FISERV INC
Form 424B5
May 20, 2015
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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-196419

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to be Registered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
Senior Notes	$1,750,000,000	$1,750,000,000	$203,350

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-196419

PROSPECTUS SUPPLEMENT

(To Prospectus dated May 30, 2014)

$850,000,000 2.700% Senior Notes due 2020

$900,000,000 3.850% Senior Notes due 2025

We are offering $850,000,000 principal amount of 2.700% Senior Notes due 2020 (the 2020 notes) and $900,000,000 principal amount of 3.850% Senior Notes due 2025 (the 2025 notes and, with the 2020 notes, the notes). We will pay interest on the notes semi-annually in arrears on June 1 and December 1 of each year, beginning on December 1, 2015. We may redeem some or all of the notes at our option at any time and from time to time at the redemption prices described in this prospectus supplement in Description of the Notes Optional Redemption. The interest rate on each series of the notes may be adjusted under the circumstances described in this prospectus supplement in Description of the Notes Principal and Interest Interest Rate Adjustment. We must offer to repurchase the notes upon the occurrence of a change of control triggering event at the price described in this prospectus supplement in Description of the Notes Purchase of Notes upon a Change of Control Triggering Event.

The notes will be our unsecured senior obligations and will rank equally with our other unsecured senior indebtedness from time to time outstanding.

Each series of the notes is a new issue of securities with no established trading market. We currently have no intention to apply to list the notes on any securities exchange or to seek their admission to trading on any automated quotation system.

Investing in the notes involves risks. See Risk Factors beginning on page S-6 and the risk factors incorporated by reference in this prospectus supplement and the accompanying prospectus.

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

	Price to Public (1)	Underwriting Discounts	Proceeds to Fiserv, Inc., Before Expenses
Per 2020 note	99.832%	0.600%	99.232%
Per 2025 note	99.933%	0.650%	99.283%
Total	$ 1,747,969,000	$ 10,950,000	$ 1,737,019,000

(1) Plus accrued interest if any, from May 22, 2015, if settlement occurs after that date.

We expect to deliver the notes to investors in registered book-entry only form through the facilities of The Depository Trust Company (DTC) on or about May 22, 2015. Beneficial interests in the notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants, including Clearstream Banking, société anonyme, and Euroclear Bank SA/NV, as operator of the Euroclear System.

Joint Book-Running Managers

BofA Merrill Lynch | **Wells Fargo Securities**

MUFG | **US Bancorp**

PNC Capital Markets LLC | **SunTrust Robinson Humphrey** | **J.P. Morgan**

Co-Managers

Credit Suisse | **RBS** | **SMBC Nikko**

TD Securities | **The Williams Capital Group, L.P.** | **BB&T Capital Markets**

BMO Capital Markets | **Huntington Investment Company** | **KeyBanc Capital Markets**

Comerica Securities | **Wedbush Securities Inc.**

The date of this prospectus supplement is May 19, 2015

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document has two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which provides more general information, some of which may not apply to this offering. You should read the entire prospectus supplement, as well as the accompanying prospectus and the documents incorporated by reference that are described under Where You Can Find More Information in the accompanying prospectus. In the event that the description of the offering in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus filed by us with the Securities and Exchange Commission, or the SEC. We have not, and the underwriters have not, authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information in this prospectus supplement, the accompanying prospectus and any free writing prospectus filed by us with the SEC as well as the information we previously filed with the SEC that we incorporate by reference in this prospectus supplement and the accompanying prospectus, is accurate as of any date other than its respective date. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

This prospectus supplement is not a prospectus for the purposes of the Prospectus Directive as implemented in member states of the European Economic Area. This prospectus supplement has been prepared on the basis that all offers of the notes will be made pursuant to an exemption under the Prospectus Directive

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from the requirement to produce a prospectus in connection with offers of the notes. Accordingly, any person making or intending to make any offer within the European Economic Area of notes which are the subject of the offering contemplated in this prospectus supplement should only do so in circumstances in which no obligation arises for the company or any underwriter to produce a prospectus for such offers. Neither the company nor any underwriter have authorized, nor do they authorize, the making of any offer of the notes through any financial intermediary, other than offers made by the underwriter which constitute the final placement of the notes contemplated in this prospectus supplement.

The communication of this prospectus supplement, the accompanying prospectus and any other document or materials relating to the issue of the notes offered hereby is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the United Kingdom s Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Financial Promotion Order), or within Article 49(2)(a) to (d) of the Financial Promotion Order, or to any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as relevant persons). In the United Kingdom, the notes offered hereby are only available to, and any investment or investment activity to which this prospectus supplement relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this prospectus supplement or any of its contents.

Unless we otherwise indicate or unless the context requires otherwise, all references in this prospectus supplement to we, our, us or similar references mean Fiserv, Inc. and its consolidated subsidiaries.

Our principal executive offices are located at 255 Fiserv Drive, Brookfield, WI 53045, and our telephone number is (262) 879-5000.

FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the information incorporated by reference in this prospectus supplement and the accompanying prospectus contain forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those that express a plan, belief, expectation, estimation, anticipation, intent, contingency, future development or similar expression, and can generally be identified as forward-looking because they include words such as believes, anticipates, expects, could, should or words of similar meaning. Statements that describe our fu plans, objectives or goals are also forward-looking statements. The forward-looking statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus involve significant risks and uncertainties, and a number of factors, both foreseen and unforeseen, could cause actual results to differ materially from our current expectations. The factors that may affect our results include, among others: pricing and other actions by competitors; the capacity of our technology to keep pace with a rapidly evolving marketplace; the impact of market and economic conditions on the financial services industry; the impact of a security breach or operational failure on our business; the effect of legislative and regulatory actions in the United States and internationally; our ability to comply with government regulations; our ability to successfully identify, complete and integrate acquisitions; the impact of our strategic initiatives; and other factors identified in our Annual Report on Form 10-K for the year ended December 31, 2014 and in other documents that we file with the SEC. You should consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on such statements, which speak only as of the date of this prospectus supplement or the date of the incorporated document. We undertake no

obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this prospectus supplement.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary may not contain all of the information that may be important to you. You should read this entire prospectus supplement and the accompanying prospectus and the information incorporated by reference carefully before making a decision to invest in our notes.

Company Overview

We provide financial services technology solutions, including account processing systems; electronic payments processing products and services, such as electronic bill payment and presentment services, card-based transaction processing and network services, ACH transaction processing, account-to-account transfers, and person-to-person payments; internet and mobile banking systems; and related services including document and payment card production and distribution, check processing and imaging, source capture systems, and lending and risk management products and services. We serve approximately 14,500 clients worldwide, including banks, thrifts, credit unions, investment management firms, leasing and finance companies, retailers, and merchants. Our operations are principally located in the United States where we operate data and transaction processing centers, provide technology support, develop software and payment solutions, and offer consulting services. In 2014, we had $5.1 billion in total revenue, $1.2 billion in operating income and net cash provided by operating activities from continuing operations of $1.3 billion. Processing and services revenue, which in 2014 represented 83% of our total consolidated revenue, is primarily generated from account- and transaction-based fees under contracts that generally have terms of three to five years.

We have grown our business by developing highly specialized services and product enhancements, adding new clients, cross-selling to existing clients, and acquiring businesses that complement ours, which has enabled us to deliver a wide range of integrated products and services and has created new opportunities for growth. Our operations are reported in the Payments and Industry Products (Payments) and Financial Institution Services (Financial) business segments.

Payments

The businesses in our Payments segment provide financial institutions and other companies with the products and services required to process electronic payment transactions and to offer their customers access to financial services and transaction capability through digital channels. Financial institutions and other companies have increasingly relied on third-party providers for those products and services, either on a licensed software or outsourced basis, as an increasing number of payment transactions are completed electronically as our clients customers seek the convenience of 24-hour digital access to their financial accounts. Within the Payments segment, we primarily provide debit, credit and prepaid card processing and services, electronic bill payment and presentment services, internet and mobile banking software and services, person-to-person payment services, and other electronic payments software and services. Our businesses in this segment also provide card and print personalization services, investment account processing services for separately managed accounts, and fraud and risk management products and services.

Financial

The businesses in our Financial segment provide financial institutions with the products and services they need to run their operations. Many financial institutions that previously developed their own software systems and maintained their own data processing operations now license software from third parties or outsource their data processing requirements by contracting with third-party processors. This has allowed them to reduce costs and enhance their

products, services, capacity and capabilities. The licensing of software reduces the

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need for costly technical expertise within a financial institution, and outsourcing data processing operations reduces the infrastructure and other costs required to operate systems internally. Within the Financial segment, we provide banks, thrifts, credit unions, and leasing and finance companies with account processing services, item processing and source capture services, loan origination and servicing products, cash management and consulting services, and other products and services that support numerous types of financial transactions. Many of the products and services that we sell are integrated with solutions from our Payments segment such as electronic bill payment and presentment, internet and mobile banking, debit processing and network services, and person-to-person payments.

Recent Developments

On April 30, 2015, we entered into an amended and restated credit agreement that provides for a $2.0 billion revolving credit facility and extended the maturity date of the revolving credit facility to April 30, 2020 from October 25, 2018. The amended and restated credit agreement also provided that our subsidiaries that were guaranteeing our obligations arising under the revolving credit facility were released from their respective guarantees under the revolving credit facility. On April 30, 2015, we also entered into an amendment to our term loan facility that provided that our subsidiaries that were guaranteeing our obligations arising under the term loan facility were released from their respective guarantees under the term loan facility. In addition, on April 30, 2015, we provided notice to U.S. Bank National Association, as trustee under the indenture and supplemental indentures governing our outstanding senior notes, that the subsidiary guarantors of our outstanding senior notes were automatically released from all of their obligations under the supplemental indentures and their respective guarantees of our existing senior notes. Consequently, as of April 30, 2015, none of our subsidiaries guarantee our obligations arising under our revolving credit facility, our term loan facility or our existing senior notes.

We intend to provide notice on or about May 19, 2015 to the holders of all of our outstanding $600 million aggregate principal amount of 3.125% senior notes due 2016 (the 2016 notes) and all of our outstanding $500 million aggregate principal amount of 6.8% senior notes due 2017 (the 2017 notes) that we have elected to redeem the 2016 notes and the 2017 notes on June 18, 2015 at the applicable make-whole redemption price, plus, in each case, unpaid interest on the 2016 notes and the 2017 notes accrued to the date of redemption. We intend to fund each redemption with a portion of the net proceeds of this offering. This prospectus supplement is not a notice of redemption of either the 2016 notes or the 2017 notes.

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The Offering

The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the notes, see Description of the Notes in this prospectus supplement and Description of Debt Securities in the accompanying prospectus.

Issuer	Fiserv, Inc.
Notes offered	$850,000,000 aggregate principal amount of 2.700% Senior Notes due 2020 (the 2020 notes) and $900,000,000 aggregate principal amount of 3.850% Senior Notes due 2025 (the 2025 notes and, with the 2020 notes, the notes).
Maturity	Unless earlier redeemed or repurchased by us, the 2020 notes will mature on June 1, 2020 and the 2025 notes will mature on June 1, 2025.
Interest rate	The 2020 notes will bear interest at 2.700% per year, and the 2025 notes will bear interest at 3.850% per year.
Interest payment dates	June 1 and December 1 of each year, beginning December 1, 2015.
Interest rate adjustment	The interest rate payable on the notes of a series will be subject to adjustments from time to time if Moody s Investors Services, Inc. or Standard & Poor s Ratings Services downgrades (or if either subsequently upgrades) the debt rating assigned to that series of notes as described under Description of the Notes Principal and Interest Interest Rate Adjustment.
Ranking	The notes will be: unsecured and rank equally with our other unsecured senior indebtedness from time to time outstanding; effectively subordinated to our secured indebtedness to the extent of the assets securing such indebtedness; and

	structurally subordinated in right of payment to all indebtedness and other liabilities and preferred equity of any of our subsidiaries.
	At March 31, 2015, we had outstanding approximately $3.841 billion of unsecured senior indebtedness. Also at that date, we had approximately $5 million of secured indebtedness (consisting solely of capital leases outstanding), and our subsidiaries had outstanding $1.289 billion of liabilities and no preferred equity.
Optional redemption	The notes will be redeemable, at our option, in whole or in part, at any time and from time to time, at the redemption prices described in Description of the Notes Optional Redemption.
Offer to repurchase upon change of control triggering event	Upon the occurrence of a change of control triggering event (including certain ratings downgrades) as provided in the indenture,

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	we will be required to offer to repurchase the notes for cash at a price of 101% of the aggregate principal amount of the notes outstanding on the date of such change of control triggering event plus accrued and unpaid interest.
Covenants	The indenture governing the notes contains covenants that, among other matters, limit: • our ability to consolidate or merge into, or convey, transfer or lease all or substantially all of our properties and assets to, another person; • our and certain of our subsidiaries ability to create or assume liens; and • our and certain of our subsidiaries ability to engage in sale and leaseback transactions. These covenants are subject to important exceptions and qualifications, which are described under the heading Description of the Notes in this prospectus supplement.
Use of proceeds	We estimate that we will receive net proceeds from this offering of approximately $1.735 billion, after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use the net proceeds from this offering to redeem all of our outstanding $600 million aggregate principal amount of 3.125% senior notes due 2016 and all of our outstanding $500 million aggregate principal amount of 6.8% senior notes due 2017 and to repay outstanding debt under our revolving credit facility. We intend to use any remaining net proceeds for general corporate purposes, which may include repaying a portion of our term loan facility or our outstanding $300 million aggregate principal amount of 3.125% senior notes due 2015. Affiliates of certain of the underwriters are lenders with respect to amounts currently outstanding under our revolving credit facility and term loan facility and will receive a ratable portion of the proceeds of this offering used to repay amounts outstanding thereunder. See Use of Proceeds in this prospectus supplement.
Denomination	The notes will be issued in minimum denominations of $2,000 and any integral multiple of $1,000 in excess thereof.

Absence of market for the notes	Each series of the notes is a new issue of securities with no established trading market. We currently have no intention to apply to list the notes on any securities exchange or to seek their admission to trading on any automated quotation system. Accordingly, we cannot provide any assurance as to the development or liquidity of any market for the notes.

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Summary Consolidated Financial Information

The summary consolidated financial information below was derived from our consolidated financial statements. The unaudited interim period financial information, in our opinion, includes all adjustments, which are normal and recurring in nature, necessary for a fair presentation for the periods shown. Results for the three months ended March 31, 2015 are not necessarily indicative of results to be expected for the full fiscal year. The information set forth below is qualified in its entirety by and should be read in conjunction with our Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes incorporated by reference into this prospectus supplement and the accompanying prospectus. See the section entitled Where You Can Find More Information in the accompanying prospectus.

	Year Ended December 31,			Three Months Ended March 31,	
	2012	2013	2014	2014	2015
			(In millions)		
Income Statement Data:					
Total revenue	$ 4,436	$ 4,814	$ 5,066	$ 1,234	$ 1,275
Operating income	1,048	1,061	1,210	271	314
Income from continuing operations	592	650	754	168	178
(Loss) income from discontinued operations, net of income taxes	19	(2)			
Net income	611	648	754	168	178

	As of December 31,		As of March 31,
	2013	2014	2015
		(In millions)	
Balance Sheet Data:			
Cash and cash equivalents	$ 400	$ 294	$ 296
Total assets	9,513	9,337	9,335
Long-term debt (including current maturities)	3,848	3,803	3,852
Total shareholders equity	3,585	3,295	3,218

Ratios Of Earnings To Fixed Charges

The following table presents our ratios of consolidated earnings to fixed charges for the periods presented.

	Year Ended December 31,					Three Months Ended
	2010	2011	2012	2013	2014	March 31, 2015
Ratio of earnings to fixed charges (1)	4.3x	4.2x	5.2x	5.5x	6.2x	6.5x

(1) For purposes of calculating the ratios of earnings to fixed charges, earnings consist of income from continuing operations before income taxes and income from investment in unconsolidated affiliate, plus fixed charges. Fixed charges consist of interest expensed, amortized discounts and capitalized expenses related to indebtedness and an estimate of interest within rental expense.

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RISK FACTORS

Before you invest in the notes, you should consider the factors set forth below as well as the risk factors discussed in our most recent Annual Report on Form 10-K and other documents we file with the SEC that are incorporated by reference into this prospectus supplement and the accompanying prospectus. See Where You Can Find More Information in the accompanying prospectus.

Risks Related to the Notes

Our financial performance and other factors could adversely impact our ability to make payments on the notes.

Our ability to make scheduled payments with respect to our indebtedness, including the notes, will depend on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and to financial, business and other factors beyond our control. Please read this prospectus supplement and the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, including the portions of our most recent Annual Report on Form 10-K entitled Risk Factors, for a discussion of some of the factors that could affect our financial operating performance.

An increase in market rates could result in a decrease in the value of the notes.

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value. Consequently, if you purchase the notes and market interest rates increase, the market value of your notes may decline. We cannot predict the future level of market interest rates.

There may be no public trading market for the notes.

The notes are new issues of securities for which there is currently no established trading market. A market for the notes may not develop or, if one does develop, it may not be maintained. If a market develops, the notes could trade at prices that may be higher or lower than the initial offering price or the price at which you purchased the notes, depending on many factors, including prevailing interest rates, our financial performance, the amount of indebtedness we have outstanding, the market for similar securities, the redemption and repayment features of the notes and the time remaining to maturity of the notes. We have not applied and do not intend to apply for listing the notes on any securities exchange or any automated quotation system. If an active market for the notes fails to develop or be sustained, the trading price and liquidity of the notes could be adversely affected.

We may not be able to repurchase all of the notes upon a change of control triggering event, which would result in a default under the notes.

Upon the occurrence of a change of control triggering event under the indenture governing the notes, we will be required to offer to repurchase the notes at a price of 101% of the aggregate principal amount of the notes outstanding on the date of such change of control triggering event plus accrued and unpaid interest. However, we may not have sufficient funds to repurchase the notes. In addition, our ability to repurchase the notes may be limited by law or the terms of other agreements relating to our indebtedness. The failure to make such repurchase would result in a default under the notes. For more information, see Description of the Notes Purchase of Notes upon a Change of Control Triggering Event.

The limited covenants in the indenture governing the notes and the terms of the notes do not provide protection against some types of important corporate events and may not protect your investment.

The indenture governing the notes does not:

- require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow or liquidity and, accordingly, does not protect holders of the notes in the event that we experience significant adverse changes in our financial condition or results of operations;

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limit our ability to incur indebtedness that is equal in right of payment to the notes;

restrict our subsidiaries ability to issue securities or otherwise incur indebtedness that would be senior to our equity interests in our subsidiaries;

restrict our ability to repurchase or prepay our securities; or

restrict our or our subsidiaries ability to make investments or to repurchase or pay dividends or make other payments in respect of our common stock or other securities ranking junior to the notes.

Furthermore, the indenture governing the notes contains only limited protections in the event of a change in control. We and our subsidiaries could engage in many types of transactions, such as certain acquisitions, refinancings or recapitalizations that would not constitute a change of control triggering event which would enable you to require us to repurchase the notes as described under Description of the Notes Purchase of Notes upon a Change of Control Triggering Event, but which could nevertheless substantially affect our capital structure and the value of the notes. For these reasons, you should not consider the covenants in the indenture as a significant factor in evaluating whether to invest in the notes. The indenture also permits us and our subsidiaries to incur additional indebtedness, including secured indebtedness, that could effectively rank senior to the notes, and to engage in sale-leaseback arrangements, in each case, subject to certain limits.

We are a holding company, and if our subsidiaries do not make sufficient distributions to us, we will not be able to make payments on our debt, including the notes.

We are a holding company that conducts substantially all of our operations through our subsidiaries. Therefore, our ability to meet our obligations for payment of interest and principal on outstanding debt obligations and to pay corporate expenses depends upon the earnings and cash flows of our subsidiaries and the ability of our subsidiaries to pay dividends or to advance or repay funds to us. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due pursuant to the notes or to make any funds available, whether by dividends, loans, distributions or other payments, and do not guarantee the payment of interest on, or principal of, the notes.

The notes will be effectively subordinated to all of our existing and future secured debt and structurally subordinated to the existing and future debt of our subsidiaries.

The notes constitute our senior unsecured debt and rank equally in right of payment with all of our other existing and future senior debt, except as described below. The notes will be effectively subordinated to all our existing and future secured debt to the extent of the value of the collateral securing such debt. The notes are not secured by any of our assets. Claims of secured lenders with respect to assets securing their loans will be prior to any claim of the holders of the notes with respect to those assets. At March 31, 2015, we had approximately $5 million of secured indebtedness (consisting solely of capital leases outstanding). In addition, the notes will be structurally subordinated in right of payment to all existing and future debt of our subsidiaries and other liabilities and preferred equity of any of our subsidiaries. Our right to receive any assets of any of our subsidiaries upon their bankruptcy, liquidation or reorganization, and therefore the right of the holders of the notes to participate in those assets, will be effectively subordinated to the claims of that subsidiary s creditors, including trade creditors. At March 31, 2015, our subsidiaries had outstanding $1.289 billion of liabilities and no preferred equity.

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USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately $1.735 billion, after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use the net proceeds from this offering to redeem all of our outstanding $600 million aggregate principal amount of 3.125% senior notes due 2016 and all of our outstanding $500 million aggregate principal amount of 6.8% senior notes due 2017 and to repay outstanding debt under our revolving credit facility. As of March 31, 2015, we had revolving credit facility borrowings of $85 million that bore interest at 1.28% and mature in April 2020. We intend to use any remaining net proceeds for general corporate purposes, which may include repaying a portion of our term loan facility or our outstanding $300 million aggregate principal amount of 3.125% senior notes due 2015. As of March 31, 2015, we had term loan borrowings of $810 million that bore interest at 1.43% with scheduled payments of $90 million each due December 31, 2015, 2016 and 2017 with the remaining principal balance due in October 2018.

Affiliates of certain of the underwriters are lenders with respect to amounts currently outstanding under our revolving credit facility and term loan facility and will receive a ratable portion of the proceeds of this offering used to repay amounts outstanding thereunder.

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CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2015:

on an actual basis; and

as adjusted to give effect to this offering and the use of the net proceeds therefrom as described under Use of Proceeds.

	As of March 31, 2015	
	Actual (unaudited)	As Adjusted (unaudited)
	(In millions)	
Existing notes due 2015	$ 300	$ 300
Existing notes due 2016	600	
Existing notes due 2017	500	
Existing notes due 2020	449	449
Existing notes due 2021	399	399
Existing notes due 2022	698	698
Notes offered hereby		1,750
Term loan credit facility	810	810
Revolving loan credit facility	85	
Other debt	11	11
Total debt	3,852	4,417
Common stock	4	4
Additional paid-in capital	896	896
Accumulated other comprehensive loss	(71)	(71)
Retained earnings	7,530	7,530
Treasury stock	(5,141)	(5,141)
Total shareholders equity	3,218	3,218
Total capitalization	$ 7,070	$ 7,635

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DESCRIPTION OF THE NOTES

The following description of certain material terms of the 2.700% Senior Notes due 2020 (the 2020 notes), and the 3.850% Senior Notes due 2025 (the 2025 notes and, together with the 2020 notes, the notes) offered hereby does not purport to be complete. This description adds information to the description of the general terms and provisions of the debt securities in the accompanying prospectus. To the extent this summary differs from the summary in the accompanying prospectus, you should rely on the description of notes in this prospectus supplement.

The notes will be issued under and governed by an indenture, dated as of November 20, 2007 (the base indenture), as supplemented by supplemental indentures to be entered into between us and U.S. Bank National Association, as trustee (the trustee) (together with the base indenture, the indenture). Although for convenience the 2020 notes and the 2025 notes are referred to as notes, each will be issued as a separate series and will not together have any class voting rights. Accordingly, for purposes of this Description of the Notes, references to the notes shall be deemed to refer to each series of notes separately, and not to the 2020 notes and the 2025 notes on any combined basis. The following description is subject to, and is qualified in its entirety by reference to, the indenture. Unless otherwise defined herein, capitalized terms used in the following description are defined in the indenture. As used in the following description, the terms Fiserv, we, us and our refer to Fiserv, Inc. and not any of its subsidiaries, unless the context requires otherwise.

We urge you to read the indenture (including definitions of terms used therein) because it, and not this description, defines your rights as a beneficial holder of the notes. This description is subject to, and qualified in its entirety by reference to, the actual provisions of the notes and the indenture, which are filed with the SEC as exhibits to the registration statement of which this prospectus supplement and accompanying prospectus are a part and incorporated by reference into this prospectus supplement and accompanying prospectus. For information about how to obtain copies of the indenture from us, see Where You Can Find More Information in the accompanying prospectus.

General

The aggregate principal amount of the two separate series of notes offered hereby will initially be limited to $1.75 billion. The 2020 notes will be initially limited to $850,000,000 aggregate principal amount and will mature on June 1, 2020. The 2025 notes will be initially limited to $900,000,000 aggregate principal amount and will mature on June 1, 2025. We may, without the consent of the holders, increase the principal amount of each series in the future, on the same terms and conditions (except for the issue date, public offering price and, if applicable, the initial interest payment date) and with the same CUSIP numbers as the notes being offered hereby, provided that additional notes will be fungible with the previously issued notes for U.S. federal income tax purposes. All notes will be issued only in fully registered form without coupons in minimum denominations of $2,000 and any integral multiple of $1,000 in excess thereof.

The notes will be our senior unsecured obligations and will rank equally with all of our other senior unsecured indebtedness from time to time outstanding. Our obligations arising under the notes will not be guaranteed by any of our subsidiaries. The notes will effectively rank junior to any secured indebtedness we currently have outstanding or may incur in the future to the extent of the collateral securing the same and will be structurally subordinated in right of payment to the obligations (including trade accounts payable) and preferred equity of our subsidiaries. At March 31, 2015, we had outstanding, on a consolidated basis, approximately $3.841 billion of unsecured senior indebtedness and approximately $5 million of secured indebtedness (consisting solely of capital leases), and our subsidiaries had outstanding approximately $1.289 billion of liabilities (including trade accounts payable) and no preferred equity. See Risk Factors Risks Related to the Notes The notes will be, in effect, subordinated to all of our existing and future secured debt and to the existing and future debt of our subsidiaries.

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The indenture does not contain any covenants or provisions that would afford the holders of the notes protection in the event of a highly leveraged or other transaction that is not in the best interests of noteholders, except to the limited extent described below under Purchase of Notes upon a Change of Control Triggering Event and Covenants.

Principal and Interest

The 2020 notes will mature on June 1, 2020 and the 2025 notes will mature on June 1, 2025, unless, in each case, we redeem or purchase the notes prior to that date, as described below under Optional Redemption and Purchase of Notes upon a Change of Control Triggering Event. Interest on the 2020 notes will accrue at the rate of 2.700% per year and interest on the 2025 notes will accrue at the rate of 3.850% per year, and in each case will be paid on the basis of a 360-day year of twelve 30-day months. We will pay interest on the notes semi-annually in arrears on June 1 and December 1 of each year, beginning on December 1, 2015, to the holder in whose name each such note is registered on the day that is 15 days prior to the relevant interest payment date, whether or not such day is a business day.

Amounts due on the stated maturity date or earlier redemption date of the notes will be payable, at the corporate trust office of the trustee. We may make payment of interest on an interest payment date in respect of notes in certificated form by check mailed to the address of the person entitled to the payment as it appears in the security register or by transfer to an account maintained by the payee with a bank located in the United States. We will make payments of principal, premium, if any, and interest in respect of notes in book-entry form to DTC (as defined below) in immediately available funds, while disbursement of such payments to owners of beneficial interests in notes in book-entry form will be made in accordance with the procedures of DTC and its participants in effect from time to time.

Neither we nor the trustee will impose any service charge for any transfer or exchange of a note. However, we may ask you to pay any taxes or other governmental charges in connection with a transfer or exchange of notes.

If any interest payment date, stated maturity date or earlier redemption or purchase date falls on a day that is not a business day, we will make the required payment of principal, premium, if any, and/or interest on the next business day as if it were made on the date payment was due, and no interest will accrue on the amount so payable for the period from and after that interest payment date, the stated maturity date or earlier redemption or purchase date, as the case may be, to the next business day. The term business day means any day other than a Saturday, Sunday or other day on which banking institutions in The City of New York are authorized or obligated by law, regulation or executive order to close.

Interest Rate Adjustment

The interest rate payable on each series of notes will be subject to adjustments from time to time if Moody s Investors Service, Inc. (Moody s) (or, if applicable, any Substitute Rating Agency (as defined below)) or Standard & Poor s Ratings Services, a division of The McGraw-Hill Companies, Inc. (S&P) (or, if applicable, any Substitute Rating Agency) downgrades (or subsequently upgrades) the debt rating assigned to such series of notes, as set forth below.

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If the ratings from Moody s or S&P (or, in either case if applicable, any Substitute Rating Agency) with respect to the notes of a series (each, a Rating Agency , and collectively, the Rating Agencies) is decreased to a rating set forth in the immediately following table with respect to that Rating Agency, the per annum interest rate on the notes of such series will increase from that set forth on the cover page of this prospectus supplement by the percentage set forth opposite that rating:

	Rating Agency		
Rating Level	**Moody s***	**S&P***	**Percentage**
1	Ba1	BB+	0.25%
2	Ba2	BB	0.50%
3	Ba3	BB-	0.75%
4	B1 or below	B+ or below	1.00%

* Including the equivalent ratings of any Substitute Rating Agency

If at any time the interest rate on any series of notes has been adjusted upward as a result of a decrease in a rating by a Rating Agency and that Rating Agency subsequently increases its rating with respect to such series of notes to any of the threshold ratings set forth above, the per annum interest rate on that series of notes will be decreased such that the per annum interest rate equals the interest rate set forth on the cover page of this prospectus supplement plus the percentage set forth opposite the rating for such Rating Agency in effect immediately following the increase in the table above; provided that if Moody s or any Substitute Rating Agency subsequently increases its rating of any series of notes to Baa3 (or its equivalent if with respect to any Substitute Rating Agency) or higher and S&P or any Substitute Rating Agency subsequently increases its rating of any series of notes to BBB- (or its equivalent if with respect to any Substitute Rating Agency) or higher, the interest rate on that series of notes will be decreased to the per annum interest rate on that series of notes set forth on the cover page of this prospectus supplement.

No adjustment in the interest rate of any series of notes shall be made solely as a result of a Rating Agency ceasing to provide a rating. If at any time less than two Rating Agencies provide a rating of any series of notes, we will use our commercially reasonable efforts to obtain a rating of that series of notes from another nationally recognized statistical rating organization, to the extent one exists, and if another nationally recognized statistical rating organization rates that series of notes (such organization, as certified by a resolution of our board of directors, a Substitute Rating Agency), for purposes of determining any increase or decrease in the per annum interest rate on that series of notes pursuant to the table above (a) such Substitute Rating Agency will be substituted for the last Rating Agency to provide a rating of that series of notes but which has since ceased to provide such rating, (b) the relative ratings scale used by such Substitute Rating Agency to assign ratings to senior unsecured debt will be determined in good faith by an independent investment banking institution of national standing appointed by us and, for purposes of determining the applicable ratings included in the table above with respect to such Substitute Rating Agency, such ratings shall be deemed to be the equivalent ratings used by Moody s and S&P in such table and (c) the per annum interest rate on that series of notes will increase or decrease, as the case may be, such that the interest rate equals the interest rate set forth on the cover page of the prospectus supplement plus the appropriate percentage, if any, set forth opposite the rating from such Substitute Rating Agency in the table above (taking into account the provisions of clause (b) above). For so long as (i) only one Rating Agency provides a rating of any series of notes, any increase or decrease in the interest rate of that series of notes necessitated by a reduction or increase in the rating by that Rating Agency shall be twice the applicable percentage set forth in the table above and (ii) no Rating Agency provides a rating of any series of notes, the interest rate on that series of notes will increase to, or remain at, as the case may be, 2.00% above the interest rate set forth on the cover page of this prospectus supplement.

Each adjustment required by any decrease or increase in a rating set forth above, whether occasioned by the action of Moody s, S&P or any Substitute Rating Agency, shall be made independent of (and in addition to) any and all other adjustments. For example, if only one of the Rating Agencies decreases its rating of the notes of a series to Rating Level 1 (and the rating provided by the other Rating Agency is above Rating Level 1), then the

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interest rate payable on that series of the notes will increase by 0.25%, and if each of the Rating Agencies decreases its rating of the notes of a series to Rating Level 1, then the interest rate borne by the notes of that series will increase by 0.25% on account of each such rating provided by both Rating Agencies, or 0.50% in the aggregate. In no event shall (1) the per annum interest rate on any series of notes be reduced below the interest rate set forth on the cover page of this prospectus supplement or (2) the per annum interest rate on any series of notes exceeds a rate that is 2.00% above the interest rate set forth on the cover page of this prospectus supplement.

Any interest rate increase or decrease described above will take effect on the next business day after the rating change has occurred.

The interest rates on each series of the notes will permanently cease to be subject to any adjustment described above (notwithstanding any subsequent decrease in the ratings by any Rating Agency) if that series of notes becomes rated A3 (or its equivalent) or higher by Moody s (or any Substitute Rating Agency) and A- (or its equivalent) or higher by S&P (or any Substitute Rating Agency), or one of those ratings if only rated by one Rating Agency, in each case with a stable or positive outlook.

Optional Redemption

Prior to May 1, 2020, with respect to the 2020 notes, and prior to March 1, 2025, with respect to the 2025 notes, we may, at our option, redeem the notes of each series, in whole or from time to time in part, at a redemption price equal to the greater of:

- 100% of the aggregate principal amount of any notes being redeemed; or
- the sum of the present values of the remaining scheduled payments of principal and interest on the notes being redeemed, not including unpaid interest accrued to the redemption date, discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate plus 20 basis points with respect to any 2020 notes being redeemed and at the treasury rate plus 25 basis points with respect to any 2025 notes being redeemed,

plus, in each case, accrued and unpaid interest on the notes being redeemed to, but not including, the redemption date.

On or after May 1, 2020, with respect to the 2020 notes, or on or after March 1, 2025, with respect to the 2025 notes, we may, at our option, redeem the notes of the applicable series, in whole or from time to time in part, at a redemption price equal to 100% of the principal amount of the notes being redeemed, plus accrued and unpaid interest on the notes being redeemed to, but not including, the redemption date.

The term treasury rate means, with respect to any redemption date, the rate per year equal to the semiannual equivalent yield to maturity (on a day count basis) of the comparable treasury issue, assuming a price for the comparable treasury issue (expressed as a percentage of its principal amount) equal to the comparable treasury price for such redemption date.

The term comparable treasury issue means the United States Treasury security or securities selected by an independent investment banker as having an actual maturity comparable to the remaining term of the notes being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such notes.

The term independent investment banker means one of the reference treasury dealers appointed by the trustee after consultation with us.

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The term comparable treasury price means, with respect to any redemption date:

- the average of three reference treasury dealer quotations for the redemption date, after excluding the highest and lowest such reference treasury dealer quotations, or
- if the trustee obtains fewer than four reference treasury dealer quotations, the average of all reference treasury dealer quotations for the redemption date so obtained.

The term reference treasury dealer quotations means, with respect to each reference treasury dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the comparable treasury issue, expressed in each case as a percentage of its principal amount, quoted in writing to the trustee by such reference treasury dealer at approximately 3:30 p.m., New York City time, on the third business day preceding such redemption date.

The term reference treasury dealer means each of Merrill Lynch, Pierce, Fenner & Smith Incorporated (or an affiliate that is a primary treasury dealer (as defined below)), a primary treasury dealer selected by Wells Fargo Securities, LLC and three other primary treasury dealers selected by us; provided that if any of the foregoing or their affiliates shall cease to be a primary U.S. government securities dealer in The City of New York (a primary treasury dealer), we will substitute therefor another primary treasury dealer.

We will give written notice of any redemption of any series of notes to holders of that series of notes to be redeemed at their addresses, as shown in the security register for the affected notes, not more than 60 nor less than 30 days prior to the date fixed for redemption. The notice of redemption will specify, among other items, the aggregate principal amount of the notes of the applicable series to be redeemed, the redemption date and the redemption price.

If we choose to redeem less than all of the notes of a series, then we will notify the trustee at least 45 days before giving notice of redemption, or such shorter period as is satisfactory to the trustee, of the aggregate principal amount of the notes of such series to be redeemed and the redemption date. The trustee will select, in the manner it deems fair and appropriate, the notes of that series to be redeemed in part. See also Book-Entry and Global Clearance and Settlement Procedures below.

If we have given notice as provided in the indenture and made funds irrevocably available for the redemption of the notes of a series called for redemption on the redemption date referred to in that notice, then those notes will cease to bear interest on that redemption date and the only remaining right of the holders of those notes will be to receive payment of the redemption price.

The notes will not be subject to, or have the benefit of, a sinking fund.

Purchase of Notes upon a Change of Control Triggering Event

If a change of control triggering event occurs, holders of notes will have the right to require us to repurchase all or any part of their notes pursuant to the offer described below (the change of control offer) on the terms set forth in the notes (provided that with respect to notes submitted for repurchase in part, the remaining portion of such notes is in a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof). In the change of control offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest, if any, on the notes repurchased, to the date of purchase (the change of control payment).

Within 30 days following any change of control triggering event, we will be required to mail a notice to holders of notes describing the transaction or transactions that constitute the change of control triggering event and offering to repurchase the notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the change of control payment date), pursuant to the procedures required by the notes and

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described in such notice. The notice will, if mailed prior to the date of the consummation of the change of control, state that the offer to purchase is conditioned on the change of control triggering event occurring on or prior to the change of control payment date; provided that if the change of control triggering event occurs after such change of control purchase date, we will be required to offer to purchase the notes as described above. We must comply with the requirements of Rule 14e-l under the Securities Exchange Act of 1934, as amended (the Exchange Act) and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a change of control triggering event. To the extent that the provisions of any securities laws or regulations conflict with the change of control provisions of the notes, we will be required to comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the change of control provisions of the notes by virtue of such conflicts.

On the change of control payment date, we will be required, to the extent lawful, to:

- accept for payment all notes or portions of notes properly tendered pursuant to the change of control offer;
- deposit with the paying agent an amount equal to the change of control payment in respect of all notes or portions of notes properly tendered; and
- deliver or cause to be delivered to the trustee the notes properly accepted together with an officers certificate stating the aggregate principal amount of notes or portions of notes being purchased.

The paying agent will promptly mail to each holder of notes properly tendered the purchase price for the notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new note equal in principal amount to any unpurchased portion of any notes surrendered; provided that each new note will be in a principal amount of $2,000 and any integral multiple of $1,000 in excess thereof.

We will not be required to make an offer to repurchase the notes upon a change of control triggering event if (i) a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us, and such third party purchases all notes properly tendered and not withdrawn under its offer; or (ii) prior to the occurrence of the related change of control triggering event, we have given written notice of a redemption of the notes as provided under Optional Redemption above, unless we have failed to pay the redemption price on the redemption date.

For purposes of the foregoing discussion of a repurchase at the option of holders, the following definitions are applicable:

Below investment grade rating event means the rating on the notes is lowered by each of the Rating Agencies (as such term is defined under Principal and Interest Interest Rate Adjustment) and the notes are rated below an investment grade rating by each of the Rating Agencies on any date from the date of the public notice of an arrangement that could result in a change of control until the end of the 60-day period following public notice of the occurrence of the change of control (which 60-day period shall be extended so long as the rating of the notes is under publicly announced consideration for possible downgrade by either of the Rating Agencies); provided that a below investment grade rating event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect to a particular change of control (and thus shall not be deemed a below investment grade rating event for

purposes of the definition of change of control triggering event hereunder) if the Rating Agency or Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable change of control (whether or not the applicable change of control shall have occurred at the time of the below investment grade rating event).

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Change of control means the occurrence of any of the following: (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties and assets of Fiserv and our subsidiaries taken as a whole to any person or group (as those terms are used in Section 13(d)(3) of the Exchange Act) other than us or one of our subsidiaries; (2) the approval by the holders of our common stock of any plan or proposal for the liquidation or dissolution of Fiserv (whether or not otherwise in compliance with the provisions of the indenture); (3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person or group (as those terms are used in Section 13(d)(3) of the Exchange Act) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the then outstanding number of shares of our voting stock; (4) Fiserv consolidates or merges with or into any entity, pursuant to a transaction in which any of the outstanding voting stock of Fiserv or such other entity is converted into or exchanged for cash, securities or other property (except when voting stock of Fiserv is converted into, or exchanged for, at least a majority of the voting stock of the surviving person); or (5) the first day on which a majority of the members of our board of directors are not continuing directors.

Change of control triggering event means the occurrence of both a change of control and a below investment grade rating event.

Continuing directors means, as of any date of determination, any member of our board of directors who (1) was a member of our board of directors on the date of the issuance of the notes; or (2) was nominated for election or elected to our board of directors with the approval of at least a majority of the continuing directors who were members of our board of directors at the time of such nomination or election (either by a specific vote or by approval of our proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination).

Investment grade rating means a rating equal to or higher than Baa3 (or the equivalent) by Moody s and BBB- (or the equivalent) by S&P, respectively.

Person has the meaning set forth in the indenture and includes a person as used in Section 13(d)(3) of the Exchange Act.

The definition of change of control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of the properties and assets of us and our subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of notes to require us to repurchase its notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the properties and assets of us and our subsidiaries taken as a whole to another person or group may be uncertain.

Covenants

Merger, Consolidation and Sale of Assets

We have agreed, with respect to each series of notes, not to consolidate or merge with or into any other person, permit any other person to consolidate with or merge into us or convey, transfer or lease all or substantially all of our properties and assets to any other person, unless:

we are the surviving entity or our successor is an entity organized and existing under the laws of the United States of America, any state thereof or the District of Columbia;

the surviving entity, if other than us, expressly assumes, by a supplemental indenture, the due and punctual payment of the principal of and any premium and interest on the outstanding notes and the performance and observance of every covenant in the indenture that we would otherwise have to perform or observe;

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immediately after giving effect to such transaction and treating any indebtedness that becomes an obligation of ours or any of our subsidiaries as a result of such transaction as having been incurred by us or any of our subsidiaries at the time of such transaction, there will not be any event of default or event which, after notice or lapse of time or both, would become an event of default;

if, as a result of any such transaction, our property or assets would become subject to a lien which would not be permitted under Limitations on Liens, we or our successor shall take those steps that are necessary to secure all outstanding notes equally and ratably with the indebtedness secured by that lien; and

we will have delivered to the trustee an officers certificate and an opinion of counsel, each stating that all conditions precedent to the consummation of the particular transaction under the indenture have been complied with.

Upon any consolidation or merger with or into any other person or any conveyance, transfer or lease of all or substantially all of our properties and assets to any other person, the successor person will succeed to, and be substituted for, us under the indenture, and we, except in the case of a lease, will be relieved of all obligations and covenants under the notes and the indenture to the extent we were the predecessor person.

Limitations on Liens

Neither we nor any of our restricted subsidiaries may create or assume, except in our favor or in favor of one or more of our wholly-owned subsidiaries, any mortgage, pledge, lien or encumbrance (as used in this paragraph, liens) on any property now owned or hereafter acquired by Fiserv or any such restricted subsidiary unless the outstanding notes of each series are secured equally and ratably with (or prior to) the obligations so secured by such lien, except that the foregoing restriction does not apply to the following types of liens:

(a) liens in connection with workers compensation, unemployment insurance or other social security obligations (which phrase shall not be construed to refer to ERISA or the minimum funding obligations under Section 412 of the Code);

(b) liens to secure the performance of bids, tenders, letters of credit, contracts (other than contracts for the payment of indebtedness), leases, statutory obligations, surety, customs, appeal, performance and payment bonds and other obligations of like nature, in each such case arising in the ordinary course of business;

(c) mechanics , workmen s, carriers , warehousemen s, materialmen s, landlords , or other like liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith and by appropriate action;

(d) liens for taxes, assessments, fees or governmental charges or levies which are not delinquent or are payable without penalty, or are being contested in good faith and by appropriate action, and in respect of which adequate reserves shall have been established in accordance with GAAP on the books of Fiserv or any subsidiary;

(e) liens consisting of attachments, judgments or awards against Fiserv or any subsidiary with respect to which an appeal or proceeding for review shall be pending or a stay of execution shall have been obtained, or which are otherwise being contested in good faith and by appropriate action, and in respect of which adequate reserves shall have been established in accordance with GAAP on the books of Fiserv or any subsidiary;

(f) easements, rights of way, restrictions, leases of property to others, easements for installations of public utilities, title imperfections and restrictions, zoning ordinances and other similar

encumbrances affecting property which in the aggregate do not materially adversely affect the value of such property or materially impair its use for the operations of the business of Fiserv or any subsidiary;

(g) liens existing on the date of the indenture and securing indebtedness or other obligations of Fiserv or any subsidiary;

(h) statutory liens in favor of lessors arising in connection with property leased to Fiserv or any subsidiary;

(i) liens on margin stock to the extent that a prohibition on such liens pursuant to this provision would violate Regulation U of the U.S. Federal Reserve Board, as amended.

(j) purchase money liens on property hereafter acquired by Fiserv or any subsidiary created within 180 days of such acquisition (or in the case of real property, completion of construction including any improvements or the commencement of operation of the property, whichever occurs later) to secure or provide for the payment or financing of all or any part of the purchase price thereof, provided that the lien secured thereby shall attach only to the property so acquired and related assets (except that individual financings by one person (or an affiliate thereof) may be cross-collateralized to other financings provided by such person and its affiliates that are permitted by this clause (j));

(k) liens in respect of capital leases and permitted sale-leaseback transactions;

(l) liens on the property of a person that becomes a subsidiary after the date hereof, provided that (i) such liens existed at the time such person becomes a subsidiary and were not created in anticipation thereof, (ii) any such lien does not by its terms cover any property after the time such person becomes a subsidiary that was not covered immediately prior thereto and (iii) any such lien does not by its terms secure any indebtedness other than indebtedness existing immediately prior to the time such person becomes a subsidiary;

(m) liens on property and proceeds thereof existing at the time of acquisition thereof and not created in contemplation thereof;

(n) liens (i) of a collection bank arising under Section 4-208 of the Uniform Commercial Code on the items in the course of collection, and (ii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set off) and which are within the general parameters customary in the banking industry;

(o) liens securing securitized indebtedness in an aggregate principal amount not in excess of $200,000,000 at any one time outstanding upon the granting of such liens;

(p) any extension, renewal, refinancing, substitution or replacement (or successive extensions, renewals, refinancings, substitutions or replacements), as a whole or in part, of any of the liens referred to in paragraphs (g), (j), (l) and (m) of this covenant, provided that such extension, renewal, refinancing substitution or replacement lien shall be limited to all or any part of substantially the same property or assets that secured the lien extended, renewed, refinanced, substituted or replaced (plus improvements on such property) and the liability secured by such lien at such time is not increased;

(q) liens on proceeds of any of the assets permitted to be the subject of any lien or assignment permitted by this covenant, and

(r) other liens, *provided* that, without duplication, the aggregate sum of all obligations and Indebtedness secured by liens permitted under this clause (r), together with sale-leaseback transactions

of the type and in the amounts described in the proviso of the definition of permitted sale-leaseback transactions, would not exceed 10.0% of net worth, measured upon granting of such liens based on the balance sheet for the end of the most recent quarter for which financial statements are available.

The term net worth means, at any date, the sum of all amounts which would be included under shareholders equity on a consolidated balance sheet of Fiserv and its subsidiaries determined in accordance with GAAP on such date or, in the event such date is not a fiscal quarter end, as of the immediately preceding fiscal quarter end.

The term permitted sale-leaseback transactions means sales or transfers by Fiserv or any subsidiary of any real property, improvements, fixtures, machinery and/or equipment with the intention of taking back a lease thereof; provided, however, that permitted sale-leaseback transactions shall not include such transactions involving machinery and/or equipment (excluding any lease for a temporary period of not more than thirty-six months with the intent that the use of the subject machinery and/or equipment will be discontinued at or before the expiration of such period) relating to facilities (a) in full operation for more than 180 days as of the date of the indenture and (b) that are material to the business of Fiserv and its subsidiaries taken as a whole, to the extent that the sum of the aggregate sale price of such machinery and/or equipment from time to time involved in such transactions (giving effect to payment in full under any such transaction and excluding the Applied Amounts, as defined in the following sentence), plus the amount of obligations and indebtedness from time to time secured by liens permitted under clause (r) above, exceeds 10% of net worth. For purposes of this definition, Applied Amounts means an amount (which may be conclusively determined by the board of directors of Fiserv) equal to the greater of (i) capitalized rent with respect to the applicable machinery and/or equipment and (ii) the fair value of the applicable machinery and/or equipment, that is applied within 180 days of the applicable transaction or transactions to repayment of the notes or to the repayment of any indebtedness for borrowed money which, in accordance with GAAP, is classified as long-term debt and that is on parity with the notes.

The term property means, with respect to any person, all types of real, personal or mixed property and all types of tangible or intangible property owned or leased by such person.

The term restricted subsidiary means any subsidiary of ours that constitutes a significant subsidiary (as such term is defined in Regulation S-X, promulgated pursuant to the Securities Act of 1933, as amended (the Securities Act), as in effect on the date of the supplemental indentures), excluding: (i) any subsidiary which is not organized under the laws of any state of the United States of America; (ii) any subsidiary which conducts the major portion of its business outside the United States of America; and (iii) any subsidiary of any of the foregoing.

The term securitized indebtedness means, with respect to any person as of any date, the reasonably expected liability of such person for the repayment of, or otherwise relating to, all accounts receivable, general intangibles, chattel paper or other financial assets and related rights and assets sold or otherwise transferred by such person, or any subsidiary or affiliate thereof, on or prior to such date.

The term subsidiary of any person means (i) any corporation, association or other business entity of which more than 50% of the total voting power of shares of capital stock or other equity interests entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such person or one or more of the other subsidiaries of such person (or a combination thereof), (ii) any partnership, limited liability company or similar pass-through entity the sole general partner or the managing general partner or managing member of which is such person or a subsidiary of such person and (iii) any partnership, limited liability company or similar pass-through entity the only general partners, managing members or persons, however designated in corresponding roles, of which are such person or one or more subsidiaries of such person (or any combination thereof).

The term wholly-owned subsidiary of any person means (i) any corporation, association or other business entity of which 100% of the total voting power of shares of capital stock or other equity interests

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entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such person or one or more of the other subsidiaries of such person (or a combination thereof) and (ii) any partnership, limited liability company or similar pass-through entity the sole partners, members or persons, however designated in corresponding roles, of which are such person or one or more subsidiaries of such person (or any combination thereof).

Limitations on Sale and Leaseback Transactions

Neither we nor any of our restricted subsidiaries may engage in sale and leaseback transactions except for permitted sale-leaseback transactions (as defined above).

Our real property, improvements and fixtures are not subject to the limitations on sale and leaseback transactions described above. As of March 31, 2015, our real property, improvements and fixtures had a book value of approximately $97 million, none of which were subject to capital leases.

Events of Default

An event of default with respect to each series of notes occurs if:

- we fail to pay interest on any of the notes of that series when due and payable and that failure continues for 30 calendar days;
- we fail to pay the principal of, or premium, if any, on, any of the notes of that series at its maturity or when otherwise due;
- there is a default (which shall not have been cured or waived) in the payment of any principal of or interest on any of our indebtedness for borrowed money aggregating more than $100 million in principal amount, after giving effect to any applicable grace period, or in the performance of any other term or provision of any of our indebtedness in excess $100 million in principal amount that results in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable, and such acceleration is not rescinded or annulled, or such indebtedness has not been discharged, within a period of 15 days after there has been given written notice specifying such default as provided in the indenture;
- we fail to perform any covenant in the indenture with respect to the notes of that series and that failure continues for 60 calendar days after we receive written notice as provided in the indenture; or
- certain actions are taken relating to our bankruptcy, insolvency or reorganization or the bankruptcy, insolvency or reorganization of any restricted subsidiary of ours.

If an event of default with respect to the notes of a series occurs and continues, except for the bankruptcy, insolvency or reorganization actions referred to above, then the trustee or the holders of at least 25% in principal amount of the outstanding notes of the applicable series may require us to repay immediately the principal of, and any unpaid

premium and interest on, all outstanding notes of such series. The holders of at least a majority in principal amount of the outstanding notes of the applicable series may rescind and annul that acceleration if all events of default with respect to the notes of that series, other than the nonpayment of accelerated principal, have been cured or waived as provided in the indenture. An event of default arising from the bankruptcy, insolvency or reorganization actions referred to above shall cause the principal of, and any unpaid premium and interest on, all notes to become immediately due and payable without any declaration or other act by the trustee, the holders of the notes or any other party.

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Other than its duties in case of a default, the trustee is not obligated to exercise any of its rights or powers under the indenture at the request or direction of any holder of notes, unless the holders offer reasonable indemnity to the trustee. If the holders offer reasonable indemnity to the trustee, then the holders of at least a majority in principal amount of the outstanding notes of an applicable series will have the right, subject to some limitations, to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the notes of that series.

No holder of any note of a series will have any right to institute any proceeding with respect to the indenture or for any remedy under the indenture unless:

- the holder has previously given to the trustee written notice of a continuing event of default with respect to the notes of that series;
- the holders of at least 25% in principal amount of the outstanding notes of that series have made a written request, and offered reasonable indemnity, to the trustee to institute a proceeding as trustee;
- the trustee has failed to institute the requested proceeding within 60 calendar days after receipt of such notice; and
- the trustee has not received from the holders of at least a majority in principal amount of the outstanding notes of that series a direction inconsistent with the request during that 60-day period.

However, the holder of any note will have the absolute and unconditional right to receive payment of the principal of, and premium, if any, and interest on, that note as expressed therein, and to institute suit for the enforcement of any such payment.

We are required to furnish to the trustee annually within 120 days after the end of our fiscal year a statement as to the absence of some defaults under the indenture. Within 30 days after the occurrence of an event of default the trustee shall give notice of such event of default or of any event which, after notice or lapse of time or both, would become an event of default, known to it, to the holders of the notes, except that, in the case of a default other than a payment default, the trustee may withhold notice if the trustee determines that withholding notice is in the interest of the holders.

Modification, Amendment and Waiver

We, together with the trustee, may modify and amend the indenture and the terms of the notes of a series with the consent of the holders of at least a majority in principal amount of the outstanding notes of such series, provided that no modification or amendment may, without the consent of each affected holder of the notes of the affected series:

- reduce the amount of notes whose holders must consent to an amendment, supplement or waiver;

change the stated maturity of the principal of, or any installment of interest on, any note;

reduce the principal of, or rate of interest on, any note;

reduce any amount payable upon the redemption or purchase at the option of the holder of any note;

change any place of payment where, or the currency in which, any principal of, or premium, if any, or interest on, any note is payable;

impair the right to institute suit for the enforcement of any payment on or with respect to any note on or after the stated maturity or redemption date; or

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reduce the percentage in principal amount of outstanding notes the consent of whose holders is required for modification or amendment of the indenture, for waiver of compliance with certain provisions of the indenture or for waiver of certain defaults.

The holders of at least a majority in principal amount of the outstanding notes of a series may, on behalf of the holders of all notes of that series, waive any past default under the indenture and its consequences, except a default in the payment of the principal of, or premium, if any, or interest on, any notes or in respect of a covenant or provision that under the indenture cannot be modified or amended without the consent of each holder of that series. In addition, the holders of at least a majority in principal amount of the outstanding notes of a series may, on behalf of the holders of all notes of that series, waive compliance with our covenants described above under Covenants Limitations on Liens and Covenants Limitations on Sale and Leaseback Transactions.

In addition, we, together with the trustee, may modify and amend the indenture and the terms of the notes without seeking the consent of any holders of the notes to:

allow our successor to assume our obligations under the indenture and the notes pursuant to the provisions described above under the heading Covenants Merger, Consolidation and Sale of Assets ;

add to our covenants for the benefit of the holders of the notes or surrender any right or power we have under the indenture;

add any additional events of default;

secure the notes;

provide for a successor trustee with respect to the notes;

cure any ambiguity, defect or inconsistency; or

make any other amendment or supplement to the indenture as long as that amendment or supplement does not adversely affect the interests of the holders of any notes in any material respect.

No amendment or supplement to the indenture made solely to conform the indenture to this description of the notes contained in this prospectus supplement and in the accompanying prospectus will be deemed to adversely affect the interests of the holders of the notes.

Defeasance and Covenant Defeasance

Except as prohibited by the indenture, if we deposit with the trustee sufficient money or U.S. government obligations, or both, to pay the principal of, and premium, if any, and interest on, the notes on the scheduled due dates therefor, then at our option we may be discharged from certain of our obligations with respect to the notes or elect that our failure to comply with certain restrictive covenants, including those described in Covenants Merger, Consolidation and

Sale of Assets, Covenants Limitations on Liens, and Covenants Limitations on Sale and Leaseback Transactions w not be deemed to be or result in an event of default under the notes.

Governing Law

The notes and the indenture will be governed by, and construed in accordance with, the laws of the State of New York.

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Book-Entry

The Depository Trust Company, or DTC, which we refer to along with its successors in this capacity as the depositary, will act as securities depositary for the notes. The notes will be issued only as fully registered securities registered in the name of Cede & Co., the depositary s nominee. One or more fully registered global security certificates, representing the total aggregate principal amount of the notes of a series, will be issued and will be deposited with the depositary or its custodian and will bear a legend regarding the restrictions on exchanges and registration of transfer referred to below.

The laws of some jurisdictions may require that some purchasers of securities take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in the notes so long as the notes are represented by global security certificates.

Investors may elect to hold interests in the global notes through either DTC in the United States or Clearstream Banking, société anonyme (Clearstream, Luxembourg) or Euroclear Bank S.A./N.V., as operator of the Euroclear System (the Euroclear System), in Europe if they are participants of such systems, or indirectly through organizations which are participants in such systems. Clearstream, Luxembourg and the Euroclear System will hold interests on behalf of their participants through customers securities accounts in Clearstream, Luxembourg s and the Euroclear System s names on the books of their respective depositaries, which in turn will hold such interests in customers securities accounts in the depositaries names on the books of DTC. Citibank N.A. will act as depositary for Clearstream, Luxembourg and JPMorgan Chase Bank, N.A. will act as depositary for the Euroclear System (in such capacities, the U.S. Depositaries).

DTC advises that it is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. The depositary holds securities that its participants deposit with the depositary. The depositary also facilitates the settlement among participants of securities transactions, including transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. The rules applicable to the depositary and its participants are on file with the SEC.

Clearstream, Luxembourg advises that it is incorporated under the laws of Luxembourg as a professional depositary. Clearstream, Luxembourg holds securities for its participating organizations (Clearstream Participants) and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg interfaces with domestic markets in several countries. As a professional depositary, Clearstream, Luxembourg is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (Commission de Surveillance du Secteur Financier). Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters. Indirect access to Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant, either directly or indirectly.

Distributions with respect to interests in the notes held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures, to the extent received by the U.S. Depositary for Clearstream, Luxembourg.

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The Euroclear System advises that it was created in 1968 to hold securities for participants of the Euroclear System (Euroclear Participants) and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. The Euroclear System includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. The Euroclear System is operated by Euroclear Bank S.A./N.V. (the Euroclear Operator). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear System cash accounts are accounts with the Euroclear Operator. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to the Euroclear System is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the Terms and Conditions). The Terms and Conditions govern transfers of securities and cash within the Euroclear System, withdrawals of securities and cash from the Euroclear System, and receipts of payments with respect to securities in the Euroclear System. All securities in the Euroclear System are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no records of or relationship with persons holding through Euroclear Participants.

Distributions with respect to the notes held beneficially through the Euroclear System will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depositary for the Euroclear System.

We will issue the notes in definitive certificated form if the depositary notifies us that it is unwilling or unable to continue as depositary or the depositary ceases to be a clearing agency registered under the Exchange Act and a successor depositary is not appointed by us within 90 days or an event of default has occurred and is ongoing. If we determine at any time that the notes shall no longer be represented by global security certificates, we will inform the depositary of such determination who will, in turn, notify participants of their right to withdraw their beneficial interest from the global security certificates, and if such participants elect to withdraw their beneficial interests, we will issue certificates in definitive form in exchange for such beneficial interests in the global security certificates. Any global note, or portion thereof, that is exchangeable pursuant to this paragraph will be exchangeable for note certificates, as the case may be, registered in the names directed by the depositary. We expect that these instructions will be based upon directions received by the depositary from its participants with respect to ownership of beneficial interests in the global security certificates.

As long as the depositary or its nominee is the registered owner of the global security certificates, the depositary or its nominee, as the case may be, will be considered the sole owner and holder of the global security certificates and all notes represented by these certificates for all purposes under the notes and the indenture. Except in the limited circumstances referred to above, owners of beneficial interests in global security certificates:

- will not be entitled to have the notes represented by these global security certificates registered in their names, and

will not be considered to be owners or holders of the global security certificates or any notes represented by these certificates for any purpose under the notes or the indenture.

All payments on the notes represented by the global security certificates and all transfers and deliveries of related notes will be made to the depositary or its nominee, as the case may be, as the holder of the securities.

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Ownership of beneficial interests in the global security certificates will be limited to participants or persons that may hold beneficial interests through institutions that have accounts with the depositary or its nominee. Ownership of beneficial interests in global security certificates will be shown only on, and the transfer of those ownership interests will be effected only through, records maintained by the depositary or its nominee, with respect to participants interests, or any participant, with respect to interests of persons held by the participant on their behalf. Payments, transfers, deliveries, exchanges and other matters relating to beneficial interests in global security certificates may be subject to various policies and procedures adopted by the depositary from time to time. Neither we nor the trustee will have any responsibility or liability for any aspect of the depositary s or any participant s records relating to, or for payments made on account of, beneficial interests in global security certificates, or for maintaining, supervising or reviewing any of the depositary s records or any participant s records relating to these beneficial ownership interests.

Although the depositary has agreed to the foregoing procedures in order to facilitate transfers of interests in the global security certificates among participants, the depositary is under no obligation to perform or continue to perform these procedures, and these procedures may be discontinued at any time. We will not have any responsibility for the performance by the depositary or its direct participants or indirect participants under the rules and procedures governing the depositary.

The information in this section concerning the depositary, its book-entry system, Clearstream, Luxembourg and the Euroclear System has been obtained from sources that we believe to be reliable, but we have not attempted to verify the accuracy of this information.

Global Clearance and Settlement Procedures

Initial settlement for the notes will be made in immediately available funds. Secondary market trading between DTC Participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds using DTC s Same-Day Funds Settlement System. Secondary market trading between Clearstream Participants and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and the Euroclear System, as applicable.

Cross-market transfers between persons holding directly or indirectly through DTC on the one hand, and directly or indirectly through Clearstream Participants or Euroclear Participants, on the other, will be effected through DTC in accordance with DTC rules on behalf of the relevant European international clearing system by its U.S. Depositary; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depositary to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream Participants and Euroclear Participants may not deliver instructions directly to their respective U.S. Depositaries.

Because of time-zone differences, credits of notes received in Clearstream, Luxembourg or the Euroclear System as a result of a transaction with a DTC Participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in such notes settled during such processing will be reported to the relevant Euroclear Participant or Clearstream Participant on such business day. Cash received in Clearstream, Luxembourg or the Euroclear System as a result of sales of the notes by or through a Clearstream Participant or a Euroclear Participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream, Luxembourg or the Euroclear System cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream, Luxembourg and the Euroclear System have agreed to the foregoing procedures in order to facilitate transfers of notes among participants of DTC, Clearstream, Luxembourg and the Euroclear System, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued or changed at any time.

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CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the material U.S. federal income tax considerations relevant to U.S. Holders and Non-U.S. Holders (both as defined below) relating to the purchase, ownership and disposition of the notes. This summary is based upon current provisions of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code), existing and proposed Treasury Regulations promulgated thereunder, judicial decisions and rulings, pronouncements and administrative interpretations of the Internal Revenue Service (the IRS), all of which are subject to change, possibly on a retroactive basis, at any time by legislative, judicial or administrative action. We cannot assure you that the IRS will not challenge the conclusions stated below, and no ruling from the IRS has been (or will be) sought on any of the matters discussed below.

The following summary does not purport to be a complete analysis of all the potential U.S. federal income tax considerations relating to the purchase, ownership, and disposition of the notes. Without limiting the generality of the foregoing, this summary does not address the effect of any special rules applicable to certain types of beneficial owners, including, without limitation, dealers in securities or currencies, insurance companies, financial institutions, thrifts, regulated investment companies, tax-exempt entities, U.S. Holders whose functional currency is not the U.S. dollar, U.S. expatriates, persons who hold notes as part of a straddle, hedge, conversion transaction, or other risk reduction or integrated investment transaction, investors in securities that elect to use a mark-to-market method of accounting for their securities holdings, individual retirement accounts or qualified pension plans, controlled foreign corporations, passive foreign investment companies, or investors in pass through entities, including partnerships and Subchapter S corporations. In addition, this summary is limited to holders who are the initial purchasers of the notes at their original issue price in this initial offering and hold the notes as capital assets within the meaning of Section 1221 of the Internal Revenue Code. This summary does not address the effect of any U.S. state or local income or other tax laws, any U.S. federal estate and gift tax laws, or any foreign tax laws.

THIS SUMMARY IS OF A GENERAL NATURE AND IS INCLUDED HEREIN SOLELY FOR INFORMATION PURPOSES. THIS SUMMARY IS NOT INTENDED TO BE, AND SHOULD NOT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE. NO REPRESENTATION WITH RESPECT TO THE CONSEQUENCES TO ANY PARTICULAR PURCHASER OF THE NOTES IS MADE. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN ADVISORS WITH RESPECT TO THEIR PARTICULAR CIRCUMSTANCES.

Effect of Potential Interest Rate Adjustment

In certain circumstances, if the debt ratings on the notes change or on a repurchase of the notes on a change of control, we may be obligated to pay amounts in excess of the stated interest or principal on the notes. Our obligation to pay such additional interest or principal may implicate the provisions of the Treasury Regulations relating to contingent payment debt instruments. Under these regulations, however, a contingency will not cause a debt instrument to be treated as a contingent payment debt instrument if, as of the issue date, such contingency is remote or incidental, or, in certain circumstances, it is significantly more likely than not that such contingency will not occur. We intend to take the position that the foregoing contingencies should not cause the notes to be contingent payment debt instruments. Our position is binding on a holder, unless the holder discloses in the proper manner to the IRS that it is taking a contrary position. However, this determination is inherently factual and we can provide no assurance that our position will be sustained if challenged by the IRS. A successful challenge of this position by the IRS will require a holder to accrue interest income at a comparable yield , which likely would be higher than the stated interest rate on the notes, and will cause any gain from the sale or other disposition of a note to be treated as ordinary interest income, rather than capital gain. Holders are urged to consult their own tax advisors regarding the potential application of the contingent payment debt regulations to the notes and the consequences thereof.

The remainder of this discussion assumes that the notes will not be considered contingent payment debt instruments.

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U.S. Holders

The term U.S. Holder means a beneficial owner of a note that is:

- an individual who is a citizen of the United States or who is a resident alien of the United States for U.S. federal income tax purposes;
- a corporation or other entity taxable for U.S. federal income tax purposes as a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or if the trust has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

Taxation of Interest

All of the notes bear interest at a fixed rate. We do not intend to issue the notes at a discount that will exceed a de minimis amount and cause the notes to be subject to the original issue discount rules. Interest on a note will generally be includable in income of a U.S. Holder as ordinary income at the time a U.S. Holder receives the interest or the interest accrues, in accordance with the U.S. Holder s regular method of accounting for U.S. federal income tax purposes.

Sale, Exchange or Retirement of a Note

A U.S. Holder will generally recognize capital gain or loss on a sale, exchange, retirement or other taxable disposition of a note measured by the difference, if any, between:

- the amount of cash and the fair market value of any property received, except to the extent that the cash or other property received in respect of a note is attributable to accrued but unpaid interest on the note (which amount will be taxable as ordinary interest income to the extent not previously included in income); and
- the U.S. Holder s adjusted tax basis in the note. A U.S. Holder s adjusted tax basis in a note generally will equal the cost of the note to such U.S. Holder.

Such capital gain or loss will be treated as a long-term capital gain or loss if, at the time of the sale, exchange, retirement or other taxable disposition, the note has been held by the U.S. Holder for more than one year; otherwise, the capital gain or loss will be short-term. Non-corporate taxpayers may be subject to a lower U.S. federal income tax rate on their net long-term capital gains than that applicable to ordinary income. U.S. Holders are subject to certain

limitations on the deductibility of their capital losses.

Information Reporting and Backup Withholding

U.S. Holders of notes may be subject, under certain circumstances, to information reporting and backup withholding (currently at a rate of 28%) on payments of interest, principal, gross proceeds from disposition of notes, and redemption premium, if any. Backup withholding generally applies only if the U.S. Holder:

fails to furnish its social security or other taxpayer identification number within a reasonable time after a request for such information;

furnishes an incorrect taxpayer identification number;

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fails to report interest or dividends properly; or

fails, under certain circumstances, to provide a certified statement, signed under penalties of perjury, that the taxpayer identification number provided is its correct number and that the U.S. Holder is not subject to backup withholding.

Backup withholding is not an additional tax. Any amount withheld from a payment to a U.S. Holder under the backup withholding rules is allowable as a credit against such U.S. Holder s U.S. federal income tax liability and may entitle such U.S. Holder to a refund provided such U.S. Holder timely furnishes the required information to the IRS. Certain persons are exempt from backup withholding, including corporations and financial institutions. Exempt recipients that are not subject to backup withholding and do not provide an IRS Form W-9 may nonetheless be treated as foreign payees subject to withholding under FATCA, and may be withheld upon at the 30% rate discussed below under Non-U.S. Holders Foreign Account Tax Compliance Act. U.S. Holders of notes should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining such exemption. We cannot refund amounts once withheld.

We will file annually with the IRS, and to record holders of the notes to whom we are required to furnish such information, information relating to the amount of interest and the amount of backup withholding, if any, with respect to the notes.

Non-U.S. Holders

The following summary is limited to the U.S. federal income tax consequences relevant to a beneficial owner of a note who is not classified for U.S. federal income tax purposes as a partnership or as a disregarded entity and who is not a U.S. Holder (a Non-U.S. Holder). In the case of a Non-U.S. Holder who is an individual, the following summary assumes that this individual was not formerly a United States citizen, and was not formerly a resident of the United States for U.S. federal income tax purposes.

Taxation of Interest

Subject to the summary of backup withholding rules and FATCA below, payments of interest on a note to any Non-U.S. Holder will not be subject to U.S. federal income or withholding tax provided we or the person otherwise responsible for withholding U.S. federal income tax from payments on the notes receives a required certification from the Non-U.S. Holder (as discussed below) and the Non-U.S. Holder is not:

an actual or constructive owner of 10% or more of the total combined voting power of all our voting stock;

a controlled foreign corporation related, directly or indirectly, to us through stock ownership;

a bank receiving interest described in Section 881(c)(3)(A) of the Internal Revenue Code; and

receiving such interest payments as income effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States.

In order to satisfy the certification requirement, the Non-U.S. Holder must provide a properly completed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or substitute Form W-8BEN or IRS Form W-8BEN-E, as applicable, or the appropriate successor form), under penalties of perjury that provides the Non-U.S. Holder s name and address and certifies that the Non-U.S. Holder is not a United States person. Alternatively, in a case where a securities clearing organization, bank or other financial institution holds the note in the ordinary course of its trade or business on behalf of the Non-U.S. Holder, we or the person who otherwise would be

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required to withhold U.S. federal income tax must receive from the financial institution a certification under penalties of perjury that a properly completed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or substitute IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or the appropriate successor form), has been received by it, or by another such financial institution, from the Non-U.S. Holder, and a copy of such a form must be furnished to the payor. Special rules apply to foreign partnerships, estates and trusts, and in certain circumstances, certifications as to foreign status of partners, trust owners, or beneficiaries may be required to be provided to our paying agent or to us. In addition, special rules apply to payments made through a qualified intermediary.

A Non-U.S. Holder that does not qualify for exemption from withholding under the preceding paragraphs generally will be subject to withholding of U.S. federal income tax at the rate of 30%, or lower applicable treaty rate, on payments of interest on the notes that are not effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States. In order to claim the benefit of a lower applicable treaty rate, a Non-U.S. Holder must provide us, or the person who would otherwise be required to withhold U.S. federal income tax, with the required certification (generally, an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or substitute IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or the appropriate successor form)).

If the payments of interest on a note are effectively connected with the conduct by a Non-U.S. Holder of a trade or business in the United States (and, in the event that an income tax treaty is applicable, if the payments of interest are attributable to a U.S. permanent establishment maintained by the Non-U.S. Holder), such payments (and any gain realized on the sale, exchange, retirement or other taxable disposition of a note) will be subject to U.S. federal income tax on a net basis at the rates applicable to United States persons generally. If the Non-U.S. Holder is a corporation or is classified as a corporation for U.S. federal income purposes, such payments also may be subject to a branch profits tax at the rate of 30%, or lower applicable treaty rate. If payments are subject to U.S. federal income tax on a net basis in accordance with the rules described in the preceding two sentences, such payments will not be subject to U.S. withholding tax so long as the holder provides us, or the person who otherwise would be required to withhold U.S. federal income tax, with the appropriate certification (generally, an IRS Form W-8ECI).

Non-U.S. Holders should consult their tax advisors regarding any applicable income tax treaties, which may provide for a lower rate of withholding tax, exemption from or reduction of branch profits tax, or other rules different from those described above.

Sale, Exchange or Retirement of a Note

Subject to the summary of backup withholding rules and FATCA below, any gain realized by a Non-U.S. Holder on the sale, exchange, retirement or other taxable disposition of a note generally will not be subject to U.S. federal income tax, unless:

- such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, in the event that an income tax treaty is applicable, such gain is attributable to a U.S. permanent establishment maintained by the Non-U.S. Holder); or

- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are satisfied.

If a Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year of the sale, exchange, redemption, or other taxable disposition of a note, and certain other requirements are met, then

such Non- U.S. Holder generally will be subject to United States federal income tax at a 30% rate (unless a lower applicable treaty rate applies) on any such realized gain.

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Proceeds from the disposition of a note that are attributable to accrued but unpaid interest generally will be subject to, or exempt from, tax to the same extent as described above with respect to interest paid on a note (although such proceeds generally are not subject to withholding) provided the disposition occurs between interest payment dates. A Non-U.S. Holder should treat any amount received on redemption of a note in the same manner as the Non-U.S. Holder treats proceeds received on a sale.

Foreign Account Tax Compliance Act

Provisions of the Hiring Incentives to Restore Employment Act regarding foreign account U.S. tax compliance, known as the Foreign Account Tax Compliance Act or FATCA , impose a U.S. federal withholding tax of 30% on certain types of payments made after December 31, 2012, to foreign financial institutions (including non-U.S. investment funds) and certain other non-financial foreign entities (each as defined in the Code), including where such foreign financial institutions or non-financial foreign entities are acting as intermediaries, unless they meet the information reporting requirements of FATCA. Although FATCA provides that these withholding provisions will apply to applicable payments made after December 31, 2012, final Treasury Regulations issued by the United States Treasury provide that the withholding provisions will apply only to payments of interest on debt obligations made on or after July 1, 2014 and to gross proceeds from the maturity, sale or other disposition of debt obligations paid on or after January 1, 2017. Accordingly, under the final Treasury Regulations, although all interest payments on the Notes will be subject to withholding under FATCA, gross proceeds from a sale or other disposition occurring prior to January 1, 2017 will not be.

To avoid withholding under FATCA, a foreign financial institution will need to enter into an agreement with the IRS that states that it will provide the IRS certain information, including the names, addresses and taxpayer identification numbers of direct and indirect U.S. account holders, comply with due diligence procedures with respect to the identification of U.S. accounts, report to the IRS certain information with respect to U.S. accounts maintained, agree to withhold tax on certain payments made to non-compliant foreign financial institutions or to account holders who fail to provide the required information and determine certain other information as to its account holders. An intergovernmental agreement between the United States and an applicable foreign country, or future U.S. Treasury Regulations, may modify these requirements for foreign financial institutions in the applicable foreign country. To avoid withholding, a non-financial foreign entity will need to provide either (i) the name, address, and taxpayer identification number of each substantial U.S. owner or (ii) certifications of no substantial U.S. ownership, unless certain other exceptions apply.

If an amount in respect of United States withholding tax is deducted or withheld from interest or principal payments on the notes as a result of a holder s failure to comply with these rules or the presence in the payment chain of an intermediary that does not comply with these rules, neither us nor any other person is required to pay any additional amount as a result of the deduction or withholding of such tax. As a result, investors may receive less interest or principal than expected. Certain countries have entered into, and we expect other countries to enter into, agreements with the United States to facilitate the type of information reporting required under FATCA. While the existence of such agreements will not eliminate the risk that the notes will be subject to the withholding described above, these agreements are expected to reduce the risk of the withholding for investors in (or indirectly holding notes through financial institutions in) those countries that have entered into agreements with the United States.

Prospective investors should consult their tax advisors regarding the FATCA withholding provisions as well as any changes to the final United States Treasury Regulations on an investment in the notes.

Information Reporting and Backup Withholding

Any payments of interest on the notes to a Non-U.S. Holder will generally be reported to the IRS and to the Non-U.S. Holder. Copies of these information returns also may be made available under the provisions of a specific treaty or other agreement to the tax authorities of the country in which the Non-U.S. Holder resides.

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Backup withholding and certain additional information reporting generally will not apply to payments of interest with respect to which either the requisite certification of non-U.S. status (as described above under Non-U.S. Holders Taxation of Interest) has been received or an exemption otherwise has been established, provided that neither we nor the person who otherwise would be required to withhold U.S. federal income tax has actual knowledge or reason to know that the holder is, in fact, a United States person or that the conditions of any other exemption are not, in fact, satisfied.

The payment of the proceeds from the disposition of the notes by or through the United States office of any broker, U.S. or foreign, will be subject to information reporting and backup withholding unless the Non-U.S. Holder certifies as to its non-U.S. status under penalties of perjury or otherwise establishes an exemption, provided that the broker does not have actual knowledge or reason to know that the holder is a United States person or that the conditions of any other exemption are not, in fact, satisfied. The payment of the proceeds from the disposition of the notes by or through a non-U.S. office of a non-U.S. broker will not be subject to information reporting or backup withholding unless the non-U.S. broker has certain types of relationships with the United States (a U.S. related person). In the case of the payment of the proceeds from the disposition of the notes by or through a non-U.S. office of a broker that is either a United States person or a U.S. related person, the Treasury Regulations require information reporting, but not backup withholding, on the payment unless the broker has documentary evidence in its files that the beneficial owner is a Non-U.S. Holder or the Non-U.S. Holder otherwise establishes an exemption, provided that the broker does not have actual knowledge or reason to know that the holder is, in fact, a United States person or that the conditions of any other exemption are not, in fact, satisfied.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against the Non-U.S. Holder s U.S. federal income tax liability provided such Non-U.S. Holder timely furnishes the required information to the IRS. We cannot refund amounts once withheld.

THE PRECEDING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY AND IS NOT LEGAL OR TAX ADVICE. ACCORDINGLY, PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN ADVISORS ON THE U.S. FEDERAL, STATE AND LOCAL, AND FOREIGN TAX CONSEQUENCES OF THEIR PURCHASE, OWNERSHIP, AND DISPOSITION OF THE NOTES, AND ON THE CONSEQUENCES OF ANY CHANGES IN APPLICABLE LAW.

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UNDERWRITING

We are offering the notes through the underwriters named below for whom Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC are acting as representatives. Under the terms and subject to the conditions contained in an underwriting agreement dated May 19, 2015, we have agreed to sell to the underwriters named below, and each underwriter has severally agreed to purchase, the following respective principal amounts of the notes:

Underwriters	Principal Amount of 2020 Notes	Principal Amount of 2025 Notes
Merrill Lynch, Pierce, Fenner & Smith Incorporated	$ 178,500,000	$ 189,000,000
Wells Fargo Securities, LLC	170,000,000	180,000,000
Mitsubishi UFJ Securities (USA), Inc.	68,000,000	72,000,000
U.S. Bancorp Investments, Inc.	68,000,000	72,000,000
PNC Capital Markets LLC	59,500,000	63,000,000
SunTrust Robinson Humphrey, Inc.	59,500,000	63,000,000
J.P. Morgan Securities LLC	51,000,000	54,000,000
Credit Suisse Securities (USA) LLC	25,500,000	27,000,000
RBS Securities Inc.	25,500,000	27,000,000
SMBC Nikko Securities America, Inc.	25,500,000	27,000,000
TD Securities (USA) LLC	21,250,000	22,500,000
The Williams Capital Group, L.P.	21,250,000	22,500,000
BB&T Capital Markets, a division of BB&T Securities, LLC	17,000,000	18,000,000
BMO Capital Markets Corp.	17,000,000	18,000,000
The Huntington Investment Company	12,750,000	13,500,000
KeyBanc Capital Markets Inc.	12,750,000	13,500,000
Comerica Securities, Inc.	8,500,000	9,000,000
Wedbush Securities Inc.	8,500,000	9,000,000
Total	$ 850,000,000	$ 900,000,000

The underwriting agreement provides that the underwriters are obligated to purchase all of the notes if any are purchased. The underwriting agreement also provides that if an underwriter defaults, then the purchase commitments of non-defaulting underwriters may be increased or the offering of the notes may be terminated.

Notes sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus supplement. Any notes sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price of up to 0.350% of the principal amount of the 2020 notes and 0.400% of the principal amount of the 2025 notes. Any such securities dealers may resell any notes purchased from the underwriters to certain other brokers or dealers at a discount from the initial public offering price of up to 0.250% of the principal amount of the 2020 notes and 0.250% of the principal amount of the 2025 notes.

Associated Investment Services, Inc. (AIS), a Financial Industry Regulatory Authority member, a subsidiary of Associated Banc-Corp, is being paid a referral fee by Wedbush Securities Inc.

The following table shows the underwriting discount to be paid to the underwriters in connection with this offering (expressed as a percentage of the principal amount of the notes).

	Paid by us
2020 notes	0.600%
2025 notes	0.650%

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We estimate that our out of pocket expenses (excluding the underwriting discount) for this offering will be approximately $2.2 million and will be payable by us.

Each series of the notes is a new issue of securities with no established trading market. One or more of the underwriters intend to make a secondary market for the notes. However, they are not obligated to do so and may discontinue making a secondary market for the notes at any time without notice. No assurance can be given as to whether a trading market for the notes will develop or, if one does develop, as to how liquid any such trading market for the notes will be or whether any such trading market will be sustained.

We have agreed to indemnify the several underwriters against liabilities under the Securities Act or contribute to payments which the underwriters may be required to make in that respect.

In connection with the offering the underwriters may engage in stabilizing transactions, over-allotment transactions and syndicate covering transactions.

Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

Over-allotment involves sales by the underwriters of notes in excess of the principal amount of the notes the underwriters are obligated to purchase, which creates a syndicate short position.

Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover syndicate short positions. A short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the notes in the open market after pricing that could adversely affect investors who purchase in the offering.

These stabilizing transactions, over-allotment transactions and syndicate covering transactions may have the effect of raising or maintaining the market price of the notes or preventing or retarding a decline in the market price of the notes. As a result the price of the notes may be higher than the price that might otherwise exist in the open market. These transactions if commenced, may be discontinued at any time.

Selling Restrictions

The senior notes are being offered for sale in the United States and in jurisdictions outside the United States, subject to applicable law.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of the notes which are the subject of the offering contemplated by this prospectus supplement to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such notes to the public in the Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the underwriters; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the notes referred to in (a) through (c) above shall require the company or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

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For the purposes of this provision, the expression an offer to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe to the notes, as the same may be varied in that Relevant Member State. For the purposes of this provision, the expression Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

Each of the underwriters severally represents, warrants and agrees as follows:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the FSMA)) received by it in connection with the issue or sale of the notes in circumstances in which section 21 of the FSMA does not apply to the company; and

(b) it has complied with, and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

Other Relationships

The underwriters and their respective affiliates are full-service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and nonfinancial activities and services. Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In particular, affiliates of certain of the underwriters are lenders under our term loan facility and our revolving credit facility and will receive a ratable portion of the proceeds of this offering used to repay amounts outstanding thereunder. See Use of Proceeds. In addition, certain of the underwriters and their affiliates are clients of Fiserv. U.S. Bancorp Investments, Inc., one of the underwriters, is an affiliate of the trustee under the indenture.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the underwriters or their respective affiliates that have a lending relationship with us routinely hedge, and certain other of those underwriters or their respective affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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VALIDITY OF THE NOTES

The validity of the securities offered by this prospectus supplement will be passed upon for us by Foley & Lardner LLP. Certain legal matters will be passed upon for the underwriters by Sidley Austin LLP.

EXPERTS

The consolidated financial statements as of December 31, 2014 and 2013, and for each of the three years in the period ended December 31, 2014 incorporated by reference in this prospectus supplement and the accompanying prospectus and the effectiveness of Fiserv, Inc. s internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

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Prospectus

Debt Securities, Common Stock, Preferred Stock, Depositary Shares, Warrants, Stock Purchase Contracts and Stock Purchase Units

We may offer and sell from time to time securities in one or more offerings in amounts, at prices and on terms that we will determine at the time of the offering. This prospectus provides you with a general description of the securities we may offer.

We may offer and sell the following securities:

- senior debt securities, which may be convertible into our common stock or other securities or property and which may be guaranteed by certain of our subsidiaries;
- common stock;
- preferred stock, which may be convertible into our common stock or other securities;
- depositary shares;
- warrants to purchase common stock, preferred stock, depositary shares or debt securities; and
- stock purchase contracts and stock purchase units.

Each time securities are sold using this prospectus, we will provide a supplement to this prospectus containing specific information about the offering and the terms of the securities being sold, including the offering price. The supplement may also add, update or change information contained in this prospectus. You should read this prospectus and any prospectus supplement applicable to the specific issue of securities carefully before you invest.

We may offer and sell these securities to or through underwriters, dealers or agents, or directly to investors, on a continued or a delayed basis. Each applicable prospectus supplement to this prospectus will provide the specific terms of the plan of distribution.

In addition, selling shareholders to be named in a prospectus supplement may offer and sell from time to time shares of our common stock in such amounts as set forth in a prospectus supplement. Unless otherwise set forth in a prospectus supplement, we will not receive any proceeds

from the sale of shares of our common stock by any selling shareholders.

Our common stock is traded on the NASDAQ Global Select Market under the symbol FISV.

Investment in our securities involves risks. See Risk Factors in our most recent Annual Report on Form 10-K and subsequently filed Quarterly Reports on Form 10-Q and in any applicable prospectus supplement for a discussion of certain factors which should be considered in an investment of the securities which may be offered hereby.

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

The date of this prospectus is May 30, 2014.

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ABOUT THIS PROSPECTUS

Unless the context otherwise requires, in this prospectus, we, us, our or ours refer to Fiserv, Inc. and its consolidated subsidiaries.

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC, utilizing a shelf registration process. Under this shelf process, we may, from time to time, sell the securities or combinations of the securities described in this prospectus, and one or more of our shareholders may sell our common stock, in one or more offerings. This prospectus provides you with a general description of those securities. Each time we offer securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read this prospectus and any prospectus supplement together with the additional information described under the heading Where You Can Find More Information.

You should rely only on the information contained or incorporated by reference in this prospectus, in any prospectus supplement and in any free writing prospectus we file with the SEC. Incorporated by reference means that we can disclose important information to you by referring you to another document filed separately with the SEC. We have not authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it.

We are not making offers to sell or solicitations to buy the securities in any jurisdiction in which an offer or solicitation is not authorized or in which the person making that offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation.

You should not assume that the information in this prospectus or any prospectus supplement, or the information we file or previously filed with the SEC that we incorporate by reference in this prospectus and any prospectus supplement, is accurate as of any date other than the respective dates of those documents. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

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FORWARD-LOOKING STATEMENTS

This prospectus and any prospectus supplement, and the information incorporated by reference in this prospectus or any prospectus supplement, contains forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those that express a plan, belief, expectation, estimation, anticipation, intent, contingency, future development or similar expression, and can generally be identified as forward-looking because they include words such as believes, anticipates, expects, could, should or words of similar meaning. Statements that describe our future plans, objectives or goals are also forward-looking statements. The forward-looking statements included or incorporated by reference in this prospectus or any supplement to this prospectus involve significant risks and uncertainties, and a number of factors, both foreseen and unforeseen, that could cause actual results to differ materially from our current expectations. The factors that may affect our results include, among others: the impact of market and economic conditions on the financial services industry; the capacity of our technology to keep pace with a rapidly evolving marketplace; pricing and other actions by competitors; the effect of legislative and regulatory actions in the United States and internationally; our ability to comply with government regulations; the impact of a security breach or operational failure on our business; our ability to successfully integrate acquisitions into our operations; the impact of our strategic initiatives; and other factors identified in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q and in other documents that we file with the SEC. You should consider these factors carefully in evaluating forward-looking statements, and are cautioned not to place undue reliance on such statements, which speak only as of the date of this document or the date of the incorporated document. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this prospectus.

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FISERV, INC.

We are a leading global provider of financial services technology. We are publicly traded on the NASDAQ Global Select Market and part of the S&P 500 Index. We serve clients worldwide, including banks, thrifts, credit unions, investment management firms, leasing and finance companies, retailers, merchants and government agencies. We provide account processing systems; electronic payments processing products and services, such as electronic bill payment and presentment, card-based transaction processing and network services, ACH transaction processing, account-to-account transfer products, and person-to-person payments; internet and mobile banking systems; and related services including document and payment card production and distribution, check processing and imaging, source capture systems, and lending and risk management products and services. The majority of the services we provide are necessary for our clients to operate their business and are, therefore, non-discretionary in nature. Our operations are principally located in the United States where we operate data and transaction processing centers, provide technology support, develop software and payment solutions, and offer consulting services.

We are a Wisconsin corporation and our principal executive offices are located at 255 Fiserv Drive, Brookfield, Wisconsin 53045. Our telephone number is (262) 879-5000.

RATIOS OF EARNINGS TO FIXED CHARGES

The following table presents our ratios of consolidated earnings to fixed charges for the periods presented.

	Three Months Ended March 31, 2014	Years Ended December 31, 2013	2012	2011	2010	2009
Ratio of earnings to fixed charges (1)	5.6	5.5	5.2	4.2	4.3	3.8

(1) For purposes of calculating the ratios of earnings to fixed charges, earnings consist of income from continuing operations before income taxes and income from investment in unconsolidated affiliate, plus fixed charges. Fixed charges consist of interest expensed, amortized discounts and capitalized expenses related to indebtedness and an estimate of interest within rental expense.

We did not have any preferred stock outstanding and we did not pay or accrue any preferred stock dividends during the periods presented above. Accordingly, our ratios of earnings to combined fixed charges and preference dividends are the same as those presented in the table of ratios of earnings to fixed charges set forth above for each of the respective periods presented.

USE OF PROCEEDS

We will describe the use of the net proceeds from the sales of the securities in the applicable prospectus supplement.

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DESCRIPTION OF DEBT SECURITIES

This section describes the general terms and provisions of the debt securities that we may issue in the form of one or more series from time to time, separately, upon exercise of a debt warrant, in connection with a stock purchase contract or as part of a stock purchase unit. The applicable prospectus supplement will describe the specific terms of the debt securities offered through that prospectus supplement as well as any general terms described in this section that will not apply to those debt securities. The debt securities will be issued under an indenture among us, certain of our domestic subsidiaries that may guarantee the securities and U.S. Bank National Association, as trustee.

We have summarized selected provisions of the indenture below. The summary is not complete. The indenture has been filed with the Securities and Exchange Commission as an exhibit to the registration statement of which this prospectus is a part, and you should read the indenture for provisions that may be important to you. In the summary below, we have included references to article or section numbers of the indenture so that you can easily locate these provisions. Whenever we refer in this prospectus or in the prospectus supplement to particular article or sections or defined terms of the indenture, those article or sections or defined terms are incorporated by reference herein or therein, as applicable. Capitalized terms used in the summary have the meanings specified in the indenture.

General

The indenture provides that debt securities in separate series may be issued under the indenture from time to time without limitation as to aggregate principal amount. We may specify a maximum aggregate principal amount for the debt securities of any series (Section 301). We will determine the terms and conditions of the debt securities, including the maturity, principal and interest, but those terms must be consistent with the indenture.

The applicable prospectus supplement will set forth or describe the following terms of each series of such debt securities:

- the title of the debt securities;
- any limit on the aggregate principal amount of the debt securities;
- the price or prices at which the debt securities will be offered;
- the person to whom any interest on the debt securities will be payable;
- the dates on which the principal of the debt securities will be payable;
- the interest rate or rates that the debt securities will bear and the interest payment dates for the debt securities;
- the places where payments on the debt securities will be payable;
- any periods within which, and terms upon which, the debt securities may be redeemed, in whole or in part, at our option;
- any sinking fund or other provisions that would obligate us to repurchase or otherwise redeem the debt securities;

the portion of the principal amount, if less than all, of the debt securities that will be payable upon declaration of acceleration of the maturity of the debt securities;

whether the debt securities are defeasible and any changes or additions to the indenture s defeasance provisions;

whether the debt securities are convertible into our common stock or other securities or property and, if so, the terms and conditions upon which conversion will be effected;

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any addition to or change in the events of default with respect to the debt securities;

any addition to or change in the covenants in the indenture;

whether any of our subsidiaries will provide guarantees of the debt securities; and

any other terms of the debt securities not inconsistent with the provisions of the indenture (Section 301).

The indenture does not limit the amount of debt securities that may be issued. The indenture allows debt securities to be issued up to the principal amount that we may authorize and may be in any currency or currency unit we designate.

Debt securities, including Original Issue Discount Securities (as defined in the indenture), may be sold at a substantial discount below their principal amount. Special U.S. federal income tax considerations applicable to debt securities sold at an original issue discount may be described in the applicable prospectus supplement. In addition, special U.S. federal income tax or other considerations applicable to any debt securities that are denominated in a currency or currency unit other than U.S. dollars may be described in the applicable prospectus supplement.

Subsidiary Guarantees

If specified in the prospectus supplement, certain of our subsidiaries (our subsidiary guarantors) will guarantee the debt securities of a series.

Conversion Rights

The debt securities may be converted into our common stock or other securities or property, if at all, according to the terms and conditions of an applicable prospectus supplement. Such terms will include the conversion price, the conversion period, provisions as to whether conversion will be at our option or the option of the holders of such series of debt securities, the events requiring an adjustment of the conversion price, and provisions affecting conversion in the event of the redemption of such series of debt securities.

Consolidation, Merger and Sale of Assets

Unless otherwise specified in the prospectus supplement, we may not consolidate with or merge into, or transfer, lease or otherwise dispose all or substantially all of our assets to, any person, and may not permit any person to consolidate with or merge into us, unless:

the successor person (if any) is a corporation, limited liability company, partnership, trust or other entity organized and validly existing under the laws of any domestic jurisdiction and assumes our obligations with respect to the debt securities under the indenture;

immediately after giving pro forma effect to the transaction, no event of default, and no event which, after notice or lapse of time or both, would become an event of default, exists; and

we deliver to the trustee an officers certificate and opinion of counsel stating that the transaction and the related supplemental indenture comply with the applicable provisions of the indenture and all applicable conditions precedent have been satisfied (Section 801).

Events of Default

Unless otherwise specified in the prospectus supplement, each of the following will constitute an event of default under the indenture with respect to debt securities of any series:

(1) failure to pay principal of or any premium on any debt security of that series when due;

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(2) failure to pay any interest on any debt securities of that series when due, that is not cured within 30 days;

(3) failure to deposit any sinking fund payment, when due, in respect of any debt security of that series, that is not cured within 30 days;

(4) failure to perform any of our other covenants in such indenture (other than a covenant included in such indenture solely for the benefit of a series other than that series or that is not made applicable to that series), that is not cured within 90 days after written notice has been given by the trustee, or the holders of at least 25% in principal amount of the outstanding debt securities of that series, as provided in such indenture; or

(5) certain events of bankruptcy, insolvency or reorganization affecting us or any of our significant subsidiaries.

If an event of default (other than an event of default with respect to Fiserv, Inc. described in clause (5) above) with respect to the debt securities of any series at the time outstanding occurs and is continuing, either the trustee by notice to us or the holders of at least 25% in principal amount of the outstanding debt securities of that series by notice to us and the trustee may declare the principal amount of the debt securities of that series (or, in the case of any Original Issue Discount Security, such portion of the principal amount of such security as may be specified in the terms of such security) to be due and payable immediately. If an event of default with respect to Fiserv, Inc. described in clause (5) above with respect to the debt securities of any series at the time outstanding occurs, the principal amount of all the debt securities of that series (or, in the case of any such Original Issue Discount Security, such specified amount) will automatically, and without any action by the trustee or any holder, become immediately due and payable. After any such acceleration, but before a judgment or decree based on acceleration, the holders of a majority in principal amount of the outstanding debt securities of that series may, under certain circumstances, rescind and annul such acceleration if all events of default, other than the non-payment of accelerated principal (or other specified amount), have been cured or waived as provided in the indenture (Section 502). For information as to waiver of defaults, see Modification and Waiver below.

Subject to the provisions of the indenture relating to the duties of the trustee in case an event of default has occurred and is continuing, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any of the holders of debt securities, unless such holders have offered to the trustee reasonable indemnity (Section 603). Subject to such provisions for the indemnification of the trustee, the holders of a majority in principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the debt securities of that series (Section 512).

No holder of a debt security of any series will have any right to institute any proceeding under the indenture, or for the appointment of a receiver or a trustee, or for any other remedy under the indenture, unless:

such holder gives the trustee written notice of a continuing event of default with respect to the debt securities of that series;

the holders of at least 25% in principal amount of the outstanding debt securities of that series made a written request to pursue the remedy, and such holders have offered reasonable indemnity, to the trustee for losses incurred in connection with pursuit of the remedy; and

the trustee fails to comply with the request, and does not receive from the holders of a majority in principal amount of the outstanding debt securities of that series a direction inconsistent with such request, within 60 days after such notice, request and offer (Section 507).

However, such limitations do not apply to a suit instituted by a holder of a debt security to enforce the payment of the principal of or any premium or interest on such debt security on or after the applicable due date specified in such debt security or, if applicable, to convert such debt security (Sections 507 and 508).

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We will be required to furnish to the trustee annually a statement by certain of our officers as to whether or not we, to their knowledge, are in default in the performance or observance of any of the terms, provisions and conditions of the indenture and, if so, specifying all such known defaults (Section 1004).

Modification and Waiver

Unless otherwise specified in the prospectus supplement, modifications and amendments of the indenture may be made by us, our subsidiary guarantors, if applicable, and the trustee with the consent of the holders of a majority in principal amount of the outstanding debt securities of each series affected by such modification or amendment; provided, however, that no such modification or amendment may, without the consent of the holder of each outstanding debt security affected thereby:

- change the stated maturity of the principal of, or any installment of principal of or interest on, any debt security;
- reduce the principal amount of, or any premium or interest on, any debt security;
- reduce the amount of principal payable upon acceleration of the maturity of any debt security;
- change the place, manner or currency of payment of principal of, or any premium or interest on, any debt security;
- impair the right to institute suit for the enforcement of any payment due on or any conversion right with respect to any debt securities in a manner adverse to the holders of such debt securities;
- except as provided in the indenture, release the guarantee of a subsidiary guarantor;
- reduce the percentage in principal amount of outstanding debt securities of any series, the consent of whose holders is required for modification or amendment of the indenture;
- reduce the percentage in principal amount of outstanding debt securities of any series necessary for waiver of compliance with certain provisions of the indenture or for waiver of certain defaults;
- modify such provisions with respect to modification, amendment or waiver; or
- change the ranking of any series of debt securities (Section 902).

Unless otherwise specified in the prospectus supplement, the holders of a majority in principal amount of the outstanding debt securities of any series may waive compliance by us with certain restrictive provisions of the indenture (Section 902). The holders of a majority in principal amount of the outstanding debt securities of any series may also waive any past default under the indenture, except a default:

- in the payment of principal, premium or interest or the payment of any redemption, purchase or repurchase price;

arising from our failure to convert any debt security in accordance with the indenture; or

of certain covenants and provisions of the indenture which cannot be amended without the consent of the holder of each outstanding debt security of such series (Section 513).

Satisfaction and Discharge

The indenture will be discharged and will cease to be of further effect as to any series of debt securities (except as to any surviving rights of registration of transfer or exchange of debt securities expressly provided for in the indenture or any other surviving rights expressly provided for in a supplemental indenture) when:

either:

all debt securities that have been authenticated (except lost, stolen or destroyed debt securities that have been replaced or paid and debt securities for whose payment money has theretofore been deposited in trust and thereafter repaid to us) have been delivered to the trustee for cancellation; or

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all debt securities that have not been delivered to the trustee for cancellation have become due and payable or will become due and payable at their stated maturity within one year or are to be called for redemption within one year under arrangements satisfactory to the trustee and in any case we have deposited with the trustee as trust funds U.S. dollars or U.S. government obligations in an amount sufficient, to pay the entire indebtedness of such debt securities not delivered to the trustee for cancellation, for principal, premium, if any, and accrued interest to the stated maturity or redemption date;

we have paid or caused to be paid all other sums payable by us under the indenture; and

we have delivered an officers certificate and an opinion of counsel to the trustee stating that we have satisfied all conditions precedent to satisfaction and discharge of the indenture with respect to the debt securities (Section 401).

Legal Defeasance and Covenant Defeasance

Legal Defeasance. We and, if applicable, each subsidiary guarantor will be discharged from all our obligations with respect to such debt securities (except for certain obligations to convert, exchange or register the transfer of debt securities, to replace stolen, lost or mutilated debt securities, to maintain paying agencies and to hold moneys for payment in trust) upon the deposit in trust for the benefit of the holders of such debt securities of money or U.S. government obligations, or both, which, through the payment of principal and interest in respect thereof in accordance with their terms, will provide money in an amount sufficient to pay the principal of and any premium and interest on such debt securities on the respective stated maturities in accordance with the terms of the indenture and such debt securities. Such defeasance or discharge may occur only if, among other things:

(1) we have delivered to the trustee an opinion of counsel to the effect that we have received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or there has been a change in tax law, in either case to the effect that holders of such debt securities will not recognize gain or loss for federal income tax purposes as a result of such deposit and legal defeasance and will be subject to federal income tax on the same amount, in the same manner and at the same times as would have been the case if such deposit and legal defeasance were not to occur;

(2) no event of default or event that with the passing of time or the giving of notice, or both, shall constitute an event of default shall have occurred and be continuing at the time of such deposit or, with respect to any event of default described in clause (5) under Events of Default, at any time until 90 days after such deposit;

(3) such deposit and defeasance will not result in a breach or violation of, or constitute a default under, any agreement or instrument to which we are a party or by which we are bound; and

(4) we have delivered to the trustee an opinion of counsel to the effect that such defeasance will not cause the trustee or the trust so created to be subject to the Investment Company Act of 1940 (Sections 1302 and 1304).

Covenant Defeasance. The indenture provides that we may elect, at our option, that our failure to comply with certain restrictive covenants (but not to conversion, if applicable), including those that may be described in the applicable prospectus supplement, and the occurrence of certain events of default which are described above in clause (4) under Events of Default and any that may be described in the applicable prospectus supplement, will not be deemed to either be or result in an event of default with respect to such debt securities. In order to exercise such option, we must deposit, in trust for the benefit of the holders of such debt securities, money or U.S. government obligations, or both, which, through the payment of principal and interest in respect thereof in accordance with their terms, will provide money in an amount sufficient to pay the principal of and any premium and interest on such debt securities on the respective stated maturities in accordance with the terms of the indenture and such debt securities. Such covenant defeasance may occur only if we have delivered to the trustee an opinion of counsel that in effect says that holders of such debt securities will not recognize gain or loss

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for federal income tax purposes as a result of such deposit and covenant defeasance and will be subject to federal income tax on the same amount, in the same manner and at the same times as would have been the case if such deposit and covenant defeasance were not to occur, and the requirements set forth in clauses (2), (3), and (4) under the heading Legal Defeasance and Covenant Defeasance above are satisfied. If we exercise this option with respect to any debt securities and such debt securities were declared due and payable because of the occurrence of any event of default, the amount of money and U.S. government obligations so deposited in trust would be sufficient to pay amounts due on such debt securities at the time of their respective stated maturities but may not be sufficient to pay amounts due on such debt securities upon any acceleration resulting from such event of default. In such case, we would remain liable for such payments (Sections 1303 and 1304).

Governing Law

The indenture, the debt securities and the guarantees, if any, will be governed by, and construed in accordance with, the laws of the State of New York.

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DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock summarizes general terms and provisions that apply to our capital stock. Because this is only a summary it does not contain all of the information that may be important to you. The summary is subject to and qualified in its entirety by reference to our articles of incorporation and by-laws, which are filed as exhibits to the registration statement of which this prospectus is a part and incorporated by reference into this prospectus. See Where You Can Find More Information.

General

Our authorized capital stock consists of 900,000,000 shares of common stock, $.01 par value per share, and 25,000,000 shares of preferred stock, no par value per share. We will disclose in an applicable prospectus supplement the number of shares of our common stock then outstanding. As of the date of this prospectus, no shares of our preferred stock were outstanding.

Common Stock

Subject to Section 180.1150 of the Wisconsin Business Corporation Law (described below under Statutory Provisions), holders of our common stock are entitled to one vote for each share of common stock held by them on all matters properly presented to shareholders. Subject to the prior rights of the holders of any shares of our preferred stock that are outstanding, our board of directors may at its discretion declare and pay dividends on our common stock out of our earnings or assets legally available for the payment of dividends. Subject to the prior rights of the holders of any shares of our preferred stock that are outstanding, if we are liquidated, any amounts remaining after the discharge of outstanding indebtedness will be paid pro rata to the holders of our common stock. Holders of our common stock have no preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred Stock

Our board of directors is authorized to issue our preferred stock in series and to fix the voting rights; the designations, preferences, limitations and relative rights of any series with respect to the rate of dividend, the price, the terms and conditions of redemption; the amounts payable in the event of voluntary or involuntary liquidation; sinking fund provisions for redemption or purchase of a series; and the terms and conditions on which a series may be converted.

If we offer preferred stock, we will file the terms of the preferred stock with the SEC and the prospectus supplement relating to that offering will include a description of the specific terms of the offering, including the following specific terms:

- the series, the number of shares offered and the liquidation value of the preferred stock;
- the price at which the preferred stock will be issued;
- the dividend rate, the dates on which the dividends will be payable and other terms relating to the payment of dividends on the preferred stock;
- the liquidation preference of the preferred stock;
- the voting rights of the preferred stock;
- whether the preferred stock is redeemable or subject to a sinking fund, and the terms of any such redemption or sinking fund;

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

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

It is not possible to state the actual effect of the issuance of any shares of preferred stock upon the rights of holders of our common stock until the board of directors determines the specific rights of the holders of the preferred stock. However, these effects might include:

restricting dividends on the common stock;

diluting the voting power of the common stock;

impairing the liquidation rights of the common stock; and

delaying or preventing a change in control of our company.

Statutory Provisions

Section 180.1150 of the Wisconsin Business Corporation Law provides that the voting power of public Wisconsin corporations such as us held by any person or persons acting as a group in excess of 20% of our voting power is limited to 10% of the full voting power of those shares, unless full voting power of those shares has been restored pursuant to a vote of shareholders. Sections 180.1140 to 180.1144 of the Wisconsin Business Corporation Law contain some limitations and special voting provisions applicable to specified business combinations involving Wisconsin corporations such as us and a significant shareholder, unless the board of directors of the corporation approves the business combination or the shareholder s acquisition of shares before these shares are acquired.

Similarly, Sections 180.1130 to 180.1133 of the Wisconsin Business Corporation Law contain special voting provisions applicable to some business combinations, unless specified minimum price and procedural requirements are met. Following commencement of a takeover offer, Section 180.1134 of the Wisconsin Business Corporation Law imposes special voting requirements on share repurchases effected at a premium to the market and on asset sales by the corporation, unless, as it relates to the potential sale of assets, the corporation has at least three independent directors and a majority of the independent directors vote not to have the provision apply to the corporation.

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DESCRIPTION OF DEPOSITARY SHARES

We may, at our option, elect to offer fractional interests in shares of preferred stock rather than a full share of preferred stock. In that event, depositary receipts will be issued for depositary shares, each of which will represent a fraction of a share of a particular class or series of preferred stock, as described in the applicable prospectus supplement.

Any series of preferred stock represented by depositary shares will be deposited under a deposit agreement between Fiserv, Inc. and the depositary. The prospectus supplement relating to a series of depositary shares will set forth the name and address of the depositary for the depositary shares and summarize the material provisions of the deposit agreement. Subject to the terms of the deposit agreement, each owner of a depositary share will be entitled, in proportion to the applicable fraction of a share of preferred stock represented by such depositary share, to all the rights and preferences of the preferred stock represented by such depositary share, including dividend and liquidation rights and any right to convert or exchange the preferred stock into other securities.

We will describe the particular terms of any depositary shares we offer in the applicable prospectus supplement. You should review the documents pursuant to which the depositary shares will be issued, which will be described in more detail in the applicable prospectus supplement.

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DESCRIPTION OF WARRANTS

We may issue warrants for the purchase of debt securities, preferred stock, common stock or other securities. Warrants may be issued independently or together with debt securities, preferred stock or common stock offered by any prospectus supplement and may be attached to or separate from any such offered securities. Each series of warrants will be issued under a separate warrant agreement to be entered into between us and a bank or trust company, as warrant agent, all as will be set forth in the prospectus supplement relating to the particular issue of warrants. The warrant agent will act solely as our agent in connection with the warrants and will not assume any obligation or relationship of agency or trust for or with any holders of warrants or beneficial owners of warrants.

The following summary of certain provisions of the warrants does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all provisions of the warrant agreements.

Reference is made to the prospectus supplement relating to the particular issue of warrants offered pursuant to such prospectus supplement for the terms of and information relating to such warrants, including, where applicable:

- the designation, aggregate principal amount, currencies, denominations and terms of the series of debt securities purchasable upon exercise of warrants to purchase debt securities and the price at which such debt securities may be purchased upon such exercise;
- the number of shares of common stock purchasable upon the exercise of warrants to purchase common stock and the price at which such number of shares of common stock may be purchased upon such exercise;
- the number of shares and series of preferred stock purchasable upon the exercise of warrants to purchase preferred stock and the price at which such number of shares of such series of preferred stock may be purchased upon such exercise;
- the designation and number of units of other securities purchasable upon the exercise of warrants to purchase other securities and the price at which such number of units of such other securities may be purchased upon such exercise;
- the date on which the right to exercise such warrants will commence and the date on which such right will expire;
- U.S. federal income tax consequences applicable to such warrants;
- the number of warrants outstanding as of the most recent practicable date; and
- any other terms of such warrants.

Warrants will be issued in registered form only. Each warrant will entitle the holder thereof to purchase such principal amount of debt securities or such number of shares of preferred stock, common stock or other securities at such exercise price as will in each case be set forth in, or calculable from, the prospectus supplement relating to the warrants, which exercise price may be subject to adjustment upon the occurrence of certain events as set forth in such prospectus supplement. After the close of business on the expiration date, or such later date to which such expiration date may be extended by us, unexercised warrants will become void. The place or places where, and the manner in which, warrants may be exercised will be specified in the prospectus supplement relating to such warrants.

Prior to the exercise of any warrants to purchase debt securities, preferred stock, common stock or other securities, holders of such warrants will not have any of the rights of holders of debt securities, preferred stock, common stock or other securities, as the case may be, purchasable upon such exercise, including the right to receive payments of principal of, premium, if any, or interest, if any, on the debt securities purchasable upon

such exercise or to enforce covenants in the indenture, or to receive payments of dividends, if any, on the preferred stock, or common stock purchasable upon such exercise, or to exercise any applicable right to vote.

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DESCRIPTION OF STOCK PURCHASE CONTRACTS AND STOCK PURCHASE UNITS

We may issue stock purchase contracts, including contracts obligating holders to purchase from us, and obligating us to sell to the holders, a specified number of shares of common stock or other securities at a future date or dates, which we refer to in this prospectus as stock purchase contracts. The price per share of the securities and the number of shares of the securities may be fixed at the time the stock purchase contracts are issued or may be determined by reference to a specific formula set forth in the stock purchase contracts. The stock purchase contracts may be issued separately or as part of units consisting of a stock purchase contract and debt securities, preferred securities, warrants, other securities or debt obligations of third parties, including U.S. treasury securities, securing the holders obligations to purchase the securities under the stock purchase contracts, which we refer to in this prospectus as stock purchase units. The stock purchase contracts may require holders to secure their obligations under the stock purchase contracts in a specified manner. The stock purchase contracts also may require us to make periodic payments to the holders of the stock purchase units or vice versa, and those payments may be unsecured or refunded on some basis.

The stock purchase contracts, and, if applicable, collateral or depositary arrangements, relating to the stock purchase contracts or stock purchase units, will be filed with the SEC in connection with the offering of stock purchase contracts or stock purchase units. The prospectus supplement relating to a particular issue of stock purchase contracts or stock purchase units will describe the terms of those stock purchase contracts or stock purchase units, including the following:

- if applicable, a discussion of material U.S. federal income tax considerations; and
- any other information we think is important about the stock purchase contracts or the stock purchase units.

If we issue stock purchase units where debt obligations of third parties are used as security for your obligations to purchase or sell shares of common stock or preferred stock, depositary shares or other securities, we will include certain information in the prospectus supplement relating to the offering information about the issuer of the debt securities. Specifically, if the issuer has a class of securities registered under the Securities Exchange Act of 1934 (the Exchange Act) and is either eligible to register its securities on Form S-3 under the Securities Act of 1933 (the Securities Act) or meets the listing criteria to be listed on a national securities exchange, we will include a brief description of the business of the issuer, the market price of its securities and how you can obtain more information about the issuer. If the issuer does not meet the criteria described in the previous sentence, we will include substantially all of the information that would be required if the issuer were making a public offering of the debt securities.

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SELLING SHAREHOLDERS

We may register shares of common stock covered by this prospectus for re-offers and resales by any selling shareholders to be named in a prospectus supplement. Because we are a well-known seasoned issuer, as defined in Rule 405 of the Securities Act, we may add secondary sales of shares of our common stock by any selling shareholders by filing a prospectus supplement with the SEC. We may register these shares to permit selling shareholders to resell their shares when they deem appropriate. A selling shareholder may resell all, a portion or none of such shareholder s shares at any time and from time to time. Selling shareholders may also sell, transfer or otherwise dispose of some or all of their shares of our common stock in transactions exempt from the registration requirements of the Securities Act. We do not know when or in what amounts the selling shareholders may offer shares for sale under this prospectus and any prospectus supplement. We will not receive any proceeds from any sale of shares by a selling shareholder under this prospectus and any prospectus supplement. We may pay all expenses incurred with respect to the registration of the shares of common stock owned by the selling shareholders, other than underwriting fees, discounts or commissions, which will be borne by the selling shareholders. We will provide you with a prospectus supplement naming the selling shareholders, the amount of shares to be registered and sold and any other terms of the shares of common stock being sold by each selling shareholder.

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PLAN OF DISTRIBUTION

We may sell our securities, and any selling shareholder may sell shares of our common stock, in any one or more of the following ways from time to time: (i) through agents; (ii) to or through underwriters; (iii) through brokers or dealers; (iv) directly by us or any selling shareholders to purchasers, including through a specific bidding, auction or other process; or (v) through a combination of any of these methods of sale. The applicable prospectus supplement will contain the terms of the transaction, name or names of any underwriters, dealers, agents and the respective amounts of securities underwritten or purchased by them, the initial public offering price of the securities, and the applicable agent s commission, dealer s purchase price or underwriter s discount. Any selling shareholders, dealers and agents participating in the distribution of the securities may be deemed to be underwriters, and compensation received by them on resale of the securities may be deemed to be underwriting discounts. Additionally, because selling shareholders may be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act, selling shareholders may be subject to the prospectus delivery requirements of the Securities Act.

Any initial offering price, dealer purchase price, discount or commission may be changed from time to time.

The securities may be distributed from time to time in one or more transactions, at negotiated prices, at a fixed price or fixed prices (that may be subject to change), at market prices prevailing at the time of sale, at various prices determined at the time of sale or at prices related to prevailing market prices.

Offers to purchase securities may be solicited directly by us or any selling shareholder or by agents designated by us from time to time. Any such agent may be deemed to be an underwriter, as that term is defined in the Securities Act, of the securities so offered and sold.

If underwriters are utilized in the sale of any securities in respect of which this prospectus is being delivered, such securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at fixed public offering prices or at varying prices determined by the underwriters at the time of sale. Securities may be offered to the public either through underwriting syndicates represented by managing underwriters or directly by one or more underwriters. If any underwriter or underwriters are utilized in the sale of securities, unless otherwise indicated in the applicable prospectus supplement, the obligations of the underwriters are subject to certain conditions precedent, and the underwriters will be obligated to purchase all such securities if they purchase any of them.

If a dealer is utilized in the sale of the securities in respect of which this prospectus is delivered, we will sell such securities, and any selling shareholder will sell shares of our common stock to the dealer, as principal. The dealer may then resell such securities to the public at varying prices to be determined by such dealer at the time of resale. Transactions through brokers or dealers may include block trades in which brokers or dealers will attempt to sell shares as agent but may position and resell as principal to facilitate the transaction or in cross trades, in which the same broker or dealer acts as agent on both sides of the trade. Any such dealer may be deemed to be an underwriter, as such term is defined in the Securities Act, of the securities so offered and sold. In addition, any selling shareholder may sell shares of our common stock in ordinary brokerage transactions or in transactions in which a broker solicits purchases.

Offers to purchase securities may be solicited directly by us or any selling shareholder and the sale thereof may be made by us or any selling shareholder directly to institutional investors or others, who may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale thereof.

Agents, underwriters and dealers may be entitled under relevant agreements with us or any selling shareholder to indemnification by us against certain liabilities, including liabilities under the Securities Act, or to contribution with respect to payments which such agents, underwriters and dealers may be required to make in respect thereof. The terms and conditions of any indemnification or contribution will be described in the

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applicable prospectus supplement. We may pay all expenses incurred with respect to the registration of the shares of common stock owned by any selling shareholders, other than underwriting fees, discounts or commissions, which will be borne by the selling shareholders.

We or any selling shareholder may also sell shares of our common stock through various arrangements involving mandatorily or optionally exchangeable securities, and this prospectus may be delivered in connection with those sales.

We or any selling shareholder may enter into derivative, sale or forward sale transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those transactions, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions and by issuing securities not covered by this prospectus but convertible into, or exchangeable for or representing beneficial interests in such securities covered by this prospectus, or the return of which is derived in whole or in part from the value of such securities. The third parties may use securities received under derivative, sale or forward sale transactions, or securities pledged by us or any selling shareholder or borrowed from us, any selling shareholder or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from us or any selling shareholder in settlement of those transactions to close out any related open borrowings of stock. The third party in such sale transactions will be an underwriter and will be identified in the applicable prospectus supplement (or a post-effective amendment).

Additionally, any selling shareholder may engage in hedging transactions with broker-dealers in connection with distributions of shares or otherwise. In those transactions, broker-dealers may engage in short sales of shares in the course of hedging the positions they assume with such selling shareholder. Any selling shareholder also may sell shares short and redeliver shares to close out such short positions. Any selling shareholder may also enter into option or other transactions with broker-dealers which require the delivery of shares to the broker-dealer. The broker-dealer may then resell or otherwise transfer such shares pursuant to this prospectus. Any selling shareholder also may loan or pledge shares, and the borrower or pledgee may sell or otherwise transfer the shares so loaned or pledged pursuant to this prospectus. Such borrower or pledgee also may transfer those shares to investors in our securities or the selling shareholder s securities or in connection with the offering of other securities not covered by this prospectus.

Underwriters, broker-dealers or agents may receive compensation in the form of commissions, discounts or concessions from us or any selling shareholder. Underwriters, broker-dealers or agents may also receive compensation from the purchasers of shares for whom they act as agents or to whom they sell as principals, or both. Compensation as to a particular underwriter, broker-dealer or agent will be in amounts to be negotiated in connection with transactions involving shares and might be in excess of customary commissions. In effecting sales, broker-dealers engaged by us or any selling shareholder may arrange for other broker-dealers to participate in the resales.

Any securities offered other than common stock will be a new issue and, other than the common stock, which is listed on the NASDAQ Global Select Market, will have no established trading market. We may elect to list any series of securities on an exchange, and in the case of the common stock, on any additional exchange, but, unless otherwise specified in the applicable prospectus supplement, we shall not be obligated to do so. No assurance can be given as to the liquidity of the trading market for any of the securities.

Agents, underwriters and dealers may engage in transactions with, or perform services for, us, our subsidiaries or any selling shareholder in the ordinary course of business.

Any underwriter may engage in overallotment, stabilizing transactions, short covering transactions and penalty bids in accordance with Regulation M under the Exchange Act. Overallotment involves sales in excess of the offering size, which create a short position. Stabilizing transactions permit bids to purchase the underlying

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security so long as the stabilizing bids do not exceed a specified maximum. Short covering transactions involve purchases of the securities in the open market after the distribution is completed to cover short positions. Penalty bids permit the underwriters to reclaim a selling concession from a dealer when the securities originally sold by the dealer are purchased in a covering transaction to cover short positions. Those activities may cause the price of the securities to be higher than it would otherwise be. If commenced, the underwriters may discontinue any of the activities at any time. An underwriter may carry out these transactions on the NASDAQ Global Select Market, in the over-the-counter market or otherwise.

The place and time of delivery for securities will be set forth in the accompanying prospectus supplement for such securities.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. We also filed a registration statement on Form S-3, including exhibits, under the Securities Act with respect to the securities offered by this prospectus. This prospectus is a part of the registration statement, but does not contain all of the information included in the registration statement or the exhibits. You may read and copy the registration statement and any other document that we file at the SEC s public reference room at 100 F Street, N.E., Washington D.C. 20549. You can call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. You can also find our public filings with the SEC on the internet at a web site maintained by the SEC located at http://www.sec.gov.

We are incorporating by reference specified documents that we file with the SEC, which means:

- incorporated documents are considered part of this prospectus;
- we are disclosing important information to you by referring you to those documents; and
- information we file with the SEC will automatically update and supersede information contained in this prospectus.

We incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and before the end of the offering of the securities pursuant to this prospectus:

- our Annual Report on Form 10-K for the year ended December 31, 2013;
- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014;
- our Current Reports on Form 8-K, dated March 8, 2014 and May 28, 2014; and
- the description of our common stock contained in our Registration Statement on Form 8-A, dated September 3, 1986, and any amendment or report updating that description.

Notwithstanding the foregoing, documents or portions thereof containing information furnished under Items 2.02 and 7.01 of any Current Report on Form 8-K, including the related exhibits under Item 9.01, are not incorporated by reference in this prospectus.

You may request a copy of any of these filings, at no cost, by request directed to us at the following address or telephone number:

Fiserv, Inc.

255 Fiserv Drive

Brookfield, WI 53045

(262) 879-5000

Attention: Secretary

You can also find these filings on our website at www.fiserv.com. We are not incorporating the information on our website other than these filings into this prospectus.

You should not assume that the information in this prospectus or any prospectus supplement, as well as the information we file or previously filed with the SEC that we incorporate by reference in this prospectus or any prospectus supplement, is accurate as of any date other than the respective date of such documents. Our business, financial condition, results of operations and prospects may have changed since that date.

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LEGAL MATTERS

The validity of the securities offered by this prospectus will be passed upon for us by Foley & Lardner LLP. The validity of the guarantees of debt securities offered by this prospectus that are issued by Nebraska corporations will be passed upon for us with respect to Nebraska law matters by Kinsey Rowe Becker & Kistler, LLP. The validity of the securities offered by this prospectus will be passed upon for any underwriters or agents by counsel named in the applicable prospectus supplement.

EXPERTS

The consolidated financial statements incorporated in this prospectus by reference to Fiserv, Inc. s Annual Report on Form 10-K for the year ended December 31, 2013 and the effectiveness of Fiserv, Inc. s internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

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Fiserv, Inc.

$850,000,000 2.700% Senior Notes due 2020

$900,000,000 3.850% Senior Notes due 2025

PROSPECTUS SUPPLEMENT

Joint Book-Running Managers

BofA Merrill Lynch

Wells Fargo Securities

MUFG

US Bancorp

PNC Capital Markets LLC

SunTrust Robinson Humphrey

J.P. Morgan

Co-Managers

Credit Suisse

RBS

SMBC Nikko

TD Securities

The Williams Capital Group, L.P.

BB&T Capital Markets

BMO Capital Markets

Huntington Investment Company

KeyBanc Capital Markets

Comerica Securities

Wedbush Securities Inc.

May 19, 2015

="border-bottom: #ccffcc;">

Common Stock issued for Series “C” dividend

18,000

Dividend paid in stock

(45,000

)

Net Income

(25,000

)

2,385,000

Balance, December 31, 2003

(25,000

)

17,760,000

(683,000

)

-

Preferred converted to Common Stock

Options exercised to Common Stock

35,000

(31,000
)

Warrants Converted to Common Stock

125,000

(123,000
)

Conversion of debt to equity

28,000

Conversion of debt to equity out of Treasury

114,000

166,000

Common stock issued to Consultants

93,000

135,000

Shares issued out of Treasury

(135,000
)

135,000

Common Stock issued for Series “C” dividend

Dividend paid in stock

(11,000
)

Net Income

(14,000
)

1,733,000

Balance, December 31, 2004

(39,000
)

19,742,000

(536,000
)

-

Preferred converted to Common Stock

(124,000
)

Warrants Converted to Common Stock

2,000

Options excercised to common stock

190,000

Common Stock issued for Series “C” dividend

Dividend paid in stock

(11,000
)

Common stock issued for Series “B” dividend

Common stock issued to Employees

271,000

Treasury shares issued to employees

(39,000
)

38,000

Shares issued to officer with two year vesting period

(122,000
)
Vesting of unearned compensation

15,000

Treasury shares repurchased					(453,000)
Net income					321,000
					2,724,000
Balance, December 31, 2005	$	282,000	$	22,879,000	$ (1,075,000)
					$ (107,000)

The accompanying notes are an integral part of these consolidated financial statements

MEDIFAST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW
Years Ended December 31,

	(Restated) 2005	2004	2003
Cash flows from Operating Activities:			
Net income	$ 2,403,000	$ 1,747,000	$ 2,410,000
Adjustments to reconcile net income to net cash provided by operating activities from operations:			
Depreciation and amortization	2,266,000	1,210,000	648,000
Realized (gain) loss on investment securities	10,000	19,000	(1,000)
Common stock issued for services	150,000	93,000	207,000
Vesting of unearned compensation	15,000	-	-
Net change in other accumulated comprehensive income (loss)	321,000	(14,000)	-
Provision for bad debts	13,000	-	-
Deferred income taxes	100,000	486,000	1,138,000
Changes in Assets and Liabilities:			
Decrease (increase) in accounts receivable	65,000	(422,000)	(357,000)
(Increase) in inventory	(1,225,000)	(1,263,000)	(1,729,000)
(Increase) in prepaid expenses and other current assets	(2,194,000)	(143,000)	(687,000)
(Increase) in deferred compensation	(204,000)	-	(321,000)
Decrease (increase) in other assets	10,000	(25,000)	44,000
Increase (decrease) in accounts payable and accrued expenses	1,323,000	(460,000)	525,000
Increase in income taxes payable	160,000	674,000	-
Net cash provided by operating activities	3,213,000	1,902,000	1,877,000
Cash Flows from Investing Activities:			
Sale (purchase) of investment securities, net	(84,000)	1,338,000	(3,564,000)
Purchase of building	-	(566,000)	(1,823,000)
Purchase of property and equipment	(1,672,000)	(1,490,000)	(1,309,000)
Purchase of intangible assets	(276,000)	(2,792,000)	(2,458,000)
Net cash (used in) investing activities	(2,032,000)	(3,510,000)	(9,154,000)
Cash Flows from Financing Activities:			
Issuance of common stock, options and warrants	66,000	7,000	6,722,000
Increase (decrease) in line of credit, net	561,000	314,000	(36,000)
Purchase of treasury stock	(452,000)	-	-
Proceeds from long-term debt	-	475,000	2,669,000
Principal repayments of long-term debt	(473,000)	(1,089,000)	(346,000)
Dividends paid on preferred stock	(11,000)	(11,000)	(45,000)
Net cash provided by (used in) financing activities	(309,000)	(304,000)	8,964,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	872,000	(1,912,000)	1,687,000

Cash and cash equivalents - beginning of the year	612,000	2,524,000	837,000
Cash and cash equivalents - end of year	$ 1,484,000	$ 612,000	$ 2,524,000
Supplemental disclosure of cash flow information:			
Interest paid	$ 317,000	$ 245,000	$ 154,000
Income taxes	$ 1,983,000	$ -	$ -
Supplemental disclosure of non cash activity:			
Conversion of preferred stock B and C to common stock	$ 501,000	$ 170,000	$ 835,000
Common stock for services	$ 150,000	$ 93,000	$ 207,000
Common stock for intangibles and fixed assets	$ -	$ -	$ 1,949,000
Conversion of debt to equity	$ -	$ 307,000	$ -
Preferred B and C Stock Dividends	$ 287,000	$ 7,000	$ 18,000
Line of credit converted to long-term debt	$ 369,000	$ -	$ -
Common stock issued for compensation to be earned upon vesting	$ 122,000	$ -	$ -

The accompanying notes are an integral part of these consolidated financial statements.

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005, 2004, AND 2003

NOTE A – BUSINESS

Medifast, Inc. (the "Company", or "Medifast") is a Delaware corporation, incorporated in 1980. The Company's operations are primarily conducted through five of its wholly owned subsidiaries, Jason Pharmaceuticals, Inc. ("Jason"), Take Shape for Life, Inc. ("TSFL"), Jason Enterprises, Inc., Jason Properties, LLC and Seven Crondall, LLC. The Company is engaged in the production, distribution, and sale of weight management and disease management products and other consumable health and diet products. Medifast, Inc.'s product lines include weight and disease management, meal replacement and sports nutrition products manufactured in a modern, FDA approved facility in Owings Mills, Maryland.

The Company is engaged in the manufacturing and distribution of Medifastâ and Hi-Energyâ branded and private label weight and disease management products. These products are sold through various channels of distribution, to include web, call center, independent health advisors, medical professionals, weight loss clinics, direct consumer marketing supported via the phone and the web. The processing, formulation, packaging, labeling and advertising of the Company's products are subject to regulation by one or more federal agencies, including the Food and Drug Administration, the Federal Trade Commission, the Consumer Product Safety Commission, the United States Department of Agriculture, and the United States Environmental Protection Agency.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies followed in the preparation of the consolidated financial statements are as follows:

[1] PRINCIPLES OF CONSOLIDATION AND BASIS OF PRESENTATION:

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Jason Pharmaceuticals, Inc., Take Shape For Life, Inc., Seven Crondall Associates, LLC, Jason Properties, LLC and Jason Enterprises, Inc. All inter-company accounts have been eliminated.

[2] CASH AND CASH EQUIVALENTS:

For the purposes of the consolidated statements of cash flow, the Company considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents. At December 31, 2005, the Company had $789,000 in a money market account, $365,000 in miscellaneous short-term investments through Merrill Lynch that are considered cash equivalents due to terms of maturity, and $330,000 in operating checking accounts.

At December 31, 2004, the Company had invested in four $100,000 certificates of deposit, of which three were considered cash equivalents. In 2005, all certificates of deposit matured and were rolled into a money market account.

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005, 2004, AND 2003

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[3] ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBFUL ACCOUNTS

Accounts receivable are recorded net of reserves for sales returns and allowances, and net of provisions for doubtful accounts. Allowances for sales returns and discounts are based on an analysis of historical trends, and allowances for doubtful accounts are based primarily on an analysis of aging accounts receivable balances and on the creditworthiness of the customer as determined by credit checks and analysis, as well as the customer's payment history.

[4] INVENTORY:

Inventory is stated at the lower of cost or market, utilizing the first-in, first-out method. The cost of finished goods includes the cost of raw materials, packaging supplies, direct and indirect labor and other indirect manufacturing costs.

[5] ADVERTISING:

Advertising costs such as preparation, layout, design and production of advertising are deferred. They are expensed when the advertisement is first used, except for the costs of executory contracts, which are amortized as performance under the contract is received. Advertising costs deferred at December 31, 2005 and 2004, were $585,000 and $478,000 respectively. Advertising expense for the years ended December 31, 2005 and 2004 amounted to $3,784,000 and $1,055,000, respectively.

[6] PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment are stated at cost less accumulated depreciation and amortization. The Company computes depreciation and amortization using the straight-line method over the estimated useful lives of the assets acquired as follows:

Building and building improvements	39 years
Equipment and fixtures	3 - 15 years
Vehicles	5 years

The carrying amount of all long-lived assets is evaluated periodically to determine whether adjustment to the useful life or to the unamortized balance is warranted. Such evaluation is based principally on the expected utilization of the long-lived assets and the projected undiscounted cash flows of the operations in which the long-lived assets are used.

In accordance with SFAS No. 144, "Long-Lived Assets", property, plant and equipment and other long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005, 2004, AND 2003

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[7] INCOME TAXES:

The Company accounts for income taxes in accordance with Statements of Financial Accounting Standards No. 109, “Accounting for Income Taxes,” which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income taxes and liabilities are computed annually for differences between the financial statement and the tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

[8] EARNINGS PER COMMON SHARE:

Basic earnings per share is calculated by dividing net profit attributable to common stockholders by the weighted average number of outstanding common shares during the year. Basic earnings per share exclude any dilutive effects of options, warrants and other stock-based compensation, which are included in diluted earnings per share.

[9] REVENUE:

Revenue is recognized net of discounts, rebates, promotional adjustments, price adjustments, returns and other potential adjustments upon shipment and passing of risk to the customer and when estimates of are reasonably determinable, collection is reasonably assured, and the Company has no further performance obligations.

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005, 2004, AND 2003

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[10] ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

[11] FAIR VALUE OF FINANCIAL INSTRUMENTS:

The carrying amounts reported in the consolidated balance sheets for cash, certificates of deposit, accounts receivable, accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturity of the financial instruments.

The Company believes that its indebtedness approximates fair value based on current yields for debt instruments with similar terms.

[12] CONCENTRATION OF CREDIT RISK:

Financial instruments that potentially subject the Company to credit risk consist of cash, certificates of deposit, investment securities and trade receivables. Cash, money markets and investments exceed the federal insurance coverage by $2,248,000 and $3,525,000, respectively. The Company securities at December 31, 2005 and 2004, include amounts deposited with multiple financial institutions markets its products primarily to medical professionals, clinics, and Internet medical sales and has no substantial concentrations of credit risk in its trade receivables.

As of December 31, 2005 and 2004, the Company had two customers that individually represented over 10% of the accounts receivable and in the aggregate, approximately 36% and 49% of the accounts receivable, respectively.

[13] STOCK-BASED COMPENSATION:

The Company has adopted Statement of Financial Accounting Standards No. 123, “Accounting for Stock Based Compensation” (“SFAS 123”). The provisions of SFAS 123 allow companies to either expense the estimated value of stock options or to continue to follow the intrinsic value method set forth in Accounting Principles Bulletin Opinion No. 25, “Accounting for Stock Issued to Employees” (“APB 25”), but disclose the pro forma effects on net income (loss) had the fair value of the options been expensed. The Company has elected to continue to apply APB 25 in accounting for its employee stock option incentive plans. Under APB 25, where the exercise price of the Company’s employee stock options equals the market price of the underlying stock on the date of grant, no compensation is recognized.

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005, 2004, AND 2003

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

STOCK OPTION PLAN

On October 9, 1993 and as amended in May 1995, the Company adopted a stock option plan ("Plan") authorizing the grant of incentive and nonincentive options for an aggregate of 500,000 shares of the Company's common stock to officers, employees, directors and consultants. Incentive options are to be granted at fair market value. Options are to be exercisable as determined by the stock option committee.

In November 1997, June 2002 and July 2004, the Company amended the Plan by increasing the number of shares of the Company's common stock subject to the Plan by an aggregate of 200,000 shares, 300,000 shares and 250,000 shares respectively.

The Company has elected to continue to account for stock option grants in accordance with APB 25 and related interpretations. Under APB 25, where the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of grant, no compensation is recognized.

If compensation expense for the Company's stock-based compensation plans had been determined consistent with SFAS 123, the Company's net income and net income per share including pro forma results would have been the amounts indicated below:

	Years Ended December 31		
	2005 (Restated)	2004	2003
Net income:			
As reported	2,403,000	1,747,000	2,410,000
Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(280,000)	(108,000)	(403,000)
Pro forma	2,123,000	1,639,000	2,007,000
Net income per share:			
as reported:			
Basic	$ 0.17	$ 0.16	$ 0.25
Diluted	$ 0.17	$ 0.14	$ 0.22
Pro forma:			
Basic	$ 0.17	$ 0.15	$ 0.21
Diluted	$ 0.17	$ 0.13	$ 0.18

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005, 2004, AND 2003

[13] STOCK-BASED COMPENSATION: (CONTINUED)

The pro forma effect on net income may not be representative of the pro forma effect on net income of future years due to, among other things: (i) the vesting period of the stock options and the (ii) fair value of additional stock options in future years.

For the purpose of the above table, the fair value of each option granted is estimated as of the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	2005	2004	2003
Dividend yield	0.0%	0.0%	0.0%
Expected volatility	0.70	0.40	0.40
Risk-free interest rate	4.50%	4.50%	3% - 5%
Expected life in years	1-5	1-5	1-5

The weighted average fair value at date of grant for options granted during the years 2005, 2004, and 2003 were $2.64, $8.60, and 5.32, respectively, using the above assumptions.

The following summarizes the stock option activity for the years ended December 31:

	2005		2004		2003	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	389,397	1.51	439,455	1.76	891,669	0.69
Options granted	333,333	2.64	30,000	8.60	163,500	5.32
Options reinstated	-	0.00	-	0.00	-	0.00
Options exercised	(138,335)	(1.83)	(47,221)	(1.19)	(615,714)	(1.16)
Options forfeited or expired	(299,668)	(1.17)	(32,837)	(7.01)	0	0.00
Outstanding at end of year	284,727	2.41	389,397	1.51	439,455	1.76
Options exercisable at year end	254,725	3.17	350,336	1.11	302,668	0.76
Options available for grant at end of year	965,273		860,603		810,545	

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005, 2004, AND 2003

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[13] STOCK-BASED COMPENSATION: (CONTINUED)

The following table summarizes information about stock options outstanding and exercisable at December 31, 2005:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Contractual Life Remaining (in Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$0.25	6,669	1.0	$ 0.25	6,669	$ 0.25
$0.32	3,334	.40	$ 0.32	3,334	$ 0.32
$0.80	16,666	1.5	$ 0.80	16,666	$ 0.80
$2.67	178,334	4.1	$ 2.67	178,334	$ 2.67
$3.83	40,000	4.8	$ 3.83	13,332	$ 3.83
$4.80	19,724	2.3	$ 4.80	19,724	$ 4.80
$8.60	10,000	3.0	$ 8.60	6,666	$ 8.60
$11.15	10,000	2.5	$ 11.15	10,000	$ 11.15
	284,727		$ 2.41	254,725	$ 3.17

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005, 2004, AND 2003

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[15] RECENT ACCOUNTING PRONOUNCEMENTS

In December 2004, the FASB issued Financial Accounting Standards No. 123 (revised 2004) (FAS 123R), "Share-Based Payment, " FAS 123R replaces FAS No. 123, "Accounting for Stock-Based Compensation", and supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees." FAS 123R requires compensation expense, measured as the fair value at the grant date, related to share-based payment transactions to be recognized in the financial statements over the period that an employee provides service in exchange for the award. The Company intends to adopt FAS 123R using the "modified prospective" transition method as defined in FAS 123R. Under the modified prospective method, companies are required to record compensation cost prospectively for the unvested portion, as of the date of adoption, of previously issued and outstanding awards over the remaining vesting period of such awards. FAS 123R is effective January 1, 2006. The Company is evaluating the impact of FAS 123R on its' results and financial position.

In November 2004, the FASB issued Financial Accounting Standards No. 151 (FAS 151), "Inventory Costs – an amendment of ARB No. 43, Chapter 4". FAS 151 clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs and spoilage. In addition, FAS 151 requires companies to base the allocation of fixed production overhead to the costs of conversion on the normal capacity of production facilities. FAS 151 is effective for fiscal years beginning after June 15, 2005. FAS 151 did not have a material impact on its results or financial statements.

[16] INVESTMENTS

In accordance with FAS No. 115, "*Accounting for Certain Investments in Debt and EquitySecurities*", securities are classified into three categories: held-to-maturity, available-for-sale and trading. The Company's investments consist of debt and equity securities classified as available-for-sale securities. Accordingly, they are carried at fair value in accordance with FAS No. 115. Further, according to FAS No. 115 the unrealized holding gains and losses for available-for-sales securities are excluded from earnings and reported, net of deferred income taxes, as a separate component of stockholders' equity, unless the loss is classified as other than a temporary decline in market value.

[17] GOODWILL AND OTHER INTANGIBLE ASSETS

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement No. 142 "Goodwill and Other Intangible Assets". This statement addresses financial accounting and reporting for acquired goodwill and other intangible assets and supersedes APB Opinion No. 17, "Intangible Assets". It addresses how intangible assets that are acquired individually or with a group of other assets (but not those acquired in a business combination) should be accounted for in financial statements upon their acquisition. This Statement also addresses how goodwill and other intangible assets should be accounted for after they have been initially recognized in the financial statements. The Company, in its acquisitions, recognized $893,850 of goodwill. The Company performs its annual impairment test for goodwill at year-end. As of December 31, 2005, the Company has determined that there is no impairment of its goodwill.

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005, 2004, AND 2003

NOTE B - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition, the Company has acquired other intangible assets, which include: customer lists, non-compete agreements, trademarks, and patents. The non-compete agreements are being amortized over the legal life of the agreements ranging between 3 to 7 years. The customer lists are being amortized over a period ranging between 5 and 7 years based on management's best estimate of the expected benefits to be consumed or otherwise used up. The costs of patents are amortized over 5 and 7 years based on their estimated useful life, while trademarks representing brands with an infinite life, are carried at cost and tested annually for impairment as outlined below. Goodwill and other intangible assets are tested annually for impairment in the fourth quarter, and are tested for impairment more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount exceeds the asset's fair value. The Company assesses the recoverability of its goodwill and other intangible assets by comparing the projected undiscounted net cash flows associated with the related asset, over their remaining lives, in comparison to their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets.

[18] COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources, including unrealized gains and losses on marketable securities. The Company presents comprehensive income in its consolidated statements of stockholders equity.

[19] RECLASSIFICATIONS

Certain amounts for the years ended December 31, 2004 and 2003 have been reclassified to conform to the presentation of the December 31, 2005 amounts. The reclassifications have no effect on net income for the years ended December 31, 2004 and 2003.

NOTE C - INVENTORY

Inventory consists of the following at December 31, 2005 and 2004:

	2005	2004
Raw materials	$ 1,906,000	$ 1,085,000
Packaging	1,142,000	958,000
Finished goods	2,427,000	2,208,000
	$ 5,475,000	$ 4,251,000

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005, 2004, AND 2003

NOTE D - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expense and other current assets as of December 31, 2005 and 2004, consist of the following:

	2005	2004
Marketing and advertising	800,000	478,000
Taxes	779,000	25,000
Commissions	792,000	-
Supplies	393,000	-
Insurance	294,000	273,000
Services	50,000	73,000
Other	165,000	230,000
	3,273,000	1,079,000

NOTE E - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as of December 31, 2005 and 2004, consist of the following:

	2005	2004
Land	$ 650,000	$ 650,000
Building and building improvements	6,871,000	6,728,000
Equipment and fixtures	5,583,000	4,062,000
Vehicle	19,000	11,000
	13,123,000	11,451,000
Less accumulated depreciation and amortization	3,588,000	2,753,000
Property, plant and equipment - net	$ 9,535,000	$ 8,698,000

Substantially all of the Company's property, plant and equipment are pledged as collateral for various loans (see Note J).

Depreciation expense for the years ended December 31, 2005, 2004, and 2003 were $835,000, $804,000 and $421,000, respectively.

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005, 2004, AND 2003

NOTE F - TRADEMARKS AND INTANGIBLES

	As of December 31, 2005		As of December 31, 2004	
	(Restated) Gross Carrying Amount	(Restated) Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer lists	$ 4,356,000	$ 1,398,000	$ 4,355,000	$ 394,000
Non-compete agreements	840,000	566,000	840,000	248,000
Trademarks and patents	1,979,000	121,000	1,703,000	12,000
Goodwill	894,000	-	894,000	-
Total	$ 8,069,000	$ 2,085,000	$ 7,792,000	$ 654,000

Amortization expense for the years ended December 31, 2005, 2004 and 2003 was as follows:

	(Restated) 2005	2004	2003
Customer lists	$ 1,004,000	$ 244,000	$ 127,000
Non-compete agreements	369,000	162,000	86,000
Trademarks and patents	58,000	-	14,000
Total trademarks and intangibles	$ 1,431,000	$ 406,000	$ 227,000

Amortization expense is included in selling, general and administrative expenses.

The estimated future amortization expense of trademarks and intangible assets is as follows:

For the years ending December 31,	Amount
2006	$ 1,125,000
2007	755,000
2008	640,000
2009	462,000
2010	462,000

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005, 2004, AND 2003

NOTE G - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses as of December 31, 2005 and 2004 consist of the following:

	2005	2004
Trade payables	$ 1,695,000	$ 343,000
Accrued expenses and other	-	116,000
Accrued payroll and related taxes	314,000	215,000
Sales commissions payable	254,000	266,000
Total	$ 2,263,000	$ 940,000

NOTE H - OPERATING LEASES

The Company leases office space for its eleven corporately owned Hi-Energy Weight Control Clinics under lease terms ranging from one to five year with leases commencing 2004 and 2005. Monthly payments under the leases range in price from $1,120 to $2,695. The Company is required to pay property taxes, utilities, insurance and other costs relating to the leased facilities.

The following is a schedule by years of future minimum rental payments required under operating lease that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2005:

For the Years Ending December 31,	
2006	$ 227,000
2007	191,000
2008	147,000
2009	142,664
2010	53,000
Total minimum payments required	$ 760,664

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005, 2004, AND 2003

NOTE I - INCOME TAXES

Significant components of the income tax benefit for the years ended December 31 are as follows:

	(Restated) 2005	2004	2003
Current:			
Federal	$ 631,000	$ 600,000	$ 973,000
State	181,000	90,000	175,000
Total Current	812,000	690,000	$ 1,148,000
Deferred:			
Federal	$ 157,000	$ 408,000	$ -
State	33,000	61,000	-
Total deferred	190,000	469,000	-
Income tax expense	$ 1,002,000	$ 1,159,000	$ 1,148,000

A reconciliation between the provision for income taxes calculated at the U.S. federal statutory income tax rate and the consolidated income tax benefit in the consolidated statements of income for the years ended December 31 is as follows:

	(Restated) 2005	2004	2003
Provision at the U.S. federal statutory rate	$ 1,102,000	$ 1,087,000	$ 973,000
State taxes, net of federal benefit	170,000	145,000	175,000
Intangible assets	(156,000)	(73,000)	-
Other temporary differences	(98,000)	-	-
Permanent differences	(16,000)	-	-
Income tax expense	$ 1,002,000	$ 1,159,000	$ 1,148,000

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005, 2004, AND 2003

NOTE I - INCOME TAXES (CONTINUED)

Medifast, Inc.'s deferred income taxes reflect the net tax effect of temporary differences between the bases of assets and liabilities for financial reporting purposes and their bases for income tax purposes. Significant components of the Company's deferred tax liabilities and assets as of December 31 are as follows:

	(Restated) 2005	2004
Deferred tax assets		
Net operating loss carryforwards	$ -	$ -
Intangible assets	100,000	110,000
Accounts receivable	-	-
Inventory overhead and write downs	-	-
Section 263A	-	-
Total deferred tax assets	$ 100,000	$ 110,000
Deferred Tax Liabilities		
Intangible assets		$ -
Accounts receivable	(37,000)	-
Inventory overhead and write downs	(53,000)	-
Total deferred tax liabilities	$ (90,000)	$ -

The 2005 effective income tax rate of 29.4% differed from the federal statutory rate of 34% due to the amortization of intangible assets, timing differences for other temporary and permanent differences, and state income taxes.

The 2004 effective income tax rate differed from the federal statutory rate due to state taxes, amortization of intangible assets, and for a net operating loss deduction carried forward from 2003.

The 2003 effective income tax rate differed from the federal statutory rate due to state taxes.

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE J- LONG-TERM DEBT AND LINE OF CREDIT

Long-term debt as of December 31, 2005 and 2004, consist of the following:

	2005	2004
$2,850,000 fifteen year term loan secured by the building and land at a variable rate which was 7.13% at December 31, 2005	$ 2,201,000	$ 2,391,000
$1,760,000 ten-year reducing revolver line of credit rate at LIBOR plus 220 bps , which was 6.58% on December 31, 2005	1,506,000	1,623,000
$186,976 three-year term loan secured by 20,000 restricted common shares variable rate which was 10.25% at December 31, 2005	59,000	111,000
$200,000 five-year term loan secured by equipment fixed rate was 3% at December 31, 2005	90,000	130,000
$475,000 seven-year loan secured by the building and land at a variable rate at LIBOR plus 250 bps, which was 6.885% on December 31, 2005	428,000	459,000
$366,000 three-year term loan secured by certain assets at LIBOR plus 250 basis points, which was at 6.885% at December 31, 2005	254,000	-
$100,000 unsecured note payable at a fixed rate of 3%, discounted to an incremental borrowing rate of 12%	-	-
Note payable over 3 years secured by vehicle at a fixed rate of 12.25%	-	-
$550,000 agreement three years secured by certain assets of the Company variable rate, which was prime floating at December 31, 2004.	-	-
	4,538,000	4,714,000
Less current portion	561,000	458,000
	$ 3,977,000	$ 4,256,000

Future principal payments on long-term debt for the next 5 years are as follows:

2006	$ 561,000
2007	503,000
2008	356,000
2009	339,000
2010	339,000
Thereafter	2,440,000
	$ 4,538,000

The Company has established a $5 million revolving line of credit at the LIBOR rate plus 1.30% with Mercantile Safe Deposit and Trust Company secured by substantially all of the assets of Jason Pharmaceuticals, Inc. Effective January 17, 2004, $650,000 of the line of credit was converted to a note payable secured by all assets of Jason Pharmaceuticals excluding trademarks at a variable rate at libor plus 250 basis points which was 6.38% on December 31, 2005. The outstanding balance on this line was $633,000 and $369,000 at December 31, 2005 and 2004, respectively.

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE K - EMPLOYMENT AGREEMENTS

The CEO of Medifast, Inc., Bradley T. MacDonald, has a two-year employment agreement for an aggregate annual base salary of $225,000 with a bonus potential of 50% of base salary provided the Company makes its profit plan per the Board approved forecast. This contract has been extended to December 31, 2007. Due to the inequities of funding a retirement plan in the 401K, and in recognition of the performance responsible for the turnaround of the Company, the Board of Directors approved a Selective Executive Retirement Compensation Plan funded by the form of deferred compensation. The Deferred Compensation Plan will be funded up to $350,000 by a dollar for dollar match program, having Mr. MacDonald defer $175,000, followed by a Company match of $175,000. In June 2004, the Board of Directors authorized an additional $50,000 to be deferred by Mr. MacDonald followed by a Company match of $50,000. In 2005, the Board of Directors approved the funding of $100,000 into Mr. MacDonald's Selective Executive Retirement Compensation Plan. This brought the Selective Executive Retirement Compensation Plan total funded value to $550,000. Beginning January 1, 2006 the agreement was modified whereby the deferred compensation will be earned over a 5-year vesting period due January 1, 2011. Mr. MacDonald exercised 13,333 options at $2.67 in July of 2005 and executed 2,000 warrants at $.35 in March 2005.

NOTE L - REDEEMABLE PREFERRED STOCK

In August 1996, the Company sold 432,500 shares of Series "A" nonvoting preferred stock that generated gross proceeds of $865,000, or $2.00 per share. Each share was entitled to a dividend of 8% ($.16) per share. The shares were convertible into the Company's common stock on the basis of one share of common stock for each share of convertible preferred stock. In 2001, 157,000 shares opted to convert to Series "C" Preferred Convertible Stock and 85,000 shares were redeemed under the partial settlement and conversion to Series "C" preferred convertible stock offered to Series "A" preferred stockholders as approved by the Board of Directors. In 2002 the remaining 75,000 shares were redeemed.

NOTE M - SERIES "B" CONVERTIBLE PREFERRED STOCK

In January 2000, the Company was authorized to issue 600,000 Series "B" Convertible Preferred Stock ("Preferred Stock B") par value $1.00 per share. Each share is entitled to a dividend of 10% of liquidation value $1.00 ($.10) per share and is to be converted on January 15, 2005 unless converted prior thereto. Each holder of Preferred Series "B" stock is entitled to four votes per share in all matters in which holders of the Company's common stock are entitled to vote. On January 15, 2005, 300,614 shares of Series "B" Convertible Preferred Stock were converted into 601,228 shares of Common Stock. Additionally, a 10% common stock dividend was paid out upon conversion that resulted in 521,158 shares being issued to the Series "B" Convertible Preferred stock investors. As of December 31, 2005 there were no shares of Series "B" Convertible Preferred Stock remaining.

Each share of Preferred Series "B" stock is convertible, at the option of the holder after one year from the issuance date into common stock of the Company. The initial conversion price will be 75% of the market value of the Company's common stock on the day prior to conversion with a maximum conversion price of $.50 per share subject to adjustment as defined. In March 2002, the Board amended the Series "B" convertible preferred stock terms and conditions as follows (1) a dividend of 10% paid in preferred stock, or (2) cash at the option of the holder. The Board also fixed the conversions of Series

MEDIFAST, INC. AND SUBSIDIARIES

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DECEMBER 31, 2005, 2004, AND 2003

NOTE M - SERIES “B” CONVERTIBLE PREFERRED STOCK (CONTINUED)

“B” preferred at $0.50 per share in common stock and eliminated the spiral conversion provision and reduced voting to 2 votes per share.

NOTE N - SERIES “C” PREFERRED CONVERTIBLE STOCK

In the Fall of 2001, the Company was authorized to issue 1,015,000 shares of Series “C” Preferred Convertible Stock par value (.001), market value $1.00 per share. Each share is entitled to a dividend of 10% of liquidation value $1.00 ($.10) per share and is to be converted on December 31, 2006 unless converted prior thereto. Each Holder of Preferred Series “C” Stock is entitled to one (1) vote per share in all matters in which holders of the Company’s Common Stock are entitled to vote. Each share of Preferred Series “C” Stock is convertible, at the option of the holder, after one year from the issuance date into Common Stock of the Company. The conversion price will be $.50 a share. In 2002, 11,500 warrants issued at $0.35 per share were distributed proportionately to Series “C’ preferred holders.

On August 2, 2005, 200,000 shares of Series “C” Preferred Convertible Stock were converted into 400,000 shares of Common Stock. As of December 31, 2005 there were no shares of Series “C” Preferred Convertible Stock remaining and no additional dividend payments are owed.

NOTE O - WARRANTS

During 2003, the Company issued 200,000 warrants to James Paradis and Anthony Burrascono, both affiliated with Villanova University and 200,000 warrants to Mr. David Scheffler, an investment banker, for advisory and consulting services provided to the Company. The warrants vest in five equal installments of 40,000 warrants per year over a five-year period. These are five-year warrants to purchase common shares at an exercise price of $4.80 per share. These warrants may be cancelled, with a 90-day notice, if the consultants fail to perform to the satisfaction of the Company. During 2005, 120,000 unvested warrants issued to James Paradis and Anthony Burrascono were cancelled. In addition, the Company canceled 120,000 unvested warrants issued to David Scheffler.

During 2003, the Company issued 50,000 warrants to Consumer Choices Systems, Inc. (“CCS”) as part of the payment for the purchase of the assets of CCS. These warrants are three-year warrants to purchase common shares at an exercise price of $10.00 per share. Of this amount, 25,000 warrants were exercised in 2004.

During 2003, the Company issued 63,750 warrants and 18,750 warrants to Mainfield Enterprises, Inc. and Portside Growth & Opportunity Fund. These warrants are five-year warrants to purchase common shares at exercise prices of $16.78 per share, which was equal to one hundred fifteen percent (115%) of the five-day volume weighted average price, all pursuant to the terms of that certain Securities Purchase Agreement by and between the Company and Mainfield Enterprises, Inc. and Portside Growth & Opportunity Fund dated as of July 24, 2003.

During 2005, there were 2,000 warrants exercised at $.35.

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE O - WARRANTS (CONTINUED)

The fair value of these warrants were estimated using the Black-Scholes pricing model with the following assumptions: interest rate 4.5%, dividend yield 0%, volatility 0.40 and expected life of five years.

The Company has the following warrants outstanding for the purchase of its common stock:

Exercise Price	Expiration Date	Years Ended December 31, 2005	2004	2003
$0.35	August, 2004	-	-	40,100
$0.35	March, 2005	-	2,000	-
$0.63	September, 2004	-	-	2,500
$4.80	April, 2008	160,000	360,000	400,000
$10.00	June, 2006	25,000	25,000	25,000
$16.78	July, 2008	82,500	82,500	82,500
		267,500	469,500	550,100
	Weighted average exercise price	8.98	$ 7.16	$ 6.49

As of December 31, 2005, 267,500 of the warrants are exercisable.

NOTE P - COMMITMENTS, CONTINGENCIES AND OTHER MATTERS

The Company, like other manufacturers and distributors of products that are ingested, faces an inherent risk of exposure to product liability claims in the event that, among other things, the use of its products results in injury.

NOTE Q - LITIGATION

There was no material pending or threatened litigation against Medifast, Inc. or its subsidiaries as of December 31, 2005.

MEDIFAST, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2005, 2004, AND 2003

NOTE R - RESTATEMENTS

The December 31, 2005 financial statements have been restated to recognize an additional $525,000 in amortization expense for a customer list acquired in December 2004. The Company originally assumed an indefinite life on the customer list. Per FASB 142, an estimated useful life for a customer list has to be assigned when the asset is placed into use. As a result, amortization expense should have commenced on January 1, 2005. Pre-tax income decreased by $525,000 from $3,930,000 to $3,405,000 for the year-ended December 31, 2005. Net income for the year ended December 31, 2005 decreased by $324,000 from $2,436,000 to $2,112,000 and retained earnings decreased from $1,149,000 to $825,000.

NOTE S- QUARTERLY RESULTS (Unaudited)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2005				
Revenue	$ 8,326,000	$ 10,555,000	$ 10,985,000	10,263,000
Gross Profit	6,253,000	7,932,000	8,310,000	7,473,000
Operating Income	781,000	1,023,000	1,135,000	610,000
Net Income	426,000	672,000	526,000	488,000
Earnings per common share - diluted (1)	0.03	0.05	0.04	0.04
2004				
Revenue	6,817,000	7,357,000	7,268,000	5,898,000
Gross Profit	5,467,000	5,411,000	5,382,000	4,334,000
Operating Income	919,000	982,000	527,000	576,000
Net Income	647,000	656,000	391,000	35,000
Earnings per common share - diluted (1)	0.05	0.06	0.03	0.00

(1) -Earnings per common share is computed independently for each of the quarters presented; accordingly, in the sum of the quarterly earnings per common share may not equal the total computed for the year.

NOTE T– SUBSEQUENT EVENT- DISPOSAL OF A BUSINESS SEGMENT

On January 17, 2006, Jason Enterprises, Inc., a wholly owned subsidiary of Medifast, Inc. sold certain assets of its Consumer Choice Systems division. Consumer Choice Systems distributes products focused on women's well being to include supplements for menopause relief and urinary tract infections. The sale price was $1.82 million which included $358,000 in inventory, $131,000 in receivables, and $1,337,000 in net intangible assets. Consumer Choice Systems was sold to a former Medifast, Inc. board member. The sale price was $1.8 million and will be recorded as a note receivable by Medifast, Inc. over a 10-year term. The loan is collateralized by 50,000 shares of Medifast, Inc. stock. The following table illustrates segment information from the date Consumer Choice Systems was purchased by Medifast, Inc. on June 11, 2003 through December 31, 2005.

	2005	2004	2003
Revenues, net	$ 958,000	$ 1,498,000	$ 851,000
Cost of Sales	733,000	686,000	343,000
Gross Profit	225,000	812,000	508,000
Compensation and Professional Fees	290,000	213,000	254,000
Selling, General and Adminstrative Expenses	208,000	256,000	212,418
Depreciation and Amortization	209,000	90,000	95,000
Interest (net)	8,000	17,000	8,000
Net income (loss)	(490,000)	236,000	(61,418)
Earnings per share - basic	(0.04)	0.02	(0.01)
Earnings per share - diluted	(0.04)	0.02	(0.01)
Segment Assets	2,216,000	2,625,000	2,497,000
Fixed assets, net of depreciation	54,000	71,000	91,000
Inventory	293,000	391,000	470,000
Prepaid expenses	327,000	-	53,000
Accounts receivable	171,000	629,000	221,000
Intangible assets	443,000	635,000	635,500
Goodwill	893,500	893,500	893,500