SUNGARD DATA SYSTEMS INC
Form 424B3
May 14, 2015
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FILED PURSUANT TO RULE 424(B)(3)

File Number 333-197772

SUNGARD DATA SYSTEMS INC.

SUPPLEMENT NO. 3 TO

MARKET-MAKING PROSPECTUS DATED SEPTEMBER 5, 2014

THE DATE OF THIS SUPPLEMENT IS MAY 14, 2015

ON MAY 14, 2015, SUNGARD DATA SYSTEMS INC. FILED THE ATTACHED

FORM 10-Q FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2015

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United States

Securities and Exchange Commission

Washington, D.C. 20549

FORM 10-Q

(Mark One)

x **Quarterly report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended March 31, 2015

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 incorporation or organization)	**(IRS Employer 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 x	No ¨
SunGard Capital Corp. II	Yes x	No ¨
SunGard Data Systems Inc.	Yes ¨	No x

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 x	No ¨
SunGard Capital Corp. II	Yes x	No ¨
SunGard Data Systems Inc.	Yes x	No ¨

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 x. Smaller reporting company ¨.

SunGard Capital Corp. II	Large accelerated filer ¨.	Accelerated filer ¨.	Non-accelerated filer x.	Smaller reporting company ¨.
SunGard Data Systems Inc.	Large accelerated filer ¨.	Accelerated filer ¨.	Non-accelerated filer x.	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 ¨	No x
SunGard Capital Corp. II	Yes ¨	No x
SunGard Data Systems Inc.	Yes ¨	No x

The number of shares of the registrants common stock outstanding as of March 31, 2015:

SunGard Capital Corp.	257,795,867 shares of Class A common stock and 28,643,983 shares of Class L common stock
SunGard Capital Corp. II	100 shares of common stock
SunGard Data Systems Inc.	100 shares of common stock

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SunGard Capital Corp.

SunGard Capital Corp. II

SunGard Data Systems Inc.

And Subsidiaries

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PART I. FINANCIAL INFORMATION

Explanatory Note

This Quarterly Report on Form 10-Q (Report) 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.

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ITEM 1. FINANCIAL STATEMENTS

SunGard Capital Corp.

Condensed Consolidated Balance Sheets

(In millions except share and per-share amounts)

(Unaudited)

	December 31, 2014	**March 31, 2015**
Assets		
Current:		
Cash and cash equivalents	$ 447	**$ 555**
Trade receivables, less allowance for doubtful accounts of $22 and $20	572	**449**
Earned but unbilled receivables	114	**110**
Prepaid expenses and other current assets	116	**105**
Total current assets	1,249	**1,219**
Property and equipment, less accumulated depreciation of $414 and $420	152	**147**
Software products, less accumulated amortization of $1,754 and $1,760	224	**220**
Customer base, less accumulated amortization of $531 and $539	360	**346**
Other assets, less accumulated amortization of $22 and $23	94	**74**
Trade name	672	**672**
Goodwill	3,760	**3,711**
Total Assets	$ 6,511	**$ 6,389**
Liabilities and Equity		
Current:		
Short-term and current portion of long-term debt	$	**$ 1**
Accounts payable	21	**10**
Accrued compensation and benefits	227	**143**
Accrued interest expense	30	**68**
Other accrued expenses	131	**132**
Deferred revenue	589	**569**
Total current liabilities	998	**923**
Long-term debt	4,669	**4,669**
Deferred and other income taxes	616	**607**
Other long-term liabilities	39	**37**
Total liabilities	6,322	**6,236**

Commitments and contingencies				
Noncontrolling interest in preferred stock of SCCII subject to a put option		37		**37**
Class L common stock subject to a put option		57		**56**
Class A common stock subject to a put option		3		**3**
Stockholders equity:				
Class L common stock, convertible, par value $.001 per share; cumulative 13.5% per annum, compounded quarterly; aggregate liquidation preference of $8,064 million and $8,337 million; 50,000,000 shares authorized, 29,062,421 shares issued				
Class A common stock, par value $.001 per share; 550,000,000 shares authorized, 261,565,118 shares issued				
Capital in excess of par value		2,674		**2,681**
Treasury stock, 442,460 and 418,438 shares of Class L common stock; and 3,985,453 and 3,769,251 shares of Class A common stock		(38)		**(36)**
Accumulated deficit		(3,902)		**(3,917)**
Accumulated other comprehensive income (loss)		(132)		**(203)**
Total SunGard Capital Corp. stockholders equity (deficit)		(1,398)		**(1,475)**
Noncontrolling interest in preferred stock of SCCII		1,490		**1,532**
Total equity		92		**57**
Total Liabilities and Equity	$	6,511	**$**	**6,389**

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

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SunGard Capital Corp.

Condensed Consolidated Statements of Comprehensive Income (Loss)

(In millions)

(Unaudited)

	Three Months Ended March 31,	
	2014	**2015**
Revenue	$ 653	**$ 671**
Costs and expenses:		
Cost of sales and direct operating (excluding items described in Note 1)	269	**268**
Sales, marketing and administration	168	**152**
Product development and maintenance	99	**86**
Depreciation	24	**29**
Amortization of acquisition-related intangible assets	43	**21**
Trade name impairment charge	339	
Total costs and expenses	942	**556**
Operating income (loss)	(289)	**115**
Other income (expense):		
Interest expense and amortization of deferred financing fees	(74)	**(71)**
Loss on extinguishment of debt	(61)	
Other income (expense)	(135)	**(71)**
Income (loss) from continuing operations before income taxes	(424)	**44**
Benefit from (provision for) income taxes	101	**(18)**
Income (loss) from continuing operations	(323)	**26**
Income (loss) from discontinued operations, net of tax	(17)	**2**
Net income (loss)	(340)	**28**
(Income) attributable to the noncontrolling interest	(50)	**(43)**
Net income (loss) attributable to SunGard Capital Corp.	(390)	**(15)**
Other comprehensive income (loss):		
Foreign currency translation, net	22	**(67)**
Unrealized gain (loss) on derivative instruments, net of tax	3	**(4)**
Other comprehensive income (loss), net of tax	25	**(71)**

Comprehensive income (loss)		(315)		**(43)**
Comprehensive (income) loss attributable to the noncontrolling interest		(50)		**(43)**
Comprehensive income (loss) attributable to SunGard Capital Corp.	$	(365)	**$**	**(86)**

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

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SunGard Capital Corp.

Condensed Consolidated Statements of Cash Flows

(In millions)

(Unaudited)

	Three Months Ended March 31, 2014	**2015**
Cash flow from operations:		
Net income (loss)	$ (340)	**$ 28**
Income (loss) from discontinued operations	(17)	**2**
Income (loss) from continuing operations	(323)	**26**
Reconciliation of income (loss) from continuing operations to cash flow from (used in) operations:		
Depreciation and amortization	67	**50**
Trade name impairment charge	339	
Deferred income tax provision (benefit)	(83)	**(6)**
Stock compensation expense	9	**10**
Amortization of deferred financing costs and debt discount	7	**4**
Loss on extinguishment of debt	61	
Changes in working capital:		
Accounts receivable and other current assets	101	**125**
Accounts payable and accrued expenses	(111)	**(104)**
Accrued interest	34	**39**
Accrued income taxes	(17)	**23**
Deferred revenue	2	**(13)**
Cash flow from (used in) continuing operations	86	**154**
Cash flow from (used in) discontinued operations	36	
Cash flow from (used in) operations	122	**154**
Investment activities:		
Cash paid for acquired businesses, net of cash acquired		**(4)**
Cash paid for property and equipment, and software	(28)	**(28)**
Cash provided by (used in) continuing operations	(28)	**(32)**
Cash provided by (used in) discontinued operations	5	**1**
Cash provided by (used in) investment activities	(23)	**(31)**
Financing activities:		

Cash received from borrowings, net of fees		(6)		
Cash used to repay debt		(1,324)		
Cash used to purchase treasury stock		(4)		**(1)**
Other financing activities		(4)		**(3)**
Cash provided by (used in) continuing operations		(1,338)		**(4)**
Cash provided by (used in) discontinued operations		887		
Cash provided by (used in) financing activities		(451)		**(4)**
Effect of exchange rate changes on cash		1		**(11)**
Increase (decrease) in cash and cash equivalents		(351)		**108**
Beginning cash and cash equivalents, including cash of discontinued operations: 2014, $31; 2015, $		706		**447**
Ending cash and cash equivalents	$	355	**$**	**555**
Supplemental information:				
Interest paid	$	58	**$**	**28**
Income taxes paid, net of refunds of $12 million and $12 million, respectively	$	4	**$**	**1**
Non-cash financing activities:				
Distribution of net assets of SpinCo (See Note 1)	$	223	$	
Receipt of SpinCo Notes in connection with the AS Split-Off (See Note 1)	$	425	$	
Exchange of SpinCo Notes for SunGard Notes	$	389	$	

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

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SunGard Capital Corp. II

Condensed Consolidated Balance Sheets

(In millions except share and per-share amounts)

(Unaudited)

	December 31, 2014	**March 31, 2015**
Assets		
Current:		
Cash and cash equivalents	$ 447	**$ 555**
Trade receivables, less allowance for doubtful accounts of $22 and $20	572	**449**
Earned but unbilled receivables	114	**110**
Prepaid expenses and other current assets	116	**105**
Total current assets	1,249	**1,219**
Property and equipment, less accumulated depreciation of $414 and $420	152	**147**
Software products, less accumulated amortization of $1,754 and $1,760	224	**220**
Customer base, less accumulated amortization of $531 and $539	360	**346**
Other assets, less accumulated amortization of $22 and $23	94	**74**
Trade name	672	**672**
Goodwill	3,760	**3,711**
Total Assets	$ 6,511	**$ 6,389**
Liabilities and Equity		
Current:		
Short-term and current portion of long-term debt	$	**$ 1**
Accounts payable	21	**10**
Accrued compensation and benefits	227	**143**
Accrued interest expense	30	**68**
Other accrued expenses	127	**128**
Deferred revenue	589	**569**
Total current liabilities	994	**919**
Long-term debt	4,669	**4,669**
Deferred and other income taxes	616	**607**
Other long-term liabilities	32	**30**
Total liabilities	6,311	**6,225**

Commitments and contingencies

Preferred stock subject to a put option		31		**31**
Stockholders equity:				
Preferred stock, par value $.001 per share; cumulative 11.5% per annum, compounded quarterly; aggregate liquidation preference of $1,498 million and $1,542 million; 14,999,000 shares authorized, 10,060,069 shares issued				
Common stock, par value $.001 per share; 1,000 shares authorized, 100 shares issued and oustanding				
Capital in excess of par value		3,519		**3,525**
Treasury stock, 2,516,374 and 2,510,042 preferred shares		(280)		**(279)**
Accumulated deficit		(2,939)		**(2,911)**
Accumulated other comprehensive income (loss)		(132)		**(203)**
Total stockholder s equity		168		**132**
Noncontrolling interest		1		**1**
Total Equity		169		**133**
Total Liabilities and Equity	$	6,511	**$**	**6,389**

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

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SunGard Capital Corp. II

Condensed Consolidated Statements of Comprehensive Income (Loss)

(In millions)

(Unaudited)

	Three Months Ended March 31, 2014	**2015**
Revenue	$ 653	**$ 671**
Costs and expenses:		
Cost of sales and direct operating (excluding items described in Note 1)	269	**268**
Sales, marketing and administration	168	**152**
Product development and maintenance	99	**86**
Depreciation	24	**29**
Amortization of acquisition-related intangible assets	43	**21**
Trade name impairment charge	339	
Total costs and expenses	942	**556**
Operating income (loss)	(289)	**115**
Other income (expense):		
Interest expense and amortization of deferred financing fees	(74)	**(71)**
Loss on extinguishment of debt	(61)	
Other income (expense)	(135)	**(71)**
Income (loss) from continuing operations before income taxes	(424)	**44**
Benefit from (provision for) income taxes	101	**(18)**
Income (loss) from continuing operations	(323)	**26**
Income (loss) from discontinued operations, net of tax	(17)	**2**
Net income (loss)	(340)	**28**
Other comprehensive income (loss):		
Foreign currency translation, net	22	**(67)**
Unrealized gain (loss) on derivative instruments, net of tax	3	**(4)**
Other comprehensive income (loss)	25	**(71)**
Comprehensive income (loss)	$ (315)	**$ (43)**

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

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SunGard Capital Corp. II

Condensed Consolidated Statements of Cash Flows

(In millions)

(Unaudited)

	Three Months Ended March 31, 2014	**2015**
Cash flow from operations:		
Net income (loss)	$ (340)	**$ 28**
Income (loss) from discontinued operations	(17)	**2**
Income (loss) from continuing operations	(323)	**26**
Reconciliation of income (loss) from continuing operations to cash flow from (used in) operations:		
Depreciation and amortization	67	**50**
Trade name impairment charge	339	
Deferred income tax provision (benefit)	(83)	**(6)**
Stock compensation expense	9	**10**
Amortization of deferred financing costs and debt discount	7	**4**
Loss on extinguishment of debt	61	
Changes in working capital:		
Accounts receivable and other current assets	101	**125**
Accounts payable and accrued expenses	(111)	**(104)**
Accrued interest	34	**39**
Accrued income taxes	(17)	**23**
Deferred revenue	2	**(13)**
Cash flow from (used in) continuing operations	86	**154**
Cash flow from (used in) discontinued operations	36	
Cash flow from (used in) operations	122	**154**
Investment activities:		
Cash paid for acquired businesses, net of cash acquired		**(4)**
Cash paid for property and equipment, and software	(28)	**(28)**
Cash provided by (used in) continuing operations	(28)	**(32)**
Cash provided by (used in) discontinued operations	5	**1**
Cash provided by (used in) investment activities	(23)	**(31)**
Financing activities:		

Cash received from borrowings, net of fees		(6)		
Cash used to repay debt		(1,324)		
Cash used to purchase treasury stock		(2)		**(1)**
Other financing activities		(6)		**(3)**
Cash provided by (used in) continuing operations		(1,338)		**(4)**
Cash provided by (used in) discontinued operations		887		
Cash provided by (used in) financing activities		(451)		**(4)**
Effect of exchange rate changes on cash		1		**(11)**
Increase (decrease) in cash and cash equivalents		(351)		**108**
Beginning cash and cash equivalents, including cash of discontinued operations: 2014, $31; 2015, $		706		**447**
Ending cash and cash equivalents	$	355	**$**	**555**
Supplemental information:				
Interest paid	$	58	**$**	**28**
Income taxes paid, net of refunds of $12 million and $12 million, respectively	$	4	**$**	**1**
Non-cash financing activities:				
Distribution of net assets of SpinCo (See Note 1)	$	223	**$**	
Receipt of SpinCo Notes in connection with the AS Split-Off (See Note 1)	$	425	**$**	
Exchange of SpinCo Notes for SunGard Notes	$	389	**$**	

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

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SunGard Data Systems Inc.

Condensed Consolidated Balance Sheets

(In millions except share and per-share amounts)

(Unaudited)

	December 31, 2014	**March 31, 2015**
Assets		
Current:		
Cash and cash equivalents	$ 447	**$ 555**
Trade receivables, less allowance for doubtful accounts of $22 and $20	572	**449**
Earned but unbilled receivables	114	**110**
Prepaid expenses and other current assets	112	**101**
Total current assets	1,245	**1,215**
Property and equipment, less accumulated depreciation of $414 and $420	152	**147**
Software products, less accumulated amortization of $1,754 and $1,760	224	**220**
Customer base, less accumulated amortization of $531 and $539	360	**346**
Other assets, less accumulated amortization of $22 and $23	94	**74**
Trade name	672	**672**
Goodwill	3,760	**3,711**
Total Assets	$ 6,507	**$ 6,385**
Liabilities and Equity		
Current:		
Short-term and current portion of long-term debt	$	**$ 1**
Accounts payable	21	**10**
Accrued compensation and benefits	227	**143**
Accrued interest expense	30	**68**
Other accrued expenses	127	**128**
Deferred revenue	589	**569**
Total current liabilities	994	**919**
Long-term debt	4,669	**4,669**
Deferred and other income taxes	608	**599**
Other long-term liabilities	31	**30**
Total liabilities	6,302	**6,217**

Commitments and contingencies				
Stockholder s equity:				
Common stock, par value $.01 per share; 100 shares authorized, issued and oustanding				
Capital in excess of par value		3,380		**3,386**
Accumulated deficit		(3,044)		**(3,016)**
Accumulated other comprehensive income (loss)		(132)		**(203)**
Total stockholder s equity		204		**167**
Noncontrolling interest		1		**1**
Total Equity		205		**168**
Total Liabilities and Equity	$	6,507	**$**	**6,385**

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

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SunGard Data Systems Inc.

Condensed Consolidated Statements of Comprehensive Income (Loss)

(In millions)

(Unaudited)

	Three Months Ended March 31, 2014	**2015**
Revenue	$ 653	**$ 671**
Costs and expenses:		
Cost of sales and direct operating (excluding items described in Note 1)	269	**268**
Sales, marketing and administration	168	**152**
Product development and maintenance	99	**86**
Depreciation	24	**29**
Amortization of acquisition-related intangible assets	43	**21**
Trade name impairment charge	339	
Total costs and expenses	942	**556**
Operating income (loss)	(289)	**115**
Other income (expense):		
Interest expense and amortization of deferred financing fees	(74)	**(71)**
Loss on extinguishment of debt	(61)	
Other income (expense)	(135)	**(71)**
Income (loss) from continuing operations before income taxes	(424)	**44**
Benefit from (provision for) income taxes	101	**(18)**
Income (loss) from continuing operations	(323)	**26**
Income (loss) from discontinued operations, net of tax	(17)	**2**
Net income (loss)	(340)	**28**
Other comprehensive income (loss):		
Foreign currency translation, net	22	**(67)**
Unrealized gain (loss) on derivative instruments, net of tax	3	**(4)**
Other comprehensive income (loss)	25	**(71)**
Comprehensive income (loss)	$ (315)	**$ (43)**

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

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SunGard Data Systems Inc.

Condensed Consolidated Statements of Cash Flows

(In millions)

(Unaudited)

	Three Months Ended March 31, 2014	**2015**
Cash flow from operations:		
Net income (loss)	$ (340)	**$ 28**
Income (loss) from discontinued operations	(17)	**2**
Income (loss) from continuing operations	(323)	**26**
Reconciliation of income (loss) from continuing operations to cash flow from (used in) operations:		
Depreciation and amortization	67	**50**
Trade name impairment charge	339	
Deferred income tax provision (benefit)	(83)	**(6)**
Stock compensation expense	9	**10**
Amortization of deferred financing costs and debt discount	7	**4**
Loss on extinguishment of debt	61	
Changes in working capital:		
Accounts receivable and other current assets	101	**125**
Accounts payable and accrued expenses	(111)	**(104)**
Accrued interest	34	**39**
Accrued income taxes	(17)	**23**
Deferred revenue	2	**(13)**
Cash flow from (used in) continuing operations	86	**154**
Cash flow from (used in) discontinued operations	36	
Cash flow from (used in) operations	122	**154**
Investment activities:		
Cash paid for acquired businesses, net of cash acquired		**(4)**
Cash paid for property and equipment, and software	(28)	**(28)**
Cash provided by (used in) continuing operations	(28)	**(32)**
Cash provided by (used in) discontinued operations	5	**1**
Cash provided by (used in) investment activities	(23)	**(31)**
Financing activities:		

Cash received from borrowings, net of fees		(6)		
Cash used to repay debt		(1,324)		
Other financing activities		(8)		**(4)**
Cash provided by (used in) continuing operations		(1,338)		**(4)**
Cash provided by (used in) discontinued operations		887		
Cash provided by (used in) financing activities		(451)		**(4)**
Effect of exchange rate changes on cash		1		**(11)**
Increase (decrease) in cash and cash equivalents		(351)		**108**
Beginning cash and cash equivalents, including cash of discontinued operations: 2014, $31; 2015, $		706		**447**
Ending cash and cash equivalents	$	355	**$**	**555**
Supplemental information:				
Interest paid	$	58	**$**	**28**
Income taxes paid, net of refunds of $12 million and $12 million, respectively	$	4	**$**	**1**
Non-cash Financing activities:				
Distribution of net assets of SpinCo (See Note 1)	$	227	**$**	
Receipt of SpinCo Notes in connection with the AS Split-Off (See Note 1)	$	425	**$**	
Exchange of SpinCo Notes for SunGard Notes	$	389	**$**	

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

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SUNGARD CAPITAL CORP.

SUNGARD CAPITAL CORP. II

SUNGARD DATA SYSTEMS INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Presentation:

SunGard Data Systems Inc. (SunGard) is one of the world s leading software and technology services companies and has two reportable segments: Financial Systems (FS) and Public Sector & Education (PS&E). The condensed consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. All significant intercompany transactions and accounts have been eliminated.

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

SunGard is a wholly owned subsidiary of SunGard Holdco LLC, which is wholly owned by SunGard Holding Corp., which is wholly owned by SunGard Capital Corp. II (SCCII), which is a subsidiary of SunGard Capital Corp. (SCC). All four of these companies were formed for the purpose of facilitating the LBO and are collectively referred to as the Holding Companies. SCC, SCCII and SunGard are separate reporting companies and, together with their direct and indirect subsidiaries, are collectively referred to as the Company. The Holding Companies have no other operations beyond those of their ownership of SunGard.

On March 31, 2014, SunGard completed the split-off of its Availability Services (AS) business to its existing stockholders, including its private equity owners, on a tax-free and pro-rata basis. As part of that transaction, the assets and liabilities of the AS business were contributed to a new subsidiary, and then SunGard transferred all of its ownership interests in that subsidiary to Sungard Availability Services Capital, Inc. (SpinCo) in exchange for common stock of SpinCo, approximately $425 million of SpinCo senior notes (SpinCo Notes), and $1,005 million of net cash proceeds from the issuance of an AS term loan facility (SpinCo Term Loan). Immediately after these transactions, SunGard distributed the common stock of SpinCo through SunGard s ownership chain ultimately to SCCII, and then all stockholders of preferred stock of SCCII exchanged a portion of their shares of preferred stock for all of the shares of common stock of SpinCo on a pro-rata basis (together, with the transactions described above, the AS Split-Off).

The AS business, which was split-off on March 31, 2014, and two small FS businesses, which were sold on January 31, 2014, have been included in our financial results as discontinued operations for all periods presented.

The accompanying interim condensed consolidated financial statements of the Company have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), consistent in all material respects with those applied in the Company s Annual Report on Form 10-K for the year ended December 31, 2014. Interim financial reporting does not include all of the information and footnotes required by GAAP for annual financial statements. The interim financial information is unaudited, but, in the opinion of management, includes all adjustments, consisting only of normal recurring adjustments necessary to provide a fair statement of results for the interim periods presented. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for the year ending December 31, 2015.

The Condensed Consolidated Statement of Comprehensive Income (Loss) for the three months ended March 31, 2014 has been revised to present stock compensation expense and developer time spent on customer billable professional services projects in the correct functional expense categories. Refer to Note 2 for additional details.

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All of the previously-issued interim financial statements included in Quarterly Reports on Form 10-Q for 2014 included an error in the Condensed Consolidated Statements of Comprehensive Income (Loss) related to the removal of the cumulative foreign currency translation loss associated with the AS businesses that were split-off on March 31, 2014. The removal of the cumulative foreign currency translation loss was reflected in both the Condensed Consolidated Statements of Comprehensive Income (Loss) and the rollforwards of stockholders equity included in the notes to the condensed consolidated financial statements in each of the Quarterly Reports. However, the inclusion of this item in the 2014 Condensed Consolidated Statements of Comprehensive Income (Loss) was not appropriate since it relates to the distribution of the AS businesses to the Company s owners and should have been excluded from the 2014 Other Comprehensive Income according to GAAP. Management does not believe the error is material to any of the previously-issued financial statements. The table below shows the impact of the correction of this error for the three months ended March 31, 2014. The following table presents the amounts as originally reported and as revised for each of SCC, SCCII and SunGard (in millions):

	Three Months Ended March 31, 2014	
	As Reported	As Revised
Other Comprehensive Income (loss)	$ (57)	$ 25
Comprehensive Income (Loss)	(397)	(315)
Comprehensive Income (Loss) attributable to SunGard Capital Corp. (SCC only)	(447)	(365)

Cost of Sales and Direct Operating Expenses

Cost of sales and direct operating expenses represents the cost of providing the Company s software and services offerings to customers and excludes depreciation, amortization and the cost of maintenance.

Recent Accounting Pronouncements

Recently Adopted

In April 2014, the Financial Accounting Standards Board (FASB) issued Auditing Standards Update (ASU) 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity that changes the criteria for reporting a discontinued operation. According to the new guidance, only disposals of a component that represents a strategic shift that has (or will have) a major effect on an entity s operations and financial results is a discontinued operation. The new guidance also requires expanded disclosures about discontinued operations and disposals of a significant part of an entity that does not qualify for discontinued operations reporting. ASU 2014-08 was effective beginning January 1, 2015, but only for disposals (or classifications as held for sale) that have not been reported in previously-issued financial statements. ASU 2014-08 will affect how the Company identifies and presents discontinued operations in the consolidated financial statements.

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Recently Issued

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, which outlines a comprehensive revenue recognition model and supersedes most current revenue recognition guidance. This new guidance establishes a five step process that companies must use in order to recognize revenue properly. Those five steps are: (i) identifying contract(s) with a customer, (ii) identifying the performance obligations in the contract, (iii) determining the transaction price, (iv) allocating the transaction price to the performance obligations in the contract, and (v) recognizing revenue when (or as) the entity satisfies a performance obligation. The new ASU will affect any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. ASU 2014-09 was to be effective for the Company starting in the first quarter of fiscal 2017. However, in April 2015, the FASB proposed a deferral of the effective date of the new revenue standard by one year, but to permit entities to adopt one year earlier if they choose (i.e., the original effective date). ASU 2014-09 allows for two methods of adoption: (a) full retrospective adoption, meaning the standard is applied to all periods presented, or (b) modified retrospective adoption, meaning the cumulative effect of applying ASU 2014-09 is recognized as an adjustment to the opening retained earnings balance. The Company is in the process of determining the adoption method as well as the effects the adoption of ASU 2014-09 will have on its consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, in conjunction with their initiative to reduce complexity in accounting standards. This new guidance requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with presentation of a debt discount. The new standard is limited to the presentation of debt issuance costs and will not affect the recognition and measurement of debt issuance costs. ASU 2015-03 will be effective for the Company for the annual period beginning after December 15, 2015 and interim periods beginning after December 15, 2016, with early adoption permitted. The adoption of ASU 2015-03 is not expected to have a material impact on the Company s consolidated financial statements.

In April 2015, the FASB issued ASU 2015-05, Customer s Accounting for Fees Paid in a Cloud Computing Arrangement. Under the new standard, customers will apply the same criteria as vendors to determine whether a cloud computing arrangement contains a software license or is solely a service contract. For public companies, the new standard is effective for annual periods, including interim periods, beginning after December 15, 2015. For non-public companies, it is effective for annual periods beginning after December 15, 2015, and interim periods in annual periods beginning after December 15, 2016. The adoption of ASU 2015-05 is not expected to have a material impact on the Company s consolidated financial statements.

2. Expense Classification:

Effective December 31, 2014, within the Condensed Consolidated Statements of Comprehensive Income (Loss), the Company revised its presentation of stock compensation expense. Formerly, the Company presented this expense entirely within sales, marketing and administration expense. The Company s revised presentation allocates these costs to the appropriate functional areas. Further, the Company has revised its presentation of the costs for developer time spent on customer billable professional services projects. Formerly, the Company presented this expense within product development and maintenance expense. The Company s revised presentation records these amounts to cost of sales and direct operating expense. There was no impact on total reported costs and expenses for any period as a result of the changes. Management does not believe these revisions are material to the previously issued financial statements.

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The impact of these items within the functional areas for the three months ended March 31, 2014 is as follows (in millions):

	Three Months Ended March 31, 2014			
	As reported	Revised presentation of stock compensation expense	Revised presentation of developer time spent on professional services projects	As presented in the statement of comprehensive income (loss)
Cost of sales and direct operating (See Note 1)	$ 263	$ 1	$ 5	$ 269
Sales, marketing and administration	170	(2)		168
Product development and maintenance	103	1	(5)	99
Total functional expenses	$ 536	$	$	$ 536

3. Discontinued Operations:

On January 31, 2014, the Company completed the sale of two small businesses within the FS segment in exchange for 27 million paid at closing, 9 million to be paid no later than March 2016 (deferred purchase price) and 2 million to be paid upon the successful assignment of certain customer contracts. The deferred purchase price is unconditional and is secured by a bank guarantee. During the first quarter of 2015, the Company successfully assigned certain of these customer contracts and recognized a $2 million gain in discontinued operations. Also included in discontinued operations are the results of our former AS business as a result of the AS Split-Off (see Note 1), which was completed on March 31, 2014. These businesses have been included in our financial results as discontinued operations for all periods presented.

The results for discontinued operations for the three months ended March 31, 2014 and 2015 were as follows (in millions):

	Three Months Ended March 31,	
	2014	2015
Revenue	$ 338	$
Operating income (loss)	(26)	
Interest expense	(18)	
Gain on sale of business	23	2
Income (loss) before income taxes	(21)	2
Benefit from income taxes	4	

Income (loss) from discontinued operations	$ (17)	$ 2

4. Intangible Assets and Goodwill:

Goodwill

The following table summarizes the changes in goodwill, by segment, for the three months ended March 31, 2015 (in millions):

	FS	Cost PS&E	Subtotal	Accumulated impairment PS&E	Total
Balance at December 31, 2014	$ 3,433	$ 544	$ 3,977	$ (217)	$ 3,760
2015 acquisitions	2		2		2
Effect of foreign currency translation	(50)		(50)		(50)
Other	(1)		(1)		(1)
Balance at March 31, 2015	$ 3,384	$ 544	$ 3,928	$ (217)	$ 3,711

A portion of the Company s goodwill is denominated in currencies other than the U.S. Dollar.

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Intangible Asset amortization

The total expected amortization of acquisition-related intangible assets for years ended December 31 is as follows (in millions):

2015	$ 84
2016	68
2017	60
2018	55
2019	48

5. Accumulated Other Comprehensive Income:

The following table provides a rollforward of the components of accumulated other comprehensive loss, net of tax, for the three months ended March 31, 2015 (in millions):

	Gains and Losses on Cash Flow Hedges	Currency Translation	Other	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2014	$ (1)	$ (125)	$ (6)	$ (132)
Other comprehensive loss before reclassifications	(9)	(67)		(76)
Amounts reclassified from accumulated other comprehensive income, net of tax	5			5
Net current-period other comprehensive loss	(4)	(67)		(71)
Balance at March 31, 2015	$ (5)	$ (192)	$ (6)	$ (203)

The following table summarizes the unrealized gains (losses) on derivative instruments, including the impact of components reclassified into net income from accumulated other comprehensive income, for the three months ended March 31, 2014 and 2015 (in millions):

Other Comprehensive Income (Loss) Components	Three months ended March 31, 2014	Three months ended March 31, **2015**	Affected Line Item in the Statement of Comprehensive Income (Loss) for Components Reclassified from OCI
Unrealized gain (loss) on derivative instruments	$ 2	**$ (9)**	

Loss (gain) on derivatives reclassified into income:			
Interest rate contracts	2	**2**	Interest expense and amortization of deferred financing fees
Forward currency hedges	(1)	**1**	Cost of sales and direct operating
Total reclassified into income	1	**3**	
Income tax benefit		**2**	
Amounts reclassified from accumulated other comprehensive income, net of tax	1	**5**	
Unrealized gain (loss) on derivative instruments, net of tax	$ 3	**$ (4)**	

6. Debt and Derivatives:

On March 31, 2015, the Company had $593 million of available borrowing capacity and $7 million of outstanding letters of credit under its $600 million revolving credit facility. In addition, there were $4 million of letters of credit outstanding at March 31, 2015 that did not impact availability under the revolving credit facilities.

SunGard s ability to make dividend payments to its equity holders is governed by the covenants in its debt agreements. Without obtaining an amendment to those documents, SunGard s covenants currently limit such a dividend to a total of $200 million.

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Debt consisted of the following (in millions):

	December 31, 2014		**March 31, 2015**	
Senior Secured Credit Facilities:				
Secured revolving credit facility due March 8, 2018	$		**$**	
Tranche C due February 28, 2017, effective interest rate of 4.44% and 4.44%		400		**400**
Tranche E due March 8, 2020, effective interest rate of 4.31% and 4.31%		1,918		**1,918**
Total Senior Secured Credit Facilities		2,318		**2,318**
Senior Notes due 2018 at 7.375%		511		**511**
Senior Notes due 2020 at 7.625%		700		**700**
Senior Subordinated Notes due 2019 at 6.625%		1,000		**1,000**
Secured Accounts Receivable Facility, at 3.16% and 3.18%		140		**140**
Other				**1**
Total debt	$	4,669	**$**	**4,670**
Short-term borrowings and current portion of long-term debt	$		**$**	**1**
Long-term debt		4,669		**4,669**
Total debt	$	4,669	**$**	**4,670**

Future Maturities

At March 31, 2015, the contractual future maturities of debt are as follows (in millions):

	Contractual Maturities	
2015	$	1
2016		
2017		400
2018		511
2019		1,140
Thereafter		2,618
Total debt	$	4,670

SunGard uses interest rate swaps to manage the amount of its floating rate debt in order to reduce its exposure to variable rate interest payments associated with the Amended and Restated Credit Agreement (Credit Agreement).

Each swap agreement is designated as a cash flow hedge. SunGard pays a stream of fixed interest payments for the term of the swap, and in turn, receives variable interest payments based on LIBOR. At March 31, 2015, one-month and three-month LIBOR were 0.18% and 0.27%, respectively. The net receipt or payment from the interest rate swap agreements is included in the Condensed Consolidated Statements of Comprehensive Income (Loss) as interest expense. The interest rates in the components of the debt table above reflect the impact of the swaps.

A summary of the Company s interest rate swaps at March 31, 2015 follows (in millions):

Inception	Maturity	Notional amount (in millions)	Weighted-average Interest rate paid	Interest rate received (LIBOR)
August-September 2012	February 2017	$ 400	0.69%	1-Month
June 2013	June 2019	100	1.86%	3-Month
September 2013	June 2019	100	2.26%	3-Month
February-March 2014	March 2020	300	2.27%	3-Month
Total / Weighted-Average Interest Rate		$ 900	1.52%	

The fair values of the swap agreements at December 31, 2014 were $1 million and $5 million and were included in other assets and other accrued expenses, respectively. The fair value of the swap agreements at March 31, 2015 is $10 million and is included in other accrued expenses.

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The Company has no ineffectiveness related to its swap agreements. During the next twelve months, the Company expects to reclassify approximately $8 million from accumulated other comprehensive income (loss) into earnings related to the Company s interest rate swaps based on the borrowing rates at March 31, 2015.

7. Fair Value Measurements:

Accounting guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Under this guidance, the Company is required to classify certain assets and liabilities based on the following fair value hierarchy:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 Unobservable inputs for the asset or liability.

The following table summarizes assets and liabilities measured at fair value on a recurring basis at March 31, 2015 (in millions):

		Fair Value Measures Using			
	Balance Sheet Caption	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets					
Money market funds	Cash and cash equivalents	$ 60	$	$	$ 60
Currency forward contracts	Prepaid expenses and other current assets		3		3
Total		$ 60	$ 3	$	$ 63
Liabilities					
Interest rate swap agreements	Other accrued expenses	$	$ 10	$	$ 10
Currency forward contracts	Other accrued expenses		2		2
Total		$	$ 12	$	$ 12

The following table summarizes assets and liabilities measured at fair value on a recurring basis at December 31, 2014 (in millions):

Fair Value Measures Using

	Balance Sheet Caption	Level 1	Level 2	Level 3	Total
Assets					
Money market funds	Cash and cash equivalents	$ 106	$	$	$ 106
Interest rate swap agreements	Other assets		1		1
Currency forward contracts	Prepaid expenses and other current assets		3		3
Total		$ 106	$ 4	$	$ 110
Liabilities					
Interest rate swap agreements	Other accrued expenses	$	$ 5	$	$ 5
Currency forward contracts	Other accrued expenses		1		1
Total		$	$ 6	$	$ 6

Money market funds are recognized and measured at fair value in the Company s financial statements. Fair values of the interest rate swap agreements are calculated using a discounted cash flow model using observable applicable market swap rates and assumptions and are compared to market valuations obtained from brokers.

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The Company uses currency forward contracts to manage its exposure to fluctuations in costs caused by variations in Indian Rupee (INR) exchange rates. These INR forward contracts are designated as cash flow hedges. The fair value of these currency forward contracts is determined using currency exchange market rates, obtained from reliable, independent, third party banks, at the balance sheet date. The fair value of forward contracts is subject to changes in currency exchange rates. The Company has no ineffectiveness related to its use of currency forward contracts in connection with INR cash flow hedges. The Company expects to reclassify in the next twelve months approximately $3 million from other comprehensive income (loss) into earnings related to the Company s INR forward contracts.

The fair value of the trade name is categorized as Level 3, a non-recurring fair value measurement using significant unobservable inputs, and is estimated by discounted cash flows based on projected future revenues. This requires the use of various assumptions including projections of future cash flows, perpetual growth rates and discount rates. During the three months ended March 31, 2014, the Company recorded a $339 million trade name impairment charge. See Notes 1 and 7 of Notes to Consolidated Financial Statements in the Company s Annual Report on Form 10-K for the year ended December 31, 2014.

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, to the extent the underlying liability will be settled in cash, approximate carrying values because of the short-term nature of these instruments. Derivative financial instruments are recorded at fair value. The fair value of the Company s floating rate and fixed rate long-term debt (Level 2) is determined using actual market quotes and benchmark yields received from independent vendors.

The following table presents the carrying amount and estimated fair value of the Company s debt, including the current portion and excluding the interest rate swaps, as of December 31, 2014 and March 31, 2015 (in millions):

	December 31, 2014		**March 31, 2015**	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Floating rate debt	$ 2,458	$ 2,431	**$ 2,458**	**$ 2,463**
Fixed rate debt	2,211	2,286	**2,212**	**2,303**

8. Noncontrolling Interest:

A rollforward of SCC s noncontrolling interest for the three months ended March 31, 2015 is as follows (in millions):

	Noncontrolling interest		
	Temporary equity	Permanent equity	Total
Balances at December 31, 2014	$ 37	$ 1,490	$ 1,527
Net income	1	42	43
Purchase of treasury stock		(1)	(1)
Transfer intrinsic value of vested restricted stock units to temporary equity	1		1
Cancellation of put options due to employee terminations	(1)	1	

Other	(1)		(1)
Balances at March 31, 2015	$ 37	$ 1,532	$ 1,569

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A rollforward of SCC s noncontrolling interest for the three months ended March 31, 2014 follows (in millions):

	Noncontrolling interest		
	Temporary equity	Permanent equity	Total
Balances at December 31, 2013	$ 42	$ 1,741	$ 1,783
Net income		50	50
Issuance of common and preferred stock	(1)		(1)
Purchase of treasury stock		(2)	(2)
Impact of exchange of SpinCo common stock for SCCII preferred stock	(1)	(428)	(429)
Impact of modification of SunGard Awards	(4)		(4)
Impact of modification of SpinCo Awards	(6)		(6)
Transfer intrinsic value of vested restricted stock units to temporary equity	2		2
Cancellation of put options due to employee terminations	(4)	4	
Balances at March 31, 2014	$ 28	$ 1,365	$ 1,393

9. Income Taxes:

The effective income tax rates for the three month periods ended March 31, 2015 and 2014 were 41% and 24%, respectively. The Company s effective tax rate reflects changes in the mix of income or losses in jurisdictions with a wide range of tax rates, permanent differences between GAAP and local tax laws, the impact of valuation allowances, unrecognized tax benefits, and the timing of recording discrete items. The Company continues to generate losses in France which exceed the scheduled reversal of deferred tax liabilities. As a result, no benefit has been recorded for these losses for the three months ended March 31, 2015.

For the three months ended March 31, 2014, the benefit for income taxes includes a benefit of $138 million recorded as a discrete item related to the impairment of the trade name, an expense of $46 million recorded as a discrete item due to changes in certain state deferred tax rates, primarily driven by the change in the legal entity ownership of the trade name caused by the AS Split-Off, and an expense of $9 million recorded as a discrete item to increase the valuation allowance on state net operating losses driven by the change in management s judgment of their realizability due to the AS Split-Off.

In evaluating the realizability of deferred tax assets, management considered the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), projected future taxable income, and tax planning strategies in making this assessment. Changes in the mix of income, losses in particular jurisdictions or the total amount of income for 2015 may significantly impact the estimated effective income tax rate for the year.

10. Segment Information:

The Company s measure of segment profit or loss is Adjusted EBITDA. Management believes Adjusted EBITDA is an effective tool to measure the Company s operating performance since it excludes non-cash items, including depreciation (which includes amortization of capitalized software), amortization of acquisition-related intangible assets, trade name and goodwill impairment charges and stock compensation expense, and certain variable charges including severance and facility closure costs, management fees paid to the Sponsors and certain other costs. Management uses Adjusted EBITDA extensively to measure the financial performance of

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SunGard and its reportable segments, and also to report the Company s results to its board of directors. The Company uses a similar measure, as defined in its senior secured credit agreement, for purposes of computing its debt covenants. The operating results apply to each of SCC, SCCII and SunGard unless otherwise noted.

The operating results for the three months ended March 31, 2015 and 2014 for each segment follow (in millions):

	Three Months Ended March 31, 2015				
	FS	PS&E	Sum of segments	Corporate (1)	Total
Software	$ 218	$ 34	$ 252	$	$ 252
SaaS and Cloud	268	9	277		277
Professional and Business Processing Services	131	11	142		142
Total revenue	$ 617	$ 54	$ 671	$	$ 671
Adjusted EBITDA	$ 174	$ 16	$ 190	$ (15)	$ 175
Depreciation (2)	26	3	29		29
Amortization of acquisition-related intangible assets	20	1	21		21
Capital expenditures	22	4	26	2	28

	Three Months Ended March 31, 2014				
	FS	PS&E	Sum of segments	Corporate (1)	Total
Software	$ 217	$ 34	$ 251	$	$ 251
SaaS and Cloud	259	9	268		268
Professional and Business Processing Services	124	10	134		134
Total revenue	$ 600	$ 53	$ 653	$	$ 653
Adjusted EBITDA	$ 139	$ 16	$ 155	$ (10)	$ 145
Depreciation (2)	22	2	24		24
Amortization of acquisition-related intangible assets	41	2	43		43
Capital expenditures	26	2	28		28

(1) Corporate is included to reconcile each item to the total for the Company.

Reconciliation of consolidated Adjusted EBITDA to income (loss) from continuing operations before income taxes:

	Three Months Ended March 31,	
	2014	2015
Adjusted EBITDA (including corporate)	$ 145	$ 175
Depreciation (2)	(24)	(29)
Amortization of acquisition-related intangible assets	(43)	(21)
Trade name impairment charge	(339)	

Severance and facility closure costs	(5)	(2)
Stock compensation expense	(9)	(10)
Management fees	(2)	(2)
Other costs (included in operating income)	(12)	4
Interest expense, net	(74)	(71)
Loss on extinguishment of debt	(61)	
Income (loss) from continuing operations before income taxes	$ (424)	$ 44

(2) Includes amortization of capitalized software.

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11. Employee Termination Benefits and Facility Closures:

The following table provides a rollforward of the liability balances for workforce reductions and facility closures for the three months ended March 31, 2015 (in millions):

	Workforce-related	Facilities	Total
Balance at December 31, 2014	$ 12	$ 13	$ 25
Expense related to 2015 actions	4		4
Paid	(6)		(6)
Other adjustments	(2)	(1)	(3)
Balance at March 31, 2015	$ 8	$ 12	$ 20

The majority of the workforce-related actions are expected to be completed over the next 12 months. The facilities accruals are for ongoing obligations to pay rent for vacant space and are net of sublease reserves. The lengths of these obligations vary by lease with the majority ending in 2019.

12. Related Party Transactions:

Sponsor Transactions

In accordance with the Management Agreement between the Company and affiliates of the Sponsors, the Company recorded $2 million of management fees in sales, marketing and administration expenses for each of the three months ended March 31, 2014 and 2015. In the three months ended March 31, 2014, the Company recorded approximately $1 million of management fees in income (loss) from discontinued operations. At December 31, 2014 and March 31, 2015, the Company had accrued management fees included in other accrued expenses of $3 million and $2 million, respectively.

For the three months ended March 31, 2014, Goldman Sachs & Co. and/or its respective affiliates, received less than $1 million in connection with amendments to SunGard s Credit Agreement.

In addition to the amounts above, on March 31, 2014 the Company recorded $15 million of management fees, which is included in income (loss) from discontinued operations, as provided in the Management Agreement for services rendered in connection with the issuance of the $1.025 billion SpinCo Term Loan and $425 million of SpinCo Notes. Also during the first quarter of 2014, the Company recorded $1 million of management fees which is included in income (loss) from discontinued operations resulting from the sale of two FS businesses.

AS Transactions

In connection with the Global Master Services Agreement (GMSA) with AS, the Company incurred expenses of $8 million for services provided under the GMSA, most of which are included in cost of sales and direct operating expenses, in the condensed consolidated statement of comprehensive income (loss) for the three months ended March 31, 2015. At March 31, 2015, the Company had recorded approximately $4 million of accounts payable, and a $1 million prepaid maintenance contract from AS under the GMSA. The Company has a remaining commitment under the GMSA, which expires on March 31, 2016, of approximately $34 million.

In addition, during the three months ended March 31, 2015, AS purchased certain data center outsourcing services and treasury products from FS, for which FS recognized approximately $1 million of revenue.

13. Commitments and Contingencies:

The Company is presently a party to certain lawsuits arising in the ordinary course of its business. In the opinion of management, none of its current legal proceedings are expected to have a material impact on the Company s business or financial results. The Company s customer contracts generally include typical indemnification of customers, primarily for intellectual property infringement claims. Liabilities in connection with such obligations have not been material.

The Company has had patent infringement lawsuits filed against it or certain of its customers claiming that certain of its products infringe the intellectual property rights of others. Adverse results in these lawsuits may include awards of substantial monetary damages, costly royalty or licensing agreements, or limitations on the Company s ability to offer certain features, functionalities, products, or services, and may also cause the Company to change its business practices, and require development of non-infringing products or technologies, which could result in a loss of revenues and otherwise harm the Company s business. Also, certain

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agreements with previously owned businesses of the Company require indemnification to the new owners for certain matters as part of the sale of those businesses. At March 31, 2015, the Company does not have any significant accruals related to patent indemnification or infringement claims.

The Company evaluates, on a regular basis, developments in its legal matters. The Company records a provision for a liability when it believes that it is both probable that a liability has been incurred, and the amount can be reasonably estimated.

With respect to any current legal proceedings or claims pending against the Company for which it has not made an accrual, but for which it is reasonably possible that a loss may occur, the Company is unable to estimate a range of loss due to various reasons, including, among others: (1) that the proceedings are in early stages, (2) that there is uncertainty as to the outcome of pending appeals, motions, or settlements, (3) that there are significant factual issues to be resolved, and (4) that there are novel legal issues presented. Such legal matters are inherently unpredictable and subject to significant uncertainties, some of which are beyond the Company s control. Based on current knowledge, the Company believes that the final outcome of the matters discussed above will not, individually or in the aggregate, have a material adverse effect on its business, consolidated financial position, results of operations, or cash flows. While the Company intends to vigorously defend these matters, in light of the uncertainties involved in such matters, there exists the possibility of adverse outcomes, and the final outcome of a particular matter could have a material adverse effect on results of operations or cash flows in a particular period.

The Company has recorded a reserve for unrecognized tax benefits and related accrued interest for certain matters. Also, the Company is under examination in various federal, state and local and foreign jurisdictions related to income and non-income tax matters. Based on current knowledge, the Company believes that resolution of these matters, giving recognition to the reserve for unrecognized tax benefits, will not have a materially adverse impact on its business, consolidated financial position, results of operations or cash flows.

The State of Delaware, Department of Finance, Division of Revenue (Unclaimed Property) and nine other states are currently conducting a joint examination of the books and records of certain wholly owned subsidiaries of the Company to determine compliance with the unclaimed property laws. Additionally, the Company has entered into voluntary disclosure agreements to address the potential unclaimed property exposure for certain entities not included in the scope of the ongoing unclaimed property examination. The potential exposure related to the examination and the voluntary disclosure programs is not currently determinable.

14. Subsequent Event

On May 6, 2015, SunGard announced that SCC is considering pursuing an initial public offering of common stock in 2015. The timing, number of shares to be offered and the price range of the proposed offering have not yet been determined. The Company expects to use net proceeds of the proposed offering to repay debt.

15. Supplemental Guarantor Condensed Consolidating Financial Statements:

SunGard s senior unsecured notes are jointly and severally, fully and unconditionally guaranteed on a senior unsecured basis and the senior subordinated notes are jointly and severally, fully and unconditionally guaranteed on an unsecured senior subordinated basis, in each case, subject to certain exceptions, by substantially all wholly-owned domestic subsidiaries of SunGard (collectively, the Guarantors). Each of the Guarantors is 100% owned, directly or indirectly, by SunGard. None of the other subsidiaries of SunGard, either direct or indirect, nor any of the Holding Companies, guarantee the senior notes and senior subordinated notes (Non-Guarantors). The Guarantors and SunGard Holdco LLC also unconditionally guarantee the senior secured credit facilities. The Guarantors are subject to release under certain circumstances as described below.

The indentures evidencing the guarantees provide for a Guarantor to be automatically and unconditionally released and discharged from its guarantee obligations in certain circumstances, including upon the earliest to occur of:

- The sale, exchange or transfer of the subsidiary s capital stock or all or substantially all of its assets;
- Designation of the Guarantor as an unrestricted subsidiary for purposes of the indenture covenants;
- Release or discharge of the Guarantor s guarantee of certain other indebtedness; or
- Legal defeasance or covenant defeasance of the indenture obligations when provision has been made for them to be fully satisfied.

As a result of the AS Split-Off, all U.S. subsidiaries of AS were removed as guarantors as of March 31, 2014.

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The following tables present the financial position, results of operations and cash flows of SunGard (referred to as Parent Company for purposes of this note only), the Guarantor subsidiaries, the Non-Guarantor subsidiaries and Eliminations as of December 31, 2014 and March 31, 2015, and for the three month periods ended March 31, 2014 and 2015, to arrive at the information for SunGard on a consolidated basis. SCC and SCCII are neither parties to nor guarantors of the debt issued as described in Note 5 of Notes to Consolidated Financial Statements included in the Company s Annual Report on Form 10-K for 2014.

(in millions)	Supplemental Condensed Consolidating Balance Sheet December 31, 2014				
	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Current:					
Cash and cash equivalents	$ 202	$ 1	$ 244	$	$ 447
Intercompany balances		3,049	500	(3,549)	
Trade receivables, net	1	446 [a]	239		686
Prepaid expenses, taxes and other current assets	32	43	39	(2)	112
Total current assets	235	3,539	1,022	(3,551)	1,245
Property and equipment, net		94	58		152
Intangible assets, net	68	348	262		678
Trade name		672			672
Deferred income taxes	69			(69)	
Intercompany balances	194	8	154	(356)	
Goodwill		3,099	661		3,760
Investment in subsidiaries	8,039	1,366		(9,405)	
Total Assets	$ 8,605	$ 9,126	$ 2,157	$ (13,381)	$ 6,507
Liabilities and Equity					
Current:					