	8%	(29)%
Year to year reimbursable expenses revenue change at constant currency	(33)%	(26)%	8%	(29)%

Three Months Ended March 31, 2012	FS	AS	PS&E	Total
Total revenue	$ 618	$ 355	$ 51	$ 1,024
Services	583	348	43	974
License and resale fees	24		7	31
Reimbursable expenses	11	7	1	19

Revenue:

Total SunGard reported revenue decreased $29 million or 3% for the three months ended March 31, 2013 compared to the first quarter of 2012. On a constant currency basis, revenue decreased $26 million, or 3%. The $26 million decrease is due mainly to a combined $14 million decrease in FS and AS professional services revenue, an $8 million decrease in AS recovery services and a $5 million decrease in FS processing revenue, partially offset by an increase in FS software license revenue of $3 million.

Financial Systems segment:

FS reported revenue decreased $18 million, or 3%, in the first quarter of 2013 from the prior year period, and decreased $16 million, or 3%, on a constant currency basis. Software license revenue, which is a component of license and resale fees, was $24 million as reported, and increased $3 million, or 14%, year to year on a constant currency basis. During the first quarter of 2013, we saw continued growth in license sales, particularly in renewals of existing term licenses, demonstrating the mission-critical nature of our software and the value that customers ascribe to it. Nonetheless, we saw relatively fewer new license sales, particularly in the established markets, as some of our largest customers were cautious in their spending patterns. Moreover, certain customer mergers and a bankruptcy resulted in lost revenue versus prior years. This decrease in new licenses and customers unwillingness to take on new projects led to an 8%, or $10 million, decrease in professional services, which drove the majority of our services revenue decline. Also in services revenue, processing revenue decreased $5 million, or 2%, and software rental revenue decreased $3 million, or 4%, both due primarily to customer attrition as discussed above. This was partially offset by a $2 million increase from the acquisition of XSP in the fourth quarter of 2012.

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We were also encouraged by our growth in emerging markets in the first quarter of 2013. In the emerging markets, we saw double-digit percentage growth as customers continue to demand the world-class software and services that SunGard provides. Emerging markets revenue now comprises over 10% of total FS revenue. Emerging markets include China, India and countries located in Latin America, Central and Eastern Europe, Middle East, Africa and Southeast Asia.

Availability Services segment:

AS reported revenue decreased $10 million, or 3%, in the first quarter of 2013 from the prior year period. On a constant currency basis, revenue decreased $9 million, or 3%, in the quarter. Our recovery services revenue has been declining due to customers shifting from traditional backup and recovery solutions to either in-house solutions or disk-based, cloud-based or managed recovery solutions. In this environment, we have introduced the Managed Recovery Program (MRP), which brings SunGard s expertise to our customers disaster recovery operations. Also, in managed services, demand has been increasing for outsourced management of IT operations and applications. We expect these trends to continue in the future. As a result, in North America, which accounts for approximately 75% of our AS business, revenue decreased 4%, due primarily to decreases in recovery services and professional services revenue. Revenue in Europe, mostly from our U.K. operations, increased 3%, primarily as a result of a significant new managed services contract, and was partly offset by a decrease in recovery services revenue.

Public Sector & Education segment:

PS&E reported revenue and constant currency revenue decreased $1 million, or 1%, for the three months ended March 31, 2013, from the corresponding period in 2012. Reported revenue from license and resale fees included software license revenue of $1 million in the three months ended March 31, 2013, a decrease of approximately $1 million from the prior year period.

The tables below set forth, for the periods indicated, certain amounts included in our Consolidated Statements of Comprehensive Income, the relative percentage that those amounts represent to consolidated revenue (unless otherwise indicated), and the percentage change in those amounts from period to period (in millions).

Three Months Ended March 31, 2013	**FS**	**AS**	**PS&E**	**Sum of segments**	**Corporate**	**Total**
Revenue	$ 600	$ 345	$ 50	$ 995	$	$ 995
Internal Adjusted EBITDA	130	105	14	249	(13)	236
Internal Adjusted EBITDA margin	21.6%	30.5%	29.1%	25.1%	(1.3)%	23.8%
Year to year revenue change	(3)%	(3)%	(1)%	(3)%	0%	(3)%
Year to year Internal Adjusted EBITDA change	3%	(6)%	(12)%	(2)%	3%	(2)%
Year to year revenue change at constant currency	(3)%	(3)%	(1)%	(3)%	0%	(3)%
Year to year Internal Adjusted EBITDA change at constant currency	2%	(6)%	(12)%	(3)%	3%	(3)%

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Reconciliation of Internal Adjusted EBITDA to operating income:

	Three Months Ended March 31, 2013
Internal Adjusted EBITDA	$ 236
Depreciation(1)	(73)
Amortization of acquisition-related intangible assets	(87)
Severance and facility closure costs	(3)
Stock compensation expense	(11)
Management fees	(2)
Other costs (included in operating income)	(4)
Operating income	$ 56
Operating income margin	5.7%
Operating income margin at constant currency	5.5%

Three Months Ended March 31, 2013	FS	AS	PS&E	Sum of segments	Corporate	Total
Capital expenditures	$ 21	$ 23	$ 2	$ 46	$	$ 46
Depreciation(1)	22	49	2	73		73
Amortization of acquisition-related intangible assets	44	39	4	87		87

Three Months Ended March 31, 2012	FS	AS	PS&E	Sum of segments	Corporate	Total
Revenue	$ 618	$ 355	$ 51	$ 1,024	$	$ 1,024
Internal Adjusted EBITDA	126	113	16	255	(14)	241
Internal Adjusted EBITDA margin	20.4%	31.7%	32.7%	24.9%	(1.4)%	23.6%

Reconciliation of Internal Adjusted EBITDA to operating income:

	Three Months Ended March 31, 2012
Internal Adjusted EBITDA	$ 241
Depreciation(1)	(71)
Amortization of acquisition-related intangible assets	(101)
Severance and facility closure costs	(2)
Stock compensation expense	(11)
Management fees	(2)
Other costs (included in operating income)	(2)
Operating income	$ 52
Operating income margin	5.1%

Three Months Ended March 31, 2012	FS	AS	PS&E	Sum of segments	Corporate	Total
Capital expenditures	$ 20	$ 38	$ 2	$ 60	$	$ 60
Depreciation(1)	21	48	2	71		71
Amortization of acquisition-related intangible assets	53	43	5	101		101

(1) Includes amortization of capitalized software.

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Operating Income:

Our total operating margin was 5.5% for the three months ended March 31, 2013, compared to 5.1% for the three months ended March 31, 2012. The more significant factors impacting the 0.4 margin point improvement are the following:

- 1.3 margin point increase, or $14 million, from the decrease in amortization of acquisition-related intangible assets due primarily to the $15 million impact of software and customer base intangible assets that were fully amortized in 2012; and

- 0.2 margin point increase from the $2 million increase in software license fee revenue;

partially offset by

- 0.6 margin point decrease from the decrease in AS Internal Adjusted EBITDA margin primarily due to the decrease in revenue;

- 0.2 margin point decrease, or $2 million, from the increase in depreciation and amortization due primarily to accelerating depreciation related to consolidating facilities; and

- 0.2 margin point decrease, or $2 million, from the increase in currency transaction losses.

Segment Internal Adjusted EBITDA:

Financial Systems segment:

The FS Internal Adjusted EBITDA margin was 21.3% and 20.4% for the three months ended March 31, 2013 and 2012, respectively. The more significant factors impacting the 0.9 margin point improvement are the 0.4 margin point increase from the $3 million increase in software license fee revenue; and the 0.3 margin point increase, or $2 million, from the increase in costs capitalized as software assets. A change in the revenue mix to software from professional services, which has a higher percentage of employment costs, improved the margin in 2013. Restructuring actions, most of which were taken in the second half of 2012, reduced labor and facility costs in the first quarter of 2013.

Availability Services segment:

The AS Internal Adjusted EBITDA margin was 30.6% and 31.7% for the three months ended March 31, 2013 and 2012, respectively. The overall AS margin decreased by 1.4 margin points in the three months ended March 31, 2013 by our European business due primarily to a combined $6 million increase in reimbursable expenses, employment-related, facility and consultant expenses, on a $2 million increase in revenue. In North America, recovery services, which typically uses shared resources, decreased the overall AS margin by 0.9 margin points due primarily to an $8 million decrease in revenue and a $3 million increase in employment-related expenses from an investment to support our MRP growth, partially offset by a $3 million decrease in equipment expense due to lower data network costs. Also in North America, a $4 million decrease in employment-related expenses from lower commissions expense and lower headcount increased the overall AS margin by 0.8 margin points in the first quarter of 2013.

Public Sector & Education segment:

The PS&E Internal Adjusted EBITDA margin was 29.1% and 32.7% for the three months ended March 31, 2013 and 2012, respectively, and operating income decreased $2 million. The $2 million decrease resulted from the timing of revenue recognition in the first quarter of 2013 and higher external services fees reflecting the benefit we received in the first quarter of 2012.

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Non-operating Expenses:

Interest expense was $108 million and $122 million for the three months ended March 31, 2013 and 2012, respectively. The $14 million decrease in interest expense was due primarily to lower average debt outstanding at a lower average interest rate.

Loss on extinguishment of debt was $5 million and $15 million for the three months ended March 31, 2013 and 2012, respectively. The loss on extinguishment of debt in 2013 includes the loss related to the refinance of $2.2 billion of term loans. The loss on extinguishment of debt in 2012 includes the loss related to the January 2012 repayment of $1.22 billion of term loans.

The effective income tax rates for the three months ended March 31, 2013 and 2012 were 16% and 8%, respectively. The Company s effective tax rate reflects changes in the mix of income or losses in jurisdictions with a wide range of tax rates, permanent differences between GAAP and local tax laws, and the timing of recording discrete items. Changes in the mix of income or the total amount of income for 2013 may significantly impact the estimated effective income tax rate for the year.

Accreted dividends on SCCII s cumulative preferred stock were $25 million and $62 million for the three months ended March 31, 2013 and 2012, respectively. The decrease in accreted dividends is due to the declaration and payment of a dividend in December 2012, partially offset by compounding.

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Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

The following table sets forth, for the periods indicated, certain supplemental revenue data and the relative percentage that those amounts represent to total revenue.

(in millions)	Year Ended December 31, 2011	percent of revenue	Year Ended December 31, 2012	percent of revenue	Percent Increase (Decrease) 2012 vs. 2011	Constant Currency Year Ended December 31, 2012	percent of revenue	Percent Increase (Decrease) 2012 vs. 2011
Financial Systems (FS)								
Services	$ 2,445	55%	$ 2,370	56%	(3)%	$ 2,403	56%	(2)%
License and resale fees	259	6%	244	6%	(6)%	251	6%	(3)%
Total products and services	2,704	61%	2,614	61%	(3)%	2,654	62%	(2)%
Reimbursed expenses	72	2%	40	1%	(45)%	40	1%	(44)%
Total	$ 2,776	63%	$ 2,654	62%	(4)%	$ 2,694	62%	(3)%
Availability Services (AS)								
Services	$ 1,438	32%	$ 1,383	32%	(4)%	$ 1,394	32%	(3)%
License and resale fees	2	%	3	%	(15)%	3	%	(14)%
Total products and services	1,440	32%	1,386	32%	(4)%	1,397	32%	(3)%
Reimbursed expenses	20	%	19	%	(3)%	20	%	%
Total	$ 1,460	33%	$ 1,405	33%	(4)%	$ 1,417	33%	(3)%
Public Sector & Education (PS&E)[(1)]								
Services	$ 173	4%	$ 173	4%	%	$ 173	4%	%
License and resale fees	28	1%	28	1%	2%	28	1%	2%
Total products and services	201	5%	201	5%	%	201	5%	%
Reimbursed expenses	3	%	3	%	(12)%	3	%	(12)%
Total	$ 204	5%	$ 204	5%	%	$ 204	5%	%
Total Revenue								
Services	$ 4,056	91%	$ 3,926	92%	(3)%	$ 3,970	92%	(2)%
License and resale fees	289	7%	275	6%	(5)%	282	7%	(3)%
Total products and services	4,345	98%	4,201	99%	(3)%	4,252	99%	(2)%
Reimbursed expenses	95	2%	62	1%	(35)%	63	1%	(34)%
Total	$ 4,440	100%	$ 4,263	100%	(4)%	$ 4,315	100%	(3)%

(1) PS&E includes our PS and K-12 businesses.

Revenue:

Total SunGard reported revenue decreased $177 million, or 4%, in 2012 compared to 2011. On a constant currency basis, revenue decreased $125 million, or 3%. Approximately $56 million of the $125 million decrease, or 1.3 points of the three percentage points of decrease, was due to a decrease in revenue as we intentionally exited certain lower margin services in our broker/dealer business (the Broker/Dealer). These revenues were generally pass through fees to stock exchanges, as mentioned below.

Our revenue is highly diversified by customer and product. During each of the past three fiscal years, no single customer has accounted for more than 3% of total revenue. On average for the past three fiscal years, services revenue has been approximately 91% of total revenue. About 80% of services revenue is highly recurring as a result of multi-year contracts and is generated from software-related services including software maintenance and support, processing and rentals; and recovery and managed services. The remaining services revenue includes professional services, which are mainly generated from implementation and consulting services in connection with the sale of our products; and broker/dealer fees, which are largely correlated with trading volumes. On a constant currency basis, services revenue decreased to $3.97 billion from $4.06 billion, representing approximately 92% of total revenue in 2012, an increase of 1% from 2011. The revenue decrease of $86 million was mainly due to a $54 million decrease in AS recovery services, a $53 million decrease in FS and AS professional services revenue, an $8 million decrease in FS software rental revenue and a $7 million decrease in broker/dealer fee revenue of which the Broker/Dealer s portion resulted in a decrease of $23 million, partially offset by a $16 million increase in AS managed services revenue, a $13 million increase from FS acquisitions and a $9 million increase in FS processing revenue.

Professional services revenue was $598 million and $648 million in 2012 and 2011, respectively, and are discussed in more detail below. Revenue from total broker/dealer fees was $157 million and $164 million in 2012 and 2011, respectively.

Reported revenue from license and resale fees includes software license revenue of $241 million and $252 million, respectively. On a constant currency basis, software license revenue decreased $4 million, or 2%. Reimbursed expense revenue decreased $32 million due to the decline in revenue in the Broker/Dealer.

Financial Systems segment:

FS reported revenue was $2.65 billion in 2012 compared to $2.78 billion in 2011, a decrease of 4%. On a constant currency basis, revenue decreased $82 million, or 3%. Two percentage points of the decrease, or $56 million, was related to lower revenue from the Broker/Dealer discussed above. Professional services revenue decreased $47 million, or 8%, due primarily to successful completion of projects during 2011 and relatively lower demand in 2012 driven by fewer new license sales, and was offset in part by a $5 million increase from acquisitions. Software rental revenue decreased $8 million, or 2%, due primarily to attrition. Broker/dealer fee revenue (excluding the Broker/Dealer) increased $16 million, or 12%, due primarily to increased trading activity during 2012. Processing revenue increased $9 million, or 1%, due mainly to the impact of new business signed in 2011, higher volumes and rate increases in 2012 and $5 million due to acquisitions. Reported revenue from software license revenue was $229 million, a decrease of $11 million from 2011. On a constant currency basis, software license revenue decreased $4 million, or 2%.

Availability Services segment:

AS reported revenue decreased $55 million, or 4%, in 2012 from the prior year. On a constant currency basis, revenue decreased 3%. In North America, which accounts for over 75% of our AS business, revenue decreased 4% where decreases of $54 million in recovery services (RS) and $6 million in professional services revenue exceeded growth of $16 million in managed services (MS) revenue. Revenue in Europe, primarily from our U.K. operations, was unchanged, where an increase in MS revenue was offset by a decrease in RS revenue.

Our RS revenue has been declining due to customers shifting from traditional backup and recovery solutions to either in-house solutions or disk-, cloud-based or managed recovery solutions. Separately, in MS, demand has been increasing for outsourced management of IT operations and applications. We expect these trends to continue in the future.

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Public Sector & Education segment:

Reported revenue and constant currency revenue were unchanged at $204 million in 2012. Professional services revenue decreased $2 million and processing revenue increased $2 million. Revenue from license and resale fees included software license revenue of $10 million in 2012, a $1 million increase from the prior year.

The following table sets forth, for the periods indicated, certain amounts included in our consolidated statements of comprehensive income and the relative percentage that those amounts represent to consolidated revenue (unless otherwise indicated).

						Constant Currency		
	Year Ended December 31, 2011		Year Ended December 31, 2012		Percent Increase (Decrease) 2012 vs. 2011	Year Ended December 31, 2012		Percent Increase (Decrease) 2012 vs. 2011
(in millions)		percent of revenue		percent of revenue			percent of revenue	
Revenue								
Financial Systems	$ 2,776	63%	$ 2,654	62%	(4)%	$ 2,694	62%	(3)%
Availability Services	1,460	33%	1,405	33%	(4)%	1,417	33%	(3)%
Public Sector & Education	204	5%	204	5%	%	204	5%	%
Total Revenue	$ 4,440	100%	$ 4,263	100%	(4)%	$ 4,315	100%	(3)%
Costs and Expenses								
Cost of sales and direct operating (excluding depreciation)	$ 1,848	42%	$ 1,740	41%	(6)%	$ 1,759	41%	(5)%
Sales, marketing and administration	1,108	25%	1,039	24%	(6)%	1,055	24%	(5)%
Product development and maintenance	393	9%	353	8%	(10)%	367	8%	(7)%
Depreciation and amortization	271	6%	287	7%	6%	290	7%	7%
Amortization of acquisition related intangible assets	435	10%	385	9%	(11)%	387	9%	(11)%
Goodwill impairment	48	1%	385	9%	702%	385	9%	702%
Total Costs and Expenses	$ 4,103	92%	$ 4,189	98%	2%	$ 4,243	98%	3%
Internal Adjusted EBITDA								
Financial Systems[1]	$ 720	25.9%	$ 738	27.8%	2%	$ 738	27.4%	2%
Availability Services[1]	508	34.8%	480	34.2%	(6)%	484	34.2%	(5)%
Public Sector & Education[1]	63	31.2%	66	32.5%	5%	66	32.5%	5%
Corporate	(70)	(1.6)%	(44)	(1.0)%	38%	(44)	(1.0)%	37%
Total Internal Adjusted EBITDA	1,221	27.5%	1,240	29.1%	2%	1,244	28.8%	2%
Reconciliation of Internal Adjusted EBITDA to Operating Income								
Depreciation and amortization	(271)	(6.1)%	(287)	(6.7)%	(6)%	(290)	(6.7)%	(7)%
Amortization of acquisition related intangible assets	(435)	(9.8)%	(385)	(9.0)%	11%	(387)	(9.0)%	11%
Goodwill impairment	(48)	(1.1)%	(385)	(9.0)%	(702)%	(385)	(8.9)%	(702)%
Severance and facility closure costs	(65)	(1.5)%	(50)	(1.2)%	23%	(51)	(1.2)%	22%
Stock compensation expense	(33)	(0.7)%	(38)	(0.9)%	(15)%	(38)	(0.9)%	(15)%
Management fees	(12)	(0.3)%	(14)	(0.3)%	(15)%	(14)	(0.3)%	(15)%
Other costs[2]	(20)	(0.4)%	(7)	(0.2)%	60%	(7)	(0.2)%	60%

Total Operating Income	$ 337	7.6%	$ 74	1.7%	(78)%	$ 72	1.7%	(79)%

(1) Percent of revenue is calculated as a percent of revenue from FS, AS and PS&E, respectively.
(2) Other costs include expenses related to strategic initiatives, currency transaction losses, costs to shut down certain services of the Broker/Dealer business (defined above) and certain other costs.

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Operating Income:

Our total reported operating margin was 1.7% in 2012 compared to 7.6% in 2011. The most significant factor impacting the 5.9 margin point decrease is the $385 million goodwill impairment charge related to AS NA in 2012, whereas 2011 included a goodwill impairment of $48 million. The net impact of these charges was a 7.8 margin point decrease in 2012. The more significant factors impacting the remaining 1.9 margin point improvement are the following:

1.1 margin point increase, or $47 million, from the decrease in amortization of acquisition-related intangible assets;

0.6 margin point increase from the improvement in the FS internal adjusted EBITDA margin;

0.6 margin point increase, or $26 million, from the decrease in corporate expenses resulting from decreases of $20 million of employment-related expenses (excluding severance) and $7 million of advertising expenses;

0.3 margin point increase, or $14 million, from lower severance and corporate executive transition costs of $22 million offset in part by an $8 million increase in expenses to exit facilities; and

0.3 margin point increase, or $12 million, from the decrease in expenses related to strategic initiatives, currency transaction losses and costs incurred in 2011 due to the exit from the Broker/Dealer;

partially offset by

0.4 margin point decrease, or $18 million, from the increase in depreciation and amortization primarily resulting from a shift in AS investments to shorter-lived assets over the last two years while capital expenditures in total have declined; and

0.4 margin point decrease from the decrease in the AS internal adjusted EBITDA margin, which excludes the impact of severance.

Excluding the severance charges discussed above, FS improved its total operating margin by 0.6 points due mainly to expense management primarily from reduced external services fees and consulting expenses. Also excluding the severance charges, degradation of total margin by AS of 0.4 points was due primarily to the decrease in recovery services and professional services revenue, partially offset by an increase in revenue from managed services and the decrease in equipment expense.

Across the Company, we have several programs designed to continually identify cost savings and productivity improvements. These programs serve to both improve our profitability and help fund our investments. The interplay of savings and investments may result in higher or lower costs in any given quarter. Moreover, short term charges required to secure our long term savings may impact our results in any particular quarter.

Segment Internal Adjusted EBITDA:

Financial Systems segment:

The most important factors affecting the FS Internal Adjusted EBITDA margin are:

the level of customer IT spending and its impact on the overall demand for professional services and software license sales, the rate and value of contract renewals, new contract signings and contract terminations,

the overall condition of the financial services industry and the effect of any further consolidation among financial services firms,

the level of trading volumes, and

the operating margins of recently acquired businesses, which tend to be lower at the outset and improve over a number of years.

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More specifically, the FS Internal Adjusted EBITDA margin was 27.4% and 25.9% in 2012 and 2011, respectively. The more significant factors impacting the 1.5 margin point improvement are the 0.5 margin point increase, or $14 million, from the decrease in external services fees; the 0.4 margin point increase, or $12 million, from the decrease in consultant expense; the 0.3 margin point increase, or $9 million, from the increase in costs capitalized as software assets; the 0.3 margin point increase, or $8 million, from the decrease in facilities costs (excluding lease exit costs); and the 0.2 margin point increase, or $5 million, from the decrease in communications costs; partially offset by the 0.6 margin point decrease from increases in incentive compensation and employment-related taxes and benefits; and the 0.2 margin point decrease from acquired businesses.

Availability Services segment:

The most important factors affecting the AS Internal Adjusted EBITDA margin are:

- the rate and value of contract renewals, new contract signings and contract terminations,
- the timing and magnitude of equipment and facilities expenditures,
- the level and success of new product offerings, and
- the trend toward availability solutions utilizing more dedicated resources.

More specifically, the AS Internal Adjusted EBITDA margin was 34.2% and 34.8% in 2012 and 2011, respectively, a decrease of 0.6 margin points. In North America, RS, which typically uses shared resources, decreased the overall AS margin by 1.7 margin points in 2012 due primarily to a $54 million decrease in higher-margin recovery services revenue, partially offset by a $20 million decrease in equipment expense. Professional services decreased the overall AS margin by 0.3 margin points in 2012 due primarily to a $1 million increase in employment-related expenses on $6 million of lower revenue. Also in North America, decreases in advertising expenses of $4 million, external services fees of $3 million and employment-related expenses of $3 million helped the margin in 2012 by 0.7 margin points. MS helped the margin in 2012 by 0.6 margin points due primarily to a $16 million increase in typically lower margin managed services revenue, which uses dedicated resources, partially offset by a $4 million increase in employment-related expenses. The overall AS margin was helped by Europe in 2012 by 0.4 margin points due primarily to a $5 million decrease in employment-related expenses.

Public Sector & Education segment:

The most important factors affecting the margin of our Public Sector & Education segment are:

- the rate and value of contract renewals, new contract signings and contract terminations,
- the level of government and school district funding, and
- the level of customer IT spending and its impact on the overall demand for professional services and software license sales.

The Internal Adjusted EBITDA margin was 32.5% and 31.2% for 2012 and 2011, respectively. The margin increased 1.3 margin points due primarily to a $2 million increase in costs capitalized as software assets.

Costs and Expenses:

Total costs increased to 98% of revenue in 2012 from 92% of 2011 revenue. Excluding the goodwill impairment charges of $385 million and $48 million in 2012 and 2011, respectively, total costs as a percentage of total revenue were 89% in 2012 compared to 91% in 2011, and decreased $198 million.

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Cost of sales and direct operating expenses (excluding depreciation) as a percentage of total revenue were 41% in 2012 and 42% in 2011, respectively, and decreased $88 million. Of the $88 million decrease, $45 million is due to a decrease in reimbursed expenses relating to the exit from certain services of our Broker/Dealer business as discussed above, and a $23 million decrease in AS equipment costs associated with increased self-maintenance, favorable price negotiations and improved network cost projects; partially offset by an $8 million increase from FS acquisitions.

Sales, marketing and administration expenses as a percentage of total revenue were 24% and 25% in 2012 and 2011, respectively, and decreased $53 million. Decreases in sales, marketing and administration expenses were primarily due to decreases of $34 million of corporate employment-related expenses mainly as a result of executive transition costs incurred in the second quarter of 2011 and other severance actions taken in 2011 and early 2012; $20 million of external services fees; and $15 million of advertising expense and related costs mainly resulting from cost savings initiatives; partially offset by a $5 million increase in stock compensation. Despite these reductions, we continue to make targeted sales investments to improve our growth potential as part of our global strategy.

Because AS product development and maintenance costs are insignificant, it is more meaningful to measure product development and maintenance expenses as a percentage of revenue excluding AS. Product development and maintenance expense was 12% and 13% of revenue excluding AS in 2012 and 2011, respectively, and decreased $27 million. The decrease in expense is primarily related to a $9 million increase in FS costs capitalized as software assets and a $5 million decrease in consulting expenses. The software capitalization costs reflect specific investments that we are making to improve the functionality of our software in response to customer needs.

Depreciation and amortization was 7% and 6% of total revenue in 2012 and 2011, respectively, and increased $19 million due mainly to a shift in AS investments to shorter-lived assets over the last two years despite a decline in total capital expenditures. Amortization of acquisition-related intangible assets was 9% and 10% of total revenue in 2012 and 2011, and decreased $48 million. The decrease is due primarily to the $47 million impact of software assets that were fully amortized in 2011 and $7 million of impairment charges in 2011, partially offset by the impact of acquired businesses. During 2011, we recorded impairment charges of our customer base and software assets of $3 million and $4 million, respectively. These impairments are the result of reduced cash flow projections related to the software and customer base assets that were impaired.

We recorded non-cash goodwill impairment charges of $385 million and $48 million in 2012 and 2011, respectively. These impairments are described in the Use of Estimates and Critical Accounting Policies section above.

Interest expense was $428 million and $524 million in 2012 and 2011, respectively. The decrease in interest expense was due primarily to the repayment in January 2012 of $1.22 billion of our outstanding term loans as a result of the sale of HE, the early extinguishment in April 2012 of the senior notes due 2015 and interest rate decreases resulting from the expiration of interest rate swaps in each of February 2011 and 2012.

The loss on extinguishment of debt was $82 million and $3 million in 2012 and 2011, respectively. The increase was due primarily to the early extinguishments of the senior notes due 2015 and the senior subordinated notes due 2015, and the partial repayment of term loans in January and December 2012.

The effective income tax rates for 2012 and 2011 were a tax benefit of 9% and 62%, respectively. The Company s effective tax rate fluctuates from period to period due to changes in the mix of income or losses in jurisdictions with a wide range of tax rates, permanent differences between U.S. GAAP and local tax laws, and certain one-time items including tax rate changes, benefit of foreign taxes, net of a U.S. foreign tax credit, and adjustments related to the repatriation of unremitted earnings of foreign subsidiaries. The effective tax rates for 2012 and 2011 were also impacted by the goodwill impairment charges, which are largely nondeductible.

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Income (loss) from discontinued operations, net of tax, was $331 million in 2012 and $(80) million in 2011. During 2012, we recorded a combined gain on the sales of businesses of $571 million. During 2011, we recorded $135 million of deferred income tax expense related to the book-over-tax basis difference in a subsidiary of our HE business. See Note 2 of Notes to Consolidated Financial Statements for further discussion.

Income (loss) attributable to the non-controlling interest represents accreted dividends on SCCII s cumulative preferred stock. The amount of accreted dividends was $251 million and $225 million in 2012 and 2011, respectively. The increase is due to compounding.

Year Ended December 31, 2011 Compared to Year Ended December 31, 2010

The following table sets forth, for the periods indicated, certain supplemental revenue data and the relative percentage that those amounts represent to total revenue.

(in millions)	Year Ended December 31, 2010	percent of revenue	Year Ended December 31, 2011	percent of revenue	Percent Increase (Decrease) 2011 vs. 2010	Constant Currency Year Ended December 31, 2011	Constant Currency percent of revenue	Constant Currency Percent Increase (Decrease) 2011 vs. 2010
Financial Systems (FS)								
Services	$ 2,396	54%	$ 2,445	55%	2%	$ 2,398	55%	%
License and resale fees	257	6%	259	6%	1%	250	6%	(3)%
Total products and services	2,653	60%	2,704	61%	2%	2,648	61%	%
Reimbursed expenses	101	2%	72	2%	(29)%	72	2%	(29)%
Total	$ 2,754	62%	$ 2,776	63%	1%	$ 2,720	62%	(1)%
Availability Services (AS)								
Services	$ 1,452	33%	$ 1,438	32%	(1)%	$ 1,419	33%	(2)%
License and resale fees	3	%	3	%	1%	3	%	%
Total products and services	1,455	33%	1,441	32%	(1)%	1,422	33%	(2)%
Reimbursed expenses	14	%	20	%	40%	19	%	35%
Total	$ 1,469	33%	$ 1,461	33%	(1)%	$ 1,441	33%	(2)%
Public Sector & Education (PS&E)[(1)]								
Services	$ 175	4%	$ 173	4%	(1)%	$ 173	4%	(1)%
License and resale fees	35	1%	27	1%	(21)%	27	1%	(21)%
Total products and services	210	5%	200	5%	(5)%	200	5%	(5)%
Reimbursed expenses	4	%	3	%	(17)%	3	%	(17)%
Total	$ 214	5%	$ 203	5%	(5)%	$ 203	5%	(5)%
Total Revenue								
Services	$ 4,023	91%	$ 4,056	91%	1%	$ 3,990	91%	(1)%
License and resale fees	295	7%	289	7%	(2)%	280	6%	(5)%
Total products and services	4,318	97%	4,345	98%	1%	4,270	98%	(1)%

Reimbursed expenses	119	3%	95	2%	(20)%	94	2%	(21)%
Total	$ 4,437	100%	$ 4,440	100%	%	$ 4,364	100%	(2)%

(1) Other includes our PS and K-12 businesses.

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Revenue:

Total SunGard reported revenue was $4.44 billion in 2011, an increase of $3 million from 2010. On a constant currency basis, revenue decreased $73 million, or 2%. Approximately $104 million of the $73 million decrease, or 2.4 points of the two percentage points of decrease, was due to a decrease in revenue from the Broker/Dealer.

On a constant currency basis, services revenue decreased to $3.99 billion from $4.02 billion, representing approximately 91% of total revenue in both 2011 and 2010. The revenue decrease was mainly due to a $77 million decrease in broker/dealer fees by the Broker/Dealer and a $59 million decrease in RS, partially offset by increases of $41 million from FS acquisitions, $38 million in FS processing revenue and $27 million in MS.

Professional services revenue was $634 million and $629 million in 2011 and 2010, respectively. The change was due to an increase in FS, partially offset by decreases in AS and PS&E. Revenue from total broker/dealer fees was $164 million and $217 million in 2011 and 2010, respectively.

Reported revenue from license and resale fees included software license revenue of $252 million and $255 million, respectively. On a constant currency basis, software license revenue decreased $13 million, or 5%. Reimbursed expense revenue decreased $25 million due to the decline in revenue in the Broker/Dealer.

Financial Systems segment:

FS reported revenue was $2.78 billion in 2011 compared to $2.75 billion in 2010, an increase of 1%. On a constant currency basis, revenue decreased $34 million, or 1%. Year over year, revenue was impacted by four percentage points, or $104 million, from lower Broker/Dealer revenue as discussed above. Processing revenue increased $38 million, or 5%, due mainly to increases in transaction volumes and additional hosted services and an increase of $8 million from acquired businesses. Professional services revenue increased $13 million from acquired businesses and increased $4 million, or 1%, due primarily to implementation, consulting and project work associated with new and expanded customer relationships sold in the past twelve months. Software rental revenue decreased $6 million, or 2%, due primarily to customer attrition. Reported revenue from license and resale fees included software license revenue of $240 million, an increase of $3 million compared to 2010. On a constant currency basis, software license revenue decreased $7 million, or 3%.

Availability Services segment:

AS reported revenue decreased $8 million, or 1%, in 2011 from the prior year. On a constant currency basis, revenue decreased 2%. In North America, which accounts for over 75% of our AS business, revenue decreased 4% with decreases of $59 million in RS and $9 million in professional services revenue exceeding a $27 million increase in MS revenue. Revenue in Europe, primarily from our U.K. operations, increased $9 million, or 3%, where an increase in managed services revenue was partially offset by a decrease in recovery services revenue, and included a $1.5 million increase from a business acquired in 2010.

Public Sector & Education segment:

Reported revenue and constant currency revenue from our Public Sector & Education segment both decreased $11 million, or 5%, in 2011 from 2010. Professional services revenue decreased $4 million. Revenue from license and resale fees included software license revenue of $9 million in 2011, a $6 million decrease from the prior year.

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The following table sets forth, for the periods indicated, certain amounts included in our consolidated statements of comprehensive income and the relative percentage that those amounts represent to consolidated revenue (unless otherwise indicated).

(in millions)	Year Ended December 31, 2010	percent of revenue	Year Ended December 31, 2011	percent of revenue	Percent Increase (Decrease) 2011 vs. 2010	Constant Currency Year Ended December 31, 2011	Constant Currency percent of revenue	Constant Currency Percent Increase (Decrease) 2011 vs. 2010
Revenue								
Financial Systems	$ 2,754	62%	$ 2,776	63%	1%	$ 2,720	62%	(1)%
Availability Services	1,469	33%	1,461	33%	(1)%	1,441	33%	(2)%
Public Sector & Education	214	5%	203	5%	(5)%	203	5%	(5)%
Total Revenue	$ 4,437	100%	$ 4,440	100%	%	$ 4,364	100%	(2)%
Costs and Expenses								
Cost of sales and direct operating (excluding depreciation)	$ 1,895	43%	$ 1,848	42%	(2)%	$ 1,815	42%	(4)%
Sales, marketing and administration	1,057	24%	1,108	25%	5%	1,085	25%	3%
Product development and maintenance	350	8%	393	9%	12%	379	9%	8%
Depreciation and amortization	278	6%	271	6%	(2)%	267	6%	(4)%
Amortization of acquisition related intangible assets	448	10%	435	10%	(3)%	432	10%	(4)%
Goodwill impairment	205	5%	48	1%	(77)%	48	1%	(77)%
Total Costs and Expenses	$ 4,233	95%	$ 4,103	92%	(3)%	$ 4,026	92%	(5)%
Internal Adjusted EBITDA								
Financial Systems[1]	$ 708	25.7%	$ 720	25.9%	2%	$ 721	26.5%	2%
Availability Services[1]	527	35.9%	508	34.8%	(3)%	501	34.8%	(5)%
Public Sector & Education[1]	69	32.4%	63	31.2%	(8)%	63	31.2%	(8)%
Corporate	(64)	(1.4)%	(70)	(1.6)%	(11)%	(70)	(1.6)%	(11)%
Total Internal Adjusted EBITDA	1,240	28.0%	1,221	27.5%	(2)%	1,215	27.9%	(2)%
Reconciliation of Internal Adjusted EBITDA to Operating Income								
Depreciation and amortization	(278)	(6.3)%	(271)	(6)%	(2)%	(267)	(6)%	(4)%
Amortization of acquisition related intangible assets	(448)	(10.1)%	(435)	(9.8)%	3%	(432)	(9.9)%	4%
Goodwill impairment	(205)	(4.6)%	(48)	(1.1)%	77%	(48)	(1.1)%	77%
Severance and facility closure costs	(30)	(0.7)%	(65)	(1.5)%	(122)%	(65)	(1.5)%	(122)%
Stock compensation expense	(29)	(0.7)%	(33)	(0.7)%	(12)%	(33)	(0.8)%	(12)%
Management fees	(16)	(0.4)%	(12)	(0.3)%	25%	(12)	(0.3)%	25%
Other costs[2]	(30)	(0.7)%	(20)	(0.4)%	34%	(20)	(0.5)%	34%
Total Operating Income	$ 204	4.6%	$ 337	7.6%	65%	$ 338	7.7%	65%

(1) Percent of revenue is calculated as a percent of revenue from FS, AS and PS&E, respectively.
(2) Other costs include expenses related to strategic initiatives, currency transaction losses, costs to shut down certain services of the Broker/Dealer business (defined above) and certain other costs.

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Operating Income:

Our total reported operating margin was 7.7% in 2011 compared to 4.6% in 2010. The most significant factor impacting the 3.1 margin point increase is the $205 million non-cash goodwill impairment charge related to our PS and K-12 businesses, which are included in PS&E, in 2010, whereas 2011 included a non-cash goodwill impairment of $48 million. The net impact of these charges was a 3.5 margin point increase in 2011. The more significant factors impacting the remaining 0.4 margin point decrease are the following:

- 0.8 margin point decrease, or $36 million, from the increase in restructuring costs including increases in severance and corporate executive transition of $33 million and a $3 million increase in expenses to exit facilities;
- 0.5 margin point decrease from the decrease in the AS margin, which excludes the impact of severance;
- 0.3 margin point decrease, or $13 million, from the decrease in software license fee revenue; and
- 0.2 margin point decrease, or $7 million, from the increase in corporate costs;

partially offset by

- 0.5 margin point increase from the lower activity level of the Broker/Dealer;
- 0.4 margin point increase, or $16 million, from the decrease in amortization of acquisition-related intangible assets;
- 0.2 margin point increase, or $11 million, from the decrease in depreciation and amortization due primarily to certain AS leased facility improvements becoming fully depreciated; and
- 0.2 margin point increase, or $10 million, from the decrease in expenses related to strategic initiatives, currency transaction losses and costs incurred by the Broker/Dealer to shutdown its professional trading business in 2011.

Segment Internal Adjusted EBITDA:

Financial Systems segment:

The FS Internal Adjusted EBITDA margin was 26.5% and 25.7% in 2011 and 2010, respectively. The more significant factors impacting the 0.8 margin point improvement are the 1.6 margin point improvement from the decreased activity level of the Broker/Dealer; the 0.5 margin point improvement, or $12 million, from the decrease in consultant expense; and the 0.1 margin point improvement, or $2 million, from the decrease in facilities costs (excluding lease exit costs). These increases in the operating margin were partially offset by the 1.2 margin point improvement, or $33 million, from the increase in employment-related costs (excluding severance) resulting from business expansion, merit increases and increased software development and maintenance expenses, the 0.5 margin point improvement from acquired businesses and the 0.2 margin point improvement, or $7 million, from the decrease in license fees.

Availability Services segment:

The AS Internal Adjusted EBITDA margin was 34.8% and 35.9% in 2011 and 2010, respectively, a decrease of 1.1 margin points. The overall AS margin was decreased by 0.8 margin points from increased expenses in North America in 2011 resulting from increased employment-related expenses of $9 million (excluding severance) primarily related to developing new products, and segment advertising costs of $6 million.

Professional services had a 0.3 margin point decrease on the overall AS margin in 2011 due primarily to a $2 million decrease in employment-related expenses on $8 million of lower revenue. RS had a 0.3 margin point decrease on the overall AS margin in 2011 due primarily to a $59 million decrease in higher margin recovery services revenue, partially offset by a $22 million decrease in equipment expense. Software had a 0.5 margin point impact on the overall AS margin in 2011 due primarily to reduced employment-related expenses of

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$7 million. MS helped the overall AS margin in 2011 by 0.1 margin points due primarily to a $27 million increase in revenue, partially offset by an $11 million increase in employment-related expenses and a $6 million increase in facilities costs. Europe helped the overall AS margin in 2011 by 0.1 margin points due primarily to a $9 million increase in revenue and a $2 million decrease in equipment expense, partially offset by a $4 million increase in facilities and a $2 million increase in employment-related expenses (excluding severance).

Public Sector & Education segment:

The Internal Adjusted EBITDA margin from our Public Sector & Education segment was 31.2% and 32.4% for 2011 and 2010, respectively. The more significant factors impacting the 1.2 margin point decrease are the 1.3 margin point impact, or $3 million, from the decrease in costs capitalized as software assets.

Costs and Expenses:

Total costs decreased to 92% of revenue in 2011 from 95% of 2010 revenue. Excluding the goodwill impairment charges of $48 million and $205 million in 2011 and 2010, respectively, total costs as a percentage of total revenue were 91% of revenue in each of 2011 and 2010, and decreased $49 million.

Cost of sales and direct operating expenses (excluding depreciation) as a percentage of total revenue were 42% in 2011 and 43% in 2010, and decreased $80 million. Impacting the comparison of 2011 compared to 2010 is a $110 million decrease in costs of the Broker/Dealer which includes a $95 million decrease in reimbursed expenses; a $21 million decrease in AS equipment expense, primarily resulting from renegotiation of maintenance contracts, and a $4 million decrease in AS employment-related expenses, which includes a $6 million decrease in severance. These expense decreases were partially offset by an increase in FS employment-related expenses, including a $3 million increase in severance; a $23 million increase from acquired businesses; and a $10 million increase in AS facilities costs, mainly utilities, expansions of certain facilities that occurred in the second half of 2010 and a new facility added during the second quarter of 2010.

Sales, marketing and administration expenses as a percentage of total revenue were 25% and 24% in 2011 and 2010, respectively, and increased $28 million. Increases in sales, marketing and administration expenses were primarily due to increases of $18 million of corporate employment-related expenses mainly as a result of executive transition costs incurred in the second quarter of 2011 and other severance actions taken in 2011; an $11 million increase resulting from acquired businesses; and a $6 million increase in AS advertising expenses. These increases were partially offset by decreases of a combined $7 million of FS and AS facilities costs and the $5 million decrease in Broker/Dealer shut-down costs noted above.

Because AS product development and maintenance costs are insignificant, it is more meaningful to measure product development and maintenance expenses as a percentage of revenue excluding AS. Product development and maintenance expense was 13% and 12% of revenue excluding AS, respectively, and increased $28 million. The increase is primarily related to an increase in FS employment-related expenses to maintain and enhance our existing software products in response to customer needs. Included in the increase in employment-related expenses is a $4 million increase in severance.

Depreciation and amortization was 6% of total revenue in each of 2011 and 2010, but decreased $11 million due primarily to certain AS leased facility improvements becoming fully depreciated during 2010.

Amortization of acquisition-related intangible assets was 10% of total revenue in each of 2011 and 2010, but decreased $16 million due primarily to the impact of software that was fully amortized in 2010, partially offset by the impact of acquired businesses. During 2011, we recorded impairment charges of our customer base and software assets of $3 million and $4 million, respectively. During 2010, we recorded impairment charges of our customer base and software assets of $1 million and $2 million, respectively. These impairments are the result of reduced cash flow projections related to the software and customer base assets that were impaired.

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We recorded goodwill impairment charges of $48 million and $205 million in 2011 and 2010, respectively. These impairments are described in the Use of Estimates and Critical Accounting Policies section above.

Interest expense was $524 million and $638 million in 2011 and 2010, respectively. The decrease in interest expense was due primarily to interest rate decreases mainly due to the expiration of certain of our interest rate swaps and the refinancing of the senior notes due 2013, as well as decreased term loan borrowings resulting from prepayments that occurred in December 2010.

The loss on extinguishment of debt in 2010 was due to the early extinguishments of our $1.6 billion of senior notes due in 2013 and our euro-denominated term loans. The loss included $39 million of tender and call premiums.

Other income was $7 million in 2010, and included $4 million in foreign currency transaction gains related to our euro-denominated term loans.

The effective income tax rates for 2011 and 2010 were a tax benefit of 62% and 14%, respectively, due to certain unusual items. The rate in 2011 includes the impact of tax rate changes, the benefits of foreign taxes, net of U.S. foreign tax credit, and an adjustment associated with the future repatriation of unremitted earnings of certain non-U.S. subsidiaries, partially offset by the nondeductible goodwill impairment charge. The reported benefit in 2010 includes nondeductible goodwill impairment charges and a $45 million charge for recording deferred income taxes on unremitted earnings of certain non-U.S. subsidiaries which were no longer considered to be permanently reinvested, partially offset by a $13 million benefit due primarily to the impact of state tax rate changes on deferred tax assets and liabilities.

Loss from discontinued operations, net of tax, was $80 million in 2011 and $156 million in 2010. During 2011, discontinued operations included our European consulting business which was sold in 2012 and our HE business, which was sold in January 2012. During 2010, discontinued operations includes our European consulting business, our HE business and our PS UK business which was sold in 2010. The results of our PS UK operation included an impairment charge, net of tax, of $91 million and a loss on disposal of approximately $94 million which included the write-off of the currency translation adjustment (CTA) which is included as a separate component of equity. Also in 2010, we recorded a goodwill impairment charge of $32 million related to HE MS. See Note 1 of Notes to Consolidated Financial Statements for further discussion.

Accreted dividends on SCCII s cumulative preferred stock were $225 million and $191 million in 2011 and 2010, respectively. The increase in dividends is due to compounding. No dividends have been declared by SCCII through December 31, 2011.

Liquidity and Capital Resources:

At March 31, 2013, cash and equivalents were $537 million, a decrease of $9 million from December 31, 2012. Included in cash and cash equivalents at March 31, 2013 is $179 million invested in money market accounts in the U.S. Approximately $292 million of cash and cash equivalents at March 31, 2013 was held by our wholly owned non-U.S. subsidiaries. While available to fund operations and strategic investment opportunities abroad, most of these funds cannot be repatriated for use in the United States without incurring additional tax costs and, in a few cases, are in countries with currency restrictions. Our re-evaluation during the fourth quarter of 2012 of amounts permanently reinvested has no impact on these additional tax costs or our ability to repatriate these funds. Also, approximately $78 million of cash and cash equivalents at March 31, 2013 relates to our broker/dealer operations and is not readily available for general corporate use.

Cash flow from continuing operations was $178 million in the three months ended March 31, 2013 compared to $70 million in the three months ended March 31, 2012. Impacting cash flow from continuing operations was a $72 million increase in cash generated by working capital due primarily to a focus on improving

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working capital management through increased collections of accounts receivable, improved payables management, an increase in deferred revenue and timing of employment-related tax payments in 2013 compared to the prior year quarter. Also, cash flow from operations benefitted from $52 million less of interest payments due to lower average debt outstanding and the timing of our interest payments. In the first quarter of 2013, we paid $49 million of interest, which is $52 million less than the first quarter of 2012 largely due to the refinancing of the senior subordinated notes. A portion of this reduction will be offset in the second quarter of 2013 due to the level and timing of interest payments on our debt.

Net cash used by continuing operations in investing activities was $46 million in the three months ended March 31, 2013, comprised of cash paid for property and equipment and software. Net cash used by continuing operations in investing activities was $63 million in the three months ended March 31, 2012, comprised mainly of cash paid for property and equipment and software and one business acquired in our FS segment. In January 2012, we sold our HE business for gross proceeds of approximately $1.775 billion less applicable taxes and fees.

Net cash used by continuing operations in financing activities was $133 million for the three months ended March 31, 2013, primarily related to refinancing $2.2 billion of term loans and additional repayments of $52 million of term loans and $50 million of our receivables facility revolver borrowings. Net cash used by continuing operations in financing activities was $1.25 billion for the three months ended March 31, 2012, primarily related to repayments of $1.222 billion of term loans resulting from the sale of HE.

At March 31, 2013, the contractual future maturities of debt are as follows (in millions):

2013	$ 29
2014	434
2015	30
2016	32
2017	656
Thereafter	5,381
Total	$ 6,562

At March 31, 2013, we have outstanding $6.56 billion in aggregate indebtedness, with additional borrowing capacity of $828 million under the revolving credit facility (after giving effect to outstanding letters of credit). Under the receivables facility, there was an additional borrowing capacity of $24 million at March 31, 2013. Also at March 31, 2013, we have outstanding letters of credit and bid bonds that total approximately $36 million and contingent purchase obligations that depend on the operating performance of an acquired business of up to $6 million, of which $3 million is included in other long-term liabilities.

We expect our available cash balances and cash flows from operations, combined with availability under the revolving credit facility and receivables facility, to provide sufficient liquidity to fund our current obligations, projected working capital requirements and capital spending for a period that includes at least the next 12 months.

At December 31, 2012, our liquidity was $1.40 billion, comprised of cash and cash equivalents of $546 million, a decrease of $327 million from December 31, 2011, and capacity under our revolving credit facility of $857 million.

Cash flow from continuing operations was $645 million in 2012 compared to cash flow from continuing operations of $606 million in 2011. Improving cash flow from continuing operations was the following:

- $51 million of lower interest payments in 2012;

- a $42 million increase in cash earned from operations, defined as operating income adjusted for certain noncash expenses and the cash portion of other income (expense); and

- $25 million more cash provided by working capital due primarily to a one-time benefit in 2012 from exiting certain lower margin services of the Broker/Dealer, partially offset by timing of payment of accounts payable and recognizing in 2012 a portion of our deferred revenue in excess of new sales;

partially offset by

- by a $79 million increase in income tax payments, net of refunds.

Cash flow from continuing operations in 2011 was $606 million compared to $601 million in 2010. Lower interest payments of $143 million in 2011, principally resulting from the expiration of interest rate swaps and interest rate reductions from refinancing the senior notes due 2013, was mostly offset by lower operating earnings before interest and taxes and less cash provided by working capital.

Net cash used by continuing operations in investing activities was $297 million in 2012 and $315 million in 2011. During 2012, we spent $40 million for two acquisitions, as compared to $35 million for five acquisitions during 2011. Capital expenditures for continuing operations were $260 million in 2012 and $276 million in 2011. Net cash used by continuing operations in investing activities was $376 million in 2010. During 2010, we spent $82 million for four acquisitions and $298 million for capital expenditures.

In 2012, net cash used by continuing operations in financing activities was $2.04 billion, which included the following:

- repayment of $1.22 billion of term loans resulting from the sale of HE;
- $1.02 billion to repurchase and optionally redeem $1 billion of senior subordinated notes due 2015;
- a $724 million preferred stock dividend;
- $527 million to redeem the 10.625% senior notes due 2015; and
- $217 million of optional prepayments of term loans;

partially offset by

- the issuance of $1 billion of senior subordinated notes due 2019; and
- a $720 million term loan to fund the dividend.

In 2011, net cash used by continuing operations in financing activities was $253 million, which included $239 million of debt payments. In 2010, net cash used by continuing operations in financing activities was $344 million, which included the repurchase and optional redemption of our senior notes due 2013 along with the associated premiums and $265 million of term loan prepayments, and the issuance of $900 million of senior notes due 2018 and $700 million of senior notes due 2020 (net of associated fees). We also increased our borrowings under our accounts receivable securitization program by $63 million in 2010.

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As a result of the LBO (August 11, 2005), we are highly leveraged. See Note 5 of Notes to Consolidated Financial Statements and Note 6 of Notes to Consolidated Financial Statements (Unaudited) which contain a full description of our debt. Total debt outstanding as of December 31, 2012 and March 31, 2013 was $6.66 billion and $6.56 billion, respectively, which consists of the following (in millions):

	December 31, 2012	March 31, 2013
Senior Secured Credit Facilities:		
Secured revolving credit facility due November 29, 2016	$	$
Tranche A due February 28, 2014, effective interest rate of 1.96% and 1.95%	**207**	**157**
Tranche B due February 28, 2016, effective interest rate of 4.35%	**1,719**	
Tranche C due February 28, 2017, effective interest rate of 4.17% and 4.41%	**908**	**427**
Tranche D due January 31, 2020, effective interest rate of 4.50% and 4.50%	**720**	**718**
Tranche E due March 8, 2020, effective interest rate of 4.00%		**2,200**
Total Senior Secured Credit Facilities	**3,554**	**3,502**
Senior Secured Notes due 2014 at 4.875%, net of discount of $4 and $3	**246**	**247**
Senior Notes due 2018 at 7.375%	**900**	**900**
Senior Notes due 2020 at 7.625%	**700**	**700**
Senior Subordinated Notes due 2019 at 6.625%	**1,000**	**1,000**
Secured accounts receivable facility, at 3.71% and 3.70%	**250**	**200**
Other, primarily foreign bank debt and capital lease obligations	**12**	**13**
Total debt	**6,662**	**6,562**
Short-term borrowings and current portion of long-term debt	**(63)**	**(441)**
Long-term debt	**$ 6,599**	**$ 6,121**

Senior Secured Credit Facilities

We have an $880 million revolving credit facility, of which $857 million was available for borrowing after giving effect to $23 million of outstanding letters of credit as of December 31, 2012.

As more fully discussed in Note 2 of Notes to Consolidated Financial Statements, in January 2012, we completed the sale of HE. The net cash proceeds from the HE sale of $1.22 billion were applied on a pro-rata basis to repay a portion of our term loans, including $396 million of tranche A, $689 million of tranche B and $137 million of incremental term loans.

On March 2, 2012, we amended the Amended and Restated Credit Agreement dated as of August 11, 2005, as amended and restated from time to time (Credit Agreement) to, among other things, extend the maturity date of $908 million in aggregate principal amount of tranche A and incremental term loans from February 28, 2014 to February 28, 2017 (tranche C), extend the maturity of our $880 million revolving credit facility commitments from May 11, 2013 to November 29, 2016, and amend certain covenants and other provisions in order to, among other things, permit the potential spin-off of the Availability Services business. The revolving credit facility commitments and tranche C each have springing maturities which are described in the Credit Agreement filed with SunGard s Form 8-K dated March 7, 2012.

On December 17, 2012, we amended our Credit Agreement to, among other things, allow for the issuance of a $720 million term loan (tranche D), permit incremental credit extensions under the restated credit agreement in an amount up to $750 million; and modify certain covenants and other provisions in order to, among other things, permit additional restricted payments to be made with the net proceeds of the tranche D term loan and available cash in an aggregate amount not to exceed $750 million. Tranche D has certain springing maturities which are described in the Credit Agreement filed with SunGard s Form 8-K dated December 20, 2012.

On December 31, 2012, we voluntarily prepaid $48 million of the tranche A term loan and the entire outstanding incremental term loan balance of $169 million.

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On March 8, 2013, SunGard amended and restated its Credit Agreement to, among other things, (i) issue an additional term loan of $2,200 million (tranche E) maturing on March 8, 2020, the proceeds of which were used to (a) repay in full the $1,719 million tranche B term loan and (b) repay $481 million of the tranche C term loan; (ii) replace the $880 million of revolving commitments with $850 million of new revolving commitments, which will mature on March 8, 2018; and (iii) modify certain covenants and other provisions in order to, among other things (x) modify (and in the case of the term loan facility, remove) the financial maintenance covenants included therein and (y) permit the Company to direct the net cash proceeds of permitted dispositions otherwise requiring a prepayment of term loans to the prepayment of specific tranches of term loans at the Company s sole discretion. The interest rate on tranche E is LIBOR plus 3% with a 1% LIBOR floor, which at March 8, 2013 was 4.00%. SunGard is required to repay installments in quarterly principal amounts of 0.25% of its funded tranche E principal amount through the maturity date, at which time the remaining aggregate principal balance is due. Tranche E and the new revolving credit commitments are subject to certain springing maturities which are described in the Credit Agreement.

On March 28, 2013, we voluntarily prepaid $50 million of the tranche A term loan.

Senior and Senior Subordinated Notes

On November 16, 2010, we issued $900 million aggregate principal amount of 7.375% senior notes due 2018 and $700 million aggregate principal amount of 7.625% senior notes due 2020. The net proceeds, together with other cash, were used to retire the former $1.6 billion 9.125% senior notes that would have been due 2013.

On April 2, 2012, we redeemed for $527 million plus accrued and unpaid interest to the redemption date, all of our outstanding $500 million 10.625% senior notes due 2015 under the Indenture dated as of September 29, 2008.

On November 1, 2012, we issued $1 billion aggregate principal amount of 6.625% senior subordinated notes due 2019 (senior subordinated notes due 2019) and used a portion of the net proceeds from this offering to repurchase approximately $490 million of our $1 billion 10.25% senior subordinated notes due 2015 (existing senior subordinated notes). On December 3, 2012, we redeemed the remaining existing senior subordinated notes. We paid a $21 million premium to extinguish the existing senior subordinated notes.

The senior subordinated notes due 2019 contain registration rights by which we have agreed to use our reasonable best efforts to register with the SEC notes having substantially identical terms. We will use our reasonable best efforts to cause the exchange offer to be completed or, if required, to have one or more shelf registration statements declared effective within 360 days after the issue date of the senior subordinated notes due 2019.

If we fail to satisfy this obligation (a registration default), the annual interest rate on the senior subordinated notes due 2019 will increase by an additional 0.25% for each subsequent 90-day period during which the registration default continues, up to a maximum additional interest rate of 1.00% per year. The applicable interest rate will revert to the original level upon the earlier of curing the registration default or November 1, 2014.

Secured Accounts Receivable Facility

In March 2009, we entered into a syndicated three-year secured accounts receivables facility. The facility limit was $317 million, which consisted of a term loan commitment of $181 million and a revolving commitment of $136 million. Advances may be borrowed and repaid under the revolving commitment with no impact on the facility limit. The term loan commitment may be repaid at any time at our option, but will result in a permanent reduction in the facility limit. On September 30, 2010, we entered into an Amended and Restated Credit and Security Agreement related to our receivables facility. Among other things, the amendment (a) increased the borrowing capacity under the facility from $317 million to $350 million, (b) increased the term loan component from $181 million to $200 million, (c) extended the maturity date to September 30, 2014, (d) removed the 3% LIBOR floor and set the interest rate to one-month LIBOR plus 3.5%, which at December 31, 2012 was 3.71%, and (e) amended certain terms.

In connection with the sale of our HE business, the participating HE subsidiaries were removed from the receivables facility, effective as of October 3, 2011. As a result, we permanently reduced the maximum revolving commitment amount to $90 million for a combined total amount available for borrowing of $290 million.

On December 19, 2012, we entered into a Second Amended and Restated Credit and Security Agreement to, among other things, extend the maturity date to December 19, 2017 and reduce the aggregate commitments from $290 million to $275 million.

At December 31, 2012, $200 million was drawn against the term loan commitment and $50 million was drawn against the revolving commitment, which was repaid on January 2, 2013. At December 31, 2012, $519 million of accounts receivables secured the borrowings under the receivables facility.

The receivables facility includes a fee on the unused portion of 0.75% per annum and contains certain covenants. We are required to satisfy and maintain specified facility performance ratios, financial ratios and other financial condition tests.

Interest Rate Swaps

We use interest rate swap agreements to manage the amount of our floating rate debt in order to reduce our exposure to variable rate interest payments associated with the senior secured credit facilities. We pay a stream of fixed interest payments for the term of the swap, and in turn, receive variable interest payments based on LIBOR. At March 31, 2013, one-month LIBOR was 0.20%. The net receipt or payment from the interest rate swap agreements is included in interest expense. As a result of amending the Credit Agreement and issuing tranche E in March 2013, we settled $500 million of interest rate swaps in March 2013 that were due to mature in May 2013. A summary of our interest rate swaps at March 31, 2013 follows (in millions):

Inception	Maturity	Notional Amount (in millions)	Interest rate paid	Interest rate received (LIBOR)
August-September 2012	February 2017	$ 400	0.69%	1-Month

Contractual Obligations

At December 31, 2012, our contractual obligations follow (in millions):

	Total	2013	2014	2015	2016 2017	Thereafter
Short-term and long-term debt(1)	$ 6,662	$ 63	$ 461	$ 8	$ 2,844	$ 3,286
Interest payments(2)	1,987	357	346	338	519	427
Operating leases	994	178	163	132	211	310
Purchase obligations(3)	223	141	50	27	5	
	$ 9,866	$ 739	$ 1,020	$ 505	$ 3,579	$ 4,023

(1) The senior notes due 2014 are recorded at $246 million as of December 31, 2012, reflecting the remaining unamortized discount. The $4 million discount at December 31, 2012 will be amortized and included in interest expense over the remaining periods to maturity.

(2) Interest payments consist of interest on both fixed-rate and variable-rate debt. Variable-rate debt consists primarily of the tranche A secured term loan facility ($207 million at 1.96%), the tranche B term loan facility ($1.22 billion at 3.84%), the tranche C term loan facility ($508 million at 3.96%), the tranche D term

loan facility ($720 million at 4.50%), and the secured accounts receivable facility ($250 million at 3.71%), each as of December 31, 2012. See Note 5 of Notes to Consolidated Financial Statements.

(3) Purchase obligations include our estimate of the minimum outstanding obligations under noncancelable commitments to purchase goods or services.

On a pro forma basis as of December 31, 2012, taking into account the March 8, 2013 Credit Agreement amendment, our contractual obligations are as follows (in millions):

	Total	2013	2014	2015	2016 2017	Thereafter
Short-term and long-term debt(1)	$ 6,662	$ 80	$ 483	$ 30	$ 688	$ 5,381
Interest payments(2)	2,320	356	347	339	660	618
Operating leases	994	178	163	132	211	310
Purchase obligations(3)	223	141	50	27	5	
	$ 10,199	$ 755	$ 1,043	$ 528	$ 1,564	$ 6,309

At December 31, 2012, contingent purchase price obligations that depend upon the operating performance of certain acquired businesses were $6 million, of which $3 million is included in other long-term debt. We also have outstanding letters of credit and bid bonds that total approximately $36 million.

Depending on market conditions, SunGard, its Sponsors and their affiliates may from time to time repurchase debt securities issued by SunGard, in privately negotiated or open market transactions, by tender offer or otherwise.

Covenant Compliance

Our senior secured credit facilities and the indentures governing our senior notes due 2018 and 2020 and our senior subordinated notes due 2019 contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit our ability to, among other things:

- incur additional indebtedness or issue certain preferred shares,
- pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments,
- make certain investments,
- sell certain assets,
- create liens,
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets, and
- enter into certain transactions with our affiliates.

In addition, pursuant to the Principal Investor Agreement by and among our Holding Companies and the Sponsors, we are required to obtain approval from certain Sponsors prior to the declaration or payment of any dividend by us or any of our subsidiaries (other than dividends payable to us or any of our wholly owned subsidiaries).

Under the senior secured credit agreement, we are required to satisfy and maintain specified financial ratios and other financial condition tests. In connection with the March 2013 senior secured credit agreement amendment, we removed the financial maintenance covenants for the term loan facility and modified the financial maintenance covenants for the senior secured revolving credit facility. As amended, the financial maintenance covenant is applicable at quarter end only if there is an amount outstanding under the revolving credit facility that is greater than or equal to 15% of the total revolving commitments. If applicable, the financial

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maintenance covenant allows a maximum total leverage ratio of 5.75x at the end of such quarter. If the financial maintenance covenant in the revolving credit facility applies, a breach of that covenant could result in a default of the revolving credit facility under the senior secured credit agreement. If such a default occurs, then the revolving credit lenders could elect (upon a determination by a majority of the revolving credit lenders) to terminate their commitments and declare all amounts borrowed under the revolving credit facility due and payable. If this happens, all amounts borrowed under the senior secured term loan facilities would be due and payable as well. This acceleration would also result in a default under the indentures. As of March 31, 2013, we were in compliance with all financial and nonfinancial covenants. While we believe that we will remain in compliance, our continued ability to meet those financial ratios and tests can be affected by events beyond our control, and there is no assurance that we will continue to meet those ratios and tests.

Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) is a non-GAAP measure used to determine our compliance with certain covenants contained in the indentures governing the senior notes due 2018 and 2020 and senior subordinated notes due 2019 and in our senior secured credit agreement. Adjusted EBITDA is defined as EBITDA further adjusted to exclude unusual items and other adjustments permitted in calculating covenant compliance under the indentures and our senior secured credit agreement. We believe that including supplementary information concerning Adjusted EBITDA is appropriate to provide additional information to investors to demonstrate compliance with our financing covenants.

A breach of covenants in our senior secured credit agreement that are tied to ratios based on Adjusted EBITDA could result in a default and the lenders could elect to declare all amounts borrowed due and payable. Any such acceleration would also result in a default under our indentures. Additionally, under our debt agreements, our ability to engage in activities such as incurring additional indebtedness, making investments and paying dividends is also tied to ratios based on Adjusted EBITDA.

Adjusted EBITDA does not represent net income (loss) or cash flow from operations as those terms are defined by GAAP and does not necessarily indicate whether cash flows will be sufficient to fund cash needs. While Adjusted EBITDA and similar measures are frequently used as measures of operations and the ability to meet debt service requirements, these terms are not necessarily comparable to other similarly titled captions of other companies due to the potential inconsistencies in the method of calculation. Adjusted EBITDA does not reflect the impact of earnings or charges resulting from matters that we may consider not to be indicative of our ongoing operations. In particular, the definition of Adjusted EBITDA in the indentures allows us to add back certain noncash, extraordinary or unusual charges that are deducted in calculating net income (loss). However, these are expenses that may recur, vary greatly and are difficult to predict. Further, our debt instruments require that Adjusted EBITDA be calculated for the most recent four fiscal quarters. As a result, the measure can be disproportionately affected by a particularly strong or weak quarter. Further, it may not be comparable to the measure for any subsequent four-quarter period or any complete fiscal year. Adjusted EBITDA is similar, but not identical, to Internal Adjusted EBITDA used to measure our performance (see Note 12 of Notes to Consolidated Financial Statements).

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The following is a reconciliation for SunGard of income (loss) from continuing operations, which is a GAAP measure of our operating results, to Adjusted EBITDA as defined in our debt agreements (in millions). The terms and related calculations are defined in the credit agreement.

	Year ended December 31,			Three months Ended March 31,		Last Twelve Months March 31,
	2010	2011	2012	2012	2013	2013
Income (loss) from continuing operations	$ (414)	$ (69)	$ (397)	$ (76)	$ (47)	$ (368)
Interest expense, net	636	521	427	122	108	413
Taxes	(69)	(118)	(38)	(7)	(9)	(40)
Depreciation and amortization	726	706	672	172	160	660
EBITDA	879	1,040	664	211	212	665
Goodwill impairment charge	205	48	385			385
Purchase accounting adjustments(a)	13	11	9	2	2	9
Non-cash charges(b)	36	34	39	11	11	39
Restructuring and other(c)	55	94	63	3	6	67
Acquired EBITDA, net of disposed EBITDA(d)	9	1	3	1		2
Pro forma expense savings related to acquisitions(e)	2					
Loss on extinguishment of debt(f)	58	3	82	15	5	72
Adjusted EBITDA senior secured credit facilities, senior notes due 2018 and 2020 and senior subordinated notes due 2019	$ 1,257	$ 1,231	$ 1,245	$ 243	$ 236	$ 1,239

(a) Purchase accounting adjustments include the adjustment of deferred revenue and lease reserves to fair value at the dates of the LBO and subsequent acquisitions made by SunGard and certain acquisition-related compensation expense.

(b) Non-cash charges include stock-based compensation (see Note 8 of Notes to Consolidated Financial Statements) and loss on the sale of assets.

(c) Restructuring and other charges include severance and related payroll taxes, reserves to consolidate certain facilities, strategic initiative expenses, certain other expenses associated with acquisitions made by the Company, gains or losses related to fluctuation of foreign currency exchange rates impacting the foreign-denominated debt, management fees paid to the Sponsors, and franchise and similar taxes reported in operating expenses, partially offset by certain charges relating to the receivables facility.

(d) Acquired EBITDA net of disposed EBITDA reflects the EBITDA impact of businesses that were acquired or disposed of during the period as if the acquisition or disposition occurred at the beginning of the period.

(e) Pro forma adjustments represent the full-year impact of savings resulting from post-acquisition integration activities.

(f) Loss on extinguishment of debt includes in 2010 the loss on extinguishment of $1.6 billion of senior notes due in 2013 and the write-off of deferred financing fees related to the refinancing of a portion of our U.S. Dollar-denominated term loans and retirement of $100 million of pound Sterling-denominated term loans. Loss on extinguishment of debt includes in 2012 the write-off of deferred financing fees associated with the January 2012 repayment of $1.22 billion of our US$-denominated term loans, the April 2012 retirement of $500 million, 10.625% senior notes due 2015, the December 2012 retirement of $1 billion, 10.25% senior subordinated notes due 2015 and the December 2012 repayment of $217 million of US$-denominated term loans. Loss on extinguishment of debt includes in 2013 the refinance of $2.2 billion of term loans and repayment of $50 million of term loans.

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The covenant requirements and actual ratios for the twelve months ended March 31, 2013 are as follows. All covenants are in compliance.

	Covenant Requirements	Actual Ratios
Senior secured credit facilities(1)		
Maximum total debt to Adjusted EBITDA	5.75x	4.75x
Senior notes due 2018 and 2020 and senior subordinated notes due 2019(2)		
Minimum Adjusted EBITDA to fixed charges ratio required to incur additional debt pursuant to ratio provisions	2.00x	3.52x

(1) If on the last day of any four consecutive fiscal quarters our total revolving credit exposure minus the lesser of (x) the amount of outstanding letters of credit under the senior secured revolving credit facility and (y) $25 million, is equal to or greater than an amount equal to 15% of our aggregate revolving credit commitments, then on such day, we would be required to maintain a maximum consolidated total debt to Adjusted EBITDA ratio of 5.75x. Consolidated total debt is defined in the senior secured credit facilities as total debt less (i) certain indebtedness and (ii) cash and cash equivalents on our balance sheet in excess of $50 million. Failure to satisfy this ratio requirement would constitute a default solely under the senior secured revolving credit facility. If our revolving credit facility lenders failed to waive any such default and subsequently accelerated our obligations or terminated their commitments under the senior secured revolving credit facility, our repayment obligations under the senior secured term loan facilities would be accelerated as well, which would also constitute a default under our indentures.

(2) Our ability to incur additional debt and make certain restricted payments under our indentures, subject to specified exceptions, is tied to an Adjusted EBITDA to fixed charges ratio of at least 2.0x, except that we may incur certain debt and make certain restricted payments and certain permitted investments without regard to the ratio. This exception includes our ability to incur up to an aggregate principal amount of $5.75 billion under credit facilities (inclusive of amounts outstanding under our senior credit facilities from time to time. As of March 31, 2013, we had $3.50 billion outstanding under our term loan facilities and available commitments of $828 million under our revolving credit facility), to acquire persons engaged in a similar business that become restricted subsidiaries and to make other investments equal to 6% of our consolidated assets. Fixed charges is defined in the indentures governing the senior notes due 2018 and 2020 and the senior subordinated notes due 2019 as consolidated interest expense less interest income, adjusted for acquisitions, and further adjusted for non-cash interest and the elimination of interest expense and fees associated with the accounts receivables facility.

Quantitative and Qualitative Disclosures About Market Risk:

We do not use derivative financial instruments for trading or speculative purposes. We have invested our available cash in short-term, highly liquid financial instruments, substantially all having initial maturities of three months or less. When necessary, we have borrowed to fund acquisitions.

At March 31, 2013, we had total debt of $6.56 billion, including $3.70 billion of variable rate debt. We have entered into interest rate swap agreements which fix the interest rates for $400 million of our variable rate debt. Swap agreements expiring in February 2017 with a notional value of $400 million effectively fix our interest rates at 0.69%. Our remaining variable rate debt of $3.30 billion is subject to changes in underlying interest rates, and, accordingly, our interest payments will fluctuate. During the period when all of our interest rate swap agreements are effective, a 1% change in interest rates would result in a change in interest of approximately $33 million per year. Upon the expiration of the interest rate swap agreement in February 2017, a 1% change in interest rates would result in a change in interest of approximately $37 million per year, respectively.

At December 31, 2012, we had total debt of $6.66 billion, including $3.80 billion of variable rate debt. We entered into interest rate swap agreements which fixed the interest rates for $900 million of our variable rate debt. Swap agreements expiring in May 2013 have a notional value of $500 million and effectively fix the variable portion of our interest rates at 1.99%. Swap agreements expiring in February 2017 with a notional value of $400 million effectively fix our interest rates at 0.69%. Our remaining variable rate debt of $2.90 billion is subject to changes in underlying interest rates, and, accordingly, our interest payments will fluctuate. During the period when all of our interest rate swap agreements are effective, a 1% change in interest rates would result in a change in interest of approximately $29 million per year. Upon the expiration of the $500 million interest rate swap agreement in May 2013, a 1% change in interest rates would result in an incremental change in interest of approximately $5 million per year, or a total of $34 million. Upon the expiration of the $400 million interest rate swap agreement in February 2017, a 1% change in interest rates would result in an incremental change in interest of approximately $4 million, or a total of $38 million. See Note 5 of Notes to Consolidated Financial Statements.

During 2012, approximately 36% of our revenue was from customers outside the United States with approximately 76% of this revenue coming from customers located in the United Kingdom, Continental Europe and Canada. Only a portion of the revenue from customers outside the United States is denominated in other currencies, the majority being pound Sterling and Euros. Revenue and expenses of our foreign operations are generally denominated in their respective local currencies. We continue to monitor our exposure to currency exchange rates and we enter into currency hedging transactions from time to time to mitigate certain currency exposures.

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BUSINESS

Our Company

Who We Are

We are one of the world s leading software and technology services companies. We provide software and technology services to financial services, education and public sector organizations. We also provide disaster recovery services, managed services, information availability consulting services and business continuity management software. We serve approximately 25,000 customers in more than 70 countries. Our high quality software solutions, excellent customer support and specialized technology services result in strong customer retention rates across all of our business segments and create long-term customer relationships.

We operate our business in three segments: Financial Systems (FS), Availability Services (AS) and Public Sector & Education (PS&E), which is comprised of our Public Sector business (PS) and K-12 Education business (K-12). On January 19 and 20, 2012, the Company completed the sale of its Higher Education (HE) business, which is included in discontinued operations for purposes of this prospectus.

FS provides mission-critical software and technology services to virtually every type of financial services institution, including buy-side and sell-side institutions, third-party administrators, wealth managers, retail banks, insurance companies, corporate treasuries and energy trading firms. Our broad range of complementary software solutions and associated technology services help financial services institutions automate the business processes associated with trading, managing portfolios and accounting for investment assets.

AS provides disaster recovery services, managed services, information availability consulting services and business continuity management software to more than 8,000 customers in North America and Europe. With five million square feet of data center and operations space, AS assists IT organizations across virtually all industry and government sectors to prepare for and recover from emergencies by helping them minimize their computer downtime and optimize their uptime. Through direct sales and channel partners, AS helps organizations ensure their people and customers have uninterrupted access to the information systems they need in order to do business.

PS&E (PS and K-12) provides software and technology services designed to meet the specialized needs of local, state and federal governments, public safety and justice agencies, public and private schools, utilities, nonprofits and other public sector institutions.

With a large portfolio of proprietary products and services in each of our three business segments, we have a diversified and stable business. Our base of approximately 25,000 customers includes most of the world s largest financial services firms, a variety of other financial services firms, corporate and government treasury departments, energy companies, school districts, local governments and nonprofit organizations. Our AS business serves customers across virtually all industries. Our revenue is highly diversified by customer and product. During each of the past three fiscal years, no single customer has accounted for more than 3% of total revenue. On average for the past three fiscal years, services revenue has been approximately 91% of total revenue. About 80% of services revenue is highly recurring as a result of multiyear contracts and is generated from (1) software-related services including software maintenance and support, processing and rentals and (2) recovery and managed services. The remaining services revenue includes (1) professional services, which are mainly generated from implementation and consulting services in connection with the sale of our products and (2) broker/dealer fees, which are largely correlated with trading volumes.

We were acquired in August 2005 in a leveraged buy-out (LBO) by a consortium of private equity investment funds associated with Bain Capital Partners, The Blackstone Group, Goldman, Sachs & Co., Kohlberg Kravis Roberts & Co., Providence Equity Partners, Silver Lake and TPG. As a result of the LBO, we are highly leveraged and our equity is not publicly traded.

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Our Sponsors continually evaluate various strategic alternatives with respect to the Company. There can be no assurance that we will ultimately pursue any strategic alternatives with respect to any business segment, or, if we do, what the structure or timing for any such transaction would be.

Financial information regarding our segments and our business in different geographic areas is included in Note 12 of Notes to Consolidated Financial Statements.

Business Segment Overview

What We Do

Financial Systems

FS provides mission critical software and technology services to financial services institutions, corporate and government treasury departments and energy companies. Our solutions automate the many complex business processes associated primarily with trading, managing investment portfolios and accounting for investment assets, and also address the processing requirements of a broad range of users within the financial services sector. In addition, we provide technology services that focus on application implementation and integration of these solutions, custom software development and application management. Since our inception, we have consistently enhanced our solutions to add new features, process new types of financial instruments, meet new regulatory requirements, incorporate new technologies and meet evolving customer needs on a global basis.

We deliver many of our solutions as an application-service provider, primarily from our data centers located in North America and Europe that customers access through the Internet or virtual private networks. We also deliver some of our solutions by licensing the software to customers for use on their own computers and premises.

Our FS business offers software and technology services to a broad range of users, including asset managers, chief financial officers, compliance officers, custodians, fund administrators, insurers and reinsurers, market makers, plan administrators, registered investment advisors, treasurers, traders and wealth managers. FS is grouped into complementary solutions that focus on the specific requirements of our customers, as follows:

Asset Management: We offer solutions that help institutional investors, hedge funds, private equity firms, fund administrators and securities transfer agents improve both investment decision-making and operational efficiency, while managing risk and increasing transparency. Our solutions support every stage of the investment process, from research and portfolio management, to valuation, risk management, compliance, investment accounting, transfer agency and client reporting.

Banking: Our banking solutions help retail, corporate and international private banks to better manage their customers, capital and staff. We provide integrated solution suites for asset/liability management, budgeting and planning, regulatory compliance and profitability. We offer retail banks a range of solutions helping them address core banking, online and mobile banking, as well as customer and card management requirements. We also provide front-to-back-office solutions for equipment finance organizations and help international private banks with core banking, channel and client management, and various ASP services. Finally, we provide enterprise matching and reconciliation solutions to financial institutions.

Brokerage: Our brokerage solutions provide trade execution and network solutions to financial institutions, corporations and municipalities in North America, Europe and other global markets. Our trade execution and network solutions help both buy- and sell-side firms improve execution quality, minimize information leakage, decrease overall execution costs and address today s trade connectivity challenges.

Capital Markets: Our capital markets solutions help banks, broker/dealers, futures commission merchants and other financial institutions to increase the efficiency, transparency and control of their trading operations across multiple platforms, asset classes and markets. Supporting the entire trade lifecycle from front-to-back, these solutions provide everything from connectivity, execution services and risk management to securities finance, collateral management and compliance. Additionally, these solutions help customers to create and manage consolidated views across all their positions and risk.

Corporate Liquidity: Our solutions for corporate liquidity help businesses facilitate connectivity between their buyers, suppliers, banks, data providers and other stakeholders to increase visibility of cash, improve communication and response time, reduce risk, and help drive maximum value from working capital. Our end-to-end collaborative financial management framework helps chief financial officers and treasurers bring together receivables, treasury and payments for a single view of cash and risk, and to optimize business processes for enhanced liquidity management.

Energy: Our energy and commodities solutions help energy companies, corporate hedgers, hedge funds and financial services firms to compete efficiently in global energy and commodities markets by streamlining and integrating the trading, risk management and operations of physical commodities and their associated financial instruments.

Insurance: We provide solutions for the insurance industry in each of the following major business lines: life and health, annuities and pensions, property and casualty, reinsurance and asset management. Our software and services support functions from the front-office through the back-office, from customer service, policy administration and actuarial calculations to financial and investment accounting and reporting.

Wealth & Retirement Administration: We provide wealth management solutions that help banks, trust companies, brokerage firms, insurance firms, benefit administrators and independent advisors acquire, service and grow their client relationships. We provide solutions for client acquisition, transaction management, trust accounting and recordkeeping that can be deployed as stand-alone products, or as part of an integrated wealth management platform.

FS also has a global services organization that delivers business consulting, technology and managed and professional services for financial services institutions, energy companies and corporations. Leveraging our global delivery model, our consultants and developers worldwide help customers manage their complex data needs, optimize end-to-end business processes and assist with systems integration, while providing full application development, maintenance, testing and support services.

Availability Services

AS helps customers improve the resilience of their mission critical systems by designing, implementing and managing cost-effective solutions using people, processes and technology to address enterprise IT availability needs. As the pioneer of commercial disaster recovery in the 1970s, we believe our specialization in information availability solutions, together with our vast experience, technology expertise, resource management capabilities, vendor neutrality and diverse service offerings, have uniquely positioned us to help meet customers varied needs in an environment in which businesses are critically dependent on the availability of IT. Our comprehensive portfolio of services extends from always-ready standby services to high availability advanced recovery services and always-on production and managed services. This includes planning and provisioning of enterprise cloud computing and SaaS platforms. Additionally, we provide business continuity management software and consulting services to help customers design, implement and maintain plans to protect their central business systems. To serve our more than 8,000 customers, we have approximately 5,000,000 square feet of data center and operations space at over 90 facilities in ten countries. Since inception, we have helped customers recover from unplanned interruptions resulting from major disasters including hurricane Sandy in 2012, the Gulf Coast hurricanes in 2008, widespread flooding in the UK in 2007, hurricane Katrina and Gulf Coast hurricanes in 2005, Florida hurricanes in 2004, the Northeast U.S. blackout in 2003, and the terrorist attacks of September 11, 2001.

We provide the following four categories of services: recovery services, managed services, consulting services and business continuity management software. The combination of all of these services provides our customers with a complete set of IT operations and information availability management solutions.

Although high availability and recovery services remain as important revenue generating services, including our recently introduced managed recovery program (MRP), managed services, consulting services and

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business continuity management software increasingly account for a greater percentage of new sales. Because advanced recovery and managed services are often unique to individual customers and utilize a greater proportion of dedicated (versus shared) resources, they typically require modestly more capital expenditures. Cloud solutions, however, are changing industry economics to allow for lower-cost, partially dedicated solutions.

Recovery Services: We help customers maintain access to the information and computer systems needed to run their businesses by providing cost-effective solutions to keep IT systems operational and secure in the event of an unplanned business disruption. These business disruptions can range from man-made events (e.g., power outages, telecommunications disruptions and acts of terrorism) to natural disasters (e.g., floods, hurricanes and earthquakes). We offer a complete range of recovery services tailored to application uptime requirements. These requirements are typically based on the criticality of the supported business processes. Some of these solutions can be delivered using processors, servers, storage devices, networks and other resources and infrastructure that are subscribed to by multiple customers. Recovery services range from basic standby infrastructure recovery services, workforce continuity services, and mobile recovery options to advanced recovery or high availability solutions. Managed recovery services represent a growing area, with industry regulations and the growing complexity of heterogeneous environments (i.e., cloud, virtual, physical) fueling demand. Our MRP offering in which AS personnel lead planning, set-up, maintenance, testing and execution of a recovery solution addresses key customer needs, including on their own premises. Our ability to provide MRP on the customers premises provides value to enterprises that have made investments to execute their recovery requirements on-site. Demand has also increased for cloud-based recovery services.

Managed Services: We provide IT infrastructure and production services that customers use to run their businesses on a day-to-day basis. These services range from co-located IT infrastructure (e.g., we provide data center space, power, cooling and network connectivity) to fully managed infrastructure services (e.g., we fully manage the daily operation of a customer s IT infrastructure). Managed services help customers augment their IT resources and skills without having to hire full-time internal IT staff and make capital investments in infrastructure. In addition to managed hosting services for physical infrastructures, cloud hosting as well as managed services solutions spanning mixed physical and virtual environments are becoming more commonplace. In 2010, we launched enterprise-grade cloud services and have augmented these with high availability, multi-site solutions and private cloud options in 2011. Geographically, we deliver cloud services out of the U.S., Canada and Great Britain and a self-service cloud option out of Ireland.

Consulting Services: We offer consulting services to help customers solve critical business availability and IT infrastructure problems. Our six primary practice areas are information lifecycle governance, data protection, cloud, business continuity management, disaster recovery cost optimization and data center outsourcing. Current capabilities include enterprise resiliency, technology architecture, infrastructure operations and operational risk, taken to market through vertical practices focused in financial services, healthcare, manufacturing, energy and outsourcing.

Business Continuity Management Software: We provide customized software that facilitates business continuity, with automated business continuity management (BCM) systems and incident management modules for more than 1,500 customers. There are strong growth prospects driven by customers lack of internal IT expertise, the required familiarity with the regulatory environment and the growing demand for centralization of BCM planning and governance.

Availability Services operates across the UK and in Europe, delivering a very similar set of services as in the Americas. With locations in the UK, Ireland, France, Sweden, Belgium and Luxembourg, we have considerable ability to support customers from the European Union. In addition, we have Indian operations which provide workforce continuity services out of three locations.

PS&E

Public Sector: PS provides software and technology services designed to meet the specialized needs of local, state and federal governments, public safety and justice agencies, utilities and public sector institutions as

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well as nonprofits. More than 115 million citizens in North America live in municipalities that rely on our products and services. Our public administration solutions support a range of specialized enterprise resource planning and administrative processes for functions such as accounting, human resources, payroll, utility billing, land management and managed IT services. Public safety and justice agencies use our solutions to manage emergency dispatch operations, citizen and incident records, mobile computing in the field, and the operation of courts and jails. Our e-Government solutions help local governments to use the Internet and wireless technologies to serve their constituents. In December 2010, we sold our Public Sector U.K. operation.

K-12 Education: We provide administrative information software solutions and related implementation and support services for K-12 school districts and private schools throughout the United States. Our software and technology services help school districts improve the efficiency of their operations and use Web-based technologies to serve their constituents. We offer a fully integrated suite of products for student information, learning management, special education, financial and human resource activities.

Acquisitions

To complement our organic growth, we have a highly disciplined program to identify, evaluate, execute and integrate acquisitions. Generally, we seek to acquire businesses that broaden our existing product lines and service offerings by adding complementary products and service offerings and by expanding our geographic reach. During 2012, we spent approximately $40 million in cash to acquire two businesses.

The following table lists the businesses we acquired in 2012:

Acquired Company/Business	Date Acquired	Description
Syntesys	01/05/12	A European SWIFT service bureau and network of business and technical experts dedicated to serving the SWIFT community.
XcitekSolutionsPlus, LLC (XSP)	12/21/12	A leading provider of end-to-end, automated corporate actions solutions.

Product Development

We continually support, upgrade and enhance our systems and develop new products to meet the needs of our customers for operational efficiency and resilience and to leverage advances in technology.

Our expenditures for software development during the years ended December 31, 2011 and 2012, including amounts that were capitalized, totaled approximately $190 million and $185 million, respectively. In 2011 and 2012, software development expenses were 4% and 4%, respectively, of revenue from software and processing solutions. These amounts do not include routine software support costs, nor do they include costs incurred in performing certain customer-funded development projects in the ordinary course of business.

Marketing

Most of our FS solutions are marketed throughout North America and Western Europe and many are marketed worldwide, including Asia Pacific, Central and Eastern Europe, the Middle East, Africa and Latin America. Our AS solutions are marketed primarily in North America and Europe. Our PS and K-12 solutions are marketed in North America. Our revenue from sales outside the United States during the years ended December 31, 2010, 2011 and 2012 totaled approximately $1.47 billion, $1.61 billion and $1.54 billion, respectively.

Brand and Intellectual Property

We own registered marks for the SUNGARD name and own or have applied for trademark registrations for many of our services and software products.

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To protect our proprietary services and software, we rely upon a combination of copyright, patent, trademark and trade secret law, confidentiality restrictions in contracts with employees, customers and others, software security measures, and registered copyrights and patents. We also have established policies requiring our personnel and representatives to maintain the confidentiality of our proprietary property. We have a number of patents and patent applications pending as well as a few registrations of our copyrights. We will continue to apply for software and business method patents on a case-by-case basis and will continue to monitor ongoing developments in the evolving software and business method patent field (see Risk Factors).

Competition

Because most of our computer services and software solutions are specialized and technical in nature, most of the niche areas in which we compete have a relatively small number of significant competitors. Some of our existing competitors and some potential competitors have substantially greater financial, technological and marketing resources than we have.

Financial Systems. In our FS business, we compete with numerous other data processing and software vendors that may be broadly categorized into two groups. The first group is comprised of specialized financial systems companies that are much smaller than we are. The second group is comprised of large computer services companies whose principal businesses are not in the financial systems area, some of which are also active acquirors. We also face competition from the internal processing and IT departments of our customers and prospects. The key competitive factors in marketing financial systems are the accuracy and timeliness of processed information provided to customers, features and adaptability of the software, level and quality of customer support, degree of responsiveness, level of software development expertise, total cost of ownership and return on investment. We believe that we compete effectively with respect to each of these factors and that our leadership, reputation and experience in this business are important competitive advantages.

Availability Services. In our AS business, the greatest source of competition for recovery and advanced recovery services is in-house dedicated solutions that the enterprise develops and maintains internally instead of purchasing from a services provider. The declining cost of infrastructure has made these solutions more accessible, yet the growing complexity of IT environments driven by cloud and virtualization has increased the challenge of sustaining in-house business continuity programs. Historically, the single largest commercial competitor for recovery and advanced recovery services has been IBM Corporation, which, like us, currently provides the full continuum of information availability services. We also face moderate competition from specialized vendors, including hardware manufacturers, data-replication and virtualization software companies, outsourcers, managed hosting companies; IT services companies and telecommunications companies. Competition among managed services, including cloud and data center service providers, is fragmented across various competitor types, such as major telecommunication providers, IT outsourcers, niche cloud vendors, real estate investment trusts and regional colocation providers. We compete effectively with respect to the key competitive dimensions in the information availability industry, namely economies of scale, quality of infrastructure, scope and quality of services, including breadth of supported hardware platforms and network capacity, level and quality of customer support, level of technical expertise, vendor neutrality, and price. We are positioned with important competitive advantages including our experience, reliability and reputation as an innovator in information availability solutions, our proven track record, our financial stability and our ability to provide the entire portfolio of information availability services as a single vendor solution.

Employees

As of December 31, 2012, we had approximately 17,000 employees. Our success depends partly on our continuing ability to retain and attract skilled technical, sales and management personnel. While skilled personnel are in high demand and competition exists for their talents, we have been able to retain and attract highly qualified personnel (see Risk Factors).

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Properties

We lease space, primarily for availability services facilities, data centers, sales offices, customer support offices and administrative offices, in many locations worldwide. We also own some of our computer and office facilities. Our principal facilities include our leased Availability Services facilities in Philadelphia, Pennsylvania (592,000 square feet), Carlstadt, New Jersey (661,000 square feet), and Hounslow, England (195,000 square feet) and include our financial systems application service provider centers in Voorhees, New Jersey; Burlington, Massachusetts; Hopkins, Minnesota; Salem, New Hampshire; Ridgefield, New Jersey; and Wayne, Pennsylvania. We believe that our leased and owned facilities are adequate for our present operations.

Legal Proceedings

We are presently a party to certain lawsuits arising in the ordinary course of our business. We believe that none of our current legal proceedings will be material to our business, financial condition or results of operations (see Note 14 of Notes to Consolidated Financial Statements).

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MANAGEMENT

Our executive officers and directors are listed below.

Name	Age	Principal Position with SunGard Data Systems Inc.
Executive Officers		
Regina Brab	54	Senior Vice President Human Resources and Chief Human Resources Officer
Anthony Calenda	45	Senior Vice President Corporate Development and Strategy
Vincent R. Coppola	56	Senior Vice President, Global Business Services and Technology
Harold C. Finders	57	Chief Executive Officer, Financial Systems
Russell P. Fradin	57	President, Chief Executive Officer and Director
Karen M. Mullane	48	Vice President and Controller
Charles J. Neral	54	Senior Vice President Finance and Chief Financial Officer
Victoria E. Silbey	49	Senior Vice President Legal and Chief Legal Officer
Andrew A. Stern	55	Chief Executive Officer, Availability Services
Brian A. Traquair	56	President, Capital Markets Group
Directors		
Martin Brand	38	Director
Christopher Gordon	40	Director
James H. Greene, Jr.	62	Director
Glenn H. Hutchins	57	Chairman of the Board of Directors
John Marren	50	Director
Sanjeev Mehra	54	Director
R. Davis Noell	34	Director

Ms. Brab has been Senior Vice President Human Resources and Chief Human Resources Officer since January 2013. Prior to joining SunGard, from 1990 to January 2013, Ms. Brab held various senior positions at Aon Hewitt, a global provider of human resources consulting and outsourcing solutions and a business unit of Aon Corporation, most recently as Senior Partner and East Region Managing Director.

Mr. Calenda has been Senior Vice President Corporate Development and Strategy since July 2012. From 2011 to July 2012, Mr. Calenda was Vice President, Corporate Development, Enterprise Growth at American Express, a global financial services company. From 2010 to 2011, Mr. Calenda was Managing Director at Macquarie Holdings, a global provider of banking, financial, advisory, investment and funds management services, and in 2009 he was Director, Corporate Development at CME Group, a derivatives marketplace. From 1998 to 2008, Mr. Calenda held various roles at Citigroup, most recently Managing Director of Strategy and M&A.

Mr. Coppola has been Senior Vice President, Global Business Services and Technology since December 2011 and Senior Vice President Operations, Financial Systems from August to December 2011. Prior to joining SunGard, Mr. Coppola held senior positions at Hewitt Associates, a global provider of human resources consulting and outsourcing solutions, including as Global Chief Operating Officer, Consulting during 2012, and as Senior Vice President Global Business Services & Technology from 2008 to 2010. From 1983 to 2007, he held various senior executive positions with Automatic Data Processing, Inc., a provider of benefits and payroll processing services.

Mr. Finders has been Chief Executive Officer, Financial Systems, since March 2011, Interim Chief Executive Officer, Financial Systems, from January to March 2011, and Division Chief Executive Officer, Financial Systems, from 2007 to 2010. Mr. Finders was Group Chief Executive Officer, SunGard Europe from 2005 to 2007. From 2001 to 2005, Mr. Finders headed the SunGard Investment Management Systems businesses based in Europe. From 1996 to 2001, he held various senior management positions with us overseeing a number of our European Financial Systems businesses. Mr. Finders headed a Geneva-based wealth management systems business that we acquired in 1996.

Mr. Fradin has been Chief Executive Officer, President and a director since 2011. From 2010 to 2011, Mr. Fradin was chairman and chief executive officer of Aon Hewitt, a global provider of human resources consulting and outsourcing solutions and a business unit of Aon Corporation, and from 2006 to 2010, Mr. Fradin was chief executive officer of Hewitt Associates. Mr. Fradin was President and Chief Executive Officer of The BISYS Group, Inc., a provider of outsourcing solutions for the financial services sector, from 2004 to 2006, and from 1997 to 2004 he held various senior executive positions with Automatic Data Processing, Inc., a provider of benefits and payroll processing services. Mr. Fradin is currently a director of Best Buy Co., Inc.

Ms. Mullane has been Vice President and Controller since 2006, Vice President and Director of SEC Reporting from 2005 to 2006, Director of SEC Reporting from 2004 to 2005 and Manager of SEC Reporting from 1999 to 2004. From 1997 to 1999, she was Vice President of Finance at NextLink Communications of Pennsylvania and, from 1994 to 1997, she was Director of Finance at EMI Communications. Ms. Mullane is a director and/or officer of most of our domestic and foreign subsidiaries.

Mr. Neral has been Senior Vice President Finance and Chief Financial Officer since July 2012. Prior to joining SunGard, Mr. Neral served as Senior Vice President & Chief Financial Officer from 2009 to 2012 at SafeNet, Inc., a cyber-security company. From 2004 to 2009 he served as Vice President, Finance of IBM s worldwide software business and from 1981 to 2004 he served in a variety of financial roles across IBM s Sales, Server and Global Services organizations, including executive roles in Asia Pacific and at IBM headquarters.

Ms. Silbey has been Senior Vice President Legal since 2006, Chief Legal Officer since 2011, General Counsel from 2006 to 2011 and Vice President Legal and General Counsel from 2005 to 2006. From 1997 to 2005, Ms. Silbey held various legal positions with us, including Vice President Legal and Assistant General Counsel from 2004 to 2005. From 1991 to 1997, she was a lawyer with Morgan, Lewis & Bockius LLP, Philadelphia. Ms. Silbey is a director and officer of most of our domestic and foreign subsidiaries.

Mr. Stern has been Chief Executive Officer, SunGard Availability Services since 2010. Mr. Stern held various senior positions with USinternetworking, Inc. (acquired by AT&T in 2006), including Chief Executive Officer from 2000 to 2008, Chairman from 2002 to 2006, Chief Operating Officer from 1999 to 2000 and Executive Vice President and Chief Financial Officer from 1998 to 1999. Previously, he served as Executive Vice President, Strategy and Reinsurance Operations at USF&G.

Mr. Traquair has been President, Capital Markets Group since January 2012 and President, Capital Markets and Investment Banking from 2007 to 2011 and President, Securities Finance from 2001 to 2007. Mr. Traquair was in a management position at Loanet, a company we acquired in 2001, and prior to Loanet, he held various management positions at IP Sharp Associates, Reuters and Instinet.

Mr. Brand has been a director since November 2012. Mr. Brand is a Managing Director in the Private Equity Group of The Blackstone Group, which he joined in 2003. Mr. Brand was a consultant with McKinsey & Company in London from 2000 to 2001 and from 1998 to 2000 he was a derivatives trader with the Fixed Income, Currency and Commodities division of Goldman, Sachs & Co. in New York and Tokyo. Mr. Brand currently serves on the Boards of Directors of Bayview Financial, L.P., Exeter Finance Corp., Knight Capital Group, Inc., Orbitz Worldwide, Inc., Travelport Limited and PBF Energy Inc., and previously served on the Board of Directors of Performance Food Group.

Mr. Gordon has been a director since November 2012. Mr. Gordon is a Managing Director of Bain Capital Partners, LLC and joined the firm in 1997. Prior to joining Bain Capital, Mr. Gordon was a consultant at Bain & Company. Mr. Gordon currently serves on the Board of Directors of Accellent Inc., Air Medical Group Holdings, Inc., CRC Health Corporation, HCA Holdings, Inc., Physio-Control, Inc. and Quintiles Transnational Corp.

Mr. Greene has been a Director since 2005. Mr. Greene joined Kohlberg Kravis Roberts & Co. LP, a global alternative asset management firm (KKR), in 1986 and was a General Partner of KKR from 1993 until 1996, when he became a member of KKR & Co. L.L.C. until October 2009. From October 2009 until January 2013, Mr. Greene was a member of KKR Management, LLC, which is the general partner of KKR & Co. L.P. Mr. Greene is currently an advisory partner for KKR. Mr. Greene serves on the Board of Directors of Aricent Inc., Capital Safety, Capsugel, TASC, Inc. and Western New York Energy, LLC and previously served on the Board of Directors of Accuride Corporation, Alliance Imaging, Inc., Avago Technologies, Inc., Nuvox, Inc., Sun Microsystems, Inc. and Zhone Technologies, Inc.

Mr. Hutchins has been Chairman of the Boards of Directors since 2005. Mr. Hutchins is a co-founder and Managing Director of Silver Lake, a technology investment firm that was established in 1999 and was Co-Chief Executive until 2011. Mr. Hutchins serves on the Board of Directors of The Nasdaq OMX Group, Inc.

Mr. Marren has been a Director since 2005. Mr. Marren joined TPG Capital, a private equity firm, in 2000 as a partner and leads the firm s technology team. From 1996 to 2000, he was a Managing Director at Morgan Stanley. From 1992 to 1996, he was a Managing Director and Senior Semiconductor Research Analyst at Alex Brown & Sons. Mr. Marren currently serves on the Board of Directors of Avaya Inc. and Freescale Semiconductor Inc. and previously served on the Board of Directors of Alltel Corporation, Conexant Systems Inc., MEMC Electronic Materials, Inc. and ON Semiconductor Corporation.

Mr. Mehra has been a Director since 2005. Mr. Mehra has been a partner of Goldman, Sachs & Co. since 1998 and a Managing Director of Goldman, Sachs & Co. s Principal Investment Area of its Merchant Banking Division since 1996. He serves on the Boards of Directors of ARAMARK Corporation, Interline Brands Inc., KAR Auction Services, Inc., Sigma Electric, Max India Limited and TVS Logistics Services Limited, and previously served on the Board of Directors of Adam Aircraft Industries, Inc., Burger King Holdings, Inc., First Aviation Services, Inc., Hawker Beechcraft, Inc., Hexcel Corporation, Madison River Telephone Company, LLC and Nalco Holding Company.

Mr. Noell has been a Director since October 2012. Mr. Noell is a Principal of Providence Equity L.L.C., an affiliate of the Providence Equity Funds. Prior to joining Providence in 2003, Mr. Noell was an analyst in Deutsche Bank s media investment banking group. Mr. Noell currently serves on the Boards of Directors of Altegrity Inc., The Chernin Group, LLC, GLM LLC and Stream Global Services, Inc., and previously served on the Board of Directors of eTelecare Global Solutions, Inc.

Prior to November 7, 2012, the Amended and Restated Certificate of Incorporation of SCC was structured to permit the holders of specific classes of Class A common stock representing funds affiliated with each Sponsor group to elect separate directors and also allowed for the holders of all outstanding common stock to elect additional directors. Also prior to November 7, 2012, the Principal Investor Agreement dated August 10, 2005 by and among the four parent companies and the Sponsors further contained agreements among the parties with respect to the election of our directors. Each Sponsor was entitled to elect one representative to the Board of Directors of SCC, which would then cause the Board of Directors or Managers, as applicable, of the other three parent companies and of SunGard to consist of the same members (together, the Boards of Directors of SCC, SCCII and SunGard are referred to as the Boards). In accordance with both the Amended and Restated Certificate of Incorporation of SCC and the Principal Investor Agreement, each of Messrs. Greene, Hutchins, Marren and Mehra have been elected to the Boards as directors annually since 2005, and Mr. Noell was elected to the Boards as a director in October 2012.

On November 7, 2012, SCC filed a Second Amended and Restated Certificate of Incorporation (the Restated Certificate) removing the specific class rights to elect directors of SCC associated with Class A-1 through Class A-7 of SCC s common stock and making certain other amendments incidental thereto. Additionally, as of November 7, 2012, the Stockholders Agreement dated August 10, 2005 by and among the four parent companies, SunGard, the Sponsors and other stockholders was amended and restated primarily to

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give each Sponsor the right to nominate one director and to require each Sponsor to vote its shares to elect each Sponsor-designated nominee. Each of the Principal Investor Agreement and the Participation Agreement were amended to make certain amendments incidental to the foregoing. In accordance with the Amended and Restated Stockholders Agreement, Messrs. Brand and Gordon were elected to the Boards as directors in November 2012.

In accordance with the charter of the Nominating and Corporate Governance Committee, to the extent consistent with applicable agreements, the Nominating and Corporate Governance Committee will identify, recommend and recruit qualified candidates to fill new positions on the Boards and will conduct the appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates.

On May 31, 2011, in connection with becoming the chief executive officer and in accordance with his employment agreement, Russell P. Fradin was elected to serve as a director on the Boards.

As a group, the Sponsor directors possess experience in owning and managing enterprises like the Company and are familiar with corporate finance, strategic business planning activities and issues involving stakeholders more generally. All of the Company s directors possess high ethical standards, act with integrity, and exercise careful, mature judgment. Each is committed to employing their skills and abilities to aid the long-term interests of the stakeholders of the Company.

The Boards have determined that Mr. Marren qualifies as an audit committee financial expert within the meaning of regulations adopted by the SEC. Mr. Marren may not be considered an independent director because of his affiliation with TPG, the affiliated funds of which hold a 13.59% equity interest in our Parent Companies.

Our Global Business Conduct and Compliance Program is applicable to our directors and employees, including the chief executive officer, chief financial officer and controller.

The Global Business Conduct and Compliance Program is available on our website at http://www.sungard.com/aboutsungard/corporateresponsibility/governance. A free copy of our Global Business Conduct and Compliance Program may be requested from:

SunGard Data Systems Inc.

Chief Compliance Officer

680 East Swedesford Road

Wayne, PA 19087

If we make any substantive amendments to the Global Business Conduct and Compliance Program which apply to our chief executive officer, chief financial officer or controller or grant any waiver, including any implicit waiver, from a provision of the Global Business Conduct and Compliance Program to our directors or executive officers, we will disclose the nature of the amendment or waiver on our website at www.sungard.com/corporateresponsibility or in a report on Form 8-K.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company s officers and directors, and persons who own more than ten percent of a registered class of the Company s equity securities, to file reports of securities ownership and changes in such ownership with the SEC. Officers, directors and greater than ten percent shareholders also are required by rules promulgated by the SEC to furnish the Company with copies of all Section 16(a) forms they file. Based solely upon a review of the copies of such forms furnished to the Company or written representations that all reportable transaction were reported, the Company believes that all Section 16(a) filing requirements were timely met during 2012, except that Form 4s were filed for a former executive officer, Kathleen Weslock, on June 28, 2012 with respect to a sale of shares on June 20, 2012.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Summary

This section discusses the principles underlying our executive compensation policies and decisions. It provides qualitative information regarding the manner in which compensation is earned by our executive officers and places in context the data presented in the tables that follow. In addition, in this section, we address the compensation paid or awarded during fiscal year 2012 to our chief executive officer (principal executive officer), chief financial officer (principal financial officer), former chief financial officer, and three other executive officers who were the most highly compensated executive officers in fiscal year 2012. We refer to these six executive officers as our named executives.

The primary focus of our compensation philosophy is to pay for performance. We believe our programs are effectively designed and align well with the interests of our stockholders and are instrumental to achieving our business strategy.

Highlighted below are some of the key actions and decisions with respect to our executive compensation programs for fiscal 2012 as approved by the Compensation Committee:

- Our executive compensation is tightly linked with performance.

- The Compensation Committee adopted, and subsequently amended and restated on November 15, 2012, the SunGard Annual Incentive Plan, which covers the performance-based executive incentive compensation (EIC) program. The design and administration of the plan was evaluated and changed to place more emphasis on pay for performance elements of both financial and individual objectives of our executives.

- As with past years, the Compensation Committee approved EIC plans by which the named executives were eligible to earn cash incentive compensation based upon achievement of specific financial objectives for 2012 that are designed to challenge the named executives to high performance. In prior years, Internal EBITA (as defined below) had been the sole financial measure for our corporate-level senior executives. In 2012, EIC included EBITA, revenue, sales targets as well as individual objectives. This change was designed to bring focus to both growth and planning for the future.

- Individual EIC bonuses were capped at 2.0 times the target EIC bonus for our corporate-level senior executives and at no higher than 3.0 times the target EIC bonus for our segment-level senior executives.

- We evaluated risks associated with our compensation programs. As described below under the Risk Considerations in Our Compensation Programs, we concluded that our compensation policies and practices for 2012 do not create risks that are reasonably likely to have a material adverse effect on the Company.

Administration of Our Compensation Program

Our executive compensation program is overseen and administered by the Compensation Committee. The Compensation Committee operates under a written charter adopted by our Boards and has responsibility for discharging the responsibilities of the Boards relating to the compensation of the Company s executive officers and related duties. Management, including our chief executive officer, or CEO, evaluates a number of factors in developing cash and equity compensation recommendations to the Compensation Committee for its consideration and approval. Following this review and in consultation with management, our CEO makes compensation recommendations for our executive officers, including the CEO, to the Compensation Committee based on his evaluation of each officer s performance, expectations for the coming year and market

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compensation data. The Compensation Committee reviews these proposals and makes all final compensation decisions for these officers by exercising its discretion in accepting, modifying or rejecting any management recommendations, including any recommendations from our CEO.

In November 2012, in connection with various changes in director positions held by our Sponsors, the Boards realigned the composition of the Compensation Committee to add Messrs. Noell and Gordon, each appointed to the Boards in October and November 2012, respectively. Mr. Greene remained Chairperson of the Committee, a position he has held since 2005.

Objectives of Our Compensation Program

Our executive compensation program is intended to meet three principal objectives:

- to provide competitive compensation packages to attract and retain superior executive talent;
- to reward successful performance by the executive and the Company by linking a significant portion of compensation to future financial and business results; and
- to further align the interests of executive officers with those of our ultimate stockholders by providing long-term equity compensation and meaningful equity ownership.

To meet these objectives, our compensation program balances short-term and long-term performance goals and mixes fixed and at-risk compensation that is directly related to stockholder value and overall performance.

Our compensation program for senior executives, including the named executives, is designed to reward Company performance. The compensation program is intended to reinforce the importance of performance and accountability at various operational levels, and therefore a significant portion of total compensation is in both cash and stock-based compensation incentives that reward performance as measured against established goals, i.e., pay for performance. Each element of our compensation program is reviewed individually and considered collectively with the other elements of our compensation program to ensure that it is consistent with the goals and objectives of both that particular element of compensation and our overall compensation program. For each named executive, we look at each individual s contributions to our overall results, our operating and financial performance compared with the targeted goals, and our size and complexity compared with companies in our compensation peer group.

Elements of Our Executive Compensation Program

In 2012, the principal elements of compensation for named executives were:

- annual cash compensation consisting of base salary and performance-based EIC bonuses;
- long-term equity incentive compensation;
- benefits and perquisites; and
- severance compensation and change of control protection.

Annual Cash Compensation

Management, including our CEO, develops recommendations for annual executive cash compensation plans with consideration of compensation survey data for a broad set of organizations of comparable business, size and complexity, and then compares the survey results to publicly available compensation data for a group of companies we consider to be our peer group. We believe that the compensation practices of these companies provide us with appropriate benchmarks because they also provide technology products and services to a variety of customers and compete with us for executives and other employees.

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The survey data used for 2012 compensation purposes came from two sources: Radford Global Technology Survey, which focuses on technology companies, and Towers Watson Survey Report on Top Management Compensation, which focuses on a broader array of organizations including professional services, high-tech and manufacturing companies. For purposes of establishing compensation recommendations, we used a blend of these surveys to reflect our size, industry and appropriateness of the position matched. In the previous year, we also included data from the Mercer US Global Premium Executive Remuneration Survey for the first time. In 2012, the Committee determined that the Mercer survey did not represent enough like sized high-tech companies to make the comparisons meaningful, and thus excluded Mercer data and relied on the two sources identified.

The companies we consider within our peer group are financial services and software companies of similar industry and revenue as the Company, and some of which various businesses within the Company compete against for business and for talent. In reviewing the peer group list for use during 2012, the peer group was updated to remove two companies that were primarily transaction-based companies and not comparable as a software development peer (MasterCard and Visa) and to add seven companies (as noted below) that met the revenue and industry type parameters. The median reported revenue for the group of seven companies added was $3.8 billion. Peer group compensation data is limited to publicly available information and therefore generally does not provide precise comparisons by position as offered by the more comprehensive survey data from other public surveys used in our broader analysis as described above. As a result, the peer group data provides limited guidance and does not dictate the setting of executive officers compensation. The following companies comprised our peer group in 2012:

Automatic Data Processing, Inc.	DST Systems, Inc.*	Symantec Corporation
Amdocs Limited*	Fidelity National Information Services, Inc.	The Western Union Company
Broadridge Financial Solutions, Inc.	First Data Corporation	Thomson Reuters Corporation*
CA, Inc.	Fiserv, Inc.	VMWare, Inc.*
CACI International Inc.*	Intuit Inc.	
Cognizant Technology Solutions Corporation*	Iron Mountain Incorporated	**Added to peer group in 2012*

Our annual cash compensation packages for executive officers include base salary and an EIC bonus. In our desire to pay for performance, we weight the cash compensation more heavily toward the performance incentives and less toward the base salary. In 2012, we deemphasized our focus on targeting specific market percentiles in comparisons to survey and peer data and placed more weight in reviewing experience, role and performance in making compensation decisions.

The compensation of Mr. Neral was based on the terms of the employment agreement entered into with Mr. Neral in connection with the commencement of his employment on July 2, 2012. In addition to the components of compensation discussed below, Mr. Neral received a sign-on bonus of $100,000 and restricted stock unit (RSU) awards, further described under Grants of Plan-Based Awards in Fiscal Year 2012.

Base Salary. For base salary, we provide a fixed compensation based on competitive market practice that is not subject to performance risk while also considering other factors, such as individual and Company performance. We review the base salaries for each named executive annually as well as at the time of any promotion or significant change in job responsibilities. Base salaries are determined for each named executive based on his or her position and responsibility with consideration of survey data. Salary for each named executive for calendar year 2012 is reported in the Summary Compensation Table below. In 2012, no compensation increases were made to Messrs Fradin, Woods and Stern. Messrs. Finders and Traquair each received a compensation increase in 2012 due to promotions and increased responsibilities.

Performance-Based Incentive Compensation. The annual EIC bonus for executive officers is designed to reward our executives for the achievement of annual financial goals related to the business for which they have responsibility. A minimum incentive may be earned at threshold EIC goals, and no payment is awarded if the

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threshold goal is not achieved. On-target EIC goals are set generally at levels that reflect budgeted performance. Consistent with our focus on pay for performance, additional amounts can be earned when actual performance exceeds on-target performance. The Company may revise or cancel an executive s EIC at any time as a result of a significant change in circumstances or the occurrence of an unusual event that was not anticipated when the performance plan was approved. As applicable, targets are adjusted to take into account acquisitions and/or dispositions which were not included in the budgeted EIC targets and other one-time adjustments as approved by the Compensation Committee. Individual EIC bonuses were capped at 2.0 times the target EIC bonus for our corporate-level senior executives and up to 3.0 times the target EIC bonus for our segment-level senior executives.

In 2012, the design and administration of the plan was evaluated and updated to place more emphasis on pay-for-performance elements of both financial and individual objectives of our executives. The plan establishes minimum, on-target, and maximum performance goals for key financial measures. In prior years, the named executives were entitled to receive overrides, an increase in bonus equal to a small percentage of the amount by which the on-target Internal EBITA performance goal was exceeded. In the new plan design, the override concept was eliminated and replaced with opportunity for above on-target performance for each financial performance measure, subject to the caps described above.

The financial measures used for the 2012 EIC bonuses for the named executives were one or more of the following: (i) Internal EBITA, which represents actual earnings before interest, taxes and amortization, noncash stock compensation expense, management fees paid to the Sponsors and certain other unusual items, (ii) budgeted revenue growth, (iii) sales, (iv) the run rate for services provided for which we will be billing effective at the start of a year and (v) EBITDA minus CAPEX, which represents actual earnings before interest, taxes, depreciation and amortization less capital expenditures. These metrics were selected as the most appropriate measures upon which to base the 2012 EIC bonuses for the named executives because they are important metrics that management and the Boards use to evaluate the performance of the Company or a particular business. In 2012, Messrs. Fradin, Finders and Traquair had 80% of their target bonus tied to financial objectives and 20% tied to individual objectives. Messrs. Neral and Stern had 75% of their target bonus tied to financial performance and 25% tied to individual objectives.

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For each of our named executives, 2012 actual performance was reviewed against both the financial measures and individual objectives applicable to each named executive. The following table provides the 2012 threshold, on-target and maximum financial performance goals applicable to each named executive and the EIC bonuses each named executive earned based on actual 2012 results of performance of both financial and individual objectives. Mr. Woods was not employed at year-end 2012 and therefore is excluded from the table.

	2012 Performance Goals(1) (in millions)			Actual 2012 EIC Bonus Payment
Name and Goals	**Minimum**	**On-Target**	**Maximum**	**(% of target)**
Russell P. Fradin				
Consolidated Company Internal EBITA	$ 870	$ 925	$ 1,017	
Consolidated Company Internal Revenue	$ 4,401	$ 4,520	$ 4,759	$ 1,800,000
Consolidated Software & Processing Internal EBITA	$ 613	$ 645	$ 709	
Consolidated Software & Processing Internal Revenue	$ 2,980	$ 3,060	$ 3,220	
Financial Systems Segment Internal Sales	$ 940	$ 1,000	$ 1,090	(100%)
Charles J. Neral				
Consolidated Company Internal EBITA	$ 870	$ 925	$ 1,017	$ 250,000(2)
Consolidated Company Internal Revenue	$ 4,401	$ 4,520	$ 4,759	
Consolidated Software & Processing Internal EBITA	$ 613	$ 645	$ 709	(100%)
Financial Systems Segment Internal Sales	$ 940	$ 1,000	$ 1,090	
Harold C. Finders				$ 1,008,082(3)
Consolidated Financial Systems Segment Internal EBITA	$ 624	$ 659	$ 749	
Consolidated Financial Systems Segment Internal Revenue	$ 2,707	$ 2,822	$ 3,060	(111.6%)
Financial Systems Segment Internal Sales	$ 940	$ 1,000	$ 1,140	
Andrew A. Stern				$ 723,134
Availability Services Segment Internal EBITDA	$ 465	$ 480	$ 528	
Availability Services Segment Recurring Monthly Contract Revenue	$ 107	$ 115	$ 118	
Availability Services Segment EBITDA minus CAPEX	$ 264	$ 289	$ 365	(93.3%)
Brian A. Traquair				
Consolidated Financial Systems Segment Internal EBITA	$ 624	$ 659	$ 749	
Consolidated Capital Markets Group Internal EBITA	$ 375	$ 389	$ 435	
Consolidated Financial Systems Segment Internal Revenue	$ 2,707	$ 2,822	$ 3,060	$ 582,598(4)
Consolidated Capital Markets Group Internal Revenue	$ 1,087	$ 1,109	$ 1,181	
Capital Markets Group Internal Sales	$ 279	$ 296	$ 408	(97.1%)

(1) Performance goals as shown are not adjusted to take into account acquisitions and/or dispositions and other one-time adjustments as approved by the Compensation Committee.

(2) In accordance with the terms of Mr. Neral s employment agreement, his 2012 bonus was to be no less than the pro-rata share of the target amount ($500,000) based on the number of days Mr. Neral was employed in 2012.

(3) Mr. Finders is paid in Swiss Francs (CHF). The bonus amount reflected in the table has been converted to U.S. dollars at the currency exchange rate of CHF 1 = USD 1.12963 used for purposes of the Company s 2012 operating budget. Mr. Finders bonus calculation was subject to an additional opportunity to earn 115% of his calculated bonus based on the achievement of specific cost-savings targets. This opportunity was realized and the bonus shown above includes an additional 15% of his calculated bonus. Excluding the additional 15% paid, Mr. Finders earned bonus would have been 97% of target.

(4) Mr. Traquair is paid in Canadian Dollars (CAD). The bonus amount reflected in the table has been converted to U.S. dollars at the currency exchange rate of CAD 1 = USD 1.01194 used for purposes of the Company s 2012 operating budget. Mr. Traquair s bonus calculation was subject to an additional

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opportunity to earn 125% of his calculated bonus based on the achievement of specific cost-savings targets. This opportunity was realized and the bonus shown above includes an additional 25% of his calculated bonus. Excluding the additional 25% paid, Mr. Traquair s earned bonus would have been 77.7% of target.

Long-Term Equity Compensation

We intend for our equity program to be the primary vehicle for offering long-term incentives and rewarding our executive officers as well as managers and key employees because of the direct relationship between the value of these equity awards and the value of our stock. By compensating our executives with equity incentive awards, our executives hold a stake in the Company s financial future. The gains realized in the long term depend on our executives ability to drive the financial performance of the Company. Equity awards are also a useful vehicle for attracting and retaining executive talent in our competitive talent market.

Our 2005 Management Incentive Plan, as amended, provides for the grant of various forms of equity awards. We seek to provide equity grants that are competitive with companies in our peer group and other technology companies with which we compete for executive talent. When making annual equity awards to named executives, we consider past-year results, the role, responsibility and performance of the individual named executive, a competitive market assessment, prior equity awards, and the level of vested and unvested equity awards then held by each named executive. Awards granted in 2012 were for Units in the Parent Companies. Each Unit consists of 1.3 shares of Class A common stock and 0.1444 shares of Class L common stock of SCC and 0.05 shares of preferred stock of SCCII. The shares comprising a Unit are in the same proportion as the shares issued to all stockholders of the Parent Companies.

In 2012, we granted certain named executives a mix of time- and performance-based RSU awards as described in more detail below, including under the Summary Compensation Table and the Grants of Plan-Based Awards in Fiscal Year 2012. Mr. Neral received RSU grants in July and September 2012 in accordance with the terms of his employment agreement. Mr. Finders received an RSU grant in February 2012 due to his 2011 promotion and significant increase in responsibilities as well as an RSU grant in November 2012 as part of the regular annual grant program. Mr. Stern received a time-based RSU award in June 2012 in accordance with the terms of his employment agreement. Mr. Traquair received an RSU grant in September 2012 due to his 2012 promotion and significant increase in responsibilities as well as an RSU grant in November 2012 as part of the regular annual grant program. Mr. Fradin did not receive an equity award in 2012 but is entitled to additional equity in accordance with the terms of his employment agreement. The Company and Mr. Fradin are currently discussing an alternative award that will preserve the economic value of the contemplated equity awards.

Based upon actual year-end 2012 results, (i) 8.89% of each performance-based equity award granted in years 2008 through 2010 vested out of a maximum of 20%, (ii) 100% of each performance-based equity award granted in 2011 with an 18-month performance period was earned with 52% vesting at the end of the performance period and the remaining balance vesting monthly for the next 24 months, and (iii) 100% of each performance-based equity award granted in 2012 with a 12-month performance period ending December 31, 2012 was earned with 28% vesting at the end of the performance period and the remaining balance vesting monthly for the next 36 months.

Benefits and Perquisites

We offer a variety of health and welfare programs to all eligible employees, including the named executives. The named executives are eligible generally for the same benefit programs on the same basis as the rest of the Company s employees in the particular country in which the named executive resides, including medical and dental care coverage, life insurance coverage, short-and long-term disability and a 401(k) or other savings plan or defined contribution pension plan.

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The Company limits the use of perquisites as a method of compensation and provides executive officers with only those perquisites that we believe are reasonable and consistent with our overall compensation program to better enable the Company to attract and retain superior employees for key positions. The perquisites provided to the named executives are described in the Summary Compensation Table below.

Employment Agreements, Severance Compensation & Change of Control Protection

Employment Agreement with Russell P. Fradin: On May 13, 2011, we entered into a definitive employment agreement with Mr. Fradin, with an effective date of May 31, 2011, pursuant to which he was appointed President and Chief Executive Officer of SunGard and a member of the Boards. The terms include the following:

A term through May 31, 2016, with one-year renewals automatically effective 30 days before expiration, unless terminated on 30 days advance notice.

An annual base salary of $900,000, subject to review periodically for appropriate increases by the Compensation Committee pursuant to the Company s normal performance review policies for senior level executives, and a target annual bonus of 200% of his annual base salary.

Employee benefits consistent with those made available to the Company s senior level executives, and relocation benefits consistent with the Company s relocation policy.

A grant of a time-based RSU award of 307,000 Units on May 31, 2011, which vests as to 33 1/3% on each of the first three anniversaries of the date of grant,

An agreement that the Company will grant, as soon as practicable following an equity recapitalization, (i) 1,200,000 options on a future date (Future Options), of which 600,000 will vest as to 20% on each of the first five anniversaries of May 31, 2011 and 600,000 will vest based on attainment of Company performance goals and (ii) RSUs on a future date (Future RSUs) equal to the excess of the aggregate fair market value of 1,200,000 shares of Company stock on the date of grant of the Future Options over the fair market value of 1,200,000 Units on May 31, 2011, of which 600,000 will have time-based vesting and 600,000 will have performance-based vesting. These awards, however, were not granted because the equity recapitalization did not occur and, accordingly, the Company and Mr. Fradin are currently discussing an alternative award that will preserve the economic value of the contemplated equity awards.

An aggregate $5,000,000 equity investment to be made by Mr. Fradin in the Company at fair market value, which was made in 2011.

Mr. Fradin will be subject to any Company recoupment/clawback policy applicable to senior executives of the Company. If no such policy exists and the Company is required to restate its financials (for periods beginning after May 31, 2011), then the Boards may seek to recover or require reimbursement of any related annual bonus paid to Mr. Fradin for the applicable period. If Mr. Fradin violates the noncompetition, nonsolicitation or confidentiality covenants set forth in the employment agreement within the two years following termination of employment, then the Boards may recover severance benefits paid to Mr. Fradin.

Certain restrictive covenants (noncompetition, confidentiality and nonsolicitation) that continue for two years following the termination date.

The right to receive certain severance payments and benefits upon certain terminations. See Potential Payments Upon Termination or Change of Control below.

If an excise tax under sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code) will be triggered by any payments upon a change in control prior to an initial public offering, the Company will in good faith seek to obtain stockholder approval of such payments so that they are exempt from the excise tax under sections 280G and 4999 of the Internal Revenue Code. After an initial public offering, the Company will either (i) pay Mr. Fradin any amounts subject to sections 280G and 4999 of the Internal Revenue Code (and Mr. Fradin will be responsible for the excise tax) or (ii) reduce such payments so that no amounts are subject to sections 280G and 4999 of the Internal Revenue Code, whichever results in a better after-tax amount for Mr. Fradin.

Mr. Fradin s employment agreement was the result of arm s-length negotiation between representatives of Mr. Fradin and the Chairperson of the Compensation Committee, who received advice and input from counsel, and was approved by both the Compensation Committee and the Boards. The Compensation Committee and Boards believed that the salary, bonus and long-term compensation provided under the employment agreement were in the aggregate consistent with the compensation packages provided to CEOs in comparable positions.

Other Executive Employment Agreements: In connection with the 2005 LBO, the Company entered into definitive employment agreements with certain senior managers, including Mr. Finders. The Company entered into employment agreements with Messrs. Neral, Stern and Woods when they each joined the Company. The executives with such agreements are eligible for payments if employment terminates involuntarily or, for certain executives, if there is a change of control, as described under Potential Payments Upon Termination or Change of Control below. The agreements were designed to retain executives and provide continuity of management in the event of an actual or threatened change of control.

The agreements include the following terms:

- An initial term followed by one-year automatic renewals unless terminated on one year s advance notice with the exception of Mr. Neral s agreement, which requires 60 days advance notice.

- Base salary subject to review periodically for appropriate increases by the CEO or the Compensation Committee pursuant to the Company s normal performance review policies for senior level executives.

- The opportunity to participate in all short-term and long-term incentive programs, including an annual cash bonus, established by the Company for senior level executives.

- Employee benefits consistent with those made available to the Company s senior level executives.

- Participation in the equity plan of SCC and SCCII.

- For certain executives, the right to receive certain severance payments as defined in the applicable agreements, including upon a termination without cause, a resignation for good reason or a change of control. For Mr. Finders, these terms were consistent with the severance payments provided for under the change of control agreement with the Company in effect prior to the LBO, and for the other named executives with employment agreements, these terms were believed to be consistent with the compensation packages provided to executives in comparable positions. See Potential Payments Upon Termination or Change of Control below.

- Certain restrictive covenants (noncompetition, confidentiality and nonsolicitation) that continue for applicable post-termination periods.

- For certain executives, the right to receive a tax gross-up payment or the right to require the Company to obtain stockholder approval should any payment provided under the agreement be subject to the excise tax under section 4999 of the Internal Revenue Code.

Additionally, under the terms of Mr. Stern s employment agreement, Mr. Stern (i) is eligible for equity in AS upon a spin-off of AS and cash compensation upon a sale or other disposition of all or some portion of AS prior to a spin-off or upon a spin-off followed by an initial public offering of common stock of the entity controlling AS; (ii) received a grant of time-based equity awards in June 2010 and in June , 2012; and (iii) received a performance award with vesting of earned cash or equity payments based on three financial performance measures of the AS business in the four trailing quarters prior to a monetization event. For this purpose, a monetization event means the sale of at least 20% of either the outstanding equity of the entity controlling AS or the AS assets, but excludes a spin-off of AS, a primary initial public offering or the incurrence of debt.

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In addition, under the terms of the equity awards made to Mr. Finders, full or partial acceleration of vesting of equity occurs if a change of control takes place or due to certain other termination events. These arrangements and potential post-employment termination compensation payments are described in more detail in the section entitled Potential Payments Upon Termination or Change of Control below.

Accounting and Tax Implications

The accounting and tax treatment of particular forms of compensation do not materially affect the Compensation Committee s compensation decisions. However, we evaluate the effect of such accounting and tax treatment on an ongoing basis and will make appropriate modifications to compensation policies where appropriate.

Stock Ownership

The Company does not have a formal policy requiring stock ownership by management. See Beneficial Ownership below.

Risk Considerations in Our Compensation Programs

In 2012, we conducted a risk assessment to evaluate risks associated with the Company s compensation policies and practices and concluded that the Company s compensation programs and policies, considered as a whole, including applicable risk-mitigation features, are not reasonably likely to have a material adverse effect on the Company. Following are some of the features of our program designed to help us appropriately manage business risk:

- Our compensation programs utilize different types of compensation providing a balance of short-term and long-term incentives with fixed and variable components.

- Our established performance goals are reasonable given past performance and market conditions. These performance measures balance annual and long-term components with emphasis on revenue as well as EBITA to prevent a focus on top line growth only.

- As part of a prior review, caps on payments from the EIC bonus plan were instituted, which, in conjunction with threshold performance hurdles, ensure that incentive compensation is not overly emphasized.

- Our equity compensation program provides a mix of performance and time-based equity awards with multiple-year vesting.

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Summary Compensation Table

The following table contains certain information about compensation earned in 2012, 2011 and 2010 by the named executives.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards(1) ($)	Option Awards(2) ($)	Non-Equity Incentive Plan Compen-sation(3) ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compen-sation(4) ($)	Total ($)
Russell P. Fradin(5)	2012	900,000				1,800,000		1,167,142	3,867,142
President, Chief Executive Officer and Director	2011	528,460	1,000,000	6,886,010		791,500		222,991	9,428,961
Charles J. Neral(6)	2012	250,000	100,000	5,500,196		250,000		983,941	7,084,137
Senior Vice President Finance and Chief Financial Officer									
Robert F. Woods(7)	2012	262,000						84,693	346,693
Former Senior Vice President Finance	2011	520,000		220,681		596,250		31,762	1,368,693
and Chief Financial Officer	2010	500,000		5,016,599	129,108	698,037		31,763	6,375,507
Harold C. Finders(8)	2012	773,797		2,036,577		1,008,082		916,025	4,734,480
Chief Executive Officer, Financial	2011	637,383	427,038	1,323,590				308,878	2,696,888
Systems	2010	599,077	100,000	0		584,176		279,677	1,562,930
Andrew A. Stern	2012	542,000		1,482,699		723,134		784,883	3,532,715
Chief Executive Officer, Availability	2011	542,000				858,428		23,698	1,424,126
Services	2010	306,250		2,994,457	87,120	407,235		15,976	3,811,037
Brian A.Traquair(9)	2012	600,080		1,077,496		582,598		590,202	2,850,376
President, Capital Markets Group									

(1) Amounts shown are the fair market value of RSUs granted and reflect the fair market value per Unit on the date of grant multiplied by the number of RSUs granted; amounts for 2010 reflect the value of performance-based awards that could be earned at the target performance goal. Amounts shown do not reflect the reduction in fair market value as a result of the $72.80 per share dividend on preferred stock of SCCII paid in December 2012 (equivalent to $3.64 per Unit). For more details on grants awarded in 2012, see the 2012 Grants of Plan-Based Awards table below.

(2) Amounts shown are the aggregate grant date fair value of options granted as computed in accordance with FASB ASC Topic 718; amounts for 2010 reflect the value of performance-based awards that could be earned at the target performance goal. For a discussion of the assumptions made in such valuation, see Note 9 of Notes to Consolidated Financial Statements.

(3) Amounts shown in this column reflect the cash EIC awards payable under performance-based incentive compensation, which is discussed in further detail above in the Compensation Discussion and Analysis.

(4)

For Mr. Fradin, amount includes health and welfare benefits ($10,227 in 2012), matching 401(k) savings plan contributions, car lease payments ($10,797 in 2012) and related maintenance expenses, automobile tax gross-up ($11,539 in 2012 and $5,795 in 2011) and relocation expenses ($134,039 in 2011) and a relocation tax gross-up ($74,834 in 2011). Also includes, in connection with the declaration of a dividend on preferred stock of SCCII in December 2012, the right to future dividend-equivalent payments under applicable equity awards of $1,117,480.

For Mr. Neral, amount includes health and welfare benefits, car lease payments and related maintenance expenses, automobile tax gross-up ($1,623) and relocation expenses. Also includes, in connection with the declaration of a dividend on preferred stock of SCCII in December 2012, the right to future dividend-equivalent payments under applicable equity awards of $972,317.

For Mr. Woods, amount includes health and welfare benefits, matching 401(k) savings plan contributions ($10,000 in 2012), car allowance ($12,360 in 2011 and 2010) and, in connection with Mr. Woods resignation in 2012, a lump sum cash payment of $26,284 (of which $7,780 is a tax gross up) representing the Company s cost of Mr. Woods current medical and dental coverage for a two-year period and accrued vacation ($35,000).

For Mr. Finders, amount includes health and welfare benefits ($53,058 in 2012, $49,716 in 2011 and $44,614 in 2010), company defined contribution pension plan contributions ($65,556 in 2012, $53,861 in 2011 and $45,941 in 2010), car lease payments ($36,487 in 2012, $31,066 in 2011 and $30,515 in 2010), and travel allowance ($56,482 in 2012, $96,180 in 2011 and $90,694 in 2010) and travel allowance tax gross-up ($41,491 in 2012, $71,090 in 2011 and $60,765 in 2010). Also includes, in connection with the declaration of a dividend on preferred stock of SCCII in December 2012, the right to current and future dividend-equivalent payments under applicable equity awards of $662,952.

For Mr. Stern, amount includes health and welfare benefits ($15,879 in 2012 and $13,898 in 2011), matching 401(k) savings plan contributions ($10,000 in 2012), airfare for Mr. Stern s wife in 2012 and the related $1,066 tax gross-up, and airline club membership in 2012 and the related $165 tax gross-up. Also includes, in connection with the declaration of a dividend on preferred stock of SCCII in December 2012, the right to future dividend-equivalent payments under applicable equity awards of $755,533.

For Mr. Traquair, amount includes health and welfare benefits, matching savings plan contributions ($14,167) and car allowance ($10,929). Also includes, in connection with the declaration of a dividend on preferred stock of SCCII in December 2012, the right to current and future dividend-equivalent payments under applicable equity awards of $557,416.

(5) Mr. Fradin joined SunGard as of May 31, 2011 and therefore was not a named executive in 2010. Mr. Fradin s 2011 annual rate of salary was $900,000, and his EIC was pro-rated for the period of time he was employed by the Company in 2011. In accordance with Mr. Fradin s employment agreement, he received a one-time make-up cash bonus equal to $1,000,000 related to bonus forgone from his previous employer.
(6) Mr. Neral joined SunGard as of July 2, 2012 and therefore was not a named executive in 2011 or 2010. Mr. Neral s 2012 annual rate of salary was $500,000, and his EIC was pro-rated for the period of time he was employed by the Company in 2012. In accordance with Mr. Neral s employment agreement, he received a $100,000 sign-on bonus.
(7) Mr. Woods resigned effective as of July 1, 2012. Mr. Woods was Senior Vice President Finance and Chief Financial Officer from January 1, 2010 to July 1, 2012. Mr. Woods 2012 annual rate of salary was $520,000.
(8) Mr. Finders compensation was paid in Swiss Francs (CHF). All amounts have been converted into U.S. dollars at the currency exchange rates used for purposes of the Company s annual operating budget and establishing compensation for the applicable year, as follows: 1.12963 in 2012; 0.961797 in 2011 and 0.944732 in 2010. In 2011 and 2010, the effect of currency conversion of CHF into U.S. dollars for purposes of this table indicates that Mr. Finders received larger salary increases than in fact occurred in CHF. Mr. Finders annual salary rate was CHF 662,700 in 2011 (a 4.5% increase over his 2010 salary rate) and CHF 634,125 in 2010 (a 1% increase over 2009 salary rate). In 2011, Mr. Finders received a bonus of $96,180 in recognition of his promotion to his current position of Chief Executive Officer, FS and a year-end bonus of $330,858. In 2010, Mr. Finders received a one-time discretionary bonus of $100,000 in addition to his 2010 EIC bonus.
(9) Mr. Traquair was not a named executive prior to 2012. Mr. Traquair s compensation was paid in Canadian Dollars (CAD). All amounts have been converted into U.S. dollars at the currency exchange rates used for purposes of the Company s annual operating budget and establishing compensation for the applicable year as follows: 1.01194 in 2012.

Grants of Plan-Based Awards in Fiscal Year 2012

Our SunGard 2005 Management Incentive Plan, as amended and restated (Plan), authorizes the issuance of equity subject to awards made under the Plan for up to 70 million shares of Class A common stock and 7 million shares of Class L common stock of SCC and 2.5 million shares of preferred stock of SCCII. Under the Plan, 2012 awards of time-based and performance-based RSUs have been granted for Units. All awards under the Plan are granted at fair market value on the date of grant.

Mr. Neral, in accordance with the terms of his employment agreement, was granted the following restricted stock unit (RSU) awards: (i) in July 2012, a time-based RSU with 100% vesting and becoming payable on July 2, 2013, the first anniversary of the date of grant; (ii) in September 2012, a time-based RSU, which vests 28% on July 2, 2013 and the remaining 72% vesting in equal monthly installments thereafter for 36 months, and (iii) in September 2012, a performance-based RSU, which vests up to 25% annually from 2012 through 2015 based upon consolidated company Internal EBITA.

With respect to grants awarded to Messrs. Finders and Traquair in February and September 2012, respectively, (i) time-based RSUs vest over four years with 28% vesting one year from date of grant and the remaining 72% vesting in equal monthly installments thereafter for 36 months and (ii) performance-based RSUs vested upon the satisfaction of certain performance criteria for 2012, with 28% of the earned amount vesting on December 31, 2012 and the remaining 72% vesting in equal monthly installments thereafter for 36 months.

Once vested, the above RSUs (unless otherwise noted) become payable in shares upon the first to occur of a change of control, separation from service without cause, or four years after date of grant.

Mr. Stern, in accordance with the terms of his employment agreement, was granted a time-based RSU in June 2012, with 10% vesting one year from date of grant and the remaining 90% vesting in equal monthly installments thereafter until June 1, 2015. Once vested, this RSU becomes payable in shares upon the first to occur of a change of control, separation from service without cause, or five years after date of grant.

Time-based RSU awards granted in November 2012 to Messrs. Finders and Traquair as part of the annual grant program vest over four years with 25% vesting on each of the first three anniversary dates of the date of grant and the final 25% vesting on June 1, 2016. Performance-based RSUs granted in November 2012 vest upon the satisfaction of certain performance criteria for the period beginning January 1, 2013 and ending December 31, 2013, with 25% of the earned amount vesting on each of December 31, 2013, November 15, 2014 and November 15, 2015 and the final 25% vesting on June 1, 2016. Once vested, these time-based and performance-based RSUs become payable in shares upon the first to occur of a change of control, separation from service without cause, or on June 1, 2016.

The following table contains information concerning grants of plan-based awards to the named executives during 2012.

2012 Grants of Plan-Based Awards

Name	Grant Type	Grant Date	Estimated Possible Payouts under Non-Equity Incentive Plan Awards(1) ($)	Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All Other Stock Awards: Number of Shares of Stock or Units(3) (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards(4) ($)
				Threshold (#)	Target (#)	Maximum (#)				
Russell P. Fradin	EIC	N/A	1,800,000							
	RSUs									
Charles J. Neral	EIC	N/A	250,000							
	RSUs	07/02/12					116,660			2,500,000
		09/12/12		1	75,230	N/A	75,230			3,000,000
Robert F. Woods	EIC	N/A								
	RSUs									
Harold C. Finders	EIC	N/A	1,008,082							
	RSUs	02/14/12		1	26,150	N/A	26,150			1,000,000
		11/15/12		1	25,075	N/A	25,075			1,036,600
Andrew A. Stern	EIC	N/A	723,134							
	RSUs	06/01/12					69,188			1,482,699
Brian A. Traquair	EIC	N/A	582,598							
	RSUs	09/12/12		1	7,525	N/A	7,525			300,100
		11/15/12		1	18,805	N/A	18,805			777,398

(1) Amounts reflect the cash EIC bonuses paid to the named executives under the performance-based incentive compensation, which is described in further detail above, including the threshold, mid-point, and on-target goals, in the Compensation Discussion and Analysis and reported in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table.
(2) Represents performance-based RSUs. Vesting begins at 95% achievement of target.
(3) Represents time-based RSUs.
(4) Represents the fair market value per Unit on the date of grant multiplied by the number of RSUs granted. Amounts shown do not reflect the reduction in fair market value as a result of the $72.80 per share dividend on preferred stock of SCCII paid in December 2012 (equivalent to $3.64 per Unit).

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Outstanding Equity Awards at 2012 Fiscal Year-End

The following table contains certain information with respect to options and RSUs held as of December 31, 2012 by the named executives.

Outstanding Equity Awards at 2012 Fiscal Year-End

		Option Awards					Stock Awards			
Name	**Grant Date**	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options(1) (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested(2) ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested(1) (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested(2) ($)**
Russell P. Fradin(3)	5/31/2011						204,667(4)	3,399,513		
Charles Neral	7/2/2012						116,660(5)	1,937,723		
	9/12/2012						75,230(6)	1,249,570		
	9/12/2012								56,422	937,169
Robert F Woods(7)										
Harold C. Finders	8/12/2005	72,705(8)	3,955(9)		14.36(10)	8/11/2015				
	8/12/2005	177,202(11)			14.36(10)	8/11/2015				
	9/21/2007	56,765(12)	2,848(9)		17.08(10)	9/21/2017				
	9/21/2007	106,333(11)			17.08(10)	9/21/2017				
	9/14/2009	19,975(13)	1,038(9)	6,195	0.44	9/14/2019	412(14)	6,843	2,460	40,859
	9/14/2009	26,016(15)	12,706		0.44	9/14/2019	6,054(16)	100,562		
	6/3/2011						12,840(17)	213,272		
	6/3/2011						16,050(18)	266,591		
	2/14/2012						18,828(19)	312,733		
	2/14/2012						26,150(18)	434,352		
	11/15/2012								25,075	416,496
	11/15/2012						25,075(20)	416,496		
Andrew A. Stern	6/21/2010	185,129(15)	163,350		0.25	6/21/2020	77,837(16)	1,292,864		
	6/1/2012						69,188(21)	1,149,213		
Brian A. Traquair	8/11/2005	20,859(22)			4.50	3/3/2013				
	8/11/2005	16,465(22)			4.50	2/25/2014				
	8/11/2005	21,934(22)			4.50	3/3/2015				
	8/12/2005	30,085(8)	1,159(9)		14.36(10)	8/12/2015				
	8/12/2005	37,093(11)			14.36(10)	8/11/2015				
	9/21/2007	16,775(12)	842(9)		2.22	9/21/2017	335(14)	5,572		
	9/21/2007	31,423(11)			2.22	9/21/2017				
	9/3/2009	9,492(13)	3,437(9)		0.44	9/3/2019	196(14)	3,258	1,169	19,418
	9/3/2009	12,364(15)	6,038		0.44	9/3/2019	2,877(16)	47,789		
	6/1/2011						3,360(17)	55,810		
	6/1/2011						4,200(18)	69,762		
	9/14/2011						2,400(17)	39,864		
	9/14/2011						3,000(23)	49,830		
	9/12/2012						5,418(19)	89,993		
	9/12/2012						7,525(18)	124,990		

11/15/2012			18,805	312,351
11/15/2012	18,805(20)	312,351		

(1) Represents the quantity of unvested performance-based equity awards that can be earned upon the achievement of anticipated performance goals in future years.
(2) Based upon a fair market value of $16.61 per Unit as of December 31, 2012, which value reflects the reduction in fair market value as a result of the $72.80 per share dividend on preferred stock of SCCII paid in December 2012 (equivalent to $3.64 per Unit).
(3) Excludes Mr. Fradin s Future Options and Future RSUs, which have not yet been granted and which are discussed in further detail above in the Compensation Discussion and Analysis.
(4) Represents the unvested portion of time-based RSUs which vest over three years with 33 1/3% vesting on each of the first three anniversaries of the date of grant.
(5) Represents the unvested portion of time-based RSUs which vest 100% one year from the date of grant.

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(6) Represents the unvested portion of time-based RSUs which vest over four years with 28% vesting on July 2, 2013 and 72% vesting in equal monthly installments thereafter for 36 months.
(7) Upon separation of service in July 2012, Mr. Woods vested Class A stock options expired unexercised, and his vested RSUs were distributed in accordance with the terms of his agreements. All other unvested equity was forfeited prior to December 31, 2012.
(8) Represents performance-based options which were earned during the six-year period beginning January 1, 2005 through December 31, 2010 and (i) vested for calendar years 2005-2008, and (ii) vested for calendar years 2009 and 2010 pursuant to the 2009 amended awards. Vesting of the remaining earned portion for calendar year 2010 is described in note 9.
(9) Represents the unvested portion of performance-based equity earned for calendar year 2010, which vests in 36 equal monthly installments beginning January 31, 2011.
(10) Pursuant to provisions in the Company s equity plan, the exercise price subject to these stock options were adjusted in connection with the $72.80 per share dividend on preferred stock of SCCII that occurred on December 21, 2012 (equivalent to $3.64 per Unit). Accordingly, the exercise prices shown in the table above reflect the post-dividend adjustment.
(11) Represents fully vested time-based options which vested over five years.
(12) Represents performance-based options which were earned during the five-year period beginning January 1, 2007 through December 31, 2011 and (i) vested for calendar years 2007, 2008 and 2011, and (ii) vested for calendar years 2009 and 2010 pursuant to the 2009 amended awards. Vesting of the remaining earned portion for calendar year 2010 is described in note 9.
(13) Performance-based options are earned upon the attainment of certain annual earnings goals for the Company over a five-year period. Represents performance-based options earned and vested for calendar years 2009, 2010, 2011 and 2012. Vesting of the remaining earned portion for calendar year 2010 is described in note 9.
(14) Represents the unvested portion of performance-based RSUs earned for calendar year 2010. Vesting of the remaining earned portion for calendar year 2010 is described in note 9.
(15) Represents the vested portion of time-based equity which vests over five years with 25% vesting one year from the date of grant, and 75% vesting in equal monthly installments thereafter for 48 months.
(16) Represents the unvested portion of time-based RSUs which vest over five years with 10% vesting one year from the date of grant, and 90% vesting in equal monthly installments thereafter for 48 months.
(17) Represents the unvested portion of performance-based RSUs earned for the 18-month period of July 1, 2011 through December 31, 2012 which will vest in 24 equal monthly installments beginning January 31, 2013.
(18) Represents the unvested portion of time-based RSUs which vest over four years with 28% vesting one year from the date of grant, and 72% vesting in equal monthly installments thereafter for 36 months.
(19) Represents the unvested portion of performance-based RSUs earned for calendar year 2012 which will vest in 36 equal monthly installments beginning January 31, 2013.
(20) Represents the unvested portion of time-based RSUs which vest over four years with 25% vesting on each of the first three grant date anniversaries and the remaining 25% vesting on June 1, 2016.
(21) Represents the unvested portion of time-based RSUs which vest over three years with 10% vesting one year from the date of grant, and 90% vesting in equal monthly installments thereafter for 24 months.
(22) To the extent that outstanding options were not exercised before the 2005 LBO, such options converted into fully vested options to purchase Units in the Parent Companies.
(23) Represents the unvested portion of time-based RSUs which vest over four years with 28% vesting on June 1, 2012, and 72% vesting in equal monthly installments thereafter for 36 months.

Option Exercises and Stock Vested

The following table contains certain information with respect to stock option exercises and the vesting of RSUs during 2012 for each of the named executives.

2012 Option Exercises and Stock Vesting

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting(1) (#)**	**Value Realized on Vesting(2) ($)**
Russell P. Fradin			102,333	2,193,003
Charles J. Neral			18,808	312,400
Robert F. Woods			20,112	408,514
Harold C. Finders			38,861	711,509

Andrew A. Stern	31,135	625,077
Brian A. Traquair	19,365	362,656

(1) Represents RSUs that vested during 2012. RSUs are not distributed until the first to occur of a change of control, separation from service without cause or a date specified in the RSU agreement ranging from three to five years after date of grant.

(2) Calculated by multiplying the number of vested RSUs by the fair market value on the vesting date.

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Pension Benefits

None of the named executives receive benefits under any defined benefit or actuarial pension plan.

Employment and Change of Control Agreements

As discussed above, the Company entered into a definitive employment agreement with each of the named executives except for Mr. Traquair. The terms of these agreements are described above under Compensation Discussion and Analysis.

Potential Payments Upon Termination or Change of Control

Pursuant to the terms of the executive employment agreements and equity award agreements, set forth below is a description of the potential payments the named executives would receive if their employment was terminated. Mr. Traquair does not have an employment agreement; therefore, the amount of compensation Mr. Traquair would receive upon termination or change of control, if any, is based upon Canadian law.

The terms cause, good reason, change of control and sale of business are defined in the applicable executive employment agreements, which have been included as exhibits to the following filings:

Mr. Fradin:	Quarterly Report on Form 10-Q for the quarter ended June 30, 2011
Mr. Neral:	Current Report on Form 8-K dated June 8, 2012
Mr. Woods:	Current Report on Form 8-K dated December 16, 2009 and Current Report on Form 8-K dated May 17, 2011
Mr. Finders:	Quarterly Report on Form 10-Q for the quarter ended September 30, 2005
Mr. Stern:	Quarterly Report on Form 10-Q for the quarter ended June 30, 2010

Russell P. Fradin

Upon *termination without cause or resignation for good reason*:

- a lump sum cash payment equal to two times the sum of his base salary and target incentive bonus;
- a lump sum cash payment of his pro rata incentive bonus based upon the incentive bonus he earned for the year in which his termination occurred multiplied by the number of days in which he was employed during such year divided by 365;
- a lump sum cash payment for the cost of premiums under Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA) for medical, dental and vision coverage less employee co-pay for such coverage for 18 months, as increased by a tax gross-up payment equal to the estimated income and FICA tax that would be imposed on such payments;
- a lump sum cash payment for accrued but unpaid base salary, unreimbursed business expenses, unused vacation time and all other payments, benefits or fringe benefits in accordance with the applicable plan or program; and
- time-based equity awards immediately stop vesting and all unvested time-based equity awards are forfeited.

Upon *change of control*:

if a change of control or in contemplation termination (as defined below) occurs, the vesting of Mr. Fradin s existing time-based RSUs will fully accelerate;

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if a change of control occurs after May 31, 2013, the outstanding Future Options and Future RSUs will become fully vested (i) on the date of termination of employment if Mr. Fradin s employment is terminated by the Company without cause or by Mr. Fradin for good reason and such termination occurs on or within 18 months following the change of control or (ii) on the date of the change of control if an in contemplation termination has occurred;

if the change of control occurs prior to May 31, 2013, then only 50% of the outstanding unvested Future Options and unvested Future RSUs will vest (a) on the date of termination of employment if Mr. Fradin s employment is terminated without cause or by Mr. Fradin for good reason within 18 months after the change of control or (b) the date of the change of control if an In Contemplation Termination has occurred, and the balance of the unvested Future Options and unvested Future RSUs will terminate. However, if the per share purchase price in the change of control plus the per share value of any of the Company s businesses or subsidiaries previously sold or spun-off following May 31, 2011 is at least 250% of the per Unit value of the parent companies stock on August 11, 2005, then 100% of the outstanding unvested Future Options and unvested Future RSUs will vest (i) on the date of termination of employment if Mr. Fradin s employment is terminated without cause or by Mr. Fradin for good reason within 18 months after the Change of Control or (ii) the date of the Change of Control if an In Contemplation Termination has occurred; and an in contemplation termination is a termination of Mr. Fradin s employment without cause or for good reason within six months before change of control if such termination of employment is in contemplation of the change of control.

Upon *retirement or other voluntary termination*:

a lump sum cash payment consisting of accrued amounts, if any; and

time-based equity awards immediately stop vesting and any unvested time-based equity awards are forfeited.

Upon *termination for cause*:

a lump sum cash payment of accrued amounts, if any. Mr. Fradin is not entitled to receive any cash incentive payments, and

all vested and unvested time-based equity awards are forfeited.

Upon *termination for disability or death*:

a lump sum cash payment of his pro rata incentive bonus and accrued amounts, if any;

in the event of his death, Mr. Fradin s beneficiary shall receive payments under a life insurance policy funded by the Company; and

all time-based equity awards immediately stop vesting and all unvested time-based equity awards are forfeited.

Charles J. Neral

Upon *termination without cause or resignation for good reason*:

a lump sum cash payment equal to the sum of his base salary and target incentive bonus, and for a change of control Mr. Neral receives two times the sum of his base salary and target incentive bonus;

a lump sum cash payment of his pro rata target incentive bonus and any earned or accrued compensation as of December 31 of the year of termination, but if Mr. Neral is terminated on December 31, he receives his actual earned incentive bonus for the year of termination;

a lump sum cash payment in an amount equal to the Company s cost of Mr. Neral s medical, dental and vision coverage in effect on December 31 of the year of termination, as increased by a tax gross-up payment equal to the income and FICA tax imposed on such payment;

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- for termination without cause, performance-based equity awards vest on a pro rata basis through the termination date, for resignation without good reason, performance-based equity awards stop vesting as of the beginning of the year of termination and all unvested performance-based equity awards are forfeited; and

- time-based equity awards granted July 2012 become fully vested and time-based equity awards granted September 2012 immediately stop vesting and unvested time-based equity awards are forfeited.

Upon *change of control*:

- if a change of control occurs at any time and employment is terminated, then all unvested time-based equity awards granted July 2012 become fully vested, if a change of control occurs prior to July 2, 2014 and employment is terminated without cause or Mr. Neral resigns for good reason within 18 months of the change of control, then 50% of the unvested time-based and performance-based equity awards granted September 2012 will vest and the unvested time-based and performance-based equity awards will be forfeited, and if a change of control occurs after July 2, 2014, and employment is terminated without cause or Mr. Neral resigns for good reason within 18 months of the change of control, then all time-based equity awards granted September 2012 and all performance-based equity awards become fully vested.

Upon *retirement or other voluntary termination*:

- a lump sum cash payment of all accrued compensation, including any incentive compensation for which the performance period has been completed; and

- all performance-based equity awards stop vesting as of the beginning of the year of termination, no performance-based equity awards are earned in the year of termination, all time-based equity awards immediately stop vesting, and all unvested time-based and performance-based equity awards are forfeited.

Upon *termination for cause*:

- a lump sum cash payment of all accrued compensation. Mr. Neral is not entitled to receive any cash incentive payments; and

- all vested and unvested time and performance equity awards are forfeited.

Upon *disability or death*:

- a lump sum cash payment of all accrued compensation and a pro rata payment of his target incentive bonus for the year in which his disability or death occurs, and if termination of employment is on December 31, Mr. Neral receives his actual earned incentive bonus for the year of termination;

- in the event of death, Mr. Neral s beneficiary shall receive payments under an insurance policy funded by the Company; and

- performance-based equity awards vest on a pro rata basis through the termination date, time-based equity awards granted July 2012 become fully vested and time-based equity awards granted September 2012 immediately stop vesting and unvested time-based and performance-based equity awards are forfeited.

Harold C. Finders

Upon *termination without cause or resignation for good reason*:

a lump sum cash payment equal to two times the sum of his base salary and target incentive bonus;

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a lump sum cash payment of all earned or accrued compensation, such as unpaid base salary, unused vacation, unreimbursed business expenses, accrued employment or retirement benefits under an employee benefit program and a pro rata payment of Mr. Finders target incentive bonus for the year of termination;

a lump sum cash payment in an amount equal to two times the Company s cost of Mr. Finders medical, dental and vision coverage in effect on December 31, as increased by a tax gross-up payment equal to the applicable tax imposed on such payment;

a lump sum cash payment in an amount equal to two times $17,500, in lieu of retirement, life insurance and long term disability coverage, as increased by a tax gross-up payment equal to the applicable tax imposed on such payment;

performance-based equity awards vest on a pro rata basis through the termination date, any unvested portion of earned performance-based equity awards shall become fully vested at the termination date, and all unearned performance-based equity awards are forfeited. Upon resignation for good reason, all unvested performance-based equity awards granted in or after June 2011 shall be forfeited;

time-based equity awards immediately stop vesting and all unvested time-based equity awards are forfeited; and

if a sale of our FS business segment occurs but Mr. Finders employment agreement is not retained or assumed, then performance-based equity awards are treated as described above and all unvested time-based equity awards granted before May 2010 become fully vested, and unvested time-based equity granted in or after May 2010 immediately stops vesting.

Upon *change of control*:

if a change of control occurs and employment is terminated or his employment agreement is not assumed, then all unvested performance-based equity awards granted before June 2011 vest on a return-on-equity basis, if the change of control occurs during the performance period, vesting of performance-based equity awards granted in and after June 2011 shall be determined by the Compensation Committee of the Board and the CEO in mutual consultation in a manner they jointly consider equitable under the circumstances, and if the change of control occurs after the performance period, any earned but unvested performance equity shall become fully vested; and

all unvested time-based equity awards granted before June 2011 become fully vested and all other unvested time-based equity awards vest if employment is terminated without cause within six months following a change of control; and

Upon *termination due to resignation without good reason*:

a lump sum cash payment of all accrued compensation with the exception of his pro rata target incentive bonus;

if the termination occurs during the performance period, then all performance-based equity awards stop vesting as of the date of termination and no performance-based equity awards are earned in the year of termination; and if the termination occurs after the performance period, then any performance-based equity that was earned in the performance period shall stop vesting as of the termination date; and

- all time-based equity awards immediately stop vesting, and all unvested time-based and performance-based equity awards are forfeited.

Upon *termination for cause*:

- a lump sum cash payment of all accrued compensation with the exception of his pro rata target incentive bonus; and

- all vested and unvested time and performance equity awards are forfeited.

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Upon *disability or death*:

- a lump sum cash payment of all accrued compensation, including a pro rata payment of his target incentive bonus for the year of termination;
- in the event of death, Mr. Finders beneficiaries shall receive payments under an insurance policy offered through and partially funded by the Company;
- performance-based equity awards vest on a pro rata basis through the termination date, any unvested portion of earned performance-based equity awards shall become fully vested at the termination date; and
- all time-based equity awards granted prior to November 2012 immediately stop vesting and all unvested time-based equity awards are forfeited and time-based equity awards granted in November 2012 shall vest as to (i) 50% if Mr. Finders death occurs prior to November 15, 2013, (ii) 75% if his death occurs between November 15, 2013 and November 15, 2014, and (iii) 100% if his death occurs on or after November 15, 2014; and if Mr. Finders terminates due to disability then time-based equity awards granted in November 2012 immediately stop vesting and unvested time-based equity is forfeited.

Andrew A. Stern

Upon *termination without cause or resignation for good reason*:

- a lump sum cash payment equal to two times the sum of his base salary and target incentive bonus;
- a lump sum cash payment of his pro rata incentive bonus based upon the incentive bonus earned in the year of termination multiplied by the number of days in which he was employed during such year divided by 365, and earned or accrued compensation as of December 31 of the year of termination;
- a lump sum cash payment in an amount equal to the Company s cost of the his medical, dental and vision coverage in effect on December 31 of the year of termination for a one-year period, as increased by a tax gross-up payment equal to the income and FICA tax imposed on such payment; and
- all time-based equity awards immediately stop vesting and all unvested time-based equity awards are forfeited, except that, upon a sale or other disposition of 80% or more of the AS business, in exchange for the cancellation of his unvested time-based equity awards, a lump sum cash payment equal to 0.55% of the net proceeds received by the Company in the sale, reduced by the Company equity already received by him or vested pursuant to other Company equity awards.

Upon *retirement or other voluntary termination*:

- a lump sum cash payment of all accrued compensation. Mr. Stern is not entitled to receive a pro rata incentive bonus for the year of termination; and
- all time-based equity awards immediately stop vesting and all unvested time-based equity awards are forfeited.

Upon *termination for cause*:

- a lump sum cash payment of all accrued compensation. Mr. Stern is not entitled to receive a pro rata incentive bonus for the year of termination; and
- all vested and unvested time equity awards are forfeited.

Upon *disability or death*:

- a lump sum cash payment of all accrued compensation and a pro rata payment of his incentive bonus for the year of termination;

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- in the event of death, Mr. Stern s beneficiary shall receive payments under an insurance policy funded by the Company; and
- all time-based equity awards immediately stop vesting and all unvested time-based equity awards are forfeited.

Brian A. Traquair

Upon *termination without cause*:

- Mr. Traquair is entitled to notice, or pay in lieu of notice, based on his 18 year tenure with the Company and other factors. Subject to his obligation to mitigate his damages, his pay in lieu of notice would be approximately 18 months of total compensation based on his annual base salary and target incentive bonus;
- a lump sum cash payment equal to 18 months of the Company s cost of Mr. Traquair s medical, dental, vision, long term disability and life insurance coverage, as well as 18 months of contributions made by the Company to a retirement savings program for Mr. Traquair s benefit;
- performance-based equity awards vest on a pro rata basis through the termination date, any unvested portion of earned performance-based equity awards shall become fully vested at the termination date, and all unearned performance-based equity awards are forfeited. Upon resignation, all unvested performance-based equity awards shall be forfeited;
- time-based equity awards immediately stop vesting and all unvested time-based equity awards are forfeited; and
- if a sale of our FS business segment occurs and Mr. Traquair s employment is terminated, then performance-based equity awards are treated as described above and all unvested time-based equity awards granted before May 2010 become fully vested, and unvested time-based equity granted in or after May 2010 immediately stops vesting.

Upon *change of control*:

- if a change of control occurs and employment is terminated without cause, Mr. Traquair is entitled to notice, or pay in lieu of notice, based on his 18 year tenure with the Company and other factors. Subject to his obligation to mitigate his damages, his pay in lieu of notice would be approximately 18 months of total compensation based on his annual base salary and target incentive bonus;
- a lump sum cash payment equal to 18 months of the Company s cost of Mr. Traquair s medical, dental, vision, long term disability and life insurance coverage, as well as 18 months of contributions made by the Company to a retirement savings program for Mr. Traquair s benefit;
- if a change of control occurs during the performance period and employment is terminated, then vesting of performance-based equity awards granted shall be determined by the Compensation Committee of the Board and the CEO in mutual consultation in a manner they jointly consider equitable under the circumstances, and if the change of control occurs after the performance period, any earned but unvested performance equity shall become fully vested, all unvested time-based equity awards become fully vested if employment is terminated without cause within six months following a change of control.

Upon *termination due to resignation*:

a lump sum cash payment of accrued compensation. Mr. Traquair is not entitled to receive a pro rata incentive bonus for the year of termination.

if the termination occurs during the performance period, then all performance-based equity awards stop vesting as of the date of termination and no performance-based equity awards are earned in the year of

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termination; and if the termination occurs after the performance period, then any performance-based equity that was earned in the performance period shall stop vesting as of the termination date; and

all time-based equity awards immediately stop vesting, and all unvested time-based and performance-based equity awards are forfeited.

Upon *termination for cause*:

a lump sum cash payment of accrued compensation. Mr. Traquair is not entitled to receive a pro rata incentive bonus for the year of termination.

all vested and unvested time and performance equity awards are forfeited.

Upon *disability or death*:

upon termination in the event of disability, Mr. Traquair is entitled to eight weeks of base salary, as well as an 18 week severance payment, for a total of 26 weeks of base salary;

Upon termination in the event of disability, a lump sum cash payment equal to eight weeks of the Company s cost of Mr. Traquair s medical, dental, vision, long term disability and life insurance coverage, as well as eight weeks of contributions made by the Company to a retirement savings program for Mr. Traquair s benefit;

Mr. Traquair is entitled to accrued compensation. Mr. Traquair is not entitled to receive a pro rata incentive bonus for the year of termination.

in the event of death, Mr. Traquair s beneficiary shall receive payment under an insurance policy funded by the Company; and

performance-based equity awards vest on a pro rata basis through the termination date, any unvested portion of earned performance-based equity awards shall become fully vested at the termination date, all time-based equity awards granted prior to November 2012 immediately stop vesting and all unvested time-based equity awards are forfeited and time-based equity awards granted November 2012 shall vest as to (i) 50% if Mr. Traquair s death occurs prior to November 15, 2013, (ii) 75% if his death occurs between November 15, 2013 and November 15, 2014, and (iii) 100% if his death occurs on or after November 15, 2014, if Mr. Traquair terminates due to disability then time-based equity awards granted November 2012 immediately stop vesting and unvested time-based equity is forfeited.

In order to receive any of the above described severance benefits, the named executive, other than Mr. Traquair, is required to execute a release of all claims against the Company. In order to exercise stock options or receive distribution of RSU shares, the named executive must execute a certificate of compliance with respect to the restrictive covenants contained in his employment agreement, if applicable, and all other agreements with the Company.

With the exception of Mr. Woods, the tables below reflect the amount of compensation payable to each of the named executives in the event of termination of such executive s employment. The amounts shown assume that such termination was effective as of December 31, 2012, and thus includes amounts earned through such time and are estimates of the amounts which would be paid out to the named executives upon their termination. The actual amounts to be paid, if any, can only be determined at the time of such named executive s separation from the Company. Mr. Woods employment with the Company ended prior to December 31, 2012, and therefore, the amounts disclosed for Mr. Woods reflect the actual separation payment he received.

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Russell P. Fradin Potential Termination Payments and Benefits

Executive Benefits and Payment Upon Termination	Termination Without Cause or Resignation For Good Reason Without Change of Control	Retirement or Other Voluntary Termination	Termination For Cause	Termination Without Cause or Resignation For Good Reason With Change of Control	Termination Due to Disability	Termination Due to Death
Compensation:						
Base Salary & Target Incentive Bonus(1)	$ 5,400,000			$ 5,400,000		
Incentive Bonus of Year of Termination(2)	$ 1,800,000					