

Edgar Filing: SunGard VPM Inc. - Form 424B3

SunGard VPM Inc.
Form 424B3
August 14, 2012
Table of Contents

FILED PURSUANT TO RULE 424(B)(3)

File Number 333-181873

SUNGARD DATA SYSTEMS INC.

SUPPLEMENT NO. 2 TO

MARKET-MAKING PROSPECTUS DATED JUNE 18, 2012

THE DATE OF THIS SUPPLEMENT IS AUGUST 14, 2012

ON AUGUST 13, 2012, SUNGARD DATA SYSTEMS INC. FILED THE ATTACHED

FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2012

Table of Contents

United States
Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2012

OR

Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission file numbers:

SunGard Capital Corp.	000-53653
SunGard Capital Corp. II	000-53654
SunGard Data Systems Inc.	001-12989

SunGard[®] Capital Corp.
SunGard[®] Capital Corp. II

SunGard® Data Systems Inc.

(Exact name of registrant as specified in its charter)

Delaware	20-3059890
Delaware	20-3060101
Delaware	51-0267091
(State or other jurisdiction of	(IRS Employer

incorporation or organization)	Identification No.)
680 East Swedesford Road, Wayne, Pennsylvania 19087	

(Address of principal executive offices, including zip code)

484-582-2000

(Registrants telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

SunGard Capital Corp.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
SunGard Capital Corp. II	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
SunGard Data Systems Inc.	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

SunGard Capital Corp.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
SunGard Capital Corp. II	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
SunGard Data Systems Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Table of Contents

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

SunGard Capital Corp. Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company .

SunGard Capital Corp. II Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company .

SunGard Data Systems Inc. Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company .

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

SunGard Capital Corp.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
SunGard Capital Corp. II	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
SunGard Data Systems Inc.	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

The number of shares of the registrants' common stock outstanding as of June 30, 2012:

SunGard Capital Corp.	256,529,412 shares of Class A common stock and 28,503,209 shares of Class L common stock
SunGard Capital Corp. II	100 shares of common stock
SunGard Data Systems Inc.	100 shares of common stock

Table of Contents

SUNGARD CAPITAL CORP.

SUNGARD CAPITAL CORP. II

SUNGARD DATA SYSTEMS INC.

AND SUBSIDIARIES

INDEX

	PAGE
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements:	
SunGard Capital Corp.	
<u>Consolidated Balance Sheets as of December 31, 2011 and June 30, 2012 (unaudited)</u>	2
<u>Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2011 and 2012 (unaudited)</u>	3
<u>Consolidated Statements of Cash Flows for the six months ended June 30, 2011 and 2012 (unaudited)</u>	4
SunGard Capital Corp. II	
<u>Consolidated Balance Sheets as of December 31, 2011 and June 30, 2012 (unaudited)</u>	5
<u>Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2011 and 2012 (unaudited)</u>	6
<u>Consolidated Statements of Cash Flows for the six months ended June 30, 2011 and 2012 (unaudited)</u>	7
SunGard Data Systems Inc.	
<u>Consolidated Balance Sheets as of December 31, 2011 and June 30, 2012 (unaudited)</u>	8
<u>Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2011 and 2012 (unaudited)</u>	9
<u>Consolidated Statements of Cash Flows for the six months ended June 30, 2011 and 2012 (unaudited)</u>	10
<u>Notes to Consolidated Financial Statements (unaudited)</u>	11
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	26
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	37
Item 4. <u>Controls and Procedures</u>	38

Table of Contents

PART II.	OTHER INFORMATION	
Item 1.	<u>Legal Proceedings</u>	38
Item 1A.	<u>Risk Factors</u>	39
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	39
Item 3.	<u>Defaults upon Senior Securities</u>	39
Item 4.	<u>Mine Safety Disclosures</u>	39
Item 5.	<u>Other Information</u>	39
Item 6.	<u>Exhibits</u>	39
	<u>SIGNATURES</u>	40

Table of Contents

PART I. Financial Information:

Explanatory Note

This Form 10-Q is a combined quarterly report being filed separately by three registrants: SunGard Capital Corp. (SCC), SunGard Capital Corp. II (SCCII) and SunGard Data Systems Inc. (SunGard). SCC and SCCII are collectively referred to as the Parent Companies . Unless the context indicates otherwise, any reference in this report to the Company, we, us and our refer to the Parent Companies together with their direct and indirect subsidiaries, including SunGard. Each registrant hereto is filing on its own behalf all of the information contained in this quarterly report that relates to such registrant. Each registrant hereto is not filing any information that does not relate to such registrant, and therefore makes no representation as to any such information.

Table of Contents**ITEM 1. FINANCIAL STATEMENTS****SunGard Capital Corp.****Consolidated Balance Sheets****(In millions except share and per-share amounts)****(Unaudited)**

	December 31, 2011	June 30, 2012
Assets		
Current:		
Cash and cash equivalents	\$ 868	\$ 699
Trade receivables, less allowance for doubtful accounts of \$38 and \$48	802	686
Earned but unbilled receivables	149	145
Prepaid expenses and other current assets	117	141
Clearing broker assets	213	101
Assets held for sale	1,326	
Total current assets	3,475	1,772
Property and equipment, less accumulated depreciation of \$1,296 and \$1,405	893	871
Software products, less accumulated amortization of \$1,431 and \$1,543	554	464
Customer base, less accumulated amortization of \$1,269 and \$1,385	1,580	1,470
Other intangible assets, less accumulated amortization of \$22 and \$25	144	119
Trade name, less accumulated amortization of \$10 and \$1	1,019	1,019
Goodwill	4,885	4,872
Total Assets	\$ 12,550	\$ 10,587
Liabilities and Equity		
Current:		
Short-term and current portion of long-term debt	\$ 10	\$ 10
Accounts payable	60	29
Accrued compensation and benefits	300	245
Accrued interest expense	92	68
Accrued income taxes	24	172
Other accrued expenses	317	310
Clearing broker liabilities	179	69
Deferred revenue	862	817
Deferred income taxes	76	
Liabilities related to assets held for sale	230	
Total current liabilities	2,150	1,720
Long-term debt	7,819	6,101
Deferred income taxes	1,125	1,084
Total liabilities	11,094	8,905
Commitments and contingencies		
Noncontrolling interest in preferred stock of SCCII subject to a put option	28	30

Edgar Filing: SunGard VPM Inc. - Form 424B3

Class L common stock subject to a put option	47	50
Class A common stock subject to a put option	6	6
Stockholders' equity:		
Class L common stock, convertible, par value \$.001 per share; cumulative 13.5% per annum, compounded quarterly; aggregate liquidation preference of \$5,383 million and \$5,765 million; 50,000,000 shares authorized, 28,842,773 and 28,944,353 shares issued		
Class A common stock, par value \$.001 per share; 550,000,000 shares authorized, 259,589,718 and 260,503,936 shares issued		
Capital in excess of par value	2,768	2,770
Treasury stock, 387,638 and 441,144 shares of Class L common stock; and 3,492,925 and 3,974,524 shares of Class A common stock	(39)	(43)
Accumulated deficit	(3,346)	(3,241)
Accumulated other comprehensive income (loss)	(46)	(51)
Total SunGard Capital Corp. stockholders' equity (deficit)	(663)	(565)
Noncontrolling interest in preferred stock of SCCII	2,038	2,161
Total equity	1,375	1,596
Total Liabilities and Equity	\$ 12,550	\$ 10,587

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

Table of Contents**SunGard Capital Corp.****Consolidated Statements of Comprehensive Income****(In millions)****(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2012	2011	2012
Revenue:				
Services	\$ 1,022	\$ 986	\$ 2,017	\$ 1,975
License and resale fees	81	83	142	114
Total products and services	1,103	1,069	2,159	2,089
Reimbursed expenses	30	15	60	34
Total revenue	1,133	1,084	2,219	2,123
Costs and expenses:				
Cost of sales and direct operating	482	446	975	915
Sales, marketing and administration	293	266	555	524
Product development and maintenance	103	97	199	185
Depreciation and amortization	68	70	137	141
Amortization of acquisition-related intangible assets	110	101	227	203
Total costs and expenses	1,056	980	2,093	1,968
Operating income (loss)	77	104	126	155
Interest income	1		2	
Interest expense and amortization of deferred financing fees	(129)	(101)	(266)	(223)
Loss on extinguishment of debt		(36)	(2)	(51)