

MATRIX SERVICE CO  
Form 4  
May 31, 2007

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Newmeister John S

(Last) (First) (Middle)

10701 EAST UTE STREET

(Street)

TULSA, OK 74116

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
MATRIX SERVICE CO [mtrx]

3. Date of Earliest Transaction  
(Month/Day/Year)  
05/23/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
\_X\_ Officer (give title below) \_\_\_ Other (specify below)

Vice President - Marketing

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_X\_ Form filed by One Reporting Person  
\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

..  
Fee paid previously with preliminary materials:

..  
Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

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The following email was sent to Dell employees on February 7, 2013

The Daily Direction  
Dell News

Media on Wednesday continued to cover the announcement that Dell has signed a definitive merger agreement under which Michael Dell, in partnership with global technology investment firm Silver Lake, will acquire Dell. - [WSJ CIO Journal](#), [Forbes](#), [Information Age \(U.K.\)](#)

Dell has signed a definitive merger agreement under which Michael Dell and global technology investment firm Silver Lake will acquire Dell and take it private. Until the transaction closes, we remain a publicly-traded company. Copies of announcement materials are being archived internally. - [SharePoint Site](#)

As cyber threats constantly evolve and change, IT solution providers - along with their customers - must remain vigilant. With that in mind, Dell SonicWALL recently released its annual list of 2013 security trends, along with tips on how to avoid these threats in your network. - [CRN Magazine](#)

Top security talents, globally unified services and vendor-neutral capability were highlighted as the competitive advantages Dell SecureWorks brings to Japan. - [ZDNet Japan](#) (Japanese)

Online payment firm Alipay reported a record RMB 19.1 billion (\$3.1 billion) was traded on 11 November 2012, Singles Day in China. Behind the enormous figure is a powerful IT system built using Dell Force10 E1200/S60 and Dell PowerEdge server portfolios. - [China Network World](#) (Chinese)

*Familiarize yourself with the [Dell Story](#) and help spread the word.*

Dell Conversations

Trust & privacy vital in patient/doctor relationship as info records are \$50/each on black market CMO Dell Healthcare [#gethealthsummit](#) - [@flowerofspring](#) - Tseday Alehagn, Co-Founder [@TadiasNews](#)

My favorite insight of the night. Kelly McGinnis, VP, Comms, [@dell](#) - we need to break down the silos btw marketing, PR, sales etc (aka IMC) - [@SarahConnects](#) - Sarah Hard-Sullivan, community relations professional

From [@EnterMobility](#): The faster you adopt [#BYOD](#) the better according to a new study by Dell - [ow.ly/hqQSN](#) - [@News4Mobility](#) - Enterprise Mobility, articles about enterprise mobility

Industry News

Sources close to the company have denied recent rumors that HP's board of directors is considering breaking up the company. - [Computerworld](#), [BGR](#)

Triggered by burgeoning demand for new data center services for mobile platforms and cloud computing, shipments of micro servers are expected to more than triple in 2013 to 291,000 units, according to analyst firm IHS. - [DigiTimes](#), [The Register](#)

Twitter is acquiring Bluefin Labs, a software company which provides analysis tools for social media discussion generated by TV programs. - [Bloomberg](#)

Google has revamped its keyword advertising service, AdWords, to make it easier for advertisers to manage campaigns across multiple devices as non-PC Web browsing continues to grow. - [CNET](#), [Mashable](#)

Apple has sold its 25 billionth download and users are today downloading 15,000 songs every minute. - [Reuters](#), [USAtoday](#), [CNN](#)

*For more competitor analysis, visit the [Competitive Intelligence Portal](#)*

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**Quote of the day:** *People take for granted that [when] they get an app that it s legitimate. Criminals have cleverly figured out ways to sneak malware in through those avenues. Companies insist apps are safe, but it s happened before. Be careful what you install. - Daniel Ayoub,* product marketing manager, Dell SonicWall

**Did you know** that [Help a Customer](#) has expanded to become the standard process for handling all customer complaints and escalations across Sales Operations and Support & Deployment? No matter your role at Dell, the [Help a Customer tool](#) is in place to help cultivate a customer-centric culture that empowers team members. [#HelpACustomer](#)

**Dell Services non-migrated team members:** If you have trouble viewing any of the hyperlinks in this email message, please log in to the [Dell Services portal](#) and then use the [URL converter tool](#) to access the material.

**Credant Technologies, Gale Technologies, Quest and Dell SonicWALL team members:** Please log in through the Dell remote [web portal](#) to access Dell intranet sites referenced in this document.

**Dell Wyse team members:** Please log in to the Dell network to access Dell intranet sites referenced in this document.

### **Additional Information and Where to Find It**

In connection with the proposed merger transaction, the Company will file with the SEC and furnish to the Company's stockholders a proxy statement and other relevant documents. This press release does not constitute a solicitation of any vote or approval. Stockholders are urged to read the proxy statement when it becomes available and any other documents to be filed with the SEC in connection with the proposed merger or incorporated by reference in the proxy statement because they will contain important information about the proposed merger.

Investors will be able to obtain a free copy of documents filed with the SEC at the SEC's website at <http://www.sec.gov>. In addition, investors may obtain a free copy of the Company's filings with the SEC from the Company's website at <http://content.dell.com/us/en/corp/investor-financial-reporting.aspx> or by directing a request to: Dell Inc. One Dell Way, Round Rock, Texas 78682, Attn: Investor Relations, (512) 728-7800, [investor\\_relations@dell.com](mailto:investor_relations@dell.com).

The directors, executive officers and certain other members of management and employees of the Company may be deemed participants in the solicitation of proxies from stockholders of the Company in favor of the proposed merger. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the stockholders of the Company in connection with the proposed merger will be set forth in the proxy statement and the other relevant documents to be filed with the SEC. You can find information about the Company's executive officers and directors in its Annual Report on Form 10-K for the fiscal year ended February 3, 2012 and in its definitive proxy statement filed with the SEC on Schedule 14A on May 24, 2012.

WSJ CIO Journal article:

The Morning Download: How Dell's Deal Helps Customers

Michael Hickins

Editor

The Morning Download comes from the editors of CIO Journal and cues up the most important news in business technology every weekday morning. Send us your tips, compliments and complaints. You can get The Morning Download emailed to you each weekday morning by clicking here.

Good morning. There's much for Dell Inc. customers to cheer in news that the PC maker is taking itself private, helped along by a \$2 billion loan from Microsoft Corp. Dell, in the midst of reinventing itself as an all-in-one hardware, software and services company, may well benefit from some of Microsoft's understanding of the business market.

Dell says it will continue supporting its existing products while pursuing its transformation, and is committed to completing this transaction as seamlessly as possible such that our customers are not affected in any way, it said in a statement provided to CIO Journal. In addition to selling hardware to its customers, either for use in their data centers or as part of a cloud solution, with Microsoft software running the stack, Dell could also embrace open source computing so that it is established as the open source brand over time, suggests Cindy Shaw, an analyst with Discern Group Inc. Dell could use common business standards to drive reliable, low-cost open source technology into the business market, essentially hoping to repeat the success it had in the PC market 30 years ago, Ms. Shaw suggested in an interview with CIO Journal.

Finally, the deal gives the company a breather from the incessant demands of Wall Street, allowing founder Michael Dell to execute his strategy for the company's post-PC era existence without having to watch his back for a shareholder revolt. Gartner Inc. analyst Leslie Fiering calls Mr. Dell a formidable strategist and operations person. Here he goes again doing something totally unexpected and very bold. I'm willing to give him the benefit of the doubt until he proves me wrong.

Yes, the company has saddled itself with a ton of debt. Credit analyst Dave Novosel of Gimme Credit LLC estimates Dell will emerge from the deal with about \$19 billion in debt, costing it around a half-billion dollars per year to service. But that's not nearly enough to severely limit Dell's ability to invest in new products and services, as Hewlett-Packard Co.'s statement would have customers believe. Yes, its ability to innovate will be less than what it used to be, Shaw Wu, an analyst with Sterne Agee Group Inc., told CIO Journal. But forced asceticism could stimulate sharper thinking, leading to a simplified set of offerings built around its core competencies. As a recent study by KPMG shows, cloud is not a simple matter to implement. People need help, and Dell could innovate around services that make things easier for the customer, noted Discern's Ms. Shaw.

Air Force tries not to bungle business software implementation a second time. With sequestration looming and the recent humiliation of having had to pull the plug on a suite of applications from Oracle Corp., Brigadier General Kathryn Johnson is hoping not to repeat the same mistakes that wasted over \$1 billion in taxpayer funds. Gen. Johnson said the Air Force is breaking the project up into smaller chunks this time around, which Michael Krigsman, CEO of IT consulting firm Asuret Inc., says is the right approach. The most basic tenet of ERP implementation is know why you need the system and how you intend to make it work, Mr. Krigsman told CIO Journal via email.

MassMutual trying democratization of information to stimulate innovation. Twenty billion dollar companies with over \$120 billion in retirement assets under management are not typical bastions of innovation. However, Robert Casale, CIO of Massachusetts Mutual Life Insurance Company, says the insurer is able to roll out new financial products more quickly, and can close significantly more business, thanks to innovations introduced by its IT department. That spirit of innovation has been fostered by structural and philosophical changes to how the IT department is run, and Mr. Casale says those changes are slowly being reflected throughout the rest of the organization as well. Among those changes, Mr. Casale has created experimental data lab environments that provide employees with types of data to which they don't ordinarily have access, with the expectation that they will use the data in novel ways, leading to more innovation. We're building an open culture where democratization of information, information sharing, is at the heart of things, Mr. Casale told CIO Journal.

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## DELL'S DEAL

Dell struck a \$24.4 billion deal yesterday to take itself private. Founder and CEO Michael Dell along with Silver Lake Partners will offer Dell's holders a per-share price of \$13.65 in cash. The stock closed Tuesday at \$13.42 on the Nasdaq.

Why Microsoft chose to loan rather than invest. To help finance Dell's buyout, Microsoft opted to loan the PC maker \$2 billion rather than use that money in an equity investment because it did not want to upset rival PC makers, sources tell Bloomberg's Dina Bass and Jeffrey McCracken. A Microsoft investment supports the long term success of the entire PC ecosystem, a Microsoft spokesman tells Bloomberg. Despite the loan, Microsoft may have some splainin' to do, says Gartner's Michael Gartenberg. There will still be some uneasiness until the full details of the relationship become clear in practice not just terms on paper, he said. But former Microsoft executive Brad Silverberg tells the WSJ's Shira Ovide and Anupreet Das that Microsoft is past the point of no return. For Microsoft, it crossed the Rubicon when it shipped the Surface, and relationships with PC manufacturers will never be the same, he said.

Microsoft plays the field. But ZDNet's Mary Jo Foley says rivals shouldn't fear Dell being granted most-favored PC maker. Microsoft in 2011 signed a billion dollar deal with Nokia Corp. to get the device maker cranking on the Windows Phone ecosystem. Despite supporting Nokia's latest offerings, Foley says she's noticed a number of Microsoft managers sporting HTC Corp. 8X Windows Phone 8s. Most recently Microsoft partnered with Huawei Technology Co. Ltd. to sell Windows Phones in Africa in spite of Nokia's long history and expertise in selling phones in the developing world.

The chutzpah that is H-P. Shortly after Dell announced the \$24 billion deal that would take the company private, Hewlett-Packard Co. released its own statement encouraging Dell customers to join up with H-P. Dell has a very tough road ahead. The company faces an extended period of uncertainty and transition that will not be good for its customers, H-P said. Reporters were quick to chide H-P for forgetting that it too lives in a glass house. Rich is how Fortune's Julianne Pepitone described H-P's action. Judging by HP's sanctimonious statement on Dell, though, you'd never guess HP was also suffering from myriad wounds, self-inflicted and otherwise: serial CEO switching, a dysfunctional board, multiple flip-flops regarding the mobile WebOS operating system (dead as of this writing), and the accusation by current H-P CEO Meg Whitman that recently acquired Autonomy engaged in financial flimflammy.

## TECHNOLOGY NEWS

Fed acknowledges cybersecurity breach. The Federal Reserve acknowledged it had suffered a cybersecurity breach, making it the latest government victim of hackers, the WSJ's Victoria McGrane reports. The Federal Reserve System is aware that information was obtained by exploiting a temporary vulnerability in a website vendor product, a spokeswoman from the Federal Reserve Bank of Richmond said in an emailed statement. The exposure was fixed shortly after discovery and is no longer an issue. This incident did not affect critical operations of the Federal Reserve System.

Surface Pro gets lack-luster reviews. The WSJ's Walt Mossberg test drives Microsoft's new Surface Windows 8 Pro and finds a lot of weaknesses. The Surface Pro is a multi-touch 10.6-inch tablet that has some of the attributes of a laptop, such as a USB port and snap-on keyboards. Unlike the original Surface, which came out in October, the new tablet is capable of running full-featured Windows 8. One problem is that the Surface Pro starts at \$899 \$400 more than the base model of the biggest, newest iPad or the base Surface RT. Mossberg says he likes the original Surface, but the Surface Pro is too hefty and costly and power-hungry to best the leading tablet, Apple's full-size iPad. It is also too difficult to use in your lap. It's something of a tweener—a compromised tablet and a compromised laptop.

Over at ZDNet, Mary Jo Foley says she kept scratching her head over who Microsoft expects to buy the Surface Pro. It's not as good of a tablet, in terms of weight/battery life, as the Surface RT is. But it's also not as good of a Windows 8 PC as other OEM-produced devices, coming in at lower price points with better battery life and other specs.

Microsoft Big Data guy leaves for VC firm. GeekWire's John Cook reports that a Microsoft-ian who oversaw the development of the company's various Big Data offerings as well as SQL Server and Windows Azure Data Services is leaving. After 23 years, Ted Kummert is leaving Microsoft for Seattle venture capital firm Madrona Venture Group.

Amazon launches a virtual currency. Amazon.com Inc. has underscored its desire to rival Apple Inc.'s App Store by launching a virtual currency through which it will subsidize developers joining its own service, write the FT's Barney Jopson and Tim Bradshaw. The online retailer said it would give customers tens of millions of dollars worth of Amazon Coins to spend on developers' applications and games. Developers will receive 70% of the currency spent and Amazon will convert the digital money into dollars. Amazon Coins will be given only to U.S. customers at the launch and can only be spent on apps and games that are available on its Kindle Fire tablet. The initiative—which was announced on Tuesday and will launch in May—is the latest example of Amazon's willingness to sacrifice profits to win market share, as it bets that it will entice more customers by attracting a broader range of developers.

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IBM re-prices servers to take on rivals. IBM Corp. took a stab at mainstream server rivals Hewlett-Packard Co. and Oracle Corp., announcing that it was reducing the price of its Power Systems servers. All Things D's Arik Hesseldahl says the servers are typically aimed at higher-end businesses, but new partnerships IBM inked with Ingram Micro Inc. and TechData Corp. could help the company expose its products to small and midsize companies.



Mobile traffic growth falls short. Mobile-network traffic growth was hampered in North America and Western Europe last year as companies including AT&T Inc. and Vodafone Group PLC adopted pricing policies that discouraged heavy use, according to research by Cisco Systems Inc. Mobile traffic in North America rose 64% in 2012, shy of the 70% projected a year ago by Cisco, according to a report released today. Western European traffic increased 44%, about half the 81% predicted pace, Cisco analyst Arielle Sumits told Bloomberg's Olga Kharif.

Twitter on route to maturity. Twitter CEO Dick Costolo tells the WSJ's Shira Ovide that it's not necessarily inevitable that the company will go public and he said that one of his goals is making Twitter more understandable to newcomers so the service can crack one billion users. In a wide-ranging interview, Mr. Costolo also discussed the thinking behind the company's purchase of video startup Vine. The Vine guys showed Vine to Jack [Dorsey, Twitter's co-founder], and he called me and said, you gotta see this. We all agreed that this is the next thing down the road. It's hyper-constrained publishing. It's going to force people to be creative and foster this new art form of how can I tell this story in six seconds?

Facebook users admit to taking a break A study by Pew Research Center's Internet and American Life Project finds that 61% of current Facebook Inc. users admitted to taking breaks from the social network, with some admitting to deleting their accounts. Study participants cited the time required to prune their profiles and the realization that maybe Facebook is just a big waste of time as reasons for their sabbatical. Just 4% cited privacy concerns. Pew Director Lee Rainie tells the NYT's Jenna Wortham that results reveal that a social reckoning is happening where more and more users weigh the demands of social media. They are adding up the pluses and minuses on a kind of networking balance sheet and they are trying to figure out how much they get out of connectivity vs. how much they put into it, he said.

Pinterest in talks to raise funding. Pinterest is in talks to raise a new round of financing that would value the online scrapbooking site at \$2 billion to \$2.5 billion, the WSJ's Pui-Wing Tam and Spencer E. Ante report. For most of last year, the site was racing to keep up with a growth eruption that took global user visits to its website to 48 million in December, up from nine million a year earlier. Now Pinterest has reached a point where it can start to make revenue a priority. They've gotten past the point of being successful with consumers in a big way [and] at some point, the business has to make money, said Jeremy Levine, a Bessemer venture capitalist who also sits on Pinterest's board.

Defense agency hands big check to Big Data firm. Continuum Analytics, a firm that brings to market methods for doing Big Data with the Python Programming language, just took in a \$3 million investment from the Defense Advanced Research Projects Agency. Explains GigaOm's Derrick Harris: Python is already incredibly popular among programmers of all levels in all industries—not just with web programmers (including those at Google), but also with the scientific community. The investment came out of a \$100 million fund run by DARPA dedicated to targeting Big Data techniques and software.

Holiday device sales help ARM beat the Street. Chip designer ARM Holdings PLC beat analyst estimates on fourth-quarter sales, reports Bloomberg's Amy Thomson. Surging smartphone and tablet demand helped ARM revenue rise 19%. The energy-saving chips designed by the Cambridge, England-based company are often favored by mobile device makers over rivals such as Intel Corp.

## EVERYTHING ELSE YOU NEED TO KNOW

CBO delivers warning on rising debt. The federal budget deficit has been cut in half in the past four years, but federal debt will hit historic levels if more isn't done, according to the Congressional Budget Office. The agency projects that if Congress leaves current laws unchanged, the debt will be 77% of GDP by the end of the decade, and it will be higher if the scheduled across-the-board spending cuts are diluted or various expiring tax breaks extended, the WSJ reports. At this level of debt relative to GDP, our country would be incurring costs and bearing risks of a sort that we have not [had] in our history except for a few years around the end of the second World War, CBO Director Douglas Elmendorf said. At the same time, bringing debt down relative to GDP requires reductions in services that we are getting from the government, or higher taxes paid to the government. Read the full CBO report here (PDF).

Obama urges sequester alternative. Just as the CBO report was coming out, President Obama was calling on Congress to replace the automatic spending cuts set to hit the Pentagon on March 1 with a new debt-reduction package that includes fresh tax revenue. Replacing the sequester for one month, without increasing deficits, would require about \$12 billion in alternative savings, the Washington Post says. Mr. Obama didn't provide any specifics—which drew fire from Republicans. But he's made clear that he expects wealthier Americans and industries with special tax advantages to shoulder some of the burden. After the president spoke, White House spokesman Jay Carney said that the carried interest loophole should be closed, Reuters reports. Closing the tax break could raise close to \$20 billion over 10 years, according to congressional budget estimates.

Bernanke fretted over credit ratings. Bloomberg points to some FOMC transcripts released last month showing that senior Fed officials including Ben Bernanke warned in August 2007 that investor confidence in credit rating companies was fading, risking greater instability in financial markets. There is an information fog that is very much associated with the loss of confidence in the credit-rating agencies, Bernanke said at a meeting on Aug. 7, 2007. The firms' credibility has been shot, said Kevin Warsh, then a Fed governor.

DOJ and S&P dig in for long battle. The DOJ wants Standard & Poor's to pay more than \$5 billion—roughly what its parent company has earned in the past seven years—for giving its seal of approval to subprime mortgages, the WSJ reports. Both sides are digging in for a long and costly legal fight. Meanwhile, a trove of emails and documents highlights tensions inside the firm's headquarters as it publicly defended its ratings even as the home loans bundled into mortgage-backed securities were failing. In one email, an executive warned: "This market is a wildly spinning top which is going to end badly," DealBook notes. Deal Professor says that the DOJ civil complaint is chock-full of emails that paint a picture of shoddy practices and greed at S&P. But he says that doesn't mean fraud will be easy to prove.

Tom Loftus contributed to this article.

Forbes article:

John Kotter, Contributor

### **Can Taking Dell Private Accelerate Innovation?**

*If you can get past the enormity of the financing behind Michael Dell's play to take Dell private, there is a very interesting story here about leadership. My colleague Randy Ottinger offers his perspective on the long-term effects this deal could have on Dell.*

The discussion around Michael Dell's play to take Dell private is focused primarily on the astounding \$24.4 billion financing deal, but what's more important is what this means for the future of the company itself.

Toward the bottom of yesterday's article in The New York Times, Michael J. de la Merced wrote that the move *is a huge gamble. It will saddle Dell with \$15 billion of new debt, and it does nothing to divert the forces reshaping the technology industry and undercutting the company's business.*

The less headline-worthy backstory is that mobile and tablet technology have eaten into Dell's business and, for several years, Mr. Dell has been trying unsuccessfully to implement a strategy to transform the company and address the market changes.

In a Dell press release, Mr. Dell said, "I believe this transaction will open an exciting new chapter for Dell, our customers and team members. Dell has made solid progress executing this strategy over the past four years, but we recognize that it will still take more time, investment and patience."

Just as the media evaluates this story based on the dollars behind the deal, the market evaluates a company based on the dollars produced by the number of widgets they ship—or in this case, PCs.

Today, in order to maintain success, public companies have become beholden to the market. They focus the business primarily on ensuring that quarterly reports meet analyst expectations and, therefore maintain the stock value. What's ignored is the long-term impact this narrow perspective has on the company.

Increasing sales, reducing costs, and building equity may ensure the company meets its numbers, but it in no way leads to a culture of innovation required to win over the long term. Mr. Dell and other CEOs know that the numbers that make investors happy fail to address factors that help a company sustain success. While bold, visionary leadership can yield industry-changers like the Kindle and the iPhone, short-term public market mentality can kill innovation.

No, taking the company private will not solve Dell's strategy failures, but it will give Mr. Dell a shot to bring back the entrepreneurial leadership and culture that allowed Dell to succeed in the past. At this point, Dell is late to the game in the mobile and tablet market, and this is a narrow window of opportunity. If Mr. Dell can re-focus and align the company to accelerate their strategic efforts, he'll be able to bring Dell back to its former position as a market leader.

The youngest CEO to have a company ranked in the Fortune 500, Mr. Dell has a long history of shrewd leadership, but this may be his most genius move yet.

Information Age (U.K.) article:

**Dell to go private in \$24 billion buyout**

5 FEBRUARY 2013 **Kane Fulton**

**PC maker taken private 25 years after IPO in deal financed by founder and CEO Michael Dell, investment firm Silver Lake, Microsoft and four banks**

PC manufacturer Dell is to be taken private in a \$24.4 billion leveraged buyout, the company confirmed today.

In a statement on Tuesday, Dell said the transaction will be funded by cash and equity from the company's CEO and founder Michael Dell, cash from his investment firm MSD Capital, private investment firm Silver Lake and a \$2 billion loan from Microsoft.

Bank of America Merrill Lynch, Barclays, Credit Suisse and RBC Capital Markets will provide debt financing.

The company's board of directors has unanimously approved the plan but still needs shareholder and regulatory approval. If it goes head, the deal is expected to close in the summer of this year.

I believe this transaction will open an exciting new chapter for Dell, our customers and team members, Michael Dell said in a statement. We can deliver immediate value to stockholders, while we continue the execution of our long-term strategy and focus on delivering best-in-class solutions to our customers as a private enterprise.

Dell has made solid progress executing this strategy over the past four years, but we recognize that it will still take more time, investment and patience, and I believe our efforts will be better supported by partnering with Silver Lake in our shared vision, Dell said.

I am committed to this journey and I have put a substantial amount of my own capital at risk together with Silver Lake, a world-class investor with an outstanding reputation. We are committed to delivering an unmatched customer experience and excited to pursue the path ahead, he said.

Dell, which had its public trading debut 25 years ago in June 1988, has fought a global trend in declining PC sales as consumers opt for alternative devices such as mobiles and tablets. The company's profits slid 47% in its most recent quarter.

Last week, Gartner's research director Ranjit Atwal told *Information Age* that going private would enable the company to change its culture and reinvent itself away from public scrutiny.

In response to today's news, Ovum analyst Carter Lusher warned that the deal will create uncertainty for Dell's corporate customers. While the company might come out of this transition stronger with a product lineup that better meets the needs of businesses and public sector organizations, there will be uncertainty as to what products and services stay, get strengthened, or get eliminated, he wrote.

Ovum recommends that CIOs need to assess the risk to their infrastructure and put into place plans should Dell's radical hardware, software, and services shifts require changes to procurement plans.

The following note to customers was posted on the Dell website on February 7, 2013  
To Our Customers,

The agreement to take Dell private represents an exciting new chapter for our company and for you, our customers.

As always, our unwavering focus is on delivering a fantastic customer experience and creating value for your organization. We believe that our proposed new ownership will provide long-term support to help Dell innovate, invest for growth and accelerate our transformation strategy. We'll have the flexibility to continue organic and inorganic investment and drive industry-leading innovation.

We've made solid progress over the past few years. Our leadership and our strategic execution have been consistent, as we've built a comprehensive portfolio to help you succeed. Secure, easy to manage, end-to-end solutions from the cloud to the data center to devices remain at the core of our value proposition to you.

I am honored to continue serving as chairman and CEO of Dell and very much appreciate the trust you've placed in us. We recognize that ours is a highly competitive industry. Our commitment to you is to keep earning that trust every day.

I am confident we are making the right decisions to position Dell, our customers and employees for long-term success. There is much more we can accomplish together.

With warm regards,

Michael Dell

#### **Forward-looking Statements**

Any statements in this press release about prospective performance and plans for the Company, the expected timing of the completion of the proposed merger and the ability to complete the proposed merger, and other statements containing the words estimates, believes, anticipates, plans, expects, will, and similar expressions, other than historical facts, constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Factors or risks that could cause our actual results to differ materially from the results we anticipate include, but are not limited to: (1) the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; (2) the inability to complete the proposed merger due to the failure to obtain stockholder approval for the proposed

merger or the failure to satisfy other conditions to completion of the proposed merger, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the transaction; (3) the failure to obtain the necessary financing arrangements set forth in the debt and equity commitment letters delivered pursuant to the merger agreement; (4) risks related to disruption of management's attention from the Company's ongoing business operations due to the transaction; and (5) the effect of the announcement of the proposed merger on the Company's relationships with its customers, operating results and business generally.

Actual results may differ materially from those indicated by such forward-looking statements. In addition, the forward-looking statements included in this press release represent our views as of the date hereof. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date hereof. Additional factors that may cause results to differ materially from those described in the forward-looking statements are set forth in the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2012, which was filed with the SEC on March 13, 2012, under the heading "Item 1A Risk Factors," and in subsequent reports on Forms 10-Q and 8-K filed with the SEC by the Company.

#### **Additional Information and Where to Find It**

In connection with the proposed merger transaction, the Company will file with the SEC and furnish to the Company's stockholders a proxy statement and other relevant documents. This press release does not constitute a solicitation of any vote or approval. Stockholders are urged to read the proxy statement when it becomes available and any other documents to be filed with the SEC in connection with the proposed merger or incorporated by reference in the proxy statement because they will contain important information about the proposed merger.

Investors will be able to obtain a free copy of documents filed with the SEC at the SEC's website at <http://www.sec.gov>. In addition, investors may obtain a free copy of the Company's filings with the SEC from the Company's website at <http://content.dell.com/us/en/corp/investor-financial-reporting.aspx> or by directing a request to: Dell Inc. One Dell Way, Round Rock, Texas 78682, Attn: Investor Relations, (512) 728-7800, [investor\\_relations@dell.com](mailto:investor_relations@dell.com).

The directors, executive officers and certain other members of management and employees of the Company may be deemed "participants" in the solicitation of proxies from stockholders of the Company in favor of the proposed merger. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the stockholders of the Company in connection with the proposed merger will be set forth in the proxy statement and the other relevant documents to be filed with the SEC. You can find information about the Company's executive officers and directors in its Annual Report on Form 10-K for the fiscal year ended February 3, 2012 and in its definitive proxy statement filed with the SEC on Schedule 14A on May 24, 2012.

**Forward-looking Statements**

Any statements in this press release about prospective performance and plans for the Company, the expected timing of the completion of the proposed merger and the ability to complete the proposed merger, and other statements containing the words estimates, believes, anticipates, plans, expects, will, and similar expressions, other than historical facts, constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Factors or risks that could cause our actual results to differ materially from the results we anticipate include, but are not limited to: (1) the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; (2) the inability to complete the proposed merger due to the failure to obtain stockholder approval for the proposed merger or the failure to satisfy other conditions to completion of the proposed merger, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the transaction; (3) the failure to obtain the necessary financing arrangements set forth in the debt and equity commitment letters delivered pursuant to the merger agreement; (4) risks related to disruption of management's attention from the Company's ongoing business operations due to the transaction; and (5) the effect of the announcement of the proposed merger on the Company's relationships with its customers, operating results and business generally.

Actual results may differ materially from those indicated by such forward-looking statements. In addition, the forward-looking statements included in this press release represent our views as of the date hereof. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date hereof. Additional factors that may cause results to differ materially from those described in the forward-looking statements are set forth in the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2012, which was filed with the SEC on March 13, 2012, under the heading Item 1A Risk Factors, and in subsequent reports on Forms 10-Q and 8-K filed with the SEC by the Company.

**Additional Information and Where to Find It**

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Investors will be able to obtain a free copy of documents filed with the SEC at the SEC's website at <http://www.sec.gov>. In addition, investors may obtain a free copy of the Company's filings with the SEC from the Company's website at <http://content.dell.com/us/en/corp/investor-financial-reporting.aspx> or by directing a request to: Dell Inc. One Dell Way, Round Rock, Texas 78682, Attn: Investor Relations, (512) 728-7800, [investor\\_relations@dell.com](mailto:investor_relations@dell.com).

The directors, executive officers and certain other members of management and employees of the Company may be deemed participants in the solicitation of proxies from stockholders of the Company in favor of the proposed merger. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the stockholders of the Company in connection with the proposed merger will be set forth in the proxy statement and the other relevant documents to be filed with the SEC. You can find information about the Company's executive officers and directors in its Annual Report on Form 10-K for the fiscal year ended February 3, 2012 and in its definitive proxy statement filed with the SEC on Schedule 14A on May 24, 2012.

oman" SIZE="2">11.500% 07/15/20 2,500 2,862,500

KB Home, Gtd. Notes(b)

4.750% 05/15/19 3,500 3,438,750

KB Home, Gtd. Notes

7.250% 06/15/18 2,000 2,130,000

Lennar Corp., Gtd. Notes(b)

4.500% 06/15/19 2,600 2,657,200

Lennar Corp., Gtd. Notes



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4.500% 11/15/19 1,000 1,024,500

Lennar Corp., Gtd. Notes(b)

4.750% 12/15/17 5,075 5,252,625

Standard Pacific Corp., Gtd. Notes(b)

8.375% 05/15/18 4,200 4,746,000

Standard Pacific Corp., Gtd. Notes(b)

10.750% 09/15/16 3,225 3,515,250

Toll Brothers Finance Corp., Gtd. Notes

4.000% 12/31/18 400 408,000

Toll Brothers Finance Corp., Gtd. Notes(b)

8.910% 10/15/17 1,600 1,804,000

US Concrete, Inc., Sr. Sec d. Notes(b)

8.500% 12/01/18 7,675 8,020,375

USG Corp., Gtd. Notes, 144A

5.875% 11/01/21 1,118 1,161,155

USG Corp., Sr. Unsec d. Notes

9.750% 01/15/18 3,600 4,050,000

William Lyon Homes, Inc., Gtd. Notes

8.500% 11/15/20 850 918,000

65,146,567

**Cable & Satellite 11.2%**

Cablevision Systems Corp., Sr. Unsec d. Notes(b)

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7.750% 04/15/18 2,750 2,962,850

Cablevision Systems Corp., Sr. Unsec d. Notes(b)

8.625% 09/15/17 6,700 7,319,750

CCO Holdings LLC/CCO Holdings Capital Corp., Gtd. Notes

6.500% 04/30/21 4,500 4,703,400

CCO Holdings LLC/CCO Holdings Capital Corp., Gtd. Notes

7.000% 01/15/19 4,648 4,799,060

CCO Holdings LLC/CCO Holdings Capital Corp., Gtd. Notes

7.375% 06/01/20 4,000 4,170,000

Cequel Communications Holdings I LLC/Cequel Capital Corp., Sr. Unsec d. Notes, 144A

6.375% 09/15/20 1,920 1,884,960

CSC Holdings LLC, Sr. Unsec d. Notes(b)

8.625% 02/15/19 2,500 2,812,500

DISH DBS Corp., Gtd. Notes(b)

4.250% 04/01/18 4,590 4,576,184

DISH DBS Corp., Gtd. Notes

4.625% 07/15/17 2,000 2,042,500

DISH DBS Corp., Gtd. Notes(b)

7.875% 09/01/19 1,000 1,083,900

Harron Communications LP/Harron Finance Corp., Sr. Unsec d. Notes, 144A (original cost \$8,110,275; purchased 04/14/15-06/24/15)(b)(c)(d)

9.125% 04/01/20 7,406 7,961,450

Intelsat Jackson Holdings SA (Luxembourg), Gtd. Notes

7.250% 04/01/19 6,135 5,996,962

Intelsat Jackson Holdings SA (Luxembourg), Gtd. Notes

7.250% 10/15/20 500 480,625

Numericable Group SA (France), Sr. Sec d. Notes, 144A(b)

4.875% 05/15/19 4,655 4,684,094

Telesat Canada/Telesat LLC (Canada), Gtd. Notes, 144A(b)

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6.000% 05/15/17 7,000 7,087,500

UPCB Finance V Ltd. (Netherlands), Sr. Sec d. Notes, 144A

7.250% 11/15/21 1,350 1,449,563

64,015,298

**Capital Goods 10.1%**

Anixter, Inc., Gtd. Notes(b)

5.625% 05/01/19 1,500 1,571,250

Avis Budget Car Rental LLC/Avis Budget Finance, Inc., Gtd. Notes(b)

3.030%(a) 12/01/17 5,340 5,313,300

BlueLine Rental Finance Corp., Sec d. Notes, 144A (original cost \$934,813; purchased 01/16/14-02/12/14)(b)(c)(d)

7.000% 02/01/19 925 874,125

Clean Harbors, Inc., Gtd. Notes

5.250% 08/01/20 850 867,000

Cleaver-Brooks, Inc., Sr. Sec d. Notes, 144A (original cost \$1,304,250; purchased 03/21/14-10/06/14)(b)(c)(d)

8.750% 12/15/19 1,200 1,153,500

CNH Industrial America LLC (United Kingdom), Gtd. Notes

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7.250% 01/15/16 1,810 1,832,625

CNH Industrial Capital LLC, Gtd. Notes(b)	3.875%	11/01/15	2,075	2,075,000
Dycom Investments, Inc., Gtd. Notes	7.125%	01/15/21	3,445	3,591,412
Hertz Corp. (The), Gtd. Notes(b)	4.250%	04/01/18	3,875	3,913,750
Hertz Corp. (The), Gtd. Notes	6.750%	04/15/19	925	945,813
Hertz Corp. (The), Gtd. Notes(b)	7.500%	10/15/18	2,400	2,451,000
Laureate Education, Inc., Gtd. Notes, 144A	10.000%	09/01/19	3,875	3,250,156
Michael Baker International LLC/CDL Acquisition Company, Inc., Sr. Sec d. Notes, 144A(b)	8.250%	10/15/18	4,025	3,924,375
NCSG Crane & Heavy Haul Services, Inc. (Canada), Sec d. Notes, 144A(b)	9.500%	08/15/19	1,750	953,750
Safway Group Holding LLC/Safway Finance Corp., Sec d. Notes, 144A(b)	7.000%	05/15/18	7,474	7,622,658
SPX Corp., Gtd. Notes(b)	6.875%	09/01/17	3,600	3,834,000
Terex Corp., Gtd. Notes	6.500%	04/01/20	1,500	1,556,250
Unifrax I LLC/Unifrax Holding Co., Gtd. Notes, 144A (original cost \$9,944,030; purchased 05/14/14-07/28/14)(c)(d)	7.500%	02/15/19	9,538	9,514,155
WireCo WorldGroup, Inc., Gtd. Notes	9.500%	05/15/17	2,850	2,422,500
				57,666,619

**Chemicals 5.3%**

Axalta Coating Systems US Holdings, Inc./Axalta Coating Systems Dutch Holdings BV, Gtd. Notes, 144A(b)	7.375%	05/01/21	11,626	12,438,657
Chemtura Corp., Gtd. Notes	5.750%	07/15/21	1,000	1,002,500
Hexion, Inc., Sr. Sec d. Notes	8.875%	02/01/18	2,065	1,796,550
Kissner Milling Co., Ltd. (Canada), Sr. Sec d. Notes, 144A (original cost \$3,650,210; purchased 05/15/14-06/18/15)(c)(d)	7.250%	06/01/19	3,601	3,781,050
Koppers, Inc., Gtd. Notes(b)	7.875%	12/01/19	5,494	5,590,145
PolyOne Corp., Sr. Unsec d. Notes(b)	7.375%	09/15/20	4,050	4,207,950
Rentech Nitrogen Partners LP/Rentech Nitrogen Finance Corp., Sec d. Notes, 144A	6.500%	04/15/21	1,655	1,674,066
				30,490,918

**Consumer 2.1%**

Jarden Corp., Gtd. Notes(b)	7.500%	05/01/17	3,750	4,031,250
Scotts Miracle-Gro Co. (The), Gtd. Notes(b)	6.625%	12/15/20	2,000	2,080,000
Service Corp. International, Sr. Unsec d. Notes	7.000%	06/15/17	1,000	1,075,000
Service Corp. International, Sr. Unsec d. Notes(b)	7.625%	10/01/18	4,253	4,763,360
				11,949,610

**Electric 3.4%**

AES Corp., Sr. Unsec d. Notes	7.375%	07/01/21	1,250	1,346,875
DPL, Inc., Sr. Unsec d. Notes	6.500%	10/15/16	271	277,775
DPL, Inc., Sr. Unsec d. Notes	7.250%	10/15/21	2,500	2,578,125
Dynegy, Inc., Gtd. Notes(b)	6.750%	11/01/19	4,800	4,977,000
GenOn Energy, Inc., Sr. Unsec d. Notes	9.500%	10/15/18	1,125	1,081,406
Mirant Mid Atlantic LLC, Pass-Through Certificates, Series B	9.125%	06/30/17	461	479,190
NRG Energy, Inc., Gtd. Notes(b)	7.625%	01/15/18	6,850	7,226,750
NRG REMA LLC, Pass-Through Certificates, Series B(c)	9.237%	07/02/17	496	523,963
NRG REMA LLC, Pass-Through Certificates, Series C(b)	9.681%	07/02/26	900	918,000
				19,409,084

**Energy - Integrated 0.1%**

Pacific Rubiales Energy Corp. (Colombia), Gtd. Notes, 144A	7.250%	12/12/21	1,500	810,000
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**Energy - Other 2.0%**

EP Energy LLC/Everest Acquisition Finance, Inc., Gtd. Notes(b)	9.375%	05/01/20	1,200	1,162,200
PHI, Inc., Gtd. Notes	5.250%	03/15/19	1,225	1,050,438
SESI LLC, Gtd. Notes	6.375%	05/01/19	1,165	1,159,175
Tesoro Corp., Gtd. Notes(b)	4.250%	10/01/17	3,675	3,757,687
Whiting Canadian Holding Co. ULC, Gtd. Notes(b)	8.125%	12/01/19	3,050	2,928,000
WPX Energy, Inc., Sr. Unsec d. Notes	7.500%	08/01/20	1,525	1,464,580
				11,522,080

**Foods 6.3%**

ARAMARK Services, Inc., Gtd. Notes	5.750%	03/15/20	950	985,031
Bertin SA/Bertin Finance Ltd. (Brazil), Gtd. Notes, 144A	10.250%	10/05/16	1,300	1,372,150
Constellation Brands, Inc., Gtd. Notes	3.875%	11/15/19	2,275	2,334,719
Constellation Brands, Inc., Gtd. Notes(b)	7.250%	09/01/16	3,052	3,196,970
Cott Beverages, Inc. (Canada), Gtd. Notes	6.750%	01/01/20	3,025	3,138,438
Diamond Foods, Inc., Gtd. Notes, 144A	7.000%	03/15/19	4,000	4,120,000
JBS Investments GmbH (Brazil), Gtd. Notes, 144A	7.750%	10/28/20	2,000	2,133,000
JBS USA LLC/JBS USA Finance, Inc. (Brazil), Gtd. Notes, 144A (original cost \$3,784,375; purchased 06/17/14)(b)(c)(d)	7.250%	06/01/21	3,500	3,653,125
Landry's, Inc., Gtd. Notes, 144A (original cost \$9,175,031; purchased 05/27/14-05/07/15)(b)(c)(d)	9.375%	05/01/20	8,475	9,057,656
Shearers Foods LLC/Chip Finance Corp., Sr. Sec d. Notes, 144A	9.000%	11/01/19	2,900	3,088,500
Smithfield Foods, Inc., Sr. Unsec d. Notes, 144A(b)	5.250%	08/01/18	3,185	3,240,737
				36,320,326

**Gaming 7.6%**

Boyd Gaming Corp., Gtd. Notes	9.000%	07/01/20	1,864	1,999,140
CCM Merger, Inc., Gtd. Notes, 144A (original cost \$3,788,015; purchased 09/04/13-05/21/14)(c)(d)	9.125%	05/01/19	3,618	3,853,170
GLP Capital LP/GLP Financing II, Inc., Gtd. Notes(b)	4.375%	11/01/18	3,775	3,888,250
Isle of Capri Casinos, Inc., Gtd. Notes	8.875%	06/15/20	3,750	4,021,875
MGM Resorts International, Gtd. Notes(b)	8.625%	02/01/19	6,280	7,016,016
MGM Resorts International, Gtd. Notes(b)	10.000%	11/01/16	7,000	7,542,500
Peninsula Gaming LLC/Peninsula Gaming Corp., Gtd. Notes, 144A	8.375%	02/15/18	4,000	4,160,000
Penn National Gaming, Inc., Sr. Unsec d. Notes	5.875%	11/01/21	425	431,375
Pinnacle Entertainment, Inc., Gtd. Notes	7.500%	04/15/21	1,050	1,110,375
Pinnacle Entertainment, Inc., Gtd. Notes(b)	8.750%	05/15/20	4,481	4,693,848
Scientific Games Corp., Gtd. Notes	8.125%	09/15/18	1,725	1,604,250
Station Casinos LLC, Gtd. Notes	7.500%	03/01/21	2,866	3,031,941
				43,352,740

**Healthcare & Pharmaceutical 14.4%**

Acadia Healthcare Co., Inc., Gtd. Notes	12.875%	11/01/18	1,000	1,075,000
Allergan, Inc., Gtd. Notes(b)	1.350%	03/15/18	2,240	2,201,640
Capella Healthcare, Inc., Gtd. Notes	9.250%	07/01/17	1,828	1,878,270
Capsugel SA, Sr. Unsec d. Notes, PIK, 144A	7.000%	05/15/19	3,700	3,727,750
CHS/Community Health Systems, Inc., Gtd. Notes(b)	8.000%	11/15/19	9,950	10,397,750
ConvaTec Finance International SA (Luxembourg), Sr. Unsec d. Notes, PIK, 144A	8.250%	01/15/19	1,235	1,216,475
ConvaTec Healthcare E SA (Luxembourg), Gtd. Notes, 144A	10.500%	12/15/18	4,115	4,279,600
Emdeon, Inc., Gtd. Notes(b)	11.000%	12/31/19	8,000	8,590,000
Endo Finance LLC/Endo Finco, Inc., Gtd. Notes, 144A	7.000%	12/15/20	1,800	1,876,500
HCA, Inc., Gtd. Notes(b)	8.000%	10/01/18	1,855	2,128,613
HCA, Inc., Sr. Sec d. Notes(b)	3.750%	03/15/19	3,075	3,090,375
HCA, Inc., Sr. Sec d. Notes	4.250%	10/15/19	2,350	2,397,000
Kindred Healthcare, Inc., Gtd. Notes, 144A(b)	8.000%	01/15/20	3,650	3,999,031

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Mallinckrodt International Finance SA/Mallinckrodt CB LLC, Gtd. Notes, 144A	4.875%	04/15/20	3,775	3,812,750
MedAssets, Inc., Gtd. Notes(b)	8.000%	11/15/18	6,351	6,526,224
Tenet Healthcare Corp., Sr. Sec d. Notes(b)	6.250%	11/01/18	5,400	5,852,250
Tenet Healthcare Corp., Sr. Unsec d. Notes	5.000%	03/01/19	5,700	5,689,968
Tenet Healthcare Corp., Sr. Unsec d. Notes	8.000%	08/01/20	1,000	1,043,750
Valeant Pharmaceuticals International, Inc., Gtd. Notes, 144A(b)	5.375%	03/15/20	5,625	5,723,437
Valeant Pharmaceuticals International, Inc., Gtd. Notes, 144A	6.375%	10/15/20	2,200	2,293,500
Valeant Pharmaceuticals International, Inc., Gtd. Notes, 144A	6.750%	08/15/18	1,991	2,083,084
Valeant Pharmaceuticals International, Inc., Gtd. Notes, 144A	7.500%	07/15/21	2,250	2,415,938
				82,298,905
<b>Media &amp; Entertainment 5.6%</b>				
AMC Networks, Inc., Gtd. Notes(b)	7.750%	07/15/21	7,445	7,947,537
Carlson Travel Holdings, Inc., Sr. Unsec d. Notes, PIK, 144A (original cost \$3,812,250; purchased 06/26/14-08/04/14)(c)(d)	7.500%	08/15/19	3,800	3,847,500
Cedar Fair LP/Canada's Wonderland Co./Magnum Management Corp., Gtd. Notes	5.250%	03/15/21	4,350	4,426,125
Cinemark USA, Inc., Gtd. Notes	7.375%	06/15/21	1,322	1,398,015
Clear Channel Worldwide Holdings, Inc., Gtd. Notes	7.625%	03/15/20	215	220,375
Entercom Radio LLC, Gtd. Notes	10.500%	12/01/19	4,000	4,235,000
Gannett Co., Inc., Gtd. Notes	5.125%	10/15/19	650	671,125
NAI Entertainment Holdings/NAI Entertainment Holdings Finance Corp., Sr. Sec d. Notes, 144A (original cost \$4,651,513; purchased 07/30/13-08/25/15)(b)(c)(d)	5.000%	08/01/18	4,550	4,641,000
National CineMedia LLC, Sr. Sec d. Notes	6.000%	04/15/22	585	598,163
National CineMedia LLC, Sr. Unsec d. Notes	7.875%	07/15/21	1,500	1,563,750
NCL Corp. Ltd., Sr. Unsec d. Notes, 144A	5.250%	11/15/19	1,200	1,241,628
Univision Communications, Inc., Gtd. Notes, 144A (original cost \$991,069; purchased 08/26/15)(c)(d)	8.500%	05/15/21	945	986,457
				31,776,675
<b>Metals 7.7%</b>				
AK Steel Corp., Sr. Sec d. Notes(b)	8.750%	12/01/18	5,791	5,791,000
Alcoa, Inc., Sr. Unsec d. Notes(b)	6.750%	07/15/18	3,000	3,247,500
ArcelorMittal (Luxembourg), Sr. Unsec d. Notes	6.250%	03/01/21	950	936,938
ArcelorMittal (Luxembourg), Sr. Unsec d. Notes	10.600%	06/01/19	5,000	5,825,000
ArcelorMittal SA (Luxembourg), Sr. Unsec d. Notes	5.250%	02/25/17	3,550	3,612,125
ArcelorMittal SA (Luxembourg), Sr. Unsec d. Notes	6.000%	08/05/20	2,000	1,990,000
AuRico Gold, Inc. (Canada), Sec d. Notes, 144A(b)	7.750%	04/01/20	1,500	1,350,000
Berau Capital Resources Pte. Ltd. (Indonesia), Sr. Sec d. Notes, 144A (original cost \$4,249,438; purchased 06/27/12)(c)(d)	12.500%	07/08/49	3,850	2,040,500
Cliffs Natural Resources, Inc., Sr. Unsec d. Notes	5.950%	01/15/18	1,300	682,500
FMG Resources (August 2006) Pty. Ltd. (Australia), Gtd. Notes, 144A	8.250%	11/01/19	2,150	1,655,500
JMC Steel Group, Inc., Sr. Unsec d. Notes, 144A	8.250%	03/15/18	1,225	970,812
Kaiser Aluminum Corp., Gtd. Notes	8.250%	06/01/20	1,200	1,278,000
Lundin Mining Corp. (Canada), Sr. Sec d. Notes, 144A(b)	7.500%	11/01/20	6,825	6,739,687
New Gold, Inc. (Canada), Gtd. Notes, 144A	7.000%	04/15/20	1,325	1,272,000
Peabody Energy Corp., Gtd. Notes(b)	6.000%	11/15/18	2,799	930,668
Steel Dynamics, Inc., Gtd. Notes(b)	6.125%	08/15/19	4,625	4,792,656
United States Steel Corp., Sr. Unsec d. Notes	7.000%	02/01/18	1,000	1,005,000
				44,119,886

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**Non-Captive Finance 3.5%**

CIT Group, Inc., Sr. Unsec d. Notes(b)	4.250%	08/15/17	4,175	4,237,625
International Lease Finance Corp., Sr. Unsec d. Notes(b)	3.875%	04/15/18	1,350	1,356,750
International Lease Finance Corp., Sr. Unsec d. Notes	6.250%	05/15/19	600	646,500
International Lease Finance Corp., Sr. Unsec d. Notes(b)	8.875%	09/01/17	4,000	4,405,000
International Wire Group Holdings, Inc., Sec d. Notes, 144A(b)	8.500%	10/15/17	1,000	1,030,000
KCG Holdings, Inc., Sr. Sec d. Notes, 144A	6.875%	03/15/20	1,050	976,500
Navient Corp., Sr. Unsec d. Notes, MTN	8.000%	03/25/20	425	430,312
Navient Corp., Sr. Unsec d. Notes, MTN(b)	8.450%	06/15/18	3,650	3,869,000
OneMain Financial Holdings, Inc., Gtd. Notes, 144A(b)	6.750%	12/15/19	2,900	3,030,500

19,982,187

**Packaging 4.6%**

AEP Industries, Inc., Sr. Unsec d. Notes(b)	8.250%	04/15/19	4,500	4,545,000
Ardagh Packaging Finance PLC (Ireland), Gtd. Notes, 144A	9.125%	10/15/20	3,000	3,150,000
Ardagh Packaging Finance PLC/Ardagh Holdings USA, Inc. (Ireland), Gtd. Notes, 144A	6.250%	01/31/19	200	204,000
Beverage Packaging Holdings Luxembourg II SA/Beverage Packaging Holdings II IS (New Zealand), Gtd. Notes, 144A	6.000%	06/15/17	1,150	1,144,250
Greif, Inc., Sr. Unsec d. Notes(b)	6.750%	02/01/17	1,200	1,248,000
Greif, Inc., Sr. Unsec d. Notes(b)	7.750%	08/01/19	5,700	6,277,125
Owens-Brockway Glass Container, Inc., Gtd. Notes(b)	7.375%	05/15/16	2,983	3,091,134
PaperWorks Industries, Inc., Sr. Sec d. Notes, 144A(b)	9.500%	08/15/19	2,525	2,471,975
Reynolds Group Issuer, Inc./Reynolds Group Issuer LLC/Reynolds Group LU (New Zealand), Gtd. Notes	9.875%	08/15/19	3,000	3,153,750
Sealed Air Corp., Gtd. Notes, 144A	6.500%	12/01/20	1,045	1,157,337

26,442,571

**Paper 0.8%**

Smurfit Kappa Acquisitions (Ireland), Sr. Sec d. Notes, 144A	4.875%	09/15/18	3,450	3,600,938
Tembec Industries, Inc. (Canada), Sr. Sec d. Notes, 144A	9.000%	12/15/19	1,575	1,008,000

4,608,938

**Pipelines & Other 0.8%**

AmeriGas Finance LLC/AmeriGas Finance Corp., Gtd. Notes	6.750%	05/20/20	300	309,750
AmeriGas Partners LP/AmeriGas Eagle Finance Corp., Sr. Unsec d. Notes	6.500%	05/20/21	725	732,250
Ferrellgas Partners LP/Ferrellgas Partners Finance Corp., Sr. Unsec d. Notes	8.625%	06/15/20	675	681,750
Rockies Express Pipeline LLC, Sr. Unsec d. Notes, 144A (original cost \$2,144,688; purchased 01/10/13-05/02/13)(b)(c)(d)	6.000%	01/15/19	2,150	2,150,000
Sunoco LP/Sunoco Finance Corp., Gtd. Notes, 144A	5.500%	08/01/20	850	845,750

4,719,500

**Real Estate Investment Trusts 0.4%**

CTR Partnership LP/Caretrust Capital Corp., Gtd. Notes	5.875%	06/01/21	920	931,500
MPT Operating Partnership LP/MPT Finance Corp., Gtd. Notes	6.375%	02/15/22	1,500	1,580,625

2,512,125

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**Retailers 2.5%**

Claire s Stores, Inc., Sr. Sec d. Notes, 144A	6.125%	03/15/20	400	312,000
Claire s Stores, Inc., Sr. Sec d. Notes, 144A(b)	9.000%	03/15/19	4,200	3,559,500
Family Tree Escrow LLC, Gtd. Notes, 144A	5.250%	03/01/20	700	733,250
HT Intermediate Holdings Corp., Sr. Unsec d. Notes, PIK, 144A	12.000%	05/15/19	350	346,500
L Brands, Inc., Gtd. Notes	8.500%	06/15/19	975	1,148,062
Petco Holdings, Inc., Sr. Unsec d. Notes, PIK, 144A (original cost \$348,250; purchased 10/04/12)(c)(d)	8.500%	10/15/17	350	356,125
Sally Holdings LLC/Sally Capital, Inc., Gtd. Notes(b)	6.875%	11/15/19	1,900	1,980,750
THOM Europe SAS (France), Sr. Sec d. Notes, 144A	7.375%	07/15/19	EUR 4,000	4,701,790
Toys R Us Property Co. II LLC, Sr. Sec d. Notes(b)	8.500%	12/01/17	1,500	1,455,000
				14,592,977

**Technology 16.7%**

Alcatel-Lucent USA, Inc. (France), Gtd. Notes, 144A(b)	4.625%	07/01/17	2,800	2,877,000
Alcatel-Lucent USA, Inc. (France), Gtd. Notes, 144A	6.750%	11/15/20	4,170	4,451,475
Alcatel-Lucent USA, Inc. (France), Gtd. Notes, 144A	8.875%	01/01/20	4,115	4,467,347
Ancestry.com, Inc., Gtd. Notes	11.000%	12/15/20	2,800	3,111,500
Audatex North America, Inc., Gtd. Notes, 144A(b)	6.000%	06/15/21	5,500	5,370,530
Brightstar Corp., Gtd. Notes, 144A (original cost \$8,400,250; purchased 04/27/12-11/14/14)(b)(c)(d)	9.500%	12/01/16	7,900	7,979,000
Brightstar Corp., Sr. Unsec d. Notes, 144A (original cost \$3,193,501; purchased 07/26/13-10/23/13)(b)(c)(d)	7.250%	08/01/18	3,100	3,262,750
CommScope Holding Co., Inc., Sr. Unsec d. Notes, PIK, 144A(b)	6.625%	06/01/20	4,355	4,523,756
CommScope, Inc., Sr. Sec d. Notes, 144A(b)	4.375%	06/15/20	3,975	4,009,781
CoreLogic, Inc., Gtd. Notes(b)	7.250%	06/01/21	4,777	5,003,907
First Data Corp., Gtd. Notes	12.625%	01/15/21	8,352	9,594,360
First Data Corp., Sr. Sec d. Notes, 144A	8.875%	08/15/20	135	141,089
Freescale Semiconductor, Inc., Sr. Sec d. Notes, 144A	5.000%	05/15/21	1,050	1,057,875
Freescale Semiconductor, Inc., Sr. Sec d. Notes, 144A	6.000%	01/15/22	7,160	7,482,200
Igloo Holdings Corp., Sr. Unsec d. Notes, PIK, 144A	8.250%	12/15/17	2,450	2,459,188
Infor U.S., Inc., Sr. Sec d. Notes, 144A (original cost \$1,938,000; purchased 08/11/15-08/26/15)(c)(d)	5.750%	08/15/20	1,950	1,954,875
Interactive Data Corp., Gtd. Notes, 144A(b)	5.875%	04/15/19	7,400	7,483,250
NXP BV/NXP Funding LLC (Netherlands), Gtd. Notes, 144A	4.125%	06/15/20	4,650	4,655,812
Sophia LP/Sophia Finance, Inc., Gtd. Notes, 144A	9.750%	01/15/19	4,350	4,649,063
SunGard Data Systems, Inc., Gtd. Notes	6.625%	11/01/19	1,425	1,478,438
SunGard Data Systems, Inc., Gtd. Notes(b)	7.375%	11/15/18	7,538	7,754,717
SunGard Data Systems, Inc., Gtd. Notes	7.625%	11/15/20	1,750	1,833,126
				95,601,039

**Telecommunications 7.1%**

CenturyLink, Inc., Sr. Unsec d. Notes	5.150%	06/15/17	565	579,125
Clearwire Communications LLC/Clearwire Finance, Inc., Sr. Sec d. Notes, 144A(b)	14.750%	12/01/16	4,750	5,415,000
Eileme 2 AB (Poland), Sr. Sec d. Notes, 144A	11.625%	01/31/20	750	820,313
Embarq Corp., Sr. Unsec d. Notes (original cost \$53,015; purchased 04/11/13)(c)(d)	7.082%	06/01/16	46	47,539
Frontier Communications Corp., Sr. Unsec d. Notes	8.125%	10/01/18	1,775	1,917,000
Level 3 Financing, Inc., Gtd. Notes	3.914%(a)	01/15/18	1,145	1,153,587
Level 3 Financing, Inc., Gtd. Notes(b)	7.000%	06/01/20	5,000	5,262,500
Level 3 Financing, Inc., Gtd. Notes	8.625%	07/15/20	3,500	3,708,250
Qwest Capital Funding, Inc., Gtd. Notes	6.500%	11/15/18	1,000	1,061,250
Sprint Communications, Inc., Gtd. Notes, 144A	9.000%	11/15/18	2,580	2,873,475
Sprint Communications, Inc., Sr. Unsec d. Notes	8.375%	08/15/17	550	581,625
Sprint Communications, Inc., Sr. Unsec d. Notes(b)	9.125%	03/01/17	1,400	1,491,000



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T-Mobile USA, Inc., Gtd. Notes	6.542%	04/28/20	1,150	1,198,875
T-Mobile USA, Inc., Gtd. Notes	6.625%	11/15/20	1,000	1,035,000
Telecom Italia Capital SA (Italy), Gtd. Notes	6.999%	06/04/18	2,060	2,250,550
Wind Acquisition Finance SA (Italy), Sr. Sec d. Notes, 144A	6.500%	04/30/20	2,000	2,105,000
Windstream Services LLC, Gtd. Notes(b)	7.875%	11/01/17	6,250	6,531,250
Zayo Group LLC/Zayo Capital, Inc., Gtd. Notes	10.125%	07/01/20	2,254	2,479,400
				40,510,739
<b>Transportation 0.8%</b>				
XPO Logistics, Inc., Sr. Unsec d. Notes, 144A(b)	7.875%	09/01/19	4,500	4,770,000
<b>TOTAL CORPORATE BONDS</b>				
(cost \$761,469,857)				744,160,697
<b>TOTAL INVESTMENTS 133.7%</b>				
(cost \$784,198,348)(e)				765,582,458
Liabilities in excess of other assets(f) (33.7)%				(192,885,221)
<b>NET ASSETS 100.0%</b>				
				\$ 572,697,237

The following abbreviations are used in the portfolio descriptions:

- 144A Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may not be resold subject to that rule except to qualified institutional buyers. Unless otherwise noted, 144A securities are deemed to be liquid.
- EUR Euro
- GBP Great British Pound
- MTN Medium Term Note
- PIK Payment-in-Kind

- # Principal amount is shown in U.S. dollars unless otherwise stated.
- (a) Variable rate instrument. The interest rate shown reflects the rate in effect at August 31, 2015.
- (b) Represents security, or a portion thereof, with aggregate value of \$424,368,208 segregated as collateral for amount of \$205,000,000 borrowed and outstanding as of August 31, 2015. Of such securities, securities in the amount of \$64,188,844 have been loaned for which, the amount borrowed serves as collateral. Securities on loan are subject to contractual netting arrangements.
- (c) Indicates a security or securities that have been deemed illiquid.
- (d) Indicates a restricted security; the aggregate original cost of the restricted securities is \$71,536,723. The aggregate value, \$68,160,227, is approximately 11.9% of net assets.
- (e) The United States federal income tax basis of investments and net unrealized depreciation were as follows:

Tax Basis	\$ 796,586,603
Appreciation	2,476,901
Depreciation	(33,481,046)
Net Unrealized Depreciation	\$ (31,004,145)

The book basis may differ from tax basis due to certain tax-related adjustments.

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(f) Includes net unrealized appreciation (depreciation) on the following derivative contracts held at reporting period end:

**Forward foreign currency exchange contracts outstanding at August 31, 2015:**

<b>Purchase Contracts</b>	<b>Counterparty</b>	<b>Notional Amount (000)</b>	<b>Value at Settlement Date</b>	<b>Current Value</b>	<b>Unrealized Appreciation (Depreciation)(1)</b>
British Pound,					
Expiring 09/02/15	JPMorgan Chase	GBP 1,551	\$ 2,409,673	\$ 2,380,578	\$ (29,095)
Euro,					
Expiring 09/02/15	Citigroup Global Markets	EUR 147	164,995	165,306	311
Expiring 09/02/15	Goldman Sachs & Co.	EUR 4,213	4,804,320	4,727,210	(77,110)
			\$ 7,378,988	\$ 7,273,094	\$ (105,894)
<b>Sale Contracts</b>	<b>Counterparty</b>	<b>Notional Amount (000)</b>	<b>Value at Settlement Date</b>	<b>Current Value</b>	<b>Unrealized Appreciation (Depreciation)(1)</b>
British Pound,					
Expiring 09/02/15	JPMorgan Chase	GBP 1,551	\$ 2,416,430	\$ 2,380,578	\$ 35,852
Expiring 10/02/15	JPMorgan Chase	GBP 1,551	2,409,285	2,380,186	29,099
Euro,					
Expiring 09/02/15	Barclays Capital Group	EUR 525	580,799	589,672	(8,873)
Expiring 10/02/15	Goldman Sachs & Co.	EUR 4,213	4,806,553	4,729,439	77,114
Expiring 09/02/15	Goldman Sachs & Co.	EUR 3,834	4,234,128	4,302,844	(68,716)
			\$ 14,447,195	\$ 14,382,719	\$ 64,476
					\$ (41,418)

(1) The amount represents fair value of derivative instruments subject to foreign exchange contracts risk exposure as of August 31, 2015. Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below.

Level 1 - quoted prices generally in active markets for identical securities.

Level 2 - quoted prices for similar securities, interest rates and yield curves, prepayment speeds, foreign currency exchange rates and other observable inputs.

Level 3 - unobservable inputs for securities valued in accordance with Board approved fair valuation procedures.

The following is a summary of the inputs used as of August 31, 2015 in valuing such portfolio securities:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Investments in Securities</b>			
Bank Loans	\$	\$ 21,421,761	\$
Corporate Bonds		743,242,697	918,000
<b>Other Financial Instruments*</b>			
Forward Foreign Currency Exchange Contracts		(41,418)	
<b>Total</b>	\$	\$ 764,623,040	\$ 918,000

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The following is a reconciliation of assets in which unobservable inputs (Level 3) were used in determining fair value:

	<b>Corporate Bonds</b>
<b>Balance as of 5/31/15</b>	\$ 12,888,346
Realized gain (loss)	
Change in unrealized appreciation (depreciation)**	(58,500)
Purchases	
Sales	
Accrued discount/premium	
Transfers into Level 3	
Transfers out of Level 3	(11,911,846)
<b>Balance as of 8/31/15</b>	<b>\$ 918,000</b>

\* Other financial instruments are derivative instruments not reflected in the Schedule of Investments, such as futures, forwards and exchange-traded swap contracts, which are recorded at the unrealized appreciation/depreciation on the instrument, and over-the-counter swap contracts which are recorded at fair value.

\*\* Of which, \$(58,500) was relating to securities held at the reporting period end.

Level 3 securities as presented in the table above are being fair valued using pricing methodologies approved by Board, which contain unobservable inputs as follows:

<b>Level 3 Securities</b>	<b>Fair Value as of August 31, 2015</b>	<b>Valuation Methodology</b>	<b>Unobservable Inputs</b>
Corporate Bonds	\$ 918,000	Market Approach	Single Broker Indicative Quote

It is the Fund's policy to recognize transfers in and transfers out at the fair value as of the beginning of period. At the reporting period end, securities transferred levels as follows:

**Investments in**

<b>Securities</b>	<b>Amount Transferred</b>	<b>Level Transfer</b>	<b>Logic</b>
Corporate Bonds	\$ (11,911,846)	L3 to L2	Single Broker Indicative Quote to Multiple Broker Quotes

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**Notes to Schedule of Investments (Unaudited)**

*Securities Valuation:* The Fund holds securities and other assets that are fair valued at the close of each day the New York Stock Exchange ( NYSE ) is open for trading. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Board of Directors (the Board ) has adopted Valuation Procedures for security valuation under which fair valuation responsibilities have been delegated to Prudential Investments LLC ( PI or Manager ). Under the current Valuation Procedures, the established Valuation Committee is responsible for supervising the valuation of portfolio securities and other assets. The Valuation Procedures permit the Fund to utilize independent pricing vendor services, quotations from market makers, and alternative valuation methods when market quotations are either not readily available or not deemed representative of fair value. A record of the Valuation Committee's actions is subject to the Board's review, approval, and ratification at its next regularly-scheduled quarterly meeting.

Various inputs determine how the Fund's investments are valued, all of which are categorized according to the three broad levels (Level 1, 2, or 3) detailed in the table following the Schedule of Investments.

Common and preferred stocks, exchange-traded funds, and derivative instruments, such as futures and options, that are traded on a national securities exchange are valued at the last sale price as of the close of trading on the applicable exchange where the security principally trades. Securities traded via NASDAQ are valued at the NASDAQ official closing price. To the extent these securities are valued at the last sale price or NASDAQ official closing price, they are classified as Level 1 in the fair value hierarchy.

In the event that no sale or official closing price on valuation date exists, these securities are generally valued at the mean between the last reported bid and ask prices, or at the last bid price in the absence of an ask price. These securities are classified as Level 2 in the fair value hierarchy.

Common and preferred stocks traded on foreign securities exchanges are valued using pricing vendor services that provide model prices derived using adjustment factors based on information such as local closing price, relevant general and sector indices, currency fluctuations, depository receipts, and futures, as applicable. Securities valued using such model prices are classified as Level 2 in the fair value hierarchy. Such securities are valued using model prices to the extent that the valuation meets the established confidence level for each security. If the confidence level is not met or the vendor does not provide a model price, securities are valued in accordance with exchange-traded common and preferred stocks discussed above.

Participatory Notes (P-Notes) are generally valued based upon the value of a related underlying security that trades actively in the market and are classified as Level 2 in the fair value hierarchy.

Investments in open-end, non-exchange-traded mutual funds are valued at their net asset values as of the close of the NYSE on the date of valuation. These securities are classified as Level 1 in the fair value hierarchy since they may be purchased or sold at their net asset values on the date of valuation.

Fixed income securities traded in the over-the-counter ( OTC ) market are generally valued at prices provided by approved independent pricing vendors. The pricing vendors provide these prices after evaluating observable inputs including, but not limited to yield curves, yield spreads, credit ratings, deal terms, tranche level attributes, default rates, cash flows, prepayment speeds, broker/dealer quotations, and reported trades. Securities valued using such vendor prices are classified as Level 2 in the fair value hierarchy.

OTC derivative instruments are generally valued using pricing vendor services, which derive the valuation based on inputs such as underlying asset prices, indices, spreads, interest rates, and exchange rates. These instruments are categorized as Level 2 in the fair value hierarchy.

Centrally cleared swaps listed or traded on a multilateral or trade facility platform, such as a registered exchange, are generally valued at the daily settlement price determined by the respective exchange. These securities are classified as Level 2 in the fair value hierarchy, as the daily settlement price is not public.

Securities and other assets that cannot be priced according to the methods described above are valued based on pricing methodologies approved by the Board. In the event that unobservable inputs are used when determining such valuations, the securities will be classified as Level 3 in the fair value hierarchy.

When determining the fair value of securities, some of the factors influencing the valuation include: the nature of any restrictions on disposition of the securities; assessment of the general liquidity of the securities; the issuer's financial condition and the markets in which it does business; the cost of the investment; the size of the holding and the capitalization of the issuer; the prices of any recent transactions or bids/offers for such securities or any

comparable securities; any available analyst media or other reports or information deemed reliable by the investment adviser regarding the issuer or the markets or industry in which it operates. Using fair value to price securities may result in a value that is different from a security's most recent closing price and from the price used by other mutual funds to calculate their net asset values.

The Fund may invest in illiquid securities, including repurchase agreements which have a maturity of longer than seven days, certain securities with legal or contractual restrictions on resale (restricted securities, sometimes referred to as Private Placements) and securities that are not readily marketable. Restricted securities are valued pursuant to the valuation procedures noted above.

The Fund may invest in the Prudential Core Taxable Money Market Fund, a portfolio of the Prudential Investment Portfolios 2, registered under the Investment Company Act of 1940, as amended, and managed by PI.

*Other information regarding the Fund is available in the Fund's most recent Report to Shareholders. This information is available on the Securities and Exchange Commission's website. ([www.sec.gov](http://www.sec.gov)).*

**Item 2. Controls and Procedures**

- (a) It is the conclusion of the registrant's principal executive officer and principal financial officer that the effectiveness of the registrant's current disclosure controls and procedures (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the registrant has been recorded, processed, summarized and reported within the time period specified in the Commission's rules and forms and that the information required to be disclosed by the registrant has been accumulated and communicated to the registrant's principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.
  
- (b) There have been no significant changes in the registrant's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

**Item 3. Exhibits**

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 Attached hereto.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Prudential Short Duration High Yield Fund, Inc.

By (Signature and Title)\* /s/ Deborah A. Docs

Deborah A. Docs  
Secretary of the Fund

Date October 20, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)\* /s/ Stuart S. Parker

Stuart S. Parker  
President and Principal Executive Officer

Date October 20, 2015

By (Signature and Title)\* /s/ M. Sadiq Peshimam

M. Sadiq Peshimam  
Treasurer and Principal Financial Officer

Date October 20, 2015

\* Print the name and title of each signing officer under his or her signature.