

Landis Jennifer C
Form 4
February 07, 2019

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Landis Jennifer C

2. Issuer Name and Ticker or Trading Symbol
BLACK HILLS CORP /SD/ [BKH]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
PO BOX 1400
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/04/2019

____ Director _____ 10% Owner
____ Officer (give title below) _____ Other (specify below)
Sr VP Human Resources

RAPID CITY, SD 57709

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock	02/04/2019		F(1)	68.195 D	\$ 66.94 8,159.194	D	
Common Stock	02/05/2019		F(2)	146.174 D	\$ 67.14 8,013.02	D	
Common Stock					1,576.643	I	By 401K

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reporting Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Landis Jennifer C PO BOX 1400 RAPID CITY, SD 57709			Sr VP Human Resources	

Signatures

/s/Lorna J. Gunderman 02/07/2019
 **Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Shares used to pay tax withholding associated with Restricted Stock Vesting from 2-4-16 Restricted Stock Grant.
- (2) Shares used to pay tax withholding associated with Restricted Stock Vesting from 2-5-18 Restricted Stock Grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. the holder s method of U.S. federal income tax accounting).

Notes Issued with Original Issue Discount. Unless the applicable pricing supplement states otherwise, we will not issue the notes with OID. For U.S. federal income tax purposes, OID is the excess of the stated redemption price at maturity of a note over its issue price. However, OID is assumed to be zero if the excess is less than a *de minimis* amount, generally, 0.25% of the note s stated redemption price at maturity multiplied by the number of complete years to maturity (or the weighted average maturity in the case of a note that provides for payment of an amount other than qualified stated interest (as described below) before maturity). The issue price of each note, as used in this summary, equals the first price at which a substantial amount of notes have been sold to the public, ignoring sales to bond houses, brokers, or similar persons or organizations acting as underwriters, placement agents, or wholesalers, excluding pre-issuance accrued interest (as discussed below under Pre-Issuance

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Accrued Interest). The stated redemption price at maturity of a note will equal the sum of all payments required to be made under the note other than payments of qualified stated interest. Qualified stated interest is stated interest unconditionally payable in cash or property, other than debt instruments of the issuer, at least annually during the entire term of the note at a single fixed rate that takes into account the length of the interval between stated interest payments, or a qualifying variable rate (as described below).

A U.S. holder of a note issued with OID will be required to include any qualified stated interest payments in income in accordance with the holder's method of accounting for U.S. federal income tax purposes. A U.S. holder of a note issued with OID that matures more than one year from its date of issuance will be required to include OID in gross income as it accrues in accordance with a constant yield method (as described below), generally before the receipt of cash payments attributable to such income, regardless of that holder's regular accounting method for U.S. federal income tax purposes. Under the constant yield method, a holder of a note issued with OID generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

The annual amount of OID includible in income by a U.S. holder of a note having OID will equal the sum of the daily portions of the OID with respect to the note for each day on which the U.S. holder held the note during the taxable year. Generally, the daily portions of OID are determined by allocating to each day in an accrual period the ratable portion of OID allocable to the accrual period. The term accrual period means an interval of time with respect to which the accrual of OID is measured and which may vary in length over the term of the note provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on either the first or last day of an accrual period.

The amount of OID allocable to an accrual period will be the excess of:

the product of the adjusted issue price of the note at the commencement of the accrual period and its yield to maturity over

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the amount of any qualified stated interest payments allocable to the accrual period.

The adjusted issue price of a note at the beginning of the first accrual period is its issue price and, on any day thereafter, it is the sum of the issue price and the amount of OID previously includible in the gross income of the U.S. holder (without regard to any acquisition premium as described below), reduced by the amount of any payment other than a payment of qualified stated interest previously made on the note. If an interval between payments of qualified stated interest contains more than one accrual period, the amount of qualified stated interest that is payable at the end of the interval (including any qualified stated interest that is payable on the first day of the accrual period immediately following the interval) is allocated on a pro-rata basis to each accrual period in the interval, and the adjusted issue price at the beginning of each accrual period in the interval is increased by the amount of any qualified stated interest that has accrued prior to the first day of the accrual period but is not payable until the end of the interval. The yield to maturity of a note is the discount rate that causes the present value on the issue date of all payments on the note to equal the issue price computed on the basis of compounding at the end of each accrual period properly adjusted for the length of the particular accrual period. If all accrual periods are of equal length except for a shorter initial and/or final accrual period(s), the amount of OID allocable to the initial period may be computed using any reasonable method; however, the OID allocable to the final accrual period will always be the difference between the amount payable at maturity (other than a payment of qualified stated interest) and the adjusted issue price at the beginning of the final accrual period.

Pre-Issuance Accrued Interest

If (i) a portion of the initial purchase price of a note is attributable to pre-issuance accrued interest, (ii) the first stated interest payment on the note is to be made within one year of the note's issue date, and (iii) the payment will equal or exceed the amount of pre-issuance accrued interest, then the U.S. holder may compute the issue price of the note by subtracting the amount of the pre-issuance accrued interest. In that event, a portion of the first stated interest payment will be treated as a return of the excluded pre-issuance accrued interest and not as an amount payable on the note.

Notes Subject to Call or Put Options

For purposes of calculating the yield and maturity of a note subject to an option, in general, a call option held by the issuer is presumed exercised if, upon exercise, the yield on the note is less than it would have been had the option not been exercised, and a put option held by a U.S. holder is presumed exercised if, upon exercise, the yield on the note is more than it would have been had the option not been exercised. The effect of this rule generally may accelerate or defer the inclusion of OID in the income of a U.S. holder whose note is subject to a put option or a call option, as compared to a note that does not have such an option. The applicable pricing supplement will indicate whether a put option or call option will be presumed to be exercised and the effect of that presumption. If any option that is presumed to be exercised is not in fact exercised, the note is treated as reissued solely for purposes of the OID rules on the date of presumed exercise for an amount equal to its adjusted issue price on that date. The deemed reissuance will have the effect of redetermining the note's yield and maturity for OID purposes and any related subsequent accruals of OID.

Variable Rate Debt Instruments

Certain notes that are treated as variable rate debt instruments are subject to special rules described below. The applicable pricing supplement will indicate whether we intend to treat the notes as variable rate debt instruments that are subject to these special rules.

If a variable rate debt instrument bears interest that is unconditionally payable at least annually at a single qualified floating rate or objective rate, all stated interest is treated as qualified stated interest. The accrual of any OID is determined by assuming the note bears interest at a fixed interest rate equal to the issue date value of the qualified floating rate or qualified inverse floating rate or, in the case of any other objective rate, a fixed interest

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rate that is equal to the reasonably expected yield for the note. The qualified stated interest allocable to an accrual period is increased (or decreased) if the interest actually paid during an accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period. The applicable pricing supplement will indicate whether a note is subject to these rules.

If a variable rate debt instrument bears interest at a qualifying variable rate other than a single qualified floating rate or objective rate, the amount and accrual of OID generally are determined by (i) determining a fixed rate substitute for each variable rate as described in the preceding paragraph, (ii) determining the amount of qualified stated interest and OID by assuming the note bears interest at such substitute fixed rates and (iii) making appropriate adjustments to the qualified stated interest and OID so determined for actual interest rates under the note. However, if such qualifying variable rate includes a fixed rate, the note is treated for purposes of applying clause (i) of the preceding sentence as if it provided for an assumed qualified floating rate (or qualified inverse floating rate if the actual variable rate is such) that would cause the note to have approximately the same fair market value, and the rate is used in lieu of the fixed rate. The applicable pricing supplement will indicate whether the notes are subject to these rules.

Short-Term Debt Instruments

Certain notes that are treated as short-term debt instruments are subject to special rules. The applicable pricing supplement will indicate whether we intend to treat the notes as short-term debt instruments. A note that is a short-term debt instrument will be acquired with acquisition discount equal to all payments under the note over the U.S. holder's basis in the note. U.S. holders that report income for U.S. federal income tax purposes on the accrual method and certain other holders are required to include OID (equal to the difference between all payments on the note over its issue price) in income or, if the U.S. holder elects, acquisition discount with respect to a note that is a short-term debt instrument. OID or acquisition discount on notes that are short-term debt instruments is accrued on a straight-line basis, unless an irrevocable election with respect to the note is made to accrue the OID or acquisition discount under the constant yield method based on daily compounding.

In general, an individual or other cash method U.S. holder of a short-term debt instrument is not required to accrue OID or acquisition discount with respect to a note that is a short-term debt instrument, unless the U.S. holder elects to do so. An election by a cash basis U.S. holder to accrue OID on a note that is a short-term debt instrument, as well as the election to accrue acquisition discount instead of OID with respect to a note that is a short-term debt instrument, applies to all short-term debt instruments acquired by the U.S. holder during the first taxable year for which the election is made, and all subsequent taxable years of the U.S. holder, unless the Internal Revenue Service (the IRS) consents to a revocation. In the case of a U.S. holder that is not required (and does not elect) to include OID or acquisition discount in income currently, any gain realized on the sale, exchange or other taxable disposition of a note that is a short-term debt instrument is treated as ordinary income to the extent of the OID that had accrued on a straight-line basis (or, if elected, under the constant yield method based on daily compounding) through the date of sale, exchange or other disposition, and the U.S. holder will be required to defer deductions for any interest paid on indebtedness incurred or continued to purchase or carry the note in an amount not exceeding the accrued OID (determined on a ratable basis, unless the U.S. holder elects to use a constant yield basis) on the note, until the OID is recognized.

Market Discount and Premium

If a U.S. holder purchases a note, other than a CPDI (as defined below) or a short-term debt instrument, for an amount that is less than its stated redemption price at maturity or, in the case of a note having OID, less than its revised issue price (which is the sum of the issue price of the note and the aggregate amount of the OID previously includible in the gross income of any holder (without regard to any acquisition premium)), the amount of the difference generally will be treated as market discount for U.S. federal income tax purposes. (It is possible that a U.S. holder may purchase a note at original issuance for an amount that is different than its issue price.) The amount of any market discount generally will be treated as *de minimis* and disregarded if it is less than the

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product of 0.25 percent of the stated redemption price at maturity of the note and the number of complete years to maturity (or weighted average maturity in the case of notes paying any amount other than qualified stated interest prior to maturity).

Under the market discount rules, a U.S. holder is required to treat any principal payment on, or any gain on the sale, exchange, retirement or other disposition of, a note as ordinary income to the extent of any accrued market discount that has not previously been included in income. If the note is disposed of in a nontaxable transaction (other than certain specified nonrecognition transactions), accrued market discount will be includible as ordinary income to the U.S. holder as if the U.S. holder had sold the note at its then fair market value. In addition, the U.S. holder may be required to defer, until the maturity of the note or its earlier disposition in a taxable transaction, the deduction of all or a portion of the interest expense on any indebtedness incurred or continued to purchase or carry the note.

Market discount accrues ratably during the period from the date of acquisition to the maturity of a note, unless the U.S. holder elects to accrue it under the constant yield method. A U.S. holder of a note may elect to include market discount in income currently as it accrues (either ratably or under the constant yield method), in which case the rule described above regarding deferral of interest deductions will not apply. The election to include market discount currently applies to all market discount obligations acquired during or after the first taxable year to which the election applies and may not be revoked without the consent of the IRS. If an election is made to include market discount in income currently, the basis of the note in the hands of the U.S. holder will be increased by the market discount thereon as it is included in income.

A U.S. holder that purchases a note having OID, other than a CPDI, for an amount exceeding its adjusted issue price (which is described above under Notes Issued with OID) and less than or equal to the sum of all remaining amounts payable on the note other than payments of qualified stated interest will be treated as having purchased the note with acquisition premium. The amount of OID that the U.S. holder must include in gross income with respect to such note will be reduced in the proportion that the excess bears to the OID remaining to be accrued as of the note's acquisition and ending on the stated maturity date. Rather than apply the above fraction, the U.S. holder that, as discussed below, elects to treat all interest as OID would treat the purchase at an acquisition premium as a purchase at an original issuance and calculate OID accruals on a constant yield to maturity.

A U.S. holder that acquires a note, other than a CPDI, for an amount that is greater than the sum of all remaining amounts payable on the note other than payments of qualified stated interest will be treated as having purchased the note at a bond premium and will not be required to include any OID in income. A U.S. holder generally may elect to amortize bond premium. The election to amortize bond premium must be made with a timely filed federal income tax return for the first taxable year to which the U.S. holder wishes the election to apply.

If bond premium is amortized, the amount of interest that must be included in the U.S. holder's income for each period ending on an interest payment date or on stated maturity, as the case may be, will be reduced by the portion of bond premium allocable to such period based on the note's yield to maturity (or, in certain circumstances, until an earlier call date) determined by using the U.S. holder's basis of the note, compounding at the close of each accrual period. If the bond premium allocable to an accrual period is in excess of qualified stated interest allocable to that period, the excess may be deducted to the extent of prior income inclusions and is then carried to the next accrual period and offsets qualified stated interest in such period. If an election to amortize bond premium is not made, a U.S. holder must include the full amount of each interest payment in income in accordance with its regular method of accounting and will receive a tax benefit from the premium only in computing its gain or loss upon the sale or other disposition or payment of the principal amount of the note.

An election to amortize bond premium will apply to amortizable bond premium on all notes and other bonds, the interest on which is includible in the U.S. holder's gross income, held at the beginning of the U.S.

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holder's first taxable year to which the election applies or thereafter acquired, and may be revoked only with the consent of the IRS. The election to treat all interest as OID is treated as an election to amortize premium. Special rules may apply if a note is subject to call prior to maturity at a price in excess of its stated redemption price at maturity.

Election to Treat All Interest and Discount as OID (Constant Yield Method)

A U.S. holder of a note may elect to include in income all interest and discount (including *de minimis* OID and *de minimis* market discount), as adjusted by any premium with respect to the note, based on a constant yield method, which is described above under Notes Issued with OID. The election is made for the taxable year in which the U.S. holder acquired the note, and it may not be revoked without the consent of the IRS. If such election is made with respect to a note having market discount, the U.S. holder will be deemed to have elected currently to include market discount on a constant yield basis with respect to all debt instruments having market discount acquired during the year of election or thereafter. If made with respect to a note having amortizable bond premium, the U.S. holder will be deemed to have made an election to amortize premium generally with respect to all debt instruments having amortizable bond premium held by the U.S. holder during the year of election or thereafter.

Contingent Payment Debt Instruments. Notes that provide for one or more contingent payments but that do not qualify as variable rate notes may be treated as contingent payment debt instruments (CPDIs). The applicable pricing supplement will indicate whether we intend to treat a note as a CPDI. If a CPDI is issued for cash or publicly traded property, U.S. Holders of the notes will be required under the noncontingent bond method to accrue OID over the term of the note at an assumed yield (referred to as the comparable yield), regardless of whether the U.S. holder uses the cash or accrual method of accounting for U.S. federal income tax purposes. The comparable yield of a CPDI is determined at the time of issuance and is based on the yield at which we would issue a fixed rate non-convertible debt instrument with terms and conditions similar to those of the notes, including level of subordination, term, timing of payments, and general market conditions. If a hedge of the note is available that, if integrated with the note, would produce a synthetic debt instrument with a determinable yield to maturity, the comparable yield will be equal to the yield of the synthetic debt instrument. However, if such a hedge is not available, but similar fixed rate debt instruments of an issuer are traded at a price that reflects a spread above a benchmark rate, the comparable yield is the sum of the benchmark rate on the issue date and the spread. The comparable yield is determined solely for U.S. federal income tax purposes and does not constitute a representation by us as to the actual yield on the notes.

The amount of OID income that a U.S. holder must accrue for U.S. federal income tax purposes in each accrual period of the notes is an amount that equals (1) the product of (i) the adjusted issue price (as defined below) of the notes as of the beginning of the accrual period, and (ii) the comparable yield of the notes, adjusted for the length of the accrual period; (2) divided by the number of days in the accrual period; and (3) multiplied by the number of days during the accrual period that the U.S. holder held the notes. The adjusted issue price of a note is its issue price, increased by any interest income previously accrued, determined without regard to any adjustments to interest accruals and decreased by the amount of any projected payments described in the projected payment schedule previously made with respect to the notes.

In addition to the determination of a comparable yield, the noncontingent bond method requires determination of a schedule of the projected amount of each payment (whether or not contingent) to be made under the CPDI. The projected payment schedule is determined in such a way that the sum of the discounted present value of the projected amounts of all payments, determined using a discount rate equal to the comparable yield, equals the issue price and reasonably reflects the relative expected values of the payments. The projected payment schedule is then determined as of the issue date and remains fixed throughout the term of the CPDI. The applicable pricing supplement will either provide such projected payment schedule, or the name or title and address or telephone number of our representative who will provide such projected payment schedule.

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A U.S. holder is required to use our projected payment schedule to determine the U.S. holders' interest accruals and adjustments, unless the U.S. holder determines that our projected payment schedule is unreasonable, in which case the U.S. holder must disclose its own projected payment schedule in connection with its federal income tax return and the reason(s) why it is not using our projected payment schedule. Pursuant to the indenture, however, holders will agree to, and be bound by, our projected payment schedule and our determination of the comparable yield.

If the actual amounts of contingent payments are different from the amounts reflected in the projected payment schedule, a U.S. holder is required to make adjustments in its OID accruals when such amounts are paid. Adjustments arising from contingent payments that are greater than the assumed amounts of those payments are referred to as positive adjustments; adjustments arising from contingent payments that are less than the assumed amounts are referred to as negative adjustments. Positive and negative adjustments are netted for each taxable year with respect to each note. Any net positive adjustment for a taxable year is treated as additional interest income of the U.S. holder. Any net negative adjustment reduces any interest income on the note for the taxable year that would otherwise accrue. Any excess is then treated as a current-year ordinary loss to the U.S. holder to the extent of interest inclusions in prior years and not offset by prior net negative adjustments. The balance, if any, is treated as a negative adjustment in subsequent taxable years and, to the extent that it has not previously been taken into account, reduces the amount realized upon a sale, exchange, or retirement of the note.

A U.S. holder's basis in a CPDI is increased by the projected contingent payments accrued by the holder under the projected payment schedule (as determined without regard to adjustments made to reflect differences between actual and projected payments) and reduced by the amount of any non-contingent payments and the projected amount of any contingent payments previously made. Gain on the sale, exchange, or retirement of a CPDI generally is treated as ordinary income. Losses, on the other hand, generally are treated as ordinary only to the extent of the holder's prior net interest inclusions (reduced by the total net negative adjustments previously allowed to the holder as an ordinary loss) and capital to the extent in excess thereof.

A U.S. holder that purchases a note for an amount other than the issue price of the note will be required to adjust its OID inclusions to account for the difference. These adjustments will affect the U.S. holder's basis in the note. Reports to U.S. holders may not include these adjustments. U.S. holders that purchase notes at other than the issue price should consult their tax advisors regarding these adjustments.

Prospective investors should consult their own tax advisors with respect to the application of the CPDI provisions to notes.

Sale, Exchange or Retirement of the Notes. Upon the sale, exchange or retirement of a note, a U.S. holder generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the holder's adjusted tax basis in the note. For these purposes, the amount realized does not include any amount attributable to accrued interest on the note, which will be taxable as such unless previously taken into account. A U.S. holder's adjusted tax basis in a note generally will equal the cost of the note to such holder, increased by the amount of any OID or market discount previously included in income by the holder with respect to such note, and reduced by any amortized bond premium and any payments that do not constitute qualified stated interest, such as principal payments.

Except as discussed above under **Short-Term Debt Instruments**, **Market Discount and Premium**, and **Contingent Payment Debt Instruments**, gain or loss recognized on the sale, exchange or retirement of a note generally will be capital gain or loss, and will be long-term capital gain or loss if, at the time of such sale, exchange or retirement, the note has been held for more than one year. Capital gains of individual and certain other non-corporate taxpayers from the sale, exchange or retirement of a note held for more than one year may be eligible for reduced rates of taxation. The deductibility of a capital loss recognized on the sale, exchange, or retirement of a note is subject to limitations.

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Amortizing Notes

Payments received pursuant to an amortizing note may consist of both a principal and an interest component. The principal component will generally constitute a tax-free return of capital that will reduce a U.S. holder's adjusted tax basis in the note.

Foreign Currency Notes

Certain notes that are denominated in or indexed to a foreign currency are subject to special rules. The applicable pricing supplement will indicate whether we intend to treat the notes as subject to these special rules. The following discussion summarizes the principal U.S. federal income tax consequences of owning a note that is denominated in or indexed to a foreign currency (other than a currency described in this section that is considered hyperinflationary), and is not a CPDI or a dual currency note. Special federal income tax considerations applicable to notes that are denominated in or indexed to a hyperinflationary currency, are CPDIs, or are dual currency notes, will be discussed in the applicable pricing supplement.

In general, a U.S. holder that uses the cash method of accounting and holds a note will be required to include in income the U.S. dollar value of the amount of interest income received, whether or not the payment is received in U.S. dollars or converted into U.S. dollars. The U.S. dollar value of the amount of interest received is the amount of the interest paid in the foreign currency, translated into U.S. dollars at the spot rate on the date of receipt. The U.S. holder will not have exchange gain or loss on the interest payment itself, but may have exchange gain or loss when it disposes of any foreign currency received.

A U.S. holder that uses the accrual method of accounting is generally required to include in income the U.S. dollar value of interest accrued during the accrual period. Accrual basis U.S. holders may determine the amount of income recognized with respect to such interest in accordance with either of two methods. Under the first method, the U.S. dollar value of accrued interest is translated at the average rate for the interest accrual period (or, with respect to an accrual period that spans two taxable years, the partial period within the taxable year). For this purpose, the average rate is the simple average of spot rates of exchange for each business day of such period or other average exchange rate for the period reasonably derived and consistently applied by the U.S. holder. Under the second method, a U.S. holder can elect to accrue interest at the spot rate on the last day of the interest accrual period (in the case of a partial accrual period, the last day of the taxable year) or, if the last day of an interest accrual period is within five business days of the receipt, the spot rate on the date of receipt. Any such election must be applied consistently to all debt instruments held by the U.S. holder from year to year and is irrevocable without the consent of the IRS. An accrual basis U.S. holder will recognize exchange gain or loss, as the case may be, on the receipt of a foreign currency interest payment if the spot rate on the date payment is received differs from the rate applicable to the previous accrual of that interest income. The foreign currency gain or loss will generally be treated as U.S. source ordinary income or loss.

If the notes are traded on an established securities market, a U.S. holder that receives a specified currency other than the U.S. dollar in respect of a sale, exchange, retirement or other disposition of a note generally should determine the amount realized (as determined on the trade date) by translating that specified currency into its U.S. dollar value at the spot rate (i) on the settlement date of the disposition in the case of a U.S. holder using the cash method of accounting and (ii) on the trade date, in the case of a U.S. holder using the accrual method of accounting, unless such holder elects to use the spot rate applicable to cash method U.S. holders. The election available to accrual basis U.S. holders in respect of the purchase and sale of notes denominated in foreign currency traded on an established securities market, discussed above, must be applied consistently by the U.S. holder to all debt instruments from year to year and can be changed only with the consent of the IRS.

Gain or loss recognized by a U.S. holder on the disposition of a note denominated in foreign currency generally will be treated as ordinary income or loss to the extent that the gain or loss is attributable to changes in exchange rates during the period in which the holder held such note.

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Foreign currency received as interest on, or on a disposition of, a note will have a tax basis equal to its U.S. dollar value at the time such interest is received or at the time such proceeds are received. The amount of gain or loss recognized on a sale or other disposition of such foreign currency will be equal to the difference between (1) the amount of U.S. dollars, or the fair market value in U.S. dollars of the other property received in such sale or other disposition, and (2) the U.S. holder's tax basis in such foreign currency.

A U.S. holder that purchases a note with previously owned foreign currency will generally recognize gain or loss in an amount equal to the difference, if any, between such holder's tax basis in such foreign currency and the U.S. dollar fair market value of such note on the date of purchase. Any such gain or loss generally will be ordinary income or loss and will not be treated as interest income or expense. The conversion of U.S. dollars to foreign currency and the immediate use of such currency to purchase a note generally will not result in any exchange gain or loss for a U.S. holder.

OID on a note described in this section is determined in the foreign currency and is translated into U.S. dollars in the same manner that an accrual basis U.S. holder accrues stated interest. Exchange gain or loss is determined when OID is considered paid to the extent the spot rate on the date of payment differs from the exchange rate at which the OID was accrued.

The amount of market discount on a note described in this section includible in income will generally be determined by computing the market discount in the foreign currency and translating that amount into U.S. dollars at the spot rate on the date the note is retired or otherwise disposed of. If the U.S. holder accrues market discount currently, the amount of market discount which accrues during any accrual period is determined in the foreign currency and translated into U.S. dollars on the basis of the average exchange rate in effect during the accrual period. Exchange gain or loss may be recognized to the extent that the spot rate on the date of the retirement or disposition of the note differs from the exchange rate at which the market discount was accrued.

Amortizable bond premium on a note described in this section is computed in the foreign currency and, if the U.S. holder elects, will reduce interest income in the specified foreign currency. At the time amortized bond premium offsets interest income (i.e., the last day of the tax year in which the election is made and the last day of each subsequent tax year), exchange gain or loss with respect to amortized bond premium is recognized and is measured by the difference between the spot rates at that time and at the time of the acquisition of the note.

With respect to the sale, exchange, retirement or other disposition of a note denominated in a foreign currency, the foreign currency amount realized will be considered to be first, the payment of accrued but unpaid interest (on which exchange gain or loss is recognized as described above); second, accrued but unpaid OID (on which exchange gain or loss is recognized as described above); and, finally, as receipt of principal. With respect to principal, exchange gain or loss is equal to the difference between (i) the foreign currency principal amount translated at the spot rate on the date the payment is received or the date of disposition and (ii) the foreign currency principal amount translated at the spot rate on the date the note was acquired, or deemed acquired. Exchange gain or loss computed on accrued interest, OID, market discount and principal is realized, however, only to the extent of total gain or loss on the transaction. The conversion of U.S. dollars into a foreign currency and the immediate use of that currency to purchase a note described in this section generally will not result in a taxable gain or loss for a U.S. holder.

U.S. Tax Consequences to Non-U.S. Holders

A non-U.S. holder will not be subject to U.S. federal income or withholding tax on interest, OID or principal payments on a note if:

the holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote;

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the holder is not a controlled foreign corporation for U.S. federal income tax purposes that is related to us through actual or constructive stock ownership;

the holder is not a bank receiving interest described in Code Section 881(c)(3)(A);

the interest is not contingent interest under Code Section 871(h)(4)(A);

the interest is not effectively connected with the conduct of a U.S. trade or business (and in the case of a treaty resident, is not attributable to a permanent establishment or a fixed base the non-U.S. holder maintains in the United States); and

either: the beneficial owner of the note provides to us or to our paying agent an appropriate statement on IRS Form W-8BEN together with all appropriate attachments, certifying that it is not a U.S. holder and providing its name and address; or, if a financial institution holds the note on behalf of the beneficial owner, the financial institution certifies to us that such statement has been received from the beneficial owner or another intermediary and furnishes a copy of such certification to us or our paying agent. In addition, we and our paying agent must not have actual knowledge or reason to know that the beneficial owner is a U.S. person.

The applicable pricing supplement will indicate whether we expect that any interest will be treated as contingent interest under Code Section 881(c)(3)(A). If any of these conditions are not met, a 30% withholding tax will apply to interest income, including OID, on the notes, unless an income tax treaty reduces or eliminates the tax or the interest is effectively connected with the conduct of a U.S. trade or business, and in the case of a treaty resident is attributable to a permanent establishment or a fixed base the non-U.S. holder maintains in the United States and the non-U.S. holder provides an IRS Form W-8ECI to that effect. In the latter case, the non-U.S. holder generally will be subject to U.S. federal income tax with respect to all income from the notes in the same manner as U.S. holders, as described above. Additionally, in that case, non-U.S. holders that are corporations could be subject to a branch profits tax (currently imposed at a rate of 30%, or a lower treaty rate, if applicable) on its earnings and profits for the taxable year, subject to adjustments, that are effectively connected with the corporation's conduct of a U.S. trade or business. For this purpose, interest paid on the notes will be included in the earnings and profits of the foreign corporation.

Treatment of Disposition of Notes. Generally, a non-U.S. holder will not be subject to federal income tax on any amount which constitutes capital gain upon the sale, exchange, retirement or other disposition of a note (except with respect to accrued but unpaid interest, which will be taxable as described above) unless:

the holder is an individual present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition and certain other conditions are met; or

the gain is effectively connected with the conduct of a U.S. trade or business, and in the case of a treaty resident, is attributable to a permanent establishment or a fixed base the non-U.S. holder maintains in the United States.

If the first exception applies, the non-U.S. holder generally will be subject to a flat U.S. federal income or withholding tax at a rate of 30% on the amount by which the gains derived from the sales that are from U.S. sources exceed capital losses allocable to U.S. sources. If the second exception applies, the non-U.S. holder generally will be subject to U.S. federal income tax with respect to the gain in the same manner as U.S. holders, as described above. Additionally, in that case, non-U.S. holders that are corporations could be subject to a branch profits tax on such gain (currently imposed at a rate of 30%, or a lower treaty rate, if applicable).

Treatment of Notes for U.S. Federal Estate Tax Purposes. A note will not be subject to U.S. federal estate tax, provided the non-U.S. holder is not at the time of death a 10% shareholder of our stock (as specifically defined for U.S. federal income tax purposes) and payments of interest on those notes would not have been considered effectively connected with the conduct of a U.S. trade or business (and in the case of a treaty resident, attributable to a permanent establishment or a fixed base the non-U.S. holder maintained in the United States).

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U.S. Information Reporting Requirements and Backup Withholding Tax

Under some circumstances, the Code requires information reporting annually to the IRS as to each holder, and a backup withholding tax at the current rate of 28%. Backup withholding and information reporting generally do not apply to some holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts and individual retirement accounts.

In general, backup withholding will apply to a U.S. holder only if the U.S. holder:

fails to furnish its Taxpayer Identification Number (TIN), which for an individual would be his or her social security number;

furnishes an incorrect TIN;

is notified by the IRS that it has failed to properly report payments of interest and dividends; or

under certain circumstances, fails to certify, under penalty of perjury, that it has furnished a correct TIN and has not been notified by the IRS that it is subject to backup withholding for failure to report interest and dividend payments.

A U.S. holder may be eligible for an exemption from backup withholding by providing a properly completed IRS Form W-9 to us or our paying agent.

A non-U.S. holder that provides the applicable IRS Form W-8BEN or W-8IMY (or a suitable successor or substitute form), together with all appropriate attachments, signed under penalties of perjury, identifying the non-U.S. holder and stating that the non-U.S. holder is not a United States person, will not be subject to information reporting and backup withholding requirements, if neither we nor our paying agent have actual knowledge or reason to know that the holder is a U.S. person or otherwise does not satisfy the requirements for an exemption.

Information reporting and backup withholding requirements with respect to the payment of the proceeds from the disposition of a note by a non-U.S. holder are as follows:

If the proceeds are paid by or through the U.S. office of a broker, they generally will be subject to information reporting and backup withholding. However, no such reporting and withholding is required if: (i) the holder either certifies as to its status as a non-U.S. holder under penalties of perjury on the applicable IRS Form W-8BEN or W-8IMY (as described above) or otherwise establishes an exemption, and (ii) the broker does not have actual knowledge or reason to know that the holder is a U.S. person or that the conditions of any other exemption are not, in fact, satisfied.

If the proceeds are paid by or through a non-U.S. office of a broker that is not a U.S. person or a U.S. related person, as defined below, they will not be subject to backup withholding or information reporting.

If the proceeds are paid by or through a non-U.S. office of a broker that is either a U.S. person or a U.S. related person, they generally will be subject to information reporting. However, no reporting is required if (i) the holder certifies as to its status as a non-U.S. holder under penalties of perjury or the broker has documentary evidence in its files as to the non-U.S. holder's foreign status, and (ii) the broker has no actual knowledge or reason to know to the contrary. Backup withholding will not apply to payments made by or through non-U.S. offices of a U.S. person or U.S. related person, absent actual knowledge that the payee is a U.S. person.

For purposes of this paragraph, a U.S. related person is:

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a controlled foreign corporation for U.S. federal income tax purposes;

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a foreign person 50% or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment (or for such part of the period that the person has been in existence) is derived from activities that are effectively connected with the conduct of a U.S. trade or business; or

a foreign partnership if at any time during its tax year one or more of its partners are U.S. persons who, in the aggregate, hold more than 50% of the income or capital interest of the partnership or if, at any time during its taxable year, the partnership is engaged in the conduct of a U.S. trade or business.

Backup withholding is not an additional tax and may be refunded (or credited against the holder's U.S. federal income tax liability, if any), if the holder furnishes certain required information to the IRS on a timely basis. The information reporting requirements may apply regardless of whether withholding is required. Copies of the information returns reporting such interest and withholding also may be made available to the tax authorities in the country in which a non-U.S. holder is a resident under the provisions of an applicable income tax treaty or agreement.

The U.S. federal income and estate tax discussion set forth above is included for general information only and may not be applicable depending upon a holder's particular situation. Accordingly, holders should consult their own tax advisors as to particular tax consequences to them of holding, exchanging or selling the notes, including the application and effect of any federal, state, local or foreign tax laws, and of any changes in applicable tax laws.

EMPLOYEE RETIREMENT INCOME SECURITY ACT

This section is only relevant to you if you are (i) an employee benefit plan that is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended, or ERISA, (ii) a plan described in Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code (including individual retirement accounts and other plans), or (iii) an entity, the assets of which constitute plan assets for purposes of Title I of ERISA or Section 4975 of the Code (including without limitation, as applicable, an insurance company general account, an insurance company separate account, a collective trust or an investment fund), each of the foregoing a Benefit Plan Investor, proposing to invest in the notes.

ERISA and the Code prohibit certain transactions involving the assets of an employee benefit plan and certain persons who are parties in interest (within the meaning of ERISA) or disqualified persons (within the meaning of the Code) with respect to the plan. Governmental plans may be subject to similar prohibitions. Therefore, a plan fiduciary considering purchasing notes should consider whether the purchase and holding of such instruments might constitute a non-exempt prohibited transaction. Prohibited transactions within the meaning of ERISA or the Code may arise, for example, if notes are acquired by or with the assets of a Benefit Plan Investor, unless those notes are acquired and held under an exemption for transactions effected on behalf of that Benefit Plan Investor. The person making the decision on behalf of a Benefit Plan Investor or any governmental plan, church plan or other plan that is subject to law that is similar to Section 406 of ERISA or Section 4975 of the Code (Similar Law) shall be deemed, on behalf of itself and the plan, by purchasing and holding the notes, to represent that such purchase and holding of the notes will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, with respect to a governmental plan, church plan or any other plan, under any Similar Law).

If you are an insurance company, the fiduciary of a pension plan or an employee benefit plan, or otherwise a fiduciary of plan assets that are subject to Title I of ERISA, Section 4975 of the Code or Similar Law and propose to invest in the notes, you should consult your legal counsel.

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SUPPLEMENTAL PLAN OF DISTRIBUTION

We and Banc of America Securities LLC, Barclays Capital Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., J.P. Morgan Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, RBC Capital Markets Corporation and RBS Securities Inc., as agents, have entered into an amended and restated distribution agreement with respect to the notes. The form of this amended and restated distribution agreement has been filed with the SEC.

Subject to a number of conditions, the agents have agreed to use their reasonable efforts to solicit purchases of the notes. We have the right to accept offers to purchase notes and may reject any proposed purchase of the notes. Each agent's obligations are separate and several from those of other agents. Each agent has the right, in its discretion reasonably exercised, to reject in whole or in part any proposed purchase of notes through it. We will pay the applicable agent a commission on any notes sold through that agent. We expect commissions to range from .001% to .900% of the principal amount of the notes, but we may pay the agents or other dealers commissions that differ from these estimates. Actual commissions and fees will be determined as of the time of pricing of the notes and will be set forth in the pricing supplement for each note.

We may appoint agents, other than or in addition to those listed above, with respect to the notes. Any other agents will be named in the applicable pricing supplements and will enter into or otherwise agree to be bound by the terms of the distribution agreement referred to above.

This prospectus supplement may be used by any of the agents or any of their affiliates in connection with offers and sales of the notes in market-making transactions. Information about the trade and settlement dates, as well as the purchase price, for a market-making transaction will be provided to the purchaser by the agent or its affiliate in a separate confirmation of sale.

In this prospectus supplement, the term *this offering* means the initial offering of the notes made in connection with their original issuance. This term does not refer to any subsequent resales of notes in market-making transactions. We describe market-making transactions and other matters relating to the distribution of the notes in the accompanying prospectus under *Plan of Distribution* and in this prospectus supplement under *Features Common to All Notes - Market-Making Transactions*.

We may also sell notes to any agent, acting as principal, for its own account or for resale to one or more investors or other purchasers, including other broker-dealers.

The agents may sell any notes they have purchased as principal to any dealer at a discount. Unless otherwise specified in your pricing supplement, any note sold to an agent as principal will be purchased by that agent at a price equal to 100% of the principal amount of that note less a percentage of that principal amount. The notes may be resold by the agent to investors and other purchasers from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or in variable price reoffers at varying prices determined at the time of sale, or the notes may be resold to certain dealers as described above. Variable price reoffers may occur at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. After the initial public offering of any notes, the public offering price and discount may be changed.

We may sell notes directly to investors, without the involvement of any agent. In this case, we would not be obligated to pay any commission or discount in connection with the sale.

The name of the applicable agents or other persons through which we sell any notes, as well as any commissions or discounts payable to those persons, will be set forth in the pricing supplement for your notes.

The purchase price of the notes will be required to be paid in immediately available funds in New York City on the date of settlement.

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Any agent or other person that participates in the offering of the notes may be deemed to be an underwriter within the meaning of the Securities Act of 1933, as amended. We have agreed to indemnify each of them against certain liabilities, including liabilities under the Securities Act.

We may replace the agents or appoint additional agents in connection with the offering of the notes from time to time.

The notes are a new issue of securities, and there will be no established trading market for any note before its original issue date. We do not plan to list the notes on a securities exchange or quotation system. If we do list the notes, the exchange and any pertinent listing information will be set forth in the pricing supplement for an issue of notes. The agents have advised us that they may from time to time purchase and sell the notes in the secondary market. However, no agent is obligated to do so and any agent may discontinue making a market in the notes at any time without notice. We can give no assurance as to the existence or liquidity of any secondary market for the notes.

A number of the agents that we sell notes to or through, and their affiliates, may engage in transactions with us and perform services for us in the ordinary course of business.

In connection with certain offerings of the notes, the agents may engage in over-allotment, stabilizing transactions and syndicate covering transactions in accordance with Regulation M under the Exchange Act. Over-allotment involves sales in excess of the offering size, which create a short position for the agents. Stabilizing transactions involve bids to purchase the notes in the open market for the purpose of pegging, fixing or maintaining the price of the notes. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may cause the price of the notes to be higher than it would otherwise be in the absence of those transactions. Those activities, if commenced, may be discontinued at any time.

We may enter into hedging transactions in connection with any particular issue of notes, including forwards, futures, options, interest rate or exchange rate swaps and repurchase or reverse repurchase transactions with, or arranged by, the applicable agent, an affiliate of that agent or an unrelated entity. We, the applicable agent or other parties may receive compensation, trading gain or other benefits in connection with these transactions. We are not required to engage in any of these transactions. If we commence these transactions, we may discontinue them at any time. Counterparties to these hedging activities also may engage in market transactions involving the securities offered under this prospectus.

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OFFERING RESTRICTIONS

The notes may be offered for sale in those jurisdictions in the United States, Europe, Asia and elsewhere where it is lawful to make such offers.

Each of the agents has severally represented and agreed that it has not offered, sold or delivered, and it will not offer, sell or deliver, directly or indirectly, any of the notes, or distribute this prospectus supplement or the accompanying prospectus or any other offering material relating to the notes, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations of the jurisdiction and that will not impose any obligations on us except as set forth in the distribution agreement and the terms agreement for the specific notes.

No action has been or will be taken by the seller or any agent that would permit a public offering of the notes in any country or jurisdiction other than in the United States, where action for that purpose is required. Accordingly, the notes may not be offered or sold, directly or indirectly, and neither the prospectus, this prospectus supplement nor any circular, prospectus, form of application, advertisement or other material may be distributed in or from or published in any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose hands this prospectus supplement comes are required by the seller and any agent to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, sell or deliver notes or have in their possession or distribute such prospectus supplement, in all cases at their own expense.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each agent has represented and agreed, and each further agent appointed under the distribution agreement will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the Relevant Implementation Date) it has not made and will not make an offer of notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of notes to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those notes 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 Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes 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 notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

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United Kingdom

Each agent has represented and agreed, and each further agent appointed under the distribution agreement will be required to represent and agree, that:

it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any notes in circumstances in which Section 21(1) of the FSMA does not apply to the issuer; and

it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any notes in, from or otherwise involving the United Kingdom.

Notice to Residents of the United Kingdom

The distribution of this prospectus supplement if made by a person who is not an authorized person under the FSMA, is being made only to, or directed only at persons who (1) are outside the United Kingdom, or (2) have professional experience in matters relating to investments, or (3) are persons falling within Articles 49(2)(a) through (d) (high net worth companies, unincorporated associations, etc.) or 19 (Investment Professionals) of the Financial Services and Market Act 2000 (Financial Promotion) Order 2005 (all such persons together being referred to as the Relevant Persons). This prospectus supplement must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this prospectus supplement relates, including the offered certificates, is available only to Relevant Persons and will be engaged in only with Relevant Persons.

Potential investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the trust fund and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

LEGAL OPINIONS

Opinions regarding the validity of the notes being offered will be issued for us by Mark L. Heleen, Executive Vice President and General Counsel of the Company, or any Deputy General Counsel or Associate General Counsel of the Company or Sallie Mae, Inc., acting as our counsel, and for the agents by Cadwalader, Wickersham & Taft LLP. An opinion regarding U.S. federal income tax consequences of the purchase, ownership and disposition of the notes will be issued for us and the agents by Skadden, Arps, Slate, Meagher & Flom LLP. These opinions will make assumptions regarding future action required to be taken by us and the appropriate trustee in connection with the issuance and sale of any particular notes, the specific terms of those notes and other matters that may affect the validity of those notes but which cannot be ascertained on the date of the relevant opinion.

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Prospectus

SLM CORPORATION

Debt Securities

Common Stock

Preferred Stock

Warrants

This prospectus provides you with a general description of the securities we may offer. We may offer and sell, from time to time, in one or more offerings, any debt or equity securities, or any combination thereof, that we describe in this prospectus. We will provide specific terms of these securities in supplements to this prospectus. You should read this prospectus and the applicable supplement carefully before you invest.

We may issue common stock upon conversion, exercise or exchange of any debt securities, preferred stock or warrants. Our common stock is listed on the New York Stock Exchange under the symbol SLM.

Obligations of SLM Corporation and its subsidiaries are not guaranteed by the full faith and credit of the United States of America. Neither SLM Corporation nor any of its subsidiaries is a government-sponsored enterprise or an instrumentality of the United States of America.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus is dated November 20, 2008

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement we filed with the Securities and Exchange Commission, or the SEC, using a shelf registration process. Under this shelf process, we may sell common stock, debt securities, preferred stock and warrants in one or more offerings. We may sell these securities either separately or in units. We may also issue common stock upon conversion, exchange or exercise of any of the securities mentioned above. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read this prospectus and the applicable prospectus supplement together with the additional information described under the heading *Where You Can Find More Information*.

The registration statement that contains this prospectus, including the exhibits to the registration statement, contains additional information about us and the securities we may offer under this prospectus. You can read that registration statement at the SEC's web site or at the SEC's offices mentioned under the heading *Where You Can Find More Information*.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>. The SEC's website contains reports, proxy and information statements and other information regarding issuers, such as us, that file electronically with the SEC. You may also read and copy any document we file with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its Public Reference Room. We maintain a website at <http://www.salliemae.com>. We have not incorporated by reference into this prospectus the information in, or that can be accessed through, our website, and you should not consider it to be a part of this prospectus.

We have filed a registration statement and related exhibits with the SEC under the Securities Act of 1933. This registration statement contains additional information about us and our securities. You can inspect the registration statement and exhibits without charge at the SEC's Public Reference Room, and you may obtain copies from the SEC at prescribed rates.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus the information we have filed with the SEC. The information we incorporate by reference into this prospectus is an important part of this prospectus. Any statement in a document we incorporate by reference into this prospectus will be considered to be modified or superseded to the extent a statement contained in this prospectus or any other subsequently filed document that is incorporated by reference into this prospectus modifies or supersedes that statement. The modified or superseded statement will not be considered to be a part of this prospectus, except as modified or superseded.

We incorporate by reference into this prospectus the information contained in the documents listed below, which is considered to be a part of this prospectus:

our annual report on Form 10-K for the year ended December 31, 2007, filed with the SEC on February 29, 2008;

our quarterly reports on Form 10-Q for the quarters ended March 31, 2008, June 30, 2008 and September 30, 2008, filed with the SEC on May 9, 2008, August 7, 2008 and November 6, 2008, respectively;

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our current reports on Form 8-K filed with the SEC on January 3, 2008, January 9, 2008, January 11, 2008, January 23, 2008, January 25, 2008, January 29, 2008, February 6, 2008, February 15, 2008, March 4, 2008, April 2, 2008, April 17, 2008, April 23, 2008, June 16, 2008, June 19, 2008, July 23, 2008, July 25, 2008, August 6, 2008, August 20, 2008, August 28, 2008, September 19, 2008, September 30, 2008, October 6, 2008, October 15, 2008, October 22, 2008 and November 3, 2008;

the description of our common stock in our Form 8-A, which we filed with the SEC on August 7, 1997 and amended on July 27, 1999, and any amendments or reports filed for the purpose of updating this description;

the description of our currently outstanding Series A preferred stock in our Form 8-A, which we filed with the SEC on November 10, 1999;

the description of our currently outstanding Series B preferred stock in our Form 8-A, which we filed with the SEC on June 9, 2005;

the description of our currently outstanding 7.25% mandatory convertible preferred stock, Series C in our 424(b)5 prospectus, which we filed with the SEC on December 28, 2007;

the description of our currently outstanding \$75,000,000 CPI- Linked Medium Term Notes due January 16, 2018 (\$25 Par) in our Form 8-A, which we filed with the SEC on January 19, 2006; and

future filings we make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 after the date of the initial registration statement and prior to effectiveness of the registration statement and after the date of this prospectus but prior to the termination of the offering of the securities covered by this prospectus.

You may request a copy of these filings, at no cost, by writing or telephoning us at the following address:

Corporate Secretary

SLM Corporation

12061 Bluemont Way

Reston, VA 20190

(703) 810-3000

You should rely only on the information incorporated by reference or provided in this prospectus and any prospectus supplement. We have not authorized anyone else to provide you with different information. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of these documents.

FORWARD-LOOKING STATEMENTS

This prospectus and the information incorporated by reference in this prospectus include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include information concerning our possible or assumed future results of operations and statements preceded by, followed by or that include the words believes, expects, anticipates, intends, plans, estimates or similar expressions.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. You should not put undue reliance on any forward-looking statements. We do not have any intention or obligation

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to update forward-looking statements after we distribute this prospectus.

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You should understand that the following important factors could cause our results to differ materially from those expressed in forward-looking statements: the occurrence of any event, change or other circumstances that could give rise to our ability to cost-effectively refinance the 2008 Asset-Backed Financing Facilities, including any potential foreclosure on the student loans under those facilities following their termination; increased financing costs; limited liquidity; any adverse outcomes in any significant litigation to which we are a party; our derivative counterparties terminating their positions with us if permitted by their contracts and our substantially incurring additional costs to replace any terminated positions; changes in the terms of student loans and the educational credit marketplace (including changes resulting from new laws and regulations and from the implementation of applicable laws and regulations) which, among other things, may reduce the volume, average term and yields on student loans under the FFELP, may result in loans being originated or refinanced under non-FFELP programs, or may affect the terms upon which banks and others agree to sell FFELP loans to us. We could also be affected by: changes in the demand for educational financing or in financing preferences of lenders, educational institutions, students and their families; incorrect estimates or assumptions by management in connection with the preparation of our consolidated financial statements; changes in the composition of our Managed loan portfolios; changes in the general interest rate environment and in the securitization markets for education loans, which may increase the costs or limit the availability of financings necessary to initiate, purchase or carry education loans; changes in projections of losses from loan defaults; changes in general economic conditions; changes in prepayment rates and credit spreads; and changes in the demand for debt management services and new laws or changes in existing laws that govern debt management services. All forward-looking statements contained in this prospectus are qualified by these cautionary statements and are made only as of the date this document is filed. We do not undertake any obligation to update or revise these forward-looking statements to conform the statement to actual results or changes in our expectations.

SLM CORPORATION

Unless otherwise indicated or unless the context requires otherwise, references in this prospectus to we, us, our, or similar references mean SLM Corporation and its consolidated subsidiaries.

SLM Corporation is a holding company that operates through a number of subsidiaries. We were formed in 1972 as the Student Loan Marketing Association, a federally chartered government-sponsored enterprise (GSE), with the goal of furthering access to higher education by acting as a secondary market for student loans. In 2004, we completed the transformation to a private company through the wind-down of the GSE. The GSE s outstanding obligations were placed into a Master Defeasance Trust Agreement as of December 29, 2004, which was fully collateralized by direct, noncallable obligations of the United States.

Our primary business is to originate and hold student loans by providing funding, delivery and servicing support for education loans in the United States through our participation in the Federal Family Education Loan Program (FFELP) and through our own non-federally guaranteed Private Education loan programs. We primarily market our FFELP Stafford Loans and Private Education Loans through on-campus financial aid offices. We have also expanded into direct-to-consumer marketing, primarily for Private Education Loans, to reach those students and families that choose not to consult with the financial aid office.

We also earn fees for a number of services, including student loan and guarantee servicing, 529 college-savings plan administration, debt collection and providing processing capabilities and information technology to educational institutions. We also operate a consumer savings network through Upromise, Inc.

Our principal executive offices are located at 12061 Bluemont Way, Reston, VA 20190, and our telephone number is (703) 810-3000.

Table of Contents**USE OF PROCEEDS**

Unless the applicable prospectus supplement states otherwise, we intend to use the net proceeds from the sale of the offered securities for general corporate purposes.

RATIO OF EARNINGS TO FIXED CHARGES AND**PREFERRED STOCK DIVIDENDS**

The following table sets forth our ratio of earnings to fixed charges and preferred stock dividends for the five years ended December 31, 2007 and the nine month periods ended September 30, 2008 and September 30, 2007.

	Years ended December 31,					Nine Months ended	
	2007	2006	2005	2004	2003	September 30, 2008	September 30, 2007
Ratio of Earnings to Fixed Charges and Preferred Stock Dividends (1)	0.92(2)	1.37	1.67	2.74	3.21	0.97(2)	1.23
Ratio of Earnings to Fixed Charges (1)	0.93(2)	1.39	1.69	2.77	3.26	1.00	1.24

- (1) For purposes of computing these ratios, earnings represent income before income tax expense plus fixed charges. Fixed charges represent interest expensed and capitalized, plus one-third (the proportion deemed representative of the interest factor) of rents, net of income from subleases.
- (2) Due to pre-tax losses of \$482 million and \$6 million for the year ended December 31, 2007 and the nine months ended September 30, 2008, respectively, the ratio coverage was less than 1:1.

SECURITIES WE MAY OFFER

This section describes the general terms and provisions of the securities to which this prospectus and any prospectus supplement relates.

Types of Securities

The types of securities that we may offer and sell from time to time by this prospectus are:

debt securities, which we may issue in one or more series;

preferred stock, which we may issue in one or more series;

common stock;

warrants entitling the holders to purchase common stock, preferred stock or debt securities;

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warrants or other rights relating to foreign currency exchange rates; or

warrants for the purchase or sale of debt securities of, or guaranteed by, the United States government or its agencies, units of a stock index or a stock basket or a commodity or a unit of a commodity index.

We will determine when we sell securities, the amounts of securities we will sell and the prices and other terms on which we will sell them.

ADDITIONAL INFORMATION

We will describe in a prospectus supplement, which we will deliver with this prospectus, the terms of particular securities that we may offer in the future. Each prospectus supplement will include the following information:

the type and amount of securities that we propose to sell;

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the initial public offering price of the securities;

the names of the underwriters or agents, if any, through or to which we will sell the securities;

the compensation, if any, of those underwriters or agents;

information about securities exchanges or automated quotation systems on which the securities will be listed or traded;

any material United States federal income tax considerations that apply to the securities; and

any other material information about the offering and sale of the securities.

DESCRIPTION OF DEBT SECURITIES

This section discusses debt securities we may offer under this prospectus.

We will issue debt securities under an indenture, dated as of October 1, 2000, between us and The Bank of New York Mellon, as successor to J.P. Morgan Chase Bank, National Association, as trustee, as amended or supplemented from time to time. The Bank of New York Mellon is located in New York, New York and is qualified to act as trustee under the Trust Indenture Act of 1939. The indenture permits there to be more than one trustee under the indenture with respect to different series of debt securities. The indenture is governed by the Trust Indenture Act.

From January 1, 2008 to September 30, 2008, we issued \$2,500,000,000 in aggregate principal amount of debt securities under the indenture.

The following is a summary of the indenture. It does not restate the indenture entirely. We urge you to read the indenture. The indenture and any applicable indenture supplement will be filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part, and you may inspect them at the office of the trustee, or as described under the heading **Where You Can Find More Information**. References below to an indenture are references to the indenture and the applicable indenture supplement under which we issue a particular series of debt securities.

Terms of the Debt Securities

Our debt securities will be unsecured obligations of SLM Corporation. We may issue them in one or more series. Authorizing resolutions, a certificate or a supplemental indenture will set forth the specific terms of each series of debt securities. We will provide a prospectus supplement with, for some offerings, a pricing supplement, for each series of debt securities that will describe:

the title of the debt securities and their CUSIP and ISIN numbers, as applicable;

any limit upon the aggregate principal amount of the series of debt securities;

the date or dates on which principal and premium, if any, of the debt securities will be payable;

if the debt securities will bear interest:

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the interest rate on the debt securities or the method by which the interest rate may be determined;

the date from which interest will accrue;

the record and interest payment dates for the debt securities;

any circumstances under which we may defer interest payments; and

the basis upon which interest shall be calculated if other than on the basis of a 360-day year of twelve 30-day months;

the place or places where:

we can make payments on the debt securities;

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the debt securities can be surrendered for registration of transfer or exchange;

notices and demands can be given to us relating to the debt securities and under the applicable indenture, and where notices to holders pursuant to the applicable indenture will be published;

any optional redemption provisions that would permit us or the holders of debt securities to elect to redeem the debt securities before their final maturity;

any conversion features;

any sinking fund provisions that would obligate us to redeem the debt securities;

whether any of the debt securities are to be issuable as registered securities, bearer securities or both, whether debt securities are to be issuable with or without coupons or both and, if issuable as bearer securities, the date as of which the bearer securities will be dated (if other than the date of original issuance of the first debt security of that series of like tenor and term to be issued and any restrictions applicable to the offering, sale or delivery of bearer securities and whether, and the terms upon which, bearer securities of a series may be exchanged for registered securities of the same series and vice versa);

whether all or part of the debt securities will be issued in whole or in part as temporary or permanent global securities and, if so, the depositary for those global securities and a description of any book-entry procedures relating to the global securities;

if we issue temporary global securities, any special provisions dealing with the payment of interest and any terms relating to the ability to exchange interests in a temporary global security for interests in a permanent global security or for definitive debt securities;

the denominations in which the debt securities will be issued, if other than \$1,000 or an integral multiple of \$1,000;

the portion of the principal amount of debt securities payable upon a declaration of acceleration of maturity, if other than the full principal amount;

the currency or currencies in which the debt securities will be denominated and payable and, if a composite currency, any related special provisions;

any circumstances under which the debt securities may be paid in a currency other than the currency in which the debt securities are denominated and any related provisions;

the manner in which principal, premium and interest on debt securities will be determined if they are determined with reference to an index based upon a currency or currencies other than that in which the debt securities are denominated or payable;

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any events of default that will apply to the debt securities in addition to those contained in the applicable indenture;

whether the issue of debt securities may be reopened by offering additional securities with substantially the same terms;

any additions or changes to the covenants contained in the applicable indenture and the ability, if any, of the holders to waive our compliance with those additional or changed covenants;

whether the provisions described below under the heading Defeasance apply to the debt securities;

the identity of the security registrar and paying agent for the debt securities if other than the applicable trustee;

any risk factors; and

any other terms of the debt securities.

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Covenants Contained in Indenture

The indenture does not restrict our ability to put liens on our interests in our subsidiaries, and it does not restrict our ability to sell or otherwise dispose of our interests in any of our subsidiaries.

We are required to deliver to the trustee an annual statement as to our fulfillment of all of our obligations under the indenture.

Consolidation, Merger or Sale

The indenture generally permits us to consolidate with or merge into another entity. It also permits us to sell, transfer or lease all or substantially all of our property and assets. These transactions are permitted if:

the resulting or acquiring entity, if it is not us, is organized and existing under the laws of a domestic jurisdiction and assumes all of our obligations under the applicable indenture, including the payment of all amounts due on the debt securities and performance of obligations under the indenture; and

immediately after the transaction, and giving effect to the transaction, no event of default under the indenture exists; and

we deliver to the trustee an officers' certificate and an opinion of counsel stating that the transactions comply with these conditions. If we consolidate with or merge into or are merged into any other entity or sell, transfer or lease all or substantially all of our property and assets according to the terms and conditions of the indenture, the resulting or acquiring entity will be substituted for us in the indenture with the same effect as if it had been an original party to the indenture. As a result, the successor entity may exercise our rights and powers under the indenture, in our name and, except in the case of a lease of all or substantially all of our properties, we will be released from all our liabilities and obligations under the indenture and under the debt securities.

Events of Default and Remedies

An event of default with respect to any series of debt securities is defined in the indenture as being:

default for 30 days in payment of any installment of interest on any debt security of that series beyond any applicable grace period;

default in payment of the principal of or premium, if any, on any of the debt securities of that series when due;

default for 60 days after notice in the observance or performance of any other covenants in the indenture or applicable supplemental indenture relating to that series; and

our bankruptcy, insolvency or reorganization.

Additional events of default for your series of debt securities may be defined in a supplemental indenture for your securities.

The indenture provides that the trustee may withhold notice to the holders of any series of debt securities of any default, except a default in payment of principal, premium, if any, or interest, if any, with respect to a series of debt securities, if the trustee considers it in the interest of the holders of that series of debt securities to do so.

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The indenture provides that if any event of default (other than our bankruptcy, insolvency or reorganization) has occurred and is continuing with respect to any series of debt securities, the trustee or the holders of not less than 25% in principal amount of all debt securities of that series then outstanding, acting together as a single class, may declare the principal amount of and all accrued but unpaid interest on all the debt securities of that series to be due and payable immediately. If our bankruptcy, insolvency or reorganization causes an event of

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default, the principal amount of and all accrued but unpaid interest on all series of debt securities that are affected by the event of default will be immediately due and payable without any declaration or action by the trustee or the holders.

The holders of a majority in principal amount of the debt securities of a series then outstanding that are affected by an event of default, acting as a single class, by notice to the trustee, may waive any existing default, other than any event of default in payment of principal or interest or in respect of an indenture provision that may be amended only with the consent of the holder of each affected debt security. Holders of a majority in principal amount of debt securities of any series affected by an event of default that were entitled to declare the event of default may rescind the declaration and its consequences if the rescission will not conflict with any judgment or decree for payment of money due that has been obtained by the trustee.

The holders of a majority of the outstanding principal amount of the debt securities of any series will have the right to direct the time, method and place of conducting any proceedings for any remedy available to the trustee with respect to that series, subject to limitations specified in the indenture.

Defeasance

Defeasance and Discharge. At the time that we establish a series of debt securities under the indenture, we can provide that the debt securities of that series are subject to the defeasance and discharge provisions of the indenture. If we so provide, we will be discharged from our obligations on the debt securities of that series if we irrevocably deposit with the trustee, in trust, sufficient money or, if the debt securities of that series are denominated and payable in U.S. dollars only, eligible instruments, to pay the principal, any interest, any premium and any other sums due on the debt securities of that series, such as sinking fund payments, on the dates the payments are due under the indenture and the terms of the debt securities.

When we use the term "eligible instruments" in this section, we mean monetary assets, money market instruments and securities that are payable in dollars only and are essentially risk free as to collection of principal and interest, including:

direct obligations of the United States backed by the full faith and credit of the United States; or

any obligation of a person controlled or supervised by and acting as an agency or instrumentality of the United States if the timely payment of the obligation is unconditionally guaranteed as a full faith and credit obligation by the United States.

In the event that we deposit money and/or eligible instruments in trust and discharge our obligations under a series of debt securities as described above, then:

the indenture will no longer apply to the debt securities of that series; but certain obligations to compensate, reimburse and indemnify the trustee, to register the transfer and exchange of debt securities, to replace lost, stolen or mutilated debt securities, to maintain paying agencies and the trust funds and to pay additional amounts, if any, required as a result of U.S. withholding taxes imposed on payments to non-U.S. persons will continue to apply; and

holders of debt securities of that series can only look to the trust fund for payment of principal, any premium and any interest on the debt securities of that series.

Defeasance of Covenants and Events of Default. At the time that we establish a series of debt securities under the indenture, we can provide that the debt securities of that series are subject to the covenant defeasance provisions of the indenture. If we so provide and we make the deposit, we will not have to comply with any covenant we designate when we establish the series of debt securities.

In the event of a covenant defeasance, our obligations under the indenture and the debt securities, other than with respect to the covenants specifically referred to above, will remain in effect.

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If we exercise our option not to comply with any covenant and the debt securities of the series become immediately due and payable because an event of default has occurred, other than as a result of an event of default related to a covenant that is subject to defeasance, the amount of money and/or eligible instruments on deposit with the applicable trustee will be sufficient to pay the principal, any interest, any premium and any other sums, due on the debt securities of that series, such as sinking fund payments, on the date the payments are due under the applicable indenture and the terms of the debt securities, but may not be sufficient to pay amounts due at the time of acceleration. We would remain liable, however, for the balance of the payments.

Registration and Transfer

Unless we indicate otherwise in the applicable prospectus supplement, we will issue debt securities only as registered securities without coupons. Debt securities that we issue as bearer securities will have interest coupons attached, unless we indicate otherwise in the applicable prospectus supplement.

With respect to registered securities, we will keep or cause to be kept a register in which we will provide for the registration of registered securities and the registration of transfers of registered securities. We will appoint a security registrar, and we may appoint any co-security registrar, to keep the security register.

Upon surrender for registration of transfer of any registered security of any series at our office or agency maintained for that purpose in a place of payment for that series, we will execute one or more new registered securities of that series in any authorized denominations, with the same aggregate principal amount and terms. At the option of the holder, a holder may exchange registered securities of any series for other registered securities of that series, or bearer securities (along with all necessary related coupons) of any series for registered securities of the same series. Registered securities will not be exchangeable for bearer securities in any event.

We will agree in the indenture that we will maintain in each place of payment for any series of debt securities an office or agency where:

any debt securities of each series may be presented or surrendered for payment;

any registered securities of that series may be surrendered for registration of transfer;

debt securities of that series may be surrendered for exchange or conversion; and

notices and demands to or upon us in respect of the debt securities of that series and the indenture may be served.

We will not charge holders for any registration of transfer or exchange of debt securities. We may require holders to pay for any tax or other governmental charge that may be imposed in connection with any such registration of transfer or exchange, other than exchanges expressly provided in the indenture to be made at our own expense or without expense or without charge to the holders.

Global Securities

We may issue debt securities of a series, in whole or in part, in the form of one or more global securities, registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York, unless the prospectus supplement or pricing supplement describes another depository or states that no global securities will be issued. Unless and until it is exchanged in whole or in part for the individual debt securities it represents, a global security may not be transferred except as a whole by:

DTC to its nominee;

DTC's nominee to the depository or another nominee of the depository; or

DTC or any nominee to a successor depository or any nominee of that successor.

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Upon the issuance of a global security, DTC will credit, on its book-entry registration and transfer system, the principal amount of the securities represented by the global security to accounts of institutions that have accounts with DTC. Institutions that have accounts with DTC are referred to as participants. The accounts to be credited will be designated by the agents, or by us if we sell the securities directly. Owners of beneficial interests in a global security that are not participants or persons that may hold through participants but desire to purchase, sell or otherwise transfer ownership of the securities by book-entry on the records of DTC may do so only through participants and persons that may hold through participants. Because DTC can only act on behalf of participants and persons that may hold through participants, the ability of an owner of a beneficial interest in a global security to pledge securities to persons or entities that do not participate in the book-entry and transfer system of DTC, or otherwise take actions in respect of the securities, may be limited. In addition, the laws of some states require that some purchasers of securities take physical delivery of such securities in definitive form. These limits and laws may impair a purchaser's ability to transfer beneficial interests in a global security.

So long as DTC, or its nominee, is the registered owner of a global security, DTC or its nominee will be considered the sole owner or holder of the securities represented by the global security for all purposes under the indenture. Generally, owners of beneficial interest in a global security will not be entitled to have securities represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of securities in definitive form and will not be considered the owners or holders of the securities under the indenture.

Principal and interest payments on securities registered in the name of DTC or its nominee will be made to DTC or its nominee as the registered owner of a global security. Neither we, the trustee, any paying agent nor the security registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in a global security or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests.

We expect that DTC, upon receipt of any payment of principal or interest, will credit immediately participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of a global security as shown on the records of DTC. We also expect that payments by participants to owners of beneficial interests in a global security held through the participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers and registered in street name, and will be the responsibility of such participants. Owners of beneficial interests in a global security that hold through DTC under a book-entry format (as opposed to holding certificates directly) may experience some delay in the receipt of interest payments since DTC will forward payments to its participants, which in turn will forward them to persons that hold through participants.

If DTC is at any time unwilling or unable to continue as depository and a successor depository is not appointed by us or DTC within ninety days, we will issue securities in definitive registered form in exchange for a global security. In addition, either we or DTC may at any time, in our sole discretion, determine not to have the securities represented by a global security and, in that event, we will issue securities in definitive registered form in exchange for the global security. In either instance, an owner of a beneficial interest in a global security will be entitled to have securities equal in principal amount to the beneficial interest registered in its name and will be entitled to physical delivery of the securities in definitive form.

DTC has advised us that it is a limited-purpose trust company organized under the New York Banking Law; a member of the Federal Reserve System; a clearing corporation within the meaning of the New York Uniform Commercial Code; a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended; and a banking organization within the meaning of the New York Banking Law. DTC holds securities that its participants deposit with DTC. DTC also facilitates settlement of securities transactions among its participants, such as transfers and pledges in deposited securities, through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing

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corporations and other organizations. DTC is owned by several DTC participants and by the New York Stock Exchange, the American Stock Exchange and the National Association of Securities Dealers, Inc. Access to DTC's book-entry system is also available to others, including banks, brokers, dealers and trust companies, that clear through or maintain a custodian relationship with a participant, whether directly or indirectly.

Payment and Paying Agents

Unless we indicate otherwise in a prospectus supplement:

we will maintain an office or agency in each place of payment for any series of debt securities where debt securities of that series may be presented or surrendered for payment; we may also from time to time designate one or more other offices or agencies where debt securities of one or more series may be presented or surrendered for payment and may appoint one or more paying agents for the payment of debt securities, in one or more other cities, and may from time to time rescind these designations and appointments;

at our option, we may pay any interest by check mailed to the address of the person entitled to payment as that address appears in the applicable security register kept by us or by wire transfer; and

we will pay any installment of interest on registered securities to the person in whose name the debt security is registered at the close of business on the regular record date for that payment.

The holder of any coupon relating to a bearer security will be entitled to receive the interest payable on that coupon upon presentation and surrender of the coupon on or after the interest payment date of the coupon. We will not make payment with respect to any bearer security at any of our offices or agencies in the United States, by check mailed to any address in the United States or by transfer to an account maintained with a bank located in the United States.

Modification and Amendment

Some of our rights and obligations and some of the rights of holders of the debt securities may be modified or amended with the written consent of the holders of at least a majority of the aggregate principal amount of the outstanding debt securities of each series of debt securities affected by the modification or amendment, with each series voting as a class. The following modifications and amendments, however, will not be effective against any holder without its consent:

a reduction of the amount of debt securities whose holders must consent to an amendment or waiver;

a change in the rate of or in the time for payment of interest on any debt securities;

a change in the principal (and the premium, if any) of or a change in the fixed maturity of any debt securities;

a waiver of a default in the payment of principal (and the premium, if any) of or interest on any debt securities;

a change in the currency in which any payment on the debt securities is payable; or

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any change in Section 6.04 of the Indenture (Waiver of Existing Defaults), Section 6.07 of the Indenture (Rights of Holders to Receive Payment), or a modification of any of the foregoing requirements.

Concerning the Trustee

The trustee, The Bank of New York Mellon, provides and may continue to provide various services to us in the ordinary course of its business. The indenture contains limitations on the rights of the trustee, should it become our creditor, to obtain payment of claims in specified cases or to realize on property received in respect of any claim as security or otherwise. The indenture permits the trustee to engage in other transactions; but if it acquires any conflicting interest, it must eliminate the conflict or resign.

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The indenture provides that in case an event of default occurs and is not cured, the trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in similar circumstances in the conduct of its own affairs. The trustee may refuse to perform any duty or exercise any right or power under the indenture, unless it receives indemnity satisfactory to it against any loss, liability or expense.

Governing Law

The laws of the State of New York will govern the indenture and the debt securities.

DESCRIPTION OF CAPITAL STOCK

Our authorized capital stock is 1,125,000,000 shares of common stock, \$.20 par value, and 20,000,000 shares of preferred stock, \$.20 par value. As of September 30, 2008, 467,467,686 shares of our common stock and 8,449,770 shares of our preferred stock were outstanding.

Common Stock

Our common stock is described in our registration statement on Form 8-A, which we filed with the SEC on August 7, 1997, as amended by our Form 8-A/A, which we filed with the SEC on July 27, 1999. These documents are incorporated by reference into this prospectus.

We will distribute a prospectus supplement with regard to each issue of common stock. Each prospectus supplement will describe the specific terms of the common stock offered through that prospectus supplement and any general terms outlined in our Form 8-A, as amended, that will not apply to that common stock.

Preferred Stock

We may issue preferred stock in one or more series with any rights and preferences that may be authorized by our board of directors. Our currently outstanding Series A preferred stock is described in our registration statement on Form 8-A, which we filed with the SEC on November 10, 1999. Our currently outstanding Series B preferred stock is described in our registration statement on Form 8-A, which we filed with the SEC on June 9, 2005. Our currently outstanding mandatory convertible preferred stock, Series C is described in our 424(b)5 prospectus, which we filed with the SEC on December 28, 2007. Each of these registration statements are incorporated by reference into this prospectus.

We will distribute a prospectus supplement with regard to each particular series of preferred stock. Each prospectus supplement will describe, as to the series of preferred stock to which it relates:

the title of the series of preferred stock;

any limit upon the number of shares of the series of preferred stock that may be issued;

the preference, if any, to which holders of the series of preferred stock will be entitled upon our liquidation;

the date or dates, if any, on which we will be required or permitted to redeem the preferred stock;

the terms, if any, on which we or holders of the preferred stock will have the option to cause the preferred stock to be redeemed or purchased;

the voting rights, if any, of the holders of the preferred stock;

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the dividends, if any, that will be payable with regard to the series of preferred stock, which may be fixed dividends or participating dividends, and may be cumulative or non-cumulative;

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the right, if any, of holders of the preferred stock to convert it into another class of our stock or securities, including provisions intended to prevent dilution of those conversion rights;

any provisions by which we will be required or permitted to make payments to a sinking fund to be used to redeem preferred stock, or a purchase fund to be used to purchase preferred stock; and

any other material terms of the preferred stock.

Any or all of these rights may be greater than the rights of the holders of common stock.

Our board of directors, without shareholder approval, may issue preferred stock with voting, conversion or other rights that could adversely affect the voting power and other rights of the holders of our common stock. The terms of the preferred stock that might be issued could conceivably prohibit us from:

consummating a merger;

reorganizing;

selling substantially all of our assets;

liquidating; or

engaging in other extraordinary corporate transactions without shareholder approval.

Preferred stock could therefore be issued with terms calculated to delay, defer or prevent a change in our control or to make it more difficult to remove our management. Our issuance of preferred stock may have the effect of decreasing the market price of the common stock.

DESCRIPTION OF WARRANTS

We may issue:

warrants for the purchase of debt securities, preferred stock, common stock or units of two or more of these types of securities;

currency warrants, which are warrants or other rights relating to foreign currency exchange rates; or

index warrants, which are warrants for the purchase or sale of debt securities of, or guaranteed by, the United States government or its agencies, units of a stock index or a stock basket or a commodity or a unit of a commodity index.

Warrants may be issued independently or together with debt securities, preferred stock or common stock, and may be attached to or separate from any offered securities. Each series of warrants will be issued under a separate warrant agreement to be entered into between us and a bank or trust company, as warrant agent. The warrant agent will act solely as our agent in connection with the warrants and will not assume any obligation or relationship of agency or trust for or with any registered holders of warrants or beneficial owners of warrants.

We will distribute a prospectus supplement with regard to each issue of warrants. Each prospectus supplement will describe:

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in the case of warrants to purchase debt securities, the designation, aggregate principal amount, currencies, denominations and terms of the series of debt securities purchasable upon exercise of the warrants, and the price at which you may purchase the debt securities upon exercise;

in the case of warrants to purchase preferred stock, the designation, number of shares, stated value and terms, such as liquidation, dividend, conversion and voting rights, of the series of preferred stock purchasable upon exercise of the warrants, and the price at which you may purchase shares of preferred stock of that series upon exercise;

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in the case of warrants to purchase common stock, the number of shares of common stock purchasable upon the exercise of the warrants and the price at which you may purchase shares of common stock upon exercise;

in the case of currency warrants, the designation, aggregate principal amount, whether the currency warrants are put or call currency warrants or both, the formula for determining any cash settlement value, exercise procedures and conditions, the date on which your right to exercise the currency warrants commences and the date on which your right expires, and any other terms of the currency warrants;

in the case of index warrants, the designation, aggregate principal amount, the procedures and conditions relating to the exercise of the index warrants, the date on which your right to exercise the index warrants commences and the date on which your right expires, the national securities exchange on which the index warrants will be listed, if any, and any other material terms of the index warrants;

in the case of warrants to purchase units of two or more securities, the type, number and terms of the units purchasable upon exercise of the warrants and the price at which you may purchase units upon exercise;

the period during which you may exercise the warrants;

any provision adjusting the securities that may be purchased on exercise of the warrants, and the exercise price of the warrants, to prevent dilution or otherwise;

the place or places where warrants can be presented for exercise or for registration of transfer or exchange; and

any other material terms of the warrants.

Unless we provide otherwise in a prospectus supplement, warrants for the purchase of preferred stock and common stock will be offered and exercisable for U.S. dollars only, and will be issued in registered form only. The exercise price for warrants will be subject to adjustment as described in the prospectus supplement for those warrants.

Prior to the exercise of any warrants to purchase debt securities, preferred stock or common stock, holders of the warrants will not have any of the rights of holders of the securities purchasable upon exercise, including:

in the case of warrants for the purchase of debt securities, the right to receive payments of principal of or any premium or interest on the debt securities purchasable upon exercise, or to enforce covenants in the applicable indenture; or

in the case of warrants for the purchase of preferred stock or common stock, the right to vote or to receive any payments of dividends on the preferred stock or common stock purchasable upon exercise.

PLAN OF DISTRIBUTION

We may sell any of the securities being offered by this prospectus separately or together:

through agents;

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to or through underwriters who may act directly or through a syndicate represented by one or more managing underwriters;

through dealers;

through a block trade in which the broker or dealer engaged to handle the block trade will attempt to sell the securities as agent, but may position and resell a portion of the block as principal to facilitate the transaction;

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in exchange for our outstanding indebtedness;

directly to purchasers, through a specific bidding, auction or other process; or

through a combination of any of these methods of sale.

If the securities offered under this prospectus are issued in exchange for our outstanding securities, the applicable prospectus supplement will describe the terms of the exchange, and the identity and the terms of sale of the securities offered under this prospectus by the selling security holders.

The distribution of securities may be effected from time to time in one or more transactions at a fixed price or prices that may be changed, at market prices prevailing at the time of sale or prices related to prevailing market prices or at negotiated prices.

Agents designated by us from time to time may solicit offers to purchase the securities. We will name any agent involved in the offer or sale of the securities and set forth any commissions payable by us to an agent in the prospectus supplement. Unless otherwise indicated in the prospectus supplement, any agent will be acting on a best efforts basis for the period of its appointment. Any agent may be deemed to be an underwriter of the securities as that term is defined in the Securities Act.

If we utilize an underwriter or underwriters in the sale of securities, we will execute an underwriting agreement with the underwriter or underwriters at the time we reach an agreement for sale. We will set forth in the prospectus supplement the names of the specific managing underwriter or underwriters, as well as any other underwriters, and the terms of the transactions, including compensation of the underwriters and dealers. This compensation may be in the form of discounts, concessions or commissions. Underwriters and others participating in any offering of securities may engage in transactions that stabilize, maintain or otherwise affect the price of securities. We will describe any of these activities in the prospectus supplement.

If a dealer is utilized in the sale of the securities, we or an underwriter will sell securities to the dealer, as principal. The dealer may then resell the securities to the public at varying prices to be determined by the dealer at the time of resale. The prospectus supplement will set forth the name of the dealer and the terms of the transactions.

We may directly solicit offers to purchase the securities, and we may sell directly to institutional investors or others. These persons may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale of the securities. The prospectus supplement will describe the terms of any direct sales, including the terms of any bidding or auction process, if utilized.

Agreements we enter into with agents, underwriters and dealers may entitle them to indemnification by us against specified liabilities, including liabilities under the Securities Act, or to contribution by us to payments they may be required to make in respect of these liabilities. The prospectus supplement will describe the terms and conditions of indemnification or contribution. Some of the agents, underwriters or dealers, or their affiliates, may be our customers, or engage in transactions with or perform services for us and our subsidiaries in the ordinary course of business.

Certain of the agents, underwriters and dealers that we sell the securities offered under this prospectus to or through, and certain of their affiliates, engage in transactions with and perform services for us in the ordinary course of business. We may enter into hedging transactions in connection with any particular issue of the securities offered under this prospectus, including forwards, futures, options, interest rate or exchange rate swaps and repurchase or reverse repurchase transactions with, or arranged by, the applicable agent, underwriter or dealer, an affiliate of that agent, underwriter or dealer or an unrelated entity. We, the applicable agent, underwriter or dealer or other parties may receive compensation, trading gain or other benefits in connection with these transactions. We are not required to engage in any of these transactions. If we commence these

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transactions, we may discontinue them at any time. Counterparties to these hedging activities also may engage in market transactions involving the securities offered under this prospectus.

No securities may be sold under this prospectus without delivery (in paper format, in electronic format, in electronic format on the Internet, or by other means) of the applicable prospectus supplement describing the method and terms of the offering.

LEGAL MATTERS

Mark L. Heleen, Esq., who is our Senior Vice President and Deputy General Counsel, or another of our lawyers, will issue an opinion about the legality of the securities offered by this prospectus. Mr. Heleen owns shares of our common stock and holds stock options and stock-based awards under our compensation and management incentive plans. Other of our lawyers may also own our common stock and hold similar stock options or awards. They may receive additional awards under these plans in the future.

Certain legal matters will be passed upon for any underwriters or agents by Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York. Skadden, Arps, Slate, Meagher & Flom LLP represents us in other legal matters.

EXPERTS

The financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control Over Financial Reporting) incorporated in this Prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2007 have been so incorporated in reliance on the report(s) of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.