

SunGard Institutional Products LLC

Form 424B3

November 09, 2007

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FILED PURSUANT TO RULE 424(B)(3)

File Number 333-142356

SUNGARD DATA SYSTEMS INC.

SUPPLEMENT NO. 3 TO

MARKET-MAKING PROSPECTUS DATED

MAY 10, 2007

THE DATE OF THIS SUPPLEMENT IS NOVEMBER 9, 2007

ON NOVEMBER 8, 2007, SUNGARD DATA SYSTEMS INC. FILED THE ATTACHED

FORM 10-Q FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2007

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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 September 30, 2007

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 number 1-12989

SunGard[®] Data Systems Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of

incorporation or organization)

680 East Swedesford Road, Wayne, Pennsylvania 19087

(Address of principal executive offices, including zip code)

484-582-2000

(Registrant's telephone number, including area code)

51-0267091
(IRS Employer

Identification No.)

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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. Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 100 shares of the registrant's common stock outstanding as of September 30, 2007.

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SUNGARD DATA SYSTEMS INC.

AND SUBSIDIARIES

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Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****SunGard Data Systems Inc.****Consolidated Balance Sheets****(In millions except share and per-share amounts)**

	December 31, 2006	September 30, 2007 (unaudited)
Assets		
Current:		
Cash and cash equivalents	\$ 316	\$ 362
Trade receivables, less allowance for doubtful accounts of \$14 and \$20	216	215
Earned but unbilled receivables	63	69
Prepaid expenses and other current assets	145	159
Clearing broker assets	420	537
Retained interest in accounts receivable sold	275	255
Deferred income taxes	34	33
Total current assets	1,469	1,630
Property and equipment, less accumulated depreciation of \$304 and \$479	773	855
Software products, less accumulated amortization of \$304 and \$487	1,386	1,297
Customer base, less accumulated amortization of \$266 and \$422	2,857	2,797
Other tangible and intangible assets, less accumulated amortization of \$13 and \$18	216	187
Trade name	1,019	1,022
Goodwill	6,951	7,154
Total Assets	\$ 14,671	\$ 14,942
Liabilities and Stockholder's Equity		
Current:		
Short-term and current portion of long-term debt	\$ 45	\$ 55
Accounts payable	80	60
Accrued compensation and benefits	224	209
Accrued interest expense	164	82
Other accrued expenses	275	324
Clearing broker liabilities	376	498
Deferred revenue	762	793
Total current liabilities	1,926	2,021
Long-term debt	7,394	7,609
Deferred income taxes	1,777	1,780
Total liabilities	11,097	11,410
Commitments and contingencies		
Stockholder's equity:		
Common stock, par value \$.01 per share; 100 shares authorized, issued and outstanding		

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Capital in excess of par value	3,664	3,668
Accumulated deficit	(147)	(237)
Accumulated other comprehensive income	57	101
Total stockholder s equity	3,574	3,532
Total Liabilities and Stockholder s Equity	\$ 14,671	\$ 14,942

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

Table of Contents**SunGard Data Systems Inc.****Consolidated Statements of Operations****(In millions)****(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2007	2006	2007
Revenue:				
Services	\$ 963	\$ 1,098	\$ 2,842	\$ 3,162
License and resale fees	81	87	214	252
Total products and services	1,044	1,185	3,056	3,414
Reimbursed expenses	24	37	79	99
	1,068	1,222	3,135	3,513
Costs and expenses:				
Cost of sales and direct operating	493	581	1,460	1,649
Sales, marketing and administration	215	240	659	748
Product development	63	64	191	202
Depreciation and amortization	60	63	175	183
Amortization of acquisition-related intangible assets	99	110	297	319
Merger costs	2		5	
	932	1,058	2,787	3,101
Income from operations	136	164	348	412
Interest income	4	4	10	13
Interest expense and amortization of deferred financing fees	(165)	(161)	(483)	(485)
Other expense	(4)	(11)	(22)	(51)
Loss before income taxes	(29)	(4)	(147)	(111)
Provision for (benefit from) income taxes	2	(15)	(40)	(21)
Net income (loss)	\$ (31)	\$ 11	\$ (107)	\$ (90)

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

Table of Contents**SunGard Data Systems Inc.****Consolidated Statements of Cash Flows****(In millions)****(Unaudited)**

	Nine Months Ended September 30,	
	2006	2007
<i>Cash flow from operations:</i>		
Net loss	\$ (107)	\$ (90)
Reconciliation of net loss to cash flow used in operations:		
Depreciation and amortization	472	502
Deferred income tax benefit	(98)	(72)
Stock compensation expense	27	19
Amortization of deferred financing costs and debt discount	25	37
Other noncash charges (credits)	(36)	3
Accounts receivable and other current assets	43	39
Accounts payable and accrued expenses	(124)	(122)
Clearing broker assets and liabilities, net	(12)	4
Deferred revenue	24	9
Cash flow provided by operations	214	329
<i>Investment activities:</i>		
Cash paid for businesses acquired by the Company, net of cash acquired	(24)	(223)
Cash paid for property and equipment and software	(222)	(213)
Other investing activities	8	7
Cash used in investment activities	(238)	(429)
<i>Financing activities:</i>		
Cash received from borrowings, net of fees		656
Cash used to repay debt	(37)	(504)
Other financing activities	(3)	(15)
Cash provided by (used in) financing activities	(40)	137
Effect of exchange rate changes on cash	15	9
Increase (decrease) in cash and cash equivalents	(49)	46
Beginning cash and cash equivalents	317	316
Ending cash and cash equivalents	\$ 268	\$ 362
<i>Supplemental information:</i>		
Acquired businesses:		
Property and equipment	\$	\$ 59

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Software products	6	44
Customer base	5	79
Goodwill	16	151
Other tangible and intangible assets	2	10
Deferred income taxes	(1)	(46)
Purchase price obligations and debt assumed	(2)	(38)
Net current liabilities assumed	(2)	(36)

Cash paid for acquired businesses, net of cash acquired of \$2 and \$20, respectively \$ 24 \$ 223

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

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SUNGARD DATA SYSTEMS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Presentation:

SunGard Data Systems Inc. (SunGard or the Company) was acquired on August 11, 2005 (the Transaction) 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 Texas Pacific Group (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, which is a subsidiary of SunGard Capital Corp. All of these companies were formed for the purpose of facilitating the Transaction and are collectively referred to as the Holding Companies.

SunGard has three segments: Financial Systems (FS), Higher Education and Public Sector Systems (HEPS) and Availability Services (AS). The Company s Software & Processing Solutions business is comprised of the FS and HEPS segments. The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. All significant intercompany transactions and accounts have been eliminated. The consolidated financial statements exclude the accounts of the Holding Companies.

The accompanying interim 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, 2006. Interim financial reporting does not include all of the information and footnotes required by GAAP for complete financial statements. These financial statements should be read in conjunction with SunGard s financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2006. The interim financial information is unaudited, but reflects all normal adjustments which are, in the opinion of management, 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, 2007.

Effect of Recent Accounting Pronouncements

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, Fair Value Measurements (SFAS 157), which addresses how companies should measure fair value when they are required to use a fair value measure for recognition or disclosure purposes under GAAP. SFAS 157 is effective as of January 1, 2008. The Company is currently evaluating SFAS 157 and the related impact on the Company s consolidated financial statements.

2. Acquisitions:

The Company seeks to acquire businesses that broaden its existing product lines and service offerings by adding complementary products and service offerings and by expanding its geographic reach. During the nine months ended September 30, 2007, the Company completed six acquisitions in its FS segment, one in its HEPS segment and one in its AS segment. Cash paid, net of cash acquired and subject to certain adjustments, was \$223 million. The allocations of purchase price for these acquisitions are preliminary.

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The following table lists the businesses the Company acquired in the first nine months of 2007:

Acquired Company/Business	Date Acquired	Description
XRT SA's High-End Treasury Business	1/25/2007	Treasury and cash management applications.
Maxim Insurance Software Corporation	2/6/2007	Premium billing systems to the property and casualty industry.
Aceva Technologies, Inc.	2/14/2007	Credit and collections software solutions.
Finetix, LLC	4/20/2007	Specialized technology and architecture consulting for financial institutions, service providers and hedge funds.
Energy Softworx, Inc.	4/20/2007	Fuels management software solutions for the power generation industry.
Aspiren Group Limited	6/1/2007	Performance management software solutions and services in the United Kingdom.
GTI Consultants SAS	6/6/2007	Consulting and IT professional services to financial institutions in France.
VeriCenter, Inc.	8/20/2007	Managed services, application hosting and IT infrastructure outsourcing.

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The following table summarizes changes in goodwill by segment (in millions):

	FS	HEPS	AS	Total
Balance at December 31, 2006	\$ 2,918	\$ 1,880	\$ 2,153	\$ 6,951
2007 acquisitions	25	14	120	159
Adjustments to previous acquisitions	(3)	4	7	8
Effect of foreign currency translation	12	5	19	36
Balance at September 30, 2007	\$ 2,952	\$ 1,903	\$ 2,299	\$ 7,154

3. Clearing Broker Assets and Liabilities:

Clearing broker assets and liabilities are comprised of the following (in millions):

	December 31, 2006	September 30, 2007
Segregated customer cash and treasury bills	\$ 48	\$ 105
Securities owned	28	53
Securities borrowed	305	352
Receivables from customers and other	39	27
Clearing broker assets	\$ 420	\$ 537
Payables to customers	\$ 70	\$ 126
Securities loaned	275	306
Customer securities sold short, not yet purchased	15	30
Payable to brokers and dealers	16	36
Clearing broker liabilities	\$ 376	\$ 498

Segregated customer cash and treasury bills are held by the Company on behalf of customers. Clearing broker securities consist of trading and investment securities at fair market values, which are based on quoted market rates. Securities borrowed and loaned are collateralized financing transactions which are cash deposits made to or received from other broker/dealers. Receivables from and payables to customers represent amounts due or payable on cash and margin transactions.

4. Debt:

In February 2007 the Company amended its senior secured credit facility to reduce the effective interest rates on the term loan facility, increase the size of that facility from \$4.0 billion to \$4.4 billion, extend the maturity by one year and change certain other terms. In March 2007 the Company used the additional borrowings to redeem the \$400 million in aggregate principal amount of senior floating rate notes due 2013. The related redemption premium of \$19 million and write-off of approximately \$9 million of deferred financing costs were included in other expense.

5. Income Taxes:

The Company adopted the provisions of FASB Interpretation No 48, Accounting for Uncertainty in Income Taxes (FIN 48) on January 1, 2007 with no material effect. The Company's reserve for unrecognized income tax benefits at September 30, 2007 is \$28 million. This liability includes approximately \$3 million (net of federal and state benefit) in accrued interest and penalties. Since substantially all of the liability relates to matters existing at the date of the Transaction, any reversal of reserve is not expected to have a material impact on the Company's annual

effective tax rate. The Company recognizes interest and penalties related to uncertain tax positions in income tax expense.

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The Company is currently under audit by the Internal Revenue Service for the calendar years 2003, 2004 and 2005 and various state and foreign jurisdiction tax years remain open to examination as well. At any time some portion of the Company's operations is under audit. Accordingly, certain matters may be resolved within the next 12 months which could result in a change in the liability.

6. Comprehensive Income (Loss):

Comprehensive income (loss) consists of net loss adjusted for other increases and decreases affecting stockholder's equity that are excluded from the determination of net income (loss). The calculation of comprehensive income (loss) follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2007	2006	2007
Net income (loss)	\$ (31)	\$ 11	\$ (107)	\$ (90)
Foreign currency translation gains	2	31	50	53
Unrealized gain (loss) on derivative instruments	(16)	(15)	2	(9)
Comprehensive income (loss)	\$ (45)	\$ 27	\$ (55)	\$ (46)

Table of Contents**7. Segment Information:**

The Company has three segments: FS and HEPS, which together form the Company's Software & Processing Solutions business, and AS. Effective January 1, 2007, the Company reclassified one business from FS to HEPS. This change has been reflected in all periods presented. The operating results for each segment follow (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2007	2006	2007
Revenue:				
Financial systems	\$ 502	\$ 622	\$ 1,467	\$ 1,755
Higher education and public sector systems	226	231	661	695
Software & processing solutions	728	853	2,128	2,450
Availability services	340	369	1,007	1,063
	\$ 1,068	\$ 1,222	\$ 3,135	\$ 3,513
Income (loss) from operations:				
Financial systems	\$ 59	\$ 67	\$ 144	\$ 180
Higher education and public sector systems	35	37	91	109
Software & processing solutions	94	104	235	289
Availability services	74	84	201	212
Corporate administration	(30)	(24)	(83)	(89)
Merger and other costs	(2)		(5)	
	\$ 136	\$ 164	\$ 348	\$ 412
Depreciation and amortization:				
Financial systems	\$ 13	\$ 16	\$ 39	\$ 44
Higher education and public sector systems	4	4	11	12
Software & processing solutions	17	20	50	56
Availability services	43	43	125	127
Corporate administration				
	\$ 60	\$ 63	\$ 175	\$ 183
Amortization of acquisition-related intangible assets:				
Financial systems	\$ 52	\$ 57	\$ 153	\$ 172
Higher education and public sector systems	17	19	55	53
Software & processing solutions	69	76	208	225
Availability services	30	33	88	92
Corporate administration		1	1	2
	\$ 99	\$ 110	\$ 297	\$ 319
Cash paid for property and equipment and software:				
Financial systems	\$ 21	\$ 20	\$ 59	\$ 61
Higher education and public sector systems	6	10	14	21
Software & processing solutions	27	30	73	82

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Availability services	51	31	149	131
Corporate administration				
	\$ 78	\$ 61	\$ 222	\$ 213

8. Related Party Transactions:

During the three-month periods ended September 30, 2006 and 2007, in accordance with the Management Agreement between the Company and the Sponsors, the Company recorded \$3 million and \$6 million, respectively, of management fees in sales, marketing and administration expenses. In the nine-month periods ended September 30, 2006 and 2007, the Company recorded \$10 million and \$13 million, respectively, of management fees in sales, marketing and administration expenses. At December 31, 2006 and September 30, 2007, \$3 million and \$5 million, respectively, were included in other accrued expenses.

Table of Contents**9. Supplemental Guarantor Condensed Consolidating Financial Statements:**

On August 11, 2005, in connection with the Transaction, the Company issued \$3.0 billion aggregate principal amount of the outstanding senior notes and the outstanding senior subordinated notes. The senior 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 the Company (collectively, the Guarantors). Each of the Guarantors is 100% owned, directly or indirectly, by the Company. None of the other subsidiaries of the Company, either direct or indirect, guarantee the senior notes and senior subordinated notes (Non-Guarantors). The Guarantors also unconditionally guarantee the senior secured credit facilities.

The following tables present the financial position, results of operations and cash flows of the Company (Parent), the Guarantor Subsidiaries, the Non-Guarantor Subsidiaries and Eliminations as of December 31, 2006 and September 30, 2007 and for each of the three- and nine-month periods ended September 30, 2006 and 2007, to arrive at the information for SunGard Data Systems Inc. on a consolidated basis.

Supplemental Condensed Consolidating Balance Sheet

(in millions)	December 31, 2006				Consolidated
	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	
Assets					
Current:					
Cash and cash equivalents	\$ 56	\$ (19)	\$ 279	\$	\$ 316
Intercompany balances	(2,282)	2,244	38		
Trade receivables, net	(1)	40	240		279
Prepaid expenses, taxes and other current assets	578	83	762	(549)	874
Total current assets	(1,649)	2,348	1,319	(549)	1,469
Property and equipment, net	1	526	246		773
Intangible assets, net	184	4,764	530		5,478
Intercompany balances	(757)	727	30		
Goodwill		6,166	785		6,951
Investment in subsidiaries	13,074	1,757		(14,831)	
Total Assets	\$ 10,853	\$ 16,288	\$ 2,910	\$ (15,380)	\$ 14,671
Liabilities and Stockholder's Equity					
Current:					
Short-term and current portion of long-term debt					&