

NCR CORP
Form 424B3
March 13, 2017
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated March 13, 2017

Preliminary Prospectus Supplement

(to the Prospectus dated March 29, 2016)

342,000 Shares

NCR Corporation

SERIES A CONVERTIBLE PREFERRED STOCK

The selling stockholders identified in this prospectus supplement are offering 342,000 shares of our Series A Convertible Preferred Stock, par value \$0.01 per share (the "Series A Preferred Stock"), and the shares of our common stock, par value \$0.01 per share (the "Common Stock") issuable upon conversion of the Series A Preferred Stock, under this prospectus supplement. This prospectus supplement also relates to the offer of any shares of our Series A Preferred Stock issuable as dividends paid in kind on such shares of Series A Preferred Stock through December 31, 2019 (the "PIK Shares") and shares of our Common Stock issued upon conversion of the PIK Shares. We will not receive any proceeds from the sale of the Series A Preferred Stock by the selling stockholders who are affiliates of The Blackstone Group L.P. (the "selling stockholders").

As part of our existing stock repurchase programs, we have entered into a stock repurchase agreement with the selling stockholders whereby they have agreed to convert a portion of their shares of Series A Preferred Stock remaining after this offering into approximately 3,000,000 shares of our Common Stock and to sell us such shares of Common Stock at a purchase price per share equal to \$48.47 (the "Stock Repurchase"). The Stock Repurchase is conditioned upon the consummation of this offering. See "Summary Recent Developments," beginning on Page S-1 of this prospectus supplement.

Our Common Stock is listed on the New York Stock Exchange (NYSE) under the symbol NCR. On March 10, 2017, the last reported sale price of the shares of our Common Stock as reported on the NYSE was \$48.47 per share. The Series A Preferred Stock is not traded on any national securities exchange and is not quoted on any over-the-counter market.

Investing in our Series A Preferred Stock or our Common Stock involves risks. See Risk Factors beginning on page 5 of the accompanying prospectus to read about factors you should consider before buying our Series A Preferred Stock. You should also consider the Risk Factors section in our Annual Report on Form 10-K for the year ended December 31, 2016 to read about risks you should consider before buying shares of our Series A Preferred Stock.

PRICE \$ PER SHARE

	Price to Public	Underwriting Discounts and Commissions⁽¹⁾
Per Share of Series A Preferred Stock		
Total		

(1) We will not receive any proceeds from the sale of the Series A Preferred Stock by the selling stockholders. **Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus are truthful or complete. Any representation to the contrary is a criminal offense.**

The underwriters expect to deliver the shares of Series A Preferred Stock on or about March , 2017.

J.P. Morgan

Prospectus Supplement dated March , 2017

BofA Merrill Lynch

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As used in this prospectus supplement, the terms we, us, our, NCR and the Company refer to NCR Corporation, Maryland corporation, unless otherwise expressly stated or the context otherwise requires.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which contains specific information about the terms on which the selling stockholders are offering and selling our Series A Preferred Stock, including the names of the selling stockholders. The second part is the accompanying prospectus dated March 29, 2016, which contains and incorporates by reference important business and financial information about us, our Series A Preferred Stock and our Common Stock, and other information about the offering. If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus or the information contained in any document incorporated by reference herein, the information contained in the most recently dated document shall control.

Neither we, the selling stockholders nor the underwriters have authorized anyone to provide any information other than that contained in this prospectus supplement or the accompanying prospectus or incorporated by reference in this prospectus supplement or the accompanying prospectus or information to which we have referred you. We, the selling stockholders and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. Neither we, the selling stockholders nor the underwriters are making an offer to sell the shares of Series A Preferred Stock or our Common Stock in any jurisdiction where the offer to sell is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in either this prospectus supplement or the accompanying prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

Before you invest in our Series A Preferred Stock or our Common Stock, you should carefully read the registration statement (including the exhibits thereto) of which this prospectus supplement and the accompanying prospectus form a part, this prospectus supplement, the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and accompanying prospectus. The incorporated documents are described under Information Incorporated by Reference.

Trademarks

This prospectus supplement and the documents incorporated by reference herein contain references to our trademarks and service marks and to those belonging to other entities. Solely for convenience, trademarks and trade names referred to in this prospectus supplement and the documents incorporated by reference herein may appear without the ® or symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, any accompanying prospectus supplement and the documents incorporated by reference herein and therein may contain forward-looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange Act and the Private Securities Litigation Reform Act of 1995. Forward-looking

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statements use words such as expect, anticipate, outlook, intend, plan, believe, will, should, would, similar meaning. Statements that describe or relate to our plans, goals, intentions, strategies or financial outlook, and statements that do not relate to historical or current fact, are examples of forward-looking statements. Forward-looking statements are based on our current beliefs, expectations and assumptions, which may not prove to be accurate, and involve a number of known and unknown risks and uncertainties, many of which are out of our control.

Forward-looking statements are not guarantees of future performance, and there are a number of important factors that could cause actual outcomes and results to differ materially from the results contemplated by such forward-looking statements, including those listed in Item 1A Risk Factors, and Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, in our Annual Report on Form 10-K for the year ended December 31, 2016 filed with the SEC on February 24, 2017. Any forward-looking statement speaks only as of the date on which it is made. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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SUMMARY

*This summary highlights the more detailed information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary does not contain all of the information that you should consider before deciding whether to invest in our Series A Preferred Stock or our Common Stock. You should read this entire prospectus supplement and accompanying prospectus carefully, including the documents incorporated by reference herein, before making an investment decision. This prospectus supplement includes forward-looking statements that involve risks and uncertainties. See *Special Note Regarding Forward-Looking Statements* in the accompanying prospectus for more information.*

Company Overview

NCR is a leading global provider of omni-channel technology solutions that help businesses connect, interact and transact with their customers. Our portfolio of self-service and assisted-service solutions are designed to allow businesses in the financial services, retail, hospitality, travel and telecommunications and technology industries to deliver a rich, integrated and personalized experience to consumers across physical and digital commerce channels. Our offerings include automated teller machines (ATMs), point of sale (POS) terminals and devices, self-service kiosks, omni-channel platform software and other software applications, and a complete suite of consulting, implementation, maintenance and managed services. We also resell third-party networking products and provide related service offerings in the telecommunications and technology sectors. Our solutions create value for our customers by allowing them to address consumer demand for convenience, value and individual service across different commerce channels.

NCR provides specific solutions for customers of varying sizes in a range of industries such as financial services, retail, hospitality, travel and telecommunications and technology. NCR's solutions are built on a foundation of long-established industry knowledge and consulting expertise, value-added software and hardware technology and global customer support services.

NCR was originally incorporated in 1884 and was a publicly traded company on the NYSE prior to its merger with a wholly-owned subsidiary of AT&T Corp. (AT&T) on September 19, 1991. Our principal executive offices are located at 3097 Satellite Boulevard, Duluth, GA 30096. Our telephone number is (937) 445-5000. Our website is www.ncr.com. The information contained on our website, or any other website that is referred to in this prospectus supplement, does not constitute a part of this prospectus supplement or the accompanying prospectus and is not incorporated by reference into this prospectus supplement or the accompanying prospectus.

Recent Developments

We regularly evaluate alternatives to deliver value to our stockholders and optimize our capital structure, including alternatives that utilize our existing board-authorized share repurchase programs. Because the company lock-up period for the Series A Preferred Stock held by the selling stockholders expires in early June 2017, and the recent closing prices for the Common Stock have approached \$54 per share (the mandatory conversion threshold for the Series A Preferred Stock after December 4, 2018), we recently engaged with the selling stockholders in a series of discussions regarding different options for this investment.

Under the original terms of the investment agreement entered into by the selling stockholders in December 2015, they agreed not to sell or otherwise transfer their shares of the Series A Preferred Stock (and any of our shares of Common Stock issued upon conversion of such Series A Preferred Stock) without

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our consent until June 4, 2017. As a result of our discussions with the selling stockholders, we agreed to provide the selling stockholders with an early release from this lock-up, allowing them to sell approximately 49% of their shares of Series A Preferred Stock which in the aggregate represents approximately 14,400,000 shares of Common Stock on an as-converted basis.

Given the strong relationship between the selling stockholders and NCR, the selling stockholders have agreed to extend the company lock-up on the remaining 51% of their shares of Series A Preferred Stock for six months until December 1, 2017. The selling stockholders will retain their two seats on our board of directors following this offering and the Stock Repurchase described below.

The shares subject to the early release from the lock-up include the shares of Series A Preferred Stock offered hereby, and also include 90,000 shares of Series A Preferred Stock that are subject to a stock repurchase agreement that we entered into with the selling stockholders. Under the repurchase agreement, the selling stockholders agreed to convert 90,000 shares of Series A Preferred Stock into approximately 3,000,000 shares of our Common Stock and to sell us such shares of Common Stock at a purchase price per share equal to \$48.47. The Stock Repurchase is conditioned upon the consummation of this offering. The closing of the Stock Repurchase is expected to occur simultaneously with or shortly after the closing of this offering.

The Stock Repurchase will reduce the ongoing issuance of dividends paid in shares of Series A Preferred Stock and accelerate our planned repurchases under our board-approved stock repurchase programs. We believe that this transaction is more accretive to our stockholders than continued open market repurchases, eliminates the ongoing dividend costs on the shares of Series A Preferred Stock that are converted, and reduces our financial leverage.

Although we expect the Stock Repurchase to be accretive in the long term, earnings per share as presented in accordance with U.S. generally accepted accounting principles (GAAP) for the full year 2017 is now expected to be lower by approximately \$0.10 and GAAP earnings per share for the first fiscal quarter of 2017 is expected to be lower by approximately \$0.50 due to the one-time non-cash accounting impact of the Stock Repurchase. In addition, we expect a one-time accounting impact associated with the modification to the lock-up period described above, which impact is excluded from this adjustment to GAAP earnings per share for the first quarter and full year 2017 because it is not calculable at this time.

In connection with the transactions described above, we plan to increase our 2017 share repurchases to approximately \$350 million from \$300 million. Additionally, on March 12, 2017, our board of directors authorized a new \$300 million share repurchase program to succeed our 2016 program (under which no availability will remain following the Stock Repurchase).

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THE OFFERING

The summary below describes the principal terms of this offering. The **Description of Capital Stock** section in the accompanying prospectus contains a more detailed description of our Series A Preferred Stock and our Common Stock.

Issuer:	NCR Corporation
Series A Preferred Stock offered by the selling stockholders:	342,000 shares of Series A Preferred Stock.
Series A Preferred Stock outstanding as of March 10, 2017 after giving effect to the conversion of Series A Preferred Stock and related Stock Repurchase:	788,855 shares of Series A Preferred Stock.
Dividends:	5.5% per annum, payable quarterly in arrears on March 10, June 10, September 10 and December 10 of each year.
	Until December 10, 2019, dividends will be paid in kind. Thereafter, dividends will be paid in cash, in kind or in a combination thereof, at the option of the Company, subject to the conditions described under Description of Series A Preferred Stock Dividends Payment of Dividends in the accompanying prospectus.
Rights of holders to convert:	Each holder of the Series A Preferred Stock has the right to convert its Series A Preferred Stock in whole or in part from time to time into shares of our Common Stock as described under Description of Series A Preferred Stock Rights of the Holders to Convert in the accompanying prospectus.
Mandatory conversion by the Company:	After December 4, 2018, the Company may, but is not required to, convert the Series A Preferred Stock into shares of our Common Stock if the market price of our Common Stock satisfies the conditions described under Description of Series A Preferred Stock Mandatory Conversion by the Company in the accompanying prospectus.
Redemption at the option of the holder:	On (i) any date within the three month period commencing on March 16, 2024 and (ii) any date within the three month period commencing on each successive third anniversary of March 16, 2024, each holder of Series A Preferred Stock shall have the right

to require the Company to redeem any or all of the shares of Series A Preferred Stock of such holder at a price, in cash, equal to the sum of (x) \$1,000 for each share of

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	Series A Preferred Stock to be redeemed and (y) the accrued dividends with respect to such shares of Series A Preferred Stock as of the redemption date.
Change of Control:	Upon the occurrence of a Change of Control (as defined in the accompanying prospectus), each holder of outstanding shares of Series A Preferred Stock shall have the option to require the Company to purchase any or all of its shares of Series A Preferred Stock at the price, payable in cash, described under Description of Series A Preferred Stock Change of Control in the accompanying prospectus.
Use of proceeds:	The selling stockholders will receive all of the proceeds from the sale of the Series A Preferred Stock offered under this prospectus supplement. Accordingly, we will not receive any proceeds from the sale of shares of Series A Preferred Stock in this offering.
Listing:	Our Common Stock is listed on the NYSE under the symbol NCR. The Series A Preferred Stock is not traded on any national securities exchange and is not quoted on any over-the-counter market. We do not intend to apply for listing of the Series A Preferred Stock.
U.S. federal income tax consequences:	For the U.S. federal income tax consequences of the holding, disposition and conversion of the Series A Preferred Stock and the holding and disposition of shares of our Common Stock, see Certain U.S. Federal Income Tax Consequences.

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RISK FACTORS

See **Risk Factors** beginning on page 5 of the accompanying prospectus to read about factors you should consider before buying our Series A Preferred Stock or our Common Stock. You should also consider the **Risk Factors** section in our Annual Report on Form 10-K for the year ended December 31, 2016 to read about risks you should consider before buying shares of our Series A Preferred Stock or our Common Stock.

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Our Common Stock is traded on the NYSE under the symbol NCR. The following table represents, for the periods indicated, the range of high and low sale prices for our Common Stock as reported by the NYSE. Such prices reflect interdealer prices, without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions.

	High	Low
2015		
First Fiscal Quarter ended March 31, 2015	\$ 30.86	\$ 24.83
Second Fiscal Quarter ended June 30, 2015	36.50	27.27
Third Fiscal Quarter ended September 30, 2015	32.09	21.79
Fourth Fiscal Quarter ended December 31, 2015	27.80	22.52
2016		
First Fiscal Quarter ended March 31, 2016	\$ 30.14	\$ 18.02
Second Fiscal Quarter ended June 30, 2016	31.84	25.20
Third Fiscal Quarter ended September 30, 2016	34.99	26.21
Fourth Fiscal Quarter ended December 31, 2016	42.07	29.83
2017		
First Fiscal Quarter ending March 31, 2017 (through March 10, 2017)	\$ 49.90	\$ 40.85

On March 10, 2017, the last reported sale price of our Common Stock on the NYSE was \$48.47 per share. The foregoing table shows only historical comparisons. These comparisons may not provide meaningful information to you in determining whether to purchase our Series A Preferred Stock or our Common Stock. You are urged to obtain current market quotations for our Common Stock and to review carefully the other information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in each. See **Where You Can Find More Information** and **Information Incorporated by Reference** in this prospectus supplement.

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The following table and accompanying footnotes set forth, as of March 10, 2017, the following information regarding the selling stockholders:

the number and percentage of total outstanding shares of our Series A Preferred Stock and Common Stock beneficially owned by the selling stockholders prior to the offering;

the number of shares of our Series A Preferred Stock to be offered by the selling stockholders; and

the number and percentage of total outstanding shares of our Series A Preferred Stock and Common Stock to be beneficially owned by the selling stockholders after completion of the offering.

The amounts and percentages of our Series A Preferred Stock and our Common Stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed to be a beneficial owner of such securities as to which such person has an economic interest.

In the table below, the number of shares of Common Stock is calculated based on a conversion rate of 33.333 shares of Common Stock per share of Series A Preferred Stock. The number of shares of Common Stock into which Series A Preferred Stock is convertible is subject to adjustment in certain circumstances. Accordingly, the number of shares of Common Stock issuable upon conversion of the Series A Preferred Stock may increase or decrease from that set forth in the table below. In addition, the table does not reflect the payment of PIK Shares as dividends in kind on the Series A Preferred Stock in the future.

The selling stockholders shown on the table have furnished information with respect to beneficial ownership.

	Series A Preferred Stock				Common Stock		
	Number of shares beneficially owned ⁽¹⁾	Number of shares beneficially owned after the offering ⁽²⁾	Number of shares offered hereby	Percent of shares beneficially owned after the offering ⁽³⁾	Number of shares beneficially owned ⁽⁴⁾	Number of shares beneficially owned after completion of the offering ⁽²⁾⁽⁴⁾	Percent of shares beneficially owned after the offering ⁽³⁾⁽⁴⁾
Selling Stockholders:							
Blackstone ⁽⁵⁾	878,855	446,855	342,000	50.8%	29,294,874	14,895,018	12.1%

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- (1) Does not reflect the Stock Repurchase described in Summary Recent Developments.
- (2) Reflects the Stock Repurchase described in Summary Recent Developments.
- (3) Calculated based on 878,855 shares of Series A Preferred Stock outstanding as of March 10, 2017 and 123,065,442 shares of Common stock Outstanding as of March 10, 2017.
- (4) Assumes the conversion of all shares of Series A Preferred Stock to shares of Common Stock.
- (5) Reflects shares of Series A Preferred Stock held by partnerships affiliated with The Blackstone Group L.P., and shares of Common Stock into which such shares of Series A Preferred Stock are convertible, as follows: 1,300 shares of Series A Preferred Stock (convertible into 43,373 shares of Common Stock) directly held by Blackstone BCP VI SBS ESC Holdco L.P., a Delaware limited partnership (BCP VI), 654,710 shares of Series A Preferred Stock (convertible into 21,843,672 shares of Common Stock) directly held by Blackstone NCR Holdco L.P., a Delaware limited partnership (NCR Holdco), 778 shares of Series A Preferred Stock (convertible into 25,957 shares of Common Stock) directly held by BTO NCR Holdings - ESC L.P., a Delaware limited partnership (BTO ESC), and 222,067 shares of Series A Preferred Stock (convertible

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into 7,409,019 shares of Common Stock) directly held by BTO NCR Holdings L.P., a Delaware limited partnership (BTO NCR and, together with BCP VI, NCR Holdco and BTO ESC, the Partnerships). The number of shares of Series A Preferred Stock to be offered by Blackstone is as follows: BCP VI 506 shares, NCR Holdco 254,776 shares, BTO ESC 302 shares and BTO NCR 86,416 shares. The general partner of NCR Holdco is Blackstone NCR Holdco GP L.L.C. The managing member of Blackstone NCR Holdco GP L.L.C. is Blackstone Management Associates VI L.L.C. The sole member of Blackstone Management Associates VI L.L.C. is BMA VI L.L.C. The general partner of BCP VI is BCP VI Side-by-Side GP L.L.C. The general partner of each of BTO NCR and BTO ESC is BTO Holdings Manager L.L.C. The managing member of BTO Holdings Manager L.L.C. is Blackstone Tactical Opportunities Associates L.L.C. The sole member of Blackstone Tactical Opportunities Associates L.L.C. is BTOA L.L.C. The sole member of BCP VI Side-by-Side GP L.L.C., and the managing member of BTOA L.L.C. and BMA VI L.L.C., is Blackstone Holdings III L.P. The general partner of Blackstone Holdings III L.P. is Blackstone Holdings III GP L.P. The general partner of Blackstone Holdings III GP L.P. is Blackstone Holdings III GP Management L.L.C. The sole member of Blackstone Holdings III GP Management L.L.C. is The Blackstone Group L.P. The general partner of The Blackstone Group L.P. is Blackstone Group Management L.L.C. Blackstone Group Management L.L.C. is wholly owned by Blackstone's senior managing directors and controlled by its founder, Stephen A. Schwarzman. Each of such Blackstone entities (other than each of the Partnerships to the extent of their direct holdings) and Mr. Schwarzman may be deemed to beneficially own the securities reported herein beneficially owned by the Partnerships directly or indirectly controlled by it or him, but each disclaims beneficial ownership of such securities. The address of Mr. Schwarzman and each of the entities listed in this footnote is c/o The Blackstone Group L.P., 345 Park Avenue, New York, New York 10154.

Relationships with Selling Stockholders

For a discussion of certain relationships between the Company and the selling stockholders, see Summary Recent Developments in this prospectus supplement and Selling Stockholders in the accompanying prospectus.

Table of Contents**UNDERWRITING**

The selling stockholders are offering the shares of Series A Preferred Stock described in this prospectus supplement through the underwriters named below. We have entered into an underwriting agreement with the underwriters and the selling stockholders. Subject to the terms and conditions of the underwriting agreement, the selling stockholders have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus supplement, the number of shares of Series A Preferred Stock listed next to its name in the following table:

Name	Number of shares
J.P. Morgan Securities LLC	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Total	342,000

The underwriters are committed to purchase all the shares of Series A Preferred Stock offered by the selling stockholders if they purchase any such shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the shares of Series A Preferred Stock directly to the public at the public offering price set forth on the cover page of this prospectus supplement and to certain dealers at that price less a concession not in excess of \$ per share under the public offering price. After the public offering of the shares, the offering price and other selling terms may be changed by the underwriters.

The underwriting fee is equal to the public offering price per share of Series A Preferred Stock less the amount paid by the underwriters to the selling stockholders per share of Series A Preferred Stock. The underwriting fee is \$ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by the selling stockholders.

	Per Share	Total
Paid by the selling stockholders	\$	\$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately \$750,000.

A prospectus in electronic format may be made available on the websites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We and the selling stockholders have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

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The selling stockholders have agreed that they will not, during the period beginning on the date of this prospectus supplement and ending on the date that is 45 days from the date of this prospectus supplement (the Lock-up Period), without the prior written consent of the underwriters, (i) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any shares of our Common Stock or any securities convertible into or exercisable or exchangeable for our Common Stock (collectively, the Lock-Up Securities), or exercise any right with respect to the registration of any of the Lock-up Securities, or file or cause to be filed any registration statement in connection therewith, under the Securities Act, or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or transaction is to be settled by delivery of Common Stock or other securities, in cash or otherwise.

Notwithstanding the foregoing, and subject to the conditions below, any selling stockholder may transfer the Lock-Up Securities without the prior written consent of the underwriters, provided that (1) the underwriters receive a signed lock-up agreement for the balance of the lockup period from each donee, trustee, distributee, or transferee, as the case may be, (2) any such transfer does not involve a disposition for value, (3) such transfers are not required to be reported with the Securities and Exchange Commission on Form 4 in accordance with Section 16 of the Securities Exchange Act of 1934, as amended, and (4) the selling stockholders do not otherwise voluntarily effect any public filing or report regarding such transfers: (A) as a *bona fide* gift or gifts or charitable contributions; (B) by will or testacy; (C) to any trust for the direct or indirect benefit of the selling stockholders or the immediate family of the selling stockholders; (D) as a distribution or transfer to limited partners, general partners, members or stockholders of the selling stockholders; (E) to the selling stockholders' affiliates or to any corporation, partnership, limited liability company, investment fund or other entity which controls or manages or is controlled or managed by or enters under common control or management with the selling stockholders; (F) the shares of Series A Preferred Stock to be sold in the this offering; or (G) transfers in connection with a liquidation, merger, stock exchange or similar transaction that results in all of the our stockholders having the right to exchange their shares of Common Stock, or securities convertible into Common Stock, for cash, securities or other property. Furthermore, the selling stockholders may sell shares of our Common Stock purchased by the selling stockholders on the open market following the offering hereby if (i) such sales are not required to be reported in any public report or filing with the Securities and Exchange Commission, or otherwise and (ii) the selling stockholders do not otherwise voluntarily effect any public filing or report regarding such sales.

In addition, we have agreed that, during a period of 45 days from the date of this prospectus supplement, we will not, without the prior written consent of the underwriters, (i) directly or indirectly, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any shares of our Common Stock or any securities convertible into or exercisable or exchangeable for our Common Stock or file any registration statement under the Securities Act with respect to any of the foregoing or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of our Common Stock, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of our Common Stock or other securities, in cash or otherwise. The foregoing restriction will not apply to (A) any shares of our Common Stock issued as dividends in kind in respect of the Series A Preferred Stock, (B) any shares of our Common Stock issued by us upon the exercise of an option or warrant or the conversion of a security outstanding on the date of this prospectus supplement and referred to in our registration statement on Form S-3 (File No. 333-210457), the prospectus or this prospectus supplement, (C) any shares of our Common Stock or options to purchase our Common Stock or other securities or instruments issued or granted pursuant to our employee benefit plans referred to in our registration

statement on Form S-3 (File No. 333-210457), the prospectus or this prospectus supplement, (D) any shares of our Common Stock or other securities or instruments issued or granted pursuant to any non-employee director stock plan or dividend reinvestment plan, (E) the filing

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by us of any registration statement on Form S-8 with the Securities and Exchange Commission relating to the offering of securities pursuant to terms of such incentive or similar plans and (F) the issuance by us of our Common Stock or securities convertible into our Common Stock in connection with an acquisition or business combination (including the filing of a registration statement on Form S-4 or other appropriate form with respect thereto); provided that, for purposes of this clause (F), such issuances are limited to an amount equal to 5% of the total shares of our Common Stock outstanding immediately after the completion of the offering; provided further that recipients of such Common Stock agree to be bound by the terms of the lockup agreement signed by the selling stockholders.

Stabilization

In connection with this offering, the underwriters may engage in stabilizing transactions, which involve making bids for, purchasing and selling shares of Series A Preferred Stock in the open market for the purpose of preventing or retarding a decline in the market price of the Series A Preferred Stock while this offering is in progress. These stabilizing transactions may include making naked short sales of the Series A Preferred Stock, which involves the sale by the underwriters of a greater number of shares of Series A Preferred Stock than they are required to purchase in this offering, and purchasing shares of Series A Preferred Stock on the open market to cover positions created by such short sales. A naked short position may be created if the underwriters are concerned that there may be downward pressure on the price of the Series A Preferred Stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the Series A Preferred Stock, including the imposition of penalty bids.

These activities may have the effect of raising or maintaining the market price of the Series A Preferred Stock or preventing or retarding a decline in the market price of the Series A Preferred Stock, and, as a result, the price of the Series A Preferred Stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the NYSE (if the Series A Preferred Stock is listed on the NYSE), in the over-the-counter market or otherwise.

Certain Relationships

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. For instance, JPMorgan Chase Bank, N.A. and Bank of America, N.A., affiliates of J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, respectively, are lenders under our credit facility. Under such facility, JPMorgan Chase Bank, N.A., serves as administrative agent.

In addition, from time to time, certain of the underwriters and their respective affiliates may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account or the account of customers, and hold on behalf of themselves or their customers, and such investment and trading activities may involve or relate to our assets, securities and/or instruments (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us, and may do so in the future. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express

independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

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Selling Restrictions

General

Other than in the United States, no action has been taken by us, the selling stockholders or the underwriters that would permit a public offering of the securities offered by this prospectus supplement in any jurisdiction where action for that purpose is required. The securities offered by this prospectus supplement may not be offered or sold, directly or indirectly, nor may this prospectus supplement or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published, in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus supplement comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus supplement. This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus supplement in any jurisdiction in which such an offer or a solicitation is unlawful.

Notice to Prospective Investors in the United Kingdom

This document is only being distributed to and is only directed at (1) persons who are outside the United Kingdom or (2) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or the Order, or (3) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, or each, a Relevant Member State, from and including the date on which the European Union Prospectus Directive, or the EU Prospectus Directive, was implemented in that Relevant Member State, or the Relevant Implementation Date, an offer of securities described in this prospectus supplement may not be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the EU Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of securities described in this prospectus supplement may be made to the public in that Relevant Member State at any time:

to any legal entity which is a qualified investor as defined under the EU Prospectus Directive;

to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive); or

in any other circumstances falling within Article 3(2) of the EU Prospectus Directive, provided that no such offer of securities described in this prospectus supplement shall result in a requirement for the publication by us of a prospectus pursuant to Article 3 of the EU Prospectus Directive.

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

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Notice to Prospective Investors in Switzerland

This document does not constitute a prospectus within the meaning of Art. 652a of the Swiss Code of Obligations. The shares described herein may not be sold directly or indirectly in or into Switzerland except in a manner which will not result in a public offering within the meaning of the Swiss Code of Obligations. Neither this document nor any other offering materials relating to the shares of our Series A Preferred Stock may be distributed, published or otherwise made available in Switzerland except in a manner which will not constitute a public offer of the shares of our Series A Preferred Stock in Switzerland.

Notice to Prospective Investors in Ireland

This prospectus supplement and any other material in relation to the shares described herein is only being distributed in Ireland:

in circumstances which do not require the publication of a prospectus pursuant to Article 3(2) of Directive 2003/71/EC as amended by Directive 2010/73/EC;

in compliance with the provisions of the Irish Companies Acts 1963-2009; and

in compliance with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No. 60 of 2007) (as amended), and in accordance with any codes or rules of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland with respect to anything done by them in relation to the shares.

Notice to Prospective Investors in Australia

This document has not been lodged with the Australian Securities & Investments Commission and does not constitute an offer except to the following categories of exempt persons:

sophisticated investors under section 708(8)(a) or (b) of the Corporations Act 2001 (Cth) of Australia (Corporations Act);

sophisticated investors under section 708(8)(c) or (d) of the Corporations Act who have provided an accountant's certificate to us which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before any offer has been made; and

professional investors within the meaning of section 708(11)(a) or (b) of the Corporations Act.

By purchasing shares of our Series A Preferred Stock, you warrant and agree that:

you are an exempt investor under one of the above categories; and

you will not offer any shares of our Series A Preferred Stock issued or sold to you pursuant to this document for sale in Australia within 12 months of those shares being issued or sold unless any such sale offer is exempt from the requirement to issue a disclosure document under sections 708 or 708A of the Corporations Act.

Notice to Prospective Investors in Hong Kong

The contents of this prospectus supplement have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this prospectus supplement, you should obtain independent professional advice. Please note that (i) our securities may not be offered or sold in Hong Kong, by means of this prospectus or any document other than to professional investors within the meaning of Part I of Schedule 1 of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) (SFO) and any rules made thereunder, or in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong) (CO) or which do not constitute an offer or invitation to the public for the purpose of the CO or the SFO, and (ii) no advertisement, invitation or document relating to our securities may be issued or may be in the

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possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere) which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the SFO and any rules made thereunder.

Notice to Prospective Investors in Japan

Our securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and our securities will not be offered or sold, directly or indirectly, in Japan, or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan, or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors in Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our securities may not be circulated or distributed, nor may our securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where our securities are subscribed or purchased under Section 275 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired our securities pursuant to an offer made under Section 275 except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law; or

(4) as specified in Section 276(7) of the SFA.

Notice to Prospective Investors in France

Neither this prospectus supplement, the accompanying prospectus nor any other offering material relating to the shares described in this prospectus supplement or the accompanying prospectus has been submitted to the clearance procedures of the Autorité des Marchés Financiers or of the competent authority of another member state of the European Economic Area and notified to the Autorité des Marchés Financiers. The shares have not

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been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus supplement, the accompanying prospectus nor any other offering material relating to the shares has been or will be:

released, issued, distributed or caused to be released, issued or distributed to the public in France; or

used in connection with any offer for subscription or sale of the shares to the public in France.

Such