

VERIFONE SYSTEMS, INC.
Form S-4/A
January 10, 2011
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As filed with the Securities and Exchange Commission on January 10, 2011

Registration No. 333-171324

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Amendment No. 1 to
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

VeriFone Systems, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of)

3578
(Primary Standard Industrial

04-3692546
(I.R.S. Employer

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Incorporation or Organization)

Classification Code Number)

Identification Number)

2099 Gateway Place, Suite 600

San Jose, California 95110

(408) 232-7800

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Albert Y. Liu

Senior Vice President and General Counsel

VeriFone Systems, Inc.

2099 Gateway Place, Suite 600

San Jose, California 95110

(408) 232-7800

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE OF THE SECURITIES TO THE PUBLIC: As soon as possible after this Registration Statement is declared effective.

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If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this proxy statement/prospectus is not complete and may be changed. VeriFone may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY SUBJECT TO COMPLETION. DATED JANUARY 10, 2011

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Stockholders:

We are writing to you today about the proposed merger of Hypercom Corporation (which we refer to as Hypercom) with a subsidiary of VeriFone Systems, Inc. (which we refer to as VeriFone).

If the merger is completed, Hypercom stockholders will receive 0.23 shares of VeriFone common stock for each share of Hypercom common stock they own.

VeriFone common stock is traded on the New York Stock Exchange under the trading symbol **PAY**. Based on the closing price of VeriFone common stock on December 28, 2010 of \$38.56, the record date for holders of Hypercom common stock to vote at the special meeting, the value of the per share consideration to be received by Hypercom stockholders would be \$8.87 per share of Hypercom common stock. The implied value of the merger consideration will fluctuate as the market price of the VeriFone common stock fluctuates.

Hypercom is holding a special meeting of stockholders (which we refer to as the special meeting) in order to obtain the approval necessary to complete the merger as more fully described in this proxy statement/prospectus. The merger cannot be completed unless the holders of a majority of the outstanding shares of Hypercom common stock entitled to vote at the special meeting approve and adopt the merger agreement and approve the merger. At the special meeting, Hypercom stockholders will be asked to vote on the merger described in the attached proxy statement/prospectus. Under Delaware law, holders of Hypercom common stock are not entitled to statutory dissenters' rights.

Only holders of record of Hypercom common stock at the close of business on December 28, 2010 are entitled to attend and vote at the special meeting or any adjournment thereof.

The Hypercom board of directors has (1) reviewed and considered the terms and conditions of the merger agreement, (2) unanimously determined that the merger is fair to, and in the best interests of, Hypercom and its stockholders, considering the fairness opinion of UBS Securities LLC and such other factors as the board of directors has deemed appropriate and (3) unanimously approved the merger agreement, the merger and all of the transactions contemplated by the merger agreement. **The Hypercom board of directors unanimously recommends that Hypercom stockholders vote FOR the proposal to approve and adopt the merger agreement and approve the merger.**

The merger will not be completed unless the stockholders of Hypercom approve the proposal related to the merger. **Your vote is very important, regardless of the number of shares you own. Whether or not you plan to attend the special meeting, please vote all proxy cards that you receive as soon as possible to ensure that your shares are represented at the special meeting.** You may also submit a proxy for your shares by telephone or on the Internet in accordance with the instructions set forth on the accompanying proxy card.

The attached proxy statement/prospectus provides you with detailed information about VeriFone, Hypercom, the merger agreement and the merger. We encourage you to read the entire proxy statement/prospectus carefully, including the Risk Factors section beginning on page 26.

Yours sincerely,

/s/ Norman Stout

Norman Stout

Chairman of the Board
Hypercom Corporation

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if the accompanying proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated _____, 2011, and is first being mailed to Hypercom stockholders on or about _____, 2011.

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Sources of Additional Information

This proxy statement/prospectus incorporates important business and financial information about VeriFone and Hypercom from documents that are not included in or delivered with this proxy statement/prospectus. Documents relating to VeriFone incorporated by reference are available from VeriFone without charge, excluding all exhibits unless VeriFone has specifically incorporated by reference an exhibit in this proxy statement/prospectus. Documents relating to Hypercom incorporated by reference are available from Hypercom without charge, excluding all exhibits unless Hypercom has specifically incorporated by reference an exhibit in this proxy statement/prospectus. You may obtain documents incorporated by reference in this proxy statement/prospectus by requesting them in writing or by telephone or e-mail from the applicable company at the following addresses and telephone numbers:

VeriFone Systems, Inc.	Hypercom Corporation
Attention: Investor Relations	Attention: Investor Relations
2099 Gateway Place, Suite 600	8888 East Raintree Drive, Suite 300
San Jose, California 95110	Scottsdale, Arizona, 85260
ir@verifone.com	stsujita@hypercom.com
(408) 232-7979	(480) 642-5000

If you would like to request documents from VeriFone or Hypercom, please do so by February 16, 2011 in order to ensure that you receive them before the special meeting.

If you have any questions about the special meeting, the merger or this proxy statement/prospectus or need additional copies of this proxy statement/prospectus or the documents incorporated by reference into this proxy statement/prospectus, please send your request in writing or by telephone to Innisfree M&A Incorporated, Hypercom's information agent and proxy solicitor, at the following address and telephone numbers:

Innisfree M&A Incorporated
501 Madison Avenue, 20th Floor
New York, New York 10022
(888) 750-5834 (toll-free)
Banks & Brokers Call Collect:
(212) 750-5833

For a more detailed description of the information incorporated by reference into this proxy statement/prospectus and how you may obtain it, see **Where You Can Find More Information** on page 117.

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ABOUT THIS DOCUMENT

This document, which forms part of a registration statement on Form S-4 filed with the SEC by VeriFone (File No. 333-171324), constitutes a prospectus of VeriFone under Section 5 of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the VeriFone common stock to be issued to Hypercom stockholders as required by the merger agreement. This document also constitutes a proxy statement of Hypercom under Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. It also constitutes a notice of meeting with respect to the special meeting of Hypercom stockholders, at which Hypercom's stockholders will be asked to consider and vote upon a proposal to approve and adopt the merger agreement and approve the merger.

VeriFone has supplied all information contained or incorporated by reference in this proxy statement/prospectus relating to VeriFone and Hypercom has supplied all such information relating to Hypercom. VeriFone and Hypercom have not authorized anyone to provide you with information that is different from what is contained in this proxy statement/prospectus.

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HYPERCOM CORPORATION
8888 EAST RAINTREE DRIVE, SUITE 300
SCOTTSDALE, ARIZONA, 85260
(480) 642-5000

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON FEBRUARY 24, 2011

To all Hypercom stockholders:

Notice is hereby given that a special meeting of stockholders of Hypercom Corporation, a Delaware corporation, will be held at the principal executive offices of Hypercom located at 8888 East Raintree Drive, Suite 300, Scottsdale, Arizona 85260 on Thursday, February 24, 2011 at 9:00 a.m. Arizona time for the following purposes:

1. To approve and adopt the Agreement and Plan of Merger, dated as of November 17, 2010, by and among Hypercom, VeriFone Systems, Inc., a Delaware corporation, and Honey Acquisition Co., a Delaware corporation and a wholly owned subsidiary of VeriFone, and approve the merger contemplated by the merger agreement;
2. To approve the adjournment of the special meeting of stockholders of Hypercom, if necessary, for any purpose, including to solicit additional proxies if there are not sufficient votes to approve and adopt the merger agreement and approve the merger at the time of the special meeting of stockholders of Hypercom; and
3. To conduct any other business that properly comes before the special meeting of stockholders of Hypercom or any adjournment or postponement of such special meeting.

Only stockholders of record on the close of business on December 28, 2010, the record date, are entitled to vote at the special meeting or any postponement or adjournment of the meeting. A list of these stockholders will be available for inspection during business hours during the ten days prior to the meeting, at 8888 East Raintree Drive, Suite 300, Scottsdale, Arizona 85260, and will also be available at the special meeting. You are cordially invited to the meeting.

The presence of a majority of the shares entitled to vote, present in person or represented by proxy, will constitute a quorum at a meeting of stockholders.

By order of the Board of Directors of
Hypercom Corporation

/s/ Norman Stout

Norman Stout
Chairman of the Board

Scottsdale, Arizona

, 2011

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REGARDLESS OF THE NUMBER OF SHARES OF HYPERCOM COMMON STOCK YOU OWN OR WHETHER YOU PLAN TO ATTEND THE MEETING, IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AND VOTED. THE MERGER CANNOT BE COMPLETED UNLESS THERE IS A QUORUM PRESENT OR REPRESENTED AT THE SPECIAL MEETING AND THE HOLDERS OF A MAJORITY OF THE OUTSTANDING SHARES OF HYPERCOM COMMON STOCK ENTITLED TO VOTE AT THE SPECIAL MEETING APPROVE AND ADOPT THE MERGER AGREEMENT AND APPROVE THE MERGER. THEREFORE, WE URGE YOU TO COMPLETE, SIGN, DATE AND RETURN THE ACCOMPANYING PROXY CARD IN THE ENCLOSED PRE-ADDRESSED, POSTAGE-PAID ENVELOPE AS SOON AS POSSIBLE. YOU MAY ALSO VOTE YOUR SHARES BY PHONE OR ON THE INTERNET IN ACCORDANCE WITH THE INSTRUCTIONS SET FORTH ON THE ACCOMPANYING PROXY CARD. RETURNING THE PROXY CARD DOES NOT DEPRIVE YOU OF YOUR RIGHT TO ATTEND THE MEETING AND TO VOTE YOUR SHARES IN PERSON. YOUR VOTE IS VERY IMPORTANT.

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR APPROVAL AND ADOPTION OF THE MERGER AGREEMENT AND APPROVAL OF THE MERGER.

PLEASE DO NOT RETURN YOUR HYPERCOM SHARE CERTIFICATES WITH YOUR ENCLOSED PROXY.

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Questions and Answers about the Merger

The following are some of the questions that you, as a stockholder of Hypercom, may have, and answers to those questions. These questions and answers, as well as the following summary, are not meant to be a substitute for the information contained in the remainder of this proxy statement/prospectus, and this information is qualified in its entirety by the more detailed descriptions and explanations contained elsewhere in this proxy statement/prospectus. We urge you to read this proxy statement/prospectus in its entirety prior to making any decision.

Q: Why am I receiving this proxy statement/prospectus?

A: VeriFone and Hypercom have entered into a merger agreement. Upon completion of the merger, Hypercom will become a wholly owned subsidiary of VeriFone. In order to complete the merger, Hypercom stockholders must approve the proposal relating to the merger at the special meeting. The Hypercom proposal to approve and adopt the merger agreement and approve the merger must be approved by holders of a majority of the outstanding shares of Hypercom common stock entitled to vote at the special meeting.

We have included in this proxy statement/prospectus important information about the merger, the merger agreement and the special meeting of Hypercom stockholders. You should read this information carefully and in its entirety. We have also attached a copy of the merger agreement as Annex A. The enclosed voting materials allow you to vote your shares without attending the applicable special meeting. **Your vote is very important and we encourage you to vote your proxy as soon as possible.**

Q: What do I need to do now?

A: Read and consider the information contained in this proxy statement/prospectus carefully, and then please vote your shares by returning your completed proxy as soon as possible so that your shares may be represented at the special meeting. You may also submit a proxy for your shares by telephone or on the Internet, no later than 11:59 p.m., Eastern time, on February 23, 2011 in order for your shares to be voted at the special meeting, unless you attend and vote at the special meeting.

Q: What will Hypercom stockholders receive in the merger?

A: If the merger is completed, Hypercom stockholders will receive 0.23 shares of VeriFone common stock for each share of Hypercom common stock they own.

The exchange ratio will not change even if the market prices of Hypercom common stock or VeriFone common stock fluctuate. Therefore, the market value of the VeriFone common stock that Hypercom stockholders will receive if the merger is completed will fluctuate up or down with fluctuations in the market price of VeriFone common stock.

Q: What is the aggregate consideration to be paid by VeriFone for all of the outstanding shares of Hypercom common stock?

A: Based on the number of shares of Hypercom common stock outstanding as of the record date, VeriFone will issue in the aggregate an estimated 12,892,878 shares of VeriFone common stock. Assuming the exercise of all Hypercom options and warrants outstanding as of the record date, VeriFone would issue an additional 3,454,101 shares of VeriFone common stock in the merger.

Q: When do you expect the merger to be completed?

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- A: We are working towards completing the merger as quickly as reasonably possible. Several conditions must be satisfied or waived before the merger is completed. We hope to complete the merger promptly after obtaining certain regulatory approvals, and the satisfaction or waiver of the other conditions to the merger. We currently expect the merger to close in the second half of 2011. See the section of this proxy statement/prospectus titled "The Merger Agreement - Conditions to Completion of the Merger" for a summary description of these conditions.

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Q: What happens if the merger is not completed?

A: If the merger agreement is not adopted by Hypercom stockholders or if the merger is not completed for any other reason, you will not receive any payment for your shares of Hypercom common stock in connection with the merger. Instead, Hypercom will remain an independent public company and Hypercom common stock will continue to be listed and traded on the NYSE. If the merger agreement is terminated under specified circumstances, Hypercom may be required to pay VeriFone a termination fee of \$12.2 million, or VeriFone may be required to pay Hypercom a termination fee of \$28.4 million or \$30.4 million, as described under *The Merger Agreement Termination Fee Payable by Hypercom and Termination Fee Payable by VeriFone*.

Q: Are Hypercom stockholders entitled to dissenters or appraisal rights?

A: No. Under the Delaware General Corporation Law, holders of Hypercom common stock are not entitled to statutory dissenters or appraisal rights in connection with the merger.

Q: Will Hypercom stockholders be able to trade any VeriFone common stock that they receive in the merger?

A: Yes. The VeriFone common stock that Hypercom stockholders will receive will be freely tradable, unless held by an affiliate of VeriFone. VeriFone's common stock is listed on the New York Stock Exchange under the symbol *PAY*.

Q: What will happen to unexercised Hypercom stock options, restricted stock and Hypercom warrants?

A: Under the terms of the merger agreement, prior to the closing of the merger, Hypercom will take actions to fully vest all Hypercom stock options and restricted stock awards that were outstanding as of November 17, 2010. In addition, certain senior officers are entitled to vesting of any equity awards held upon termination of employment without cause or resignation for good cause occurring prior to the merger or within 12 months thereafter. See *Interests of Certain Persons in the Merger Change of Control Plan*. Following the merger, each outstanding stock option under Hypercom's stock option plans will be converted into an option to purchase a number of shares of VeriFone common stock equal to the product of (i) the number of shares of Hypercom common stock subject to such option immediately prior to the effective time of the merger and (ii) 0.23, subject to certain adjustments that may be required to comply with U.S. tax law. The exercise price of each option will equal the exercise price prior to the merger, divided by 0.23. Each option will otherwise continue to be governed by the same terms and conditions as applicable under Hypercom's stock option plan. Holders of restricted stock will receive the same merger consideration as other holders of Hypercom common stock: 0.23 shares of VeriFone common stock for each share of Hypercom common stock, with any unvested stock issued after November 17, 2010 and not subject to acceleration by the terms of the applicable award or under the Hypercom Change of Control Plan continuing to be subject to vesting restrictions.

At the effective time of the merger, each outstanding warrant to purchase shares of Hypercom common stock will be converted into a warrant to acquire a number of shares of VeriFone common stock equal to the number of shares of Hypercom common stock subject to such warrant multiplied by 0.23. The exercise price of each warrant will equal the exercise price prior to the merger, divided by 0.23. Following the effective time of the merger, each Hypercom warrant will continue to be governed by the same terms and conditions as were applicable under such warrant immediately prior to the effective time of the merger.

Q: Are there any risks related to the proposed transaction or any risks related to owning VeriFone common stock?

A: Yes. You should carefully review the section entitled *Risk Factors* beginning on page 26.

Q: Will the rights of Hypercom stockholders change as a result of the merger?

A: Yes. When the merger is complete, Hypercom stockholders will become VeriFone stockholders and their rights as stockholders will be governed by VeriFone's certificate of incorporation and bylaws. There are numerous differences between the rights and responsibilities of a stockholder of Hypercom and the rights and responsibilities of a stockholder of VeriFone. Please see *Comparison of Rights of VeriFone Stockholders and Hypercom Stockholders* beginning on page 110 for a discussion of the different rights associated with VeriFone common stock.

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Questions and Answers about the Special Meeting

Q: When and where will the special meeting be held?

A: The special meeting is scheduled to be held at 8888 East Raintree Drive, Suite 300, Scottsdale, Arizona 85260, at 9:00 a.m., Arizona time, on Thursday, February 24, 2011.

Q: Who is entitled to vote at the special meeting?

A: Hypercom has fixed December 28, 2010 as the record date for the special meeting. If you are a Hypercom stockholder at the close of business on the record date, you are entitled to vote on matters that come before the special meeting. However, a Hypercom stockholder may only vote his or her shares if he or she is present in person or is represented by proxy at the special meeting.

Q: What are the recommendations of the Hypercom board of directors?

A: The Hypercom board of directors has approved the merger agreement, the merger and the related transactions contemplated by the merger agreement and determined that these transactions are fair to and in the best interests of its stockholders. The Hypercom board of directors recommends that Hypercom stockholders vote FOR the proposal to approve and adopt the merger agreement and approve the merger and FOR the adjournment of the special meeting, if necessary, for any purpose, including to solicit additional proxies in favor of the approval and adoption of the merger agreement and approval of the merger. See The Merger Hypercom's Reasons for the Merger; Recommendation of the Hypercom Board of Directors on page 70.

Q: How can I vote?

A: If you are entitled to vote at the special meeting, you can vote in person at the special meeting, or you can vote by proxy before the special meeting. Even if you plan to attend the special meeting, we encourage you to vote your shares by proxy as soon as possible. After carefully reading and considering the information contained in this proxy statement/prospectus, please submit your proxy in accordance with the instructions set forth on the enclosed proxy card. For detailed information, please see Information about the Special Meeting How to Vote beginning on page 55.

The vote required to approve and adopt the merger agreement and approve the merger at the special meeting is a majority of the outstanding shares of Hypercom common stock entitled to vote.

Q: What happens if a Hypercom stockholder does not indicate how to vote on the proxy card?

A: If Hypercom stockholders do not include instructions on how to vote their properly signed and dated proxy card, their shares will be voted FOR the approval and adoption of the merger agreement and approval of the merger. They would also be voted FOR the adjournment of the special meeting, if necessary, for any purpose, including to solicit additional proxies in favor of the approval and adoption of the merger agreement and approval of the merger and in the discretion of the proxy holders, on any other business that may properly come before the special meeting.

Q: *What happens if I do not vote?*

A: Approval of the proposal to be presented at the special meeting requires the affirmative vote of holders of a majority of the outstanding shares of Hypercom common stock entitled to vote at the special meeting. Stockholders who represent a majority of the shares of Hypercom entitled to vote must be present in person or represented by proxy in order to constitute a quorum to conduct business at a meeting of stockholders. Abstentions and broker non-votes count as present for establishing a quorum.

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If a quorum is present at the special meeting, your failure to return your proxy card or vote in person at the meeting or your abstention from voting will have the same effect as a vote AGAINST the approval and adoption of the merger agreement and approval of the merger.

Q: If my shares are held in street name by my broker, will my broker vote my shares for me?

A: If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial holder of the shares held for you in what is known as street name. If this is the case, this proxy statement/prospectus has been forwarded to you by your brokerage firm, bank or other nominee, or their agent. As the beneficial holder, you have the right to direct your broker, bank or other nominee as to how to vote your shares. If you do not provide your broker, bank or other nominee with instructions on how to vote your street name shares, your broker, bank or other nominee will not be permitted to vote them on the proposal to approve and adopt the merger agreement and approve the merger. You should therefore be sure to provide your broker, bank or other nominee with instructions on how to vote your shares.

Q: Have any Hypercom equityholders agreed to vote for the merger agreement and the merger?

A: In connection with the merger, VeriFone entered into a support agreement with FP Hypercom Holdco, LLC and Francisco Partners II, L.P., pursuant to which FP Hypercom Holdco, LLC and Francisco Partners II, L.P. agreed to vote any shares of Hypercom common stock held by them in favor of the merger. As of the record date, FP Hypercom Holdco, LLC holds a warrant to purchase 10,544,000 shares of Hypercom common stock (which, if exercised as of the record date, would have represented approximately 15.8% of the outstanding shares of Hypercom common stock) but based on information received from Francisco Partners II, L.P. neither Francisco Partners II, L.P. nor FP Hypercom Holdco, LLC holds any shares of Hypercom common stock. Accordingly, FP Hypercom Holdco, LLC and Francisco Partners II, L.P. will not be entitled to vote at the special meeting. The support agreement is attached as Annex B to this proxy statement/prospectus.

Q: Can I change my vote after I have signed and returned my proxy card or voting instruction card?

A: Yes. You can change your vote at any time before your proxy is voted at the special meeting. You can do this in one of three ways:

you can send a written notice stating that you would like to revoke your proxy, provided that the notice is received at least 24 hours prior to the time set for the special meeting or is presented at the special meeting to the chairman of the meeting;

you can complete and submit a new proxy card dated later than the first proxy card, provided that the new proxy card i