SS&C Technologies Holdings Inc
Form 424B4
March 31, 2010

Table of Contents

Filed Pursuant to Rule 424(b)(4)
Registration No. 333-164043

Prospectus

10,725,000 Shares

Common Stock

SS&C Technologies Holdings, Inc. is offering 8,225,000 shares of its common stock, and the selling stockholders are offering 2,500,000 shares of common stock. We will not receive any proceeds from the sale of shares by the selling stockholders, except for the aggregate exercise price of options held by certain selling stockholders. This is our initial public offering, and no public market currently exists for our shares.

Our common stock has been approved for listing on the NASDAQ Global Select Market under the symbol SSNC.

Investing in our common stock involves risks. See Risk factors beginning on page 16.

	Per Share	Total
Price to Public	$ 15.00	$ 160,875,000
Underwriting Discounts and Commissions	$ 1.05	$ 11,261,250
Proceeds to SS&C Holdings	$ 13.95	$ 114,738,750
Proceeds to Selling Stockholders	$ 13.95	$ 34,875,000

We have granted the underwriters the right to purchase up to an additional 1,608,750 shares of our common stock on the same terms and conditions set forth above to cover over-allotments, if any.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on or about April 6, 2010.

J.P. Morgan

Credit Suisse

Morgan Stanley

Deutsche Bank Securities

Jefferies & Company

Raymond James

Wells Fargo Securities

Prospectus dated March 30, 2010

Table of contents

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of shares of our common stock.

Until April 24, 2010 (25 days after the commencement of this offering), all dealers that buy, sell or trade shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Prospectus summary

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, especially the risks of investing in our common stock discussed under Risk factors beginning on page 16, and our consolidated financial statements and the accompanying notes, before making an investment decision.

Unless the context otherwise requires, in this prospectus, (1) SS&C Holdings means SS&C Technologies Holdings, Inc., our top-level holding company that was formerly known as Sunshine Acquisition Corporation, (2) SS&C means SS&C Technologies, Inc., our primary operating company and a direct wholly owned subsidiary of SS&C Holdings, (3) we, us and our mean (a) prior to November 23, 2005, SS&C and its consolidated subsidiaries and (b) on and after November 23, 2005, SS&C Holdings and its consolidated subsidiaries, including SS&C, and (4) references to our common stock include both shares of our common stock and shares of our Class A non-voting common stock.

Overview

We are a leading provider of mission-critical, sophisticated software products and software-enabled services that allow financial services providers to automate complex business processes and effectively manage their information processing requirements. Our portfolio of software products and rapidly deployable software-enabled services allows our clients to automate and integrate front-office functions such as trading and modeling, middle-office functions such as portfolio management and reporting, and back-office functions such as accounting, performance measurement, reconciliation, reporting, processing and clearing. Our solutions enable our clients to focus on core operations, better monitor and manage investment performance and risk, improve operating efficiency and reduce operating costs. We provide our solutions globally to more than 4,500 clients, principally within the institutional asset management, alternative investment management and financial institutions vertical markets.

We provide the global financial services industry with a broad range of software-enabled services, which consist of software-enabled outsourcing services and subscription-based on-demand software that are managed and hosted at our facilities, and specialized software products, which are deployed at our clients facilities. Our software-enabled services, which combine the strengths of our proprietary software with our domain expertise, enable our clients to contract with us to provide many of their mission-critical and complex business processes. For example, we utilize our software to offer comprehensive fund administration services for alternative investment managers, including fund manager services, transfer agency services, fund of funds services, tax processing and accounting. We offer clients the flexibility to choose from multiple software delivery options, including on-premise applications and hosted, multi-tenant or dedicated applications. Our principal software products and software-enabled services include:

Portfolio Management/Accounting
Financial Modeling
Trading/Treasury Operations
Property Management
Fund Administration Services
Loan Management/Accounting
Money Market Processing

Our business model is characterized by substantial contractually recurring revenues, high operating margins and significant cash flow. We generate revenues primarily through our high-value software-enabled services, which are typically sold on a long-term subscription basis and

Table of Contents

integrated into our clients business processes. Our software-enabled services are generally provided under two-to five-year non-cancelable contracts with monthly or quarterly payments. We also generate revenues by licensing our software to clients through either perpetual or term licenses and by selling maintenance services. Maintenance services are generally provided under annually renewable contracts. As a consequence, a significant portion of our revenues consists of subscription payments and maintenance fees and is contractually recurring in nature. Our pricing typically scales as a function of our clients assets under management, the complexity of asset classes managed and the volume of transactions.

Our contractually recurring revenue model helps us minimize the fluctuations in revenues and cash flows typically associated with up-front, perpetual software license revenues and enhances our ability to manage costs. Our contractually recurring revenues, which we define as our software-enabled services and maintenance revenues, increased as a percentage of total revenues from 52% in the year ended December 31, 2000 to 85% in the year ended December 31, 2009. We have experienced average revenue retention rates in each of the last five years of greater than 90% on our software-enabled services and maintenance contracts for our core enterprise products.

Through a combination of organic growth and acquisitions, we generated revenues of $270.9 million for the year ended December 31, 2009 as compared to revenues of $95.9 million for the year ended December 31, 2004, which was the last reported fiscal year before the going-private transaction described below. We generated 79% of our revenues in 2009 from clients in North America and 21% from clients outside North America. Our revenues are highly diversified, with our largest client in 2009 accounting for less than 5% of our revenues.

Our industry

We serve a number of vertical markets within the financial services industry, including alternative investment funds, investment management firms, insurance companies, banks and brokerage firms. The recent economic crisis has negatively affected each of these markets and contributed to a significant decline in asset value. These factors all contribute to reducing revenues among the financial services firms, which, in turn, affects their access to credit, spending ability and, in some cases, their long-term viability. Many of these recent issues highlight the need for effective risk assessment tools, improved reporting systems, accurate accounting and compliance systems and overall management of middle- and back-office operations. These challenges provide us opportunities as industry participants seek to respond efficiently and effectively to increased regulation and investor demand for transparency, and to enhance their competitive position in a challenging environment.

Asset Classes and Securities Products Growing in Volume and Complexity. Investment professionals must increasingly track and invest in numerous types of asset classes far more complex than traditional equity and debt instruments. These assets require more sophisticated systems to automate functions such as trading and modeling, portfolio management, accounting, performance measurement, reconciliation, reporting, processing and clearing.

Increasing Regulatory Requirements and Investor Demand for Transparency. Recent market and economic conditions have led to new legislation and numerous proposals for changes in the regulation of the financial services industry. Several high-profile scandals have also led to increased investor demand for transparency. In addition, as the financial services industry continues to grow in complexity, we anticipate regulatory oversight will continue to impose new demands on financial services providers. The expectation is that hedge funds may start to experience similar regulatory pressures. In addition, financial services providers continue to face increasing regulatory oversight from domestic organizations such as the Financial Industry

Table of Contents

Regulatory Authority, U.S. Treasury Department, U.S. Securities and Exchange Commission, New York Stock Exchange, National Association of Insurance Commissioners and U.S. Department of Labor as well as foreign regulatory bodies such as the Office of Supervision of Financial Institutions in Ottawa, Canada, Financial Services Association in London, England and Ministry of Finance in Tokyo, Japan.

Increasing Willingness to Implement Solutions from Independent Software Vendors and Outsource IT Operations. Rather than internally developing applications that automate business processes, many financial services providers are implementing advanced software solutions from independent software vendors to replace their current systems, which are often cumbersome, time-consuming to operate and expensive to implement, customize, update and support. Additionally, financial services providers globally are outsourcing a growing percentage of their business processes to benefit from best-in-class process execution, focus on core operations, quickly expand into new markets, reduce costs, streamline organizations, handle increased transaction volumes and ensure system redundancy.

Intense Global Competition Among Financial Services Providers. Competition within the financial services industry has become intense as financial services providers expand into new markets and offer new services to their clients. In response to these increasingly competitive conditions worldwide, financial services organizations seek to rapidly expand into new markets, manage operational enterprise risk, increase front-office productivity, and drive cost savings by utilizing software to automate and integrate their mission-critical and labor intensive business processes.

Our competitive strengths

We believe that our position in the marketplace results from several key competitive strengths, including:

Enhanced Capability Through Software Ownership. We use our proprietary software products and infrastructure to provide our software-enabled services, strengthening our overall operating margins. Because we use our own products in the execution of our software-enabled services and generally own and control our products source code, we can quickly identify and deploy product improvements and respond to client feedback.

Broad Portfolio of Products and Services Focused on Financial Services Organizations. Our broad portfolio of over 60 software products and software-enabled services allows professionals in the financial services industry to efficiently and rapidly analyze and manage information, increase productivity, devote more time to critical business decisions and reduce costs. We provide highly flexible, scalable and cost-effective solutions that enable our clients to track complex securities, better employ sophisticated investment strategies, scale efficiently and meet evolving regulatory requirements.

Independent Fund Administration Services. Third-party service providers in the alternative investment market, such as auditors, fund administrators, attorneys, custodians and prime brokers, provide transparency of the fund s assets and the valuation of those assets. Conflicts of interest may arise when the above parties attempt to provide more than one of these services. The industry is increasingly becoming aware of these conflicts and seeking independent fund administrators such as SS&C.

Highly Attractive Operating Model. By growing our contractually recurring revenues from our software-enabled services and our maintenance contracts, we gain greater predictability in the operation of our business, reduce volatility in our revenues and earnings, enhance our ability to manage our business and strengthen long-term relationships with our clients. We have designed

Table of Contents

our software and software-enabled services to be highly scalable to accommodate significant additional business volumes with limited incremental costs, providing us with opportunities to improve our operating margins and generate significant operating cash flows. We utilize a direct sales force model that benefits from significant direct participation by senior management and leverages the Internet as a direct marketing medium.

Deep Domain Knowledge and Extensive Industry Experience. As of December 31, 2009, we had 1,061 development, service and support professionals with significant expertise across the vertical markets that we serve and a deep working knowledge of our clients businesses. By leveraging our domain expertise and knowledge, we have developed, and continue to improve, our mission-critical software products and services to enable our clients to overcome the complexities inherent in their businesses.

Trusted Provider to Our Highly Diversified and Growing Client Base. By providing mission-critical, reliable software products and services for more than 20 years, we have become a trusted provider to a large and growing installed base within multiple segments of the financial services industry. Our clients include some of the largest and most well-recognized firms in the financial services industry. Our strong client relationships provide us with a significant opportunity to sell additional solutions to our existing clients and drive future revenue growth at lower cost.

Superior Client Support and Focus. Our ability to rapidly deliver improvements and our reputation for superior service have proven to be a strong competitive advantage when developing client relationships. We believe a close and active service and support relationship, which we foster through our dedicated client support teams for larger clients and through our interactive online client community (Solution Center), significantly enhances client satisfaction, strengthens client relationships and furnishes us with information regarding evolving client issues.

Our growth strategy

We intend to be the leading provider of superior technology solutions to the financial services industry. The key elements of our growth strategy include:

Continue to Develop Software-Enabled Services and New Proprietary Software. Since our founding in 1986, we have focused on building substantial financial services domain expertise, which enables us to respond to our clients most complex financial, accounting, actuarial, tax and regulatory needs. We intend to maintain and enhance our technological leadership by using our domain expertise to build valuable new software-enabled services, continuing to invest in internal development and opportunistically acquiring products and services that address the highly specialized needs of the financial services industry. Our software-enabled services revenues increased from $30.9 million for the year ended December 31, 2004 to $163.3 million for the year ended December 31, 2009, representing a compound annual growth rate of 40%.

Expand Our Client Base. Our client base of more than 4,500 clients represents a fraction of the total number of financial services providers globally. As a result, we believe there is substantial opportunity to grow our client base over time as our products become more widely adopted and to capitalize on the increasing adoption of mission-critical, sophisticated software and software-enabled services by financial services providers as they continue to replace inadequate legacy solutions and custom in-house solutions that are inflexible and costly to maintain.

Increase Revenues from Existing Clients. Revenues from our existing clients generally grow along with the amount and complexity of assets that they manage and the volume of transactions that they execute. Many of our current clients use our products only for a portion of their total assets under management and investment funds, providing us with significant opportunities to expand our business relationship and revenues. We have been successful in, and expect to continue to focus our marketing efforts on, providing additional modules or features to the products and services our existing clients already use, as well as cross-selling our other products and services. Moreover, our high quality of service helps us maintain significant client retention rates and longer lasting client relationships.

Continue to Capitalize on Acquisitions of Complementary Businesses and Technologies. We intend to continue to employ a highly disciplined and focused acquisition strategy to broaden and enhance our product and service offerings, expand our intellectual property portfolio, add new clients and supplement our internal development efforts. Our acquisitions have enabled us to expand our product and service offerings into new markets or client bases within the financial services industry. We believe that our acquisitions have been an extension of our research and development effort that has enabled us to purchase proven products and remove the uncertainties associated with software development projects. We have a proven ability to integrate complementary businesses as demonstrated by the 29 businesses that we have acquired since 1995.

Strengthen Our International Presence. We believe that there is a significant market opportunity to provide software and services to financial services providers outside North America. In 2009, we generated 21% of our revenues from clients outside North America. We are building our international operations in order to increase our sales outside North America. We plan to expand our international market presence by leveraging our existing software products and software-enabled services.

Our acquisitions

We intend to continue to employ a highly disciplined and focused acquisition strategy to broaden and enhance our product and service offerings, add new clients and supplement our internal development efforts. Our acquisitions have enabled us to expand our product and service offerings into new markets or client bases within the financial services industry. The addition of new products and services has also enabled us to market other products and services to acquired client bases. We believe that our acquisitions have been an extension of our research and development effort and have enabled us to purchase proven products and remove the uncertainties sometimes associated with software development projects.

Since 1995, we have acquired 29 businesses within our industry. To date, our acquisitions have contributed marketable products or services that have added to our revenues. We believe that we have generally been able to improve the operating performance and profitability of our acquired businesses. We seek to reduce the costs of the acquired businesses by consolidating sales and marketing efforts and by eliminating redundant administrative tasks and research and development expenses. In many cases, we have also been able to increase revenues generated by acquired products and services by leveraging our existing products and services, larger sales capabilities and client base.

Risks associated with our business

Our business is subject to numerous risks and uncertainties, as more fully described under Risk factors beginning on page 16, which you should carefully consider before purchasing our common stock. For example:

Our business is greatly affected by changes in the state of the general economy and the financial markets, and a prolonged downturn in the general economy or the financial services industry could disproportionately affect demand for our products and services.

We face significant competition with respect to our products and services, which may result in price reductions, reduced gross margins or loss of market share.

If we cannot attract, train and retain qualified managerial, technical and sales personnel, we may not be able to provide adequate technical expertise and customer service to our clients or maintain focus on our business strategy.

Our substantial indebtedness could adversely affect our financial health and prevent us from fulfilling our obligations under our 113/4% senior subordinated notes due 2013 and our senior credit facilities.

In addition, the ability of new investors to influence corporate matters may be limited because a small number of stockholders will beneficially own a substantial amount of our common stock after this offering. Following the completion of this offering, investment funds affiliated with Carlyle will beneficially own approximately 62.8% of our common stock, and William C. Stone, our Chairman of the Board of Directors and Chief Executive Officer, will beneficially own approximately 25.2% of our common stock, assuming that the underwriters do not exercise their option to purchase additional shares.

Principal stockholder The Carlyle Group

The Carlyle Group, or Carlyle, is a global private equity firm with $88.6 billion under management committed to 67 funds as of December 31, 2009. Carlyle invests in buyouts, growth capital, real estate and leveraged finance in Africa, Asia, Australia, Europe, North America and South America focusing on technology, aerospace and defense, automotive and transportation, consumer and retail, energy and power, financial services, healthcare, industrial, infrastructure, business services and telecommunications and media. Since 1987, the firm has invested $59.6 billion of equity in 952 transactions for a total purchase price of $233.0 billion. The Carlyle Group employs 864 people in 19 countries. Carlyle deals have included the acquisitions of OpenLink Financial, a leading provider of portfolio management software solutions to the commodity, energy and financial services markets, Freescale Semiconductor, Inc., one of the world s largest semiconductor companies, The Hertz Corporation, the largest worldwide car rental brand, Blackboard, Inc., a leading e-learning platform provider, and Booz Allen, a provider of management consulting for businesses and governments.

The going-private transaction

On November 23, 2005, SS&C Holdings, a Delaware corporation owned by investment funds affiliated with Carlyle, acquired SS&C through the merger of Sunshine Merger Corporation with and into SS&C, with SS&C being the surviving company and a wholly owned subsidiary of SS&C Holdings, and SS&C s outstanding common stock converted into the right to receive $37.25 per share in cash. We refer to the acquisition of SS&C by SS&C Holdings as the Acquisition.

Table of Contents

The following transactions occurred in connection with the Acquisition:

Carlyle capitalized SS&C Holdings with an aggregate equity contribution of $381.0 million;

William C. Stone, SS&C s Chairman of the Board and Chief Executive Officer, contributed $165.0 million of equity in the form of stock and rollover options, and certain other management and employee option holders contributed approximately $9.0 million of additional equity in the form of rollover options, to SS&C Holdings;

SS&C entered into senior secured credit facilities consisting of:

a $75.0 million revolving credit facility, of which $10.0 million was drawn at closing; and

a $275.0 million term loan B facility, which was fully drawn at closing and of which the equivalent of $75.0 million was drawn in Canadian dollars by one of SS&C s Canadian subsidiaries;

SS&C issued and sold $205.0 million in aggregate principal amount of 113/4% senior subordinated notes due 2013;

all outstanding options to purchase shares of SS&C s common stock became fully vested and immediately exercisable, and each outstanding option (other than options held by (1) non-employee directors, (2) certain individuals identified in a schedule to the Merger Agreement and (3) individuals who held options that were exercisable for fewer than 100 shares of SS&C s common stock) were, subject to certain conditions, assumed by SS&C Holdings and converted into an option to acquire common stock of SS&C Holdings; and

all in-the-money warrants to purchase shares of SS&C s common stock were cancelled in exchange for cash equal to the excess of the transaction price over the exercise price of the warrants.

In this prospectus, we refer to the Acquisition, the equity contributions to SS&C Holdings, the offering of the senior subordinated notes and the other transactions described above as the Transaction.

As a result of the Transaction, as of December 31, 2009, investment funds affiliated with Carlyle beneficially owned approximately 71% of the common stock of SS&C Holdings and William C. Stone, the Chairman of the Board and Chief Executive Officer of each of SS&C and SS&C Holdings, beneficially owned approximately 31% of the common stock of SS&C Holdings. See Principal and selling stockholders for additional information, including the calculation of beneficial ownership. The term Successor refers to us following the Acquisition, and the term Predecessor refers to us prior to the Acquisition.

The table set forth below compares the per share and aggregate amounts contributed to SS&C Holdings by William C. Stone, Carlyle and certain other management and employee option holders at the time of Transaction with the implied per share and aggregate value of the shares of our common stock at the time of this offering, based on the initial public offering price of $15.00 per share:

	Time of Transaction	**Time of this offering**
Per share	$8.64	$15.00
Aggregate	$555.0 million	$963.8 million

Table of Contents

Additional information

SS&C Holdings was incorporated in Delaware as Sunshine Acquisition Corporation in July 2005 and changed its name to SS&C Technologies Holdings, Inc. in June 2007. SS&C was organized as a Connecticut corporation in March 1986 and reincorporated as a Delaware corporation in April 1996. On November 23, 2005, SS&C Holdings acquired SS&C, as described above under The going-private transaction. Our principal executive offices are located at 80 Lamberton Road, Windsor, Connecticut 06095, and our telephone number at that location is (860) 298-4500. Our website address is www.ssctech.com. Information contained on our website does not constitute a part of this prospectus.

Table of Contents

The offering

Common stock offered by SS&C Technologies Holdings, Inc.	8,225,000 shares
Common stock offered by the selling stockholders	2,500,000 shares
Total	10,725,000 shares
Common stock to be outstanding after this offering	69,191,228 shares (70,799,978 shares if the over-allotment option is exercised in full)
Over-allotment option offered by SS&C Technologies Holdings, Inc.	We have granted the underwriters a 30-day option to purchase up to 1,608,750 shares of our common stock.
Use of proceeds	We estimate that we will receive approximately $112.3 million in net proceeds from the 8,225,000 shares of common stock that we are offering based upon the initial public offering price of $15.00 per share and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use a majority of our net proceeds of this offering to redeem up to $71.75 million in principal amount of our outstanding 113/4% senior subordinated notes due 2013 at a redemption price of 105.875% of the principal amount, plus accrued and unpaid interest, and the balance of our net proceeds for working capital and other general corporate purposes, including potential acquisitions. We will not receive any proceeds from the sale of shares by the selling stockholders, except for the aggregate exercise price of options held by certain selling stockholders. See Use of proceeds for additional information.
NASDAQ Global Select Market symbol	SSNC

The number of shares of our common stock to be outstanding following this offering is based on 60,966,228 shares of our common stock outstanding as of December 31, 2009, which includes 551,726 shares to be sold by selling stockholders upon the exercise of outstanding options in connection with this offering and 14,450 shares to be sold by selling stockholders which were acquired upon the exercise of outstanding options in 2010 and excludes:

12,171,383 shares of common stock issuable upon the exercise of stock options outstanding as of December 31, 2009 at a weighted average exercise price of $6.91 per share;

- 1,874,258 shares of common stock reserved as of December 31, 2009 for future issuance under our 2006 equity incentive plan; and

- 2,623,661 shares of common stock reserved as of December 31, 2009 for future issuance under our 2008 stock incentive plan.

The shares of common stock offered by us and the selling stockholders in this offering will represent 15.5% of the total shares of common stock to be outstanding after this offering.

Unless otherwise indicated, all information in this prospectus reflects and assumes the following:

- no exercise of outstanding options after December 31, 2009;

- an 8.5-for-1 stock split of our common stock that was effected on March 10, 2010;

- the effectiveness upon the closing of this offering of our restated certificate of incorporation and our amended and restated bylaws, which contain provisions customary for public companies, as more fully described below under Description of capital stock ; and

- no exercise by the underwriters of their over-allotment option.

Table of Contents

Summary historical financial data

The tables below summarize our historical consolidated financial data as of and for the periods indicated. You should read the following information together with the more detailed information contained in Selected historical financial data, Management s discussion and analysis of financial condition and results of operations and our consolidated financial statements and the accompanying notes.

On November 23, 2005, SS&C Holdings acquired SS&C through the merger of Sunshine Merger Corporation, a wholly owned subsidiary of SS&C Holdings, with and into SS&C, with SS&C being the surviving company and a wholly owned subsidiary of SS&C Holdings. We refer to the acquisition of SS&C by SS&C Holdings as the Acquisition. We refer to the Acquisition, together with related transactions entered into to finance the cash consideration for the Acquisition, to refinance certain of our existing indebtedness and to pay related transaction fees and expenses, as the Transaction.

The term Successor refers to us following the Acquisition, and the term Predecessor refers to us prior to the Acquisition. Certain financial information in this prospectus for the Predecessor period from January 1, 2005 through November 22, 2005 and the Successor period from November 23, 2005 through December 31, 2005 has been presented on a combined basis. This presentation does not comply with generally accepted accounting principles or with the rules for pro forma presentation, but is presented because we believe that it provides a meaningful comparison of our results. The combined operating results may not reflect the actual results we would have achieved absent the Transaction and may not be predictive of future results of operations.

The as adjusted balance sheet data set forth below give effect to the sale by us of 8,225,000 shares of our common stock in this offering at the initial public offering price of $15.00 per share, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, and the use of a majority of the net proceeds thereof to redeem $71.75 million in original principal amount of our outstanding 113/4% senior subordinated notes at a redemption price of 105.875% of the principal amount, plus accrued and unpaid interest. The as adjusted balance sheet also gives effect to our receipt of the aggregate exercise price for the 551,726 shares of common stock to be acquired by certain of the selling stockholders upon exercise of options in connection with this offering and the 14,450 shares which were acquired by certain of the selling stockholders upon exercise of options in 2010, a loss on extinguishment of debt of approximately $5.5 million, including a $4.2 million redemption premium and a non-cash charge of approximately $1.3 million relating to the write-off of deferred financing fees attributable to the redeemed notes and the related tax effects of the above.

Table of Contents

(In thousands, except per share data)	Predecessor January 1 through November 22, 2005	Successor November 23 through December 31, 2005	Combined[1] Year ended December 31, 2005	Year ended December 31, 2006	Year ended December 31, 2007	Year ended December 31, 2008	Successor Year ended December 31, 2009
Statement of operations data:							
Revenues:							
Software licenses	$ 20,147	$ 3,587	$ 23,734	$ 22,925	$ 27,514	$ 24,844	$ 20,661
Maintenance	44,064	3,701	47,765	55,222	61,910	65,178	66,099
Professional services	12,565	2,520	15,085	19,582	17,491	24,352	20,889
Software-enabled services	67,193	7,857	75,050	107,740	141,253	165,632	163,266
Total revenues	143,969	17,665	161,634	205,469	248,168	280,006	270,915
Total cost of revenues	59,004	7,627	66,631	100,016	128,882	142,433	137,740
Gross profit	84,965	10,038	95,003	105,453	119,286	137,573	133,175
Operating expenses:							
Selling, marketing, general and administrative	25,078	2,504	27,582	37,964	44,274	45,686	39,559
Research and development	19,199	2,071	21,270	23,620	26,282	26,804	26,513
Merger costs	36,912		36,912				
Total operating expenses	81,189	4,575	85,764	61,584	70,556	72,490	66,072
Operating income	3,776	5,463	9,239	43,869	48,730	65,083	67,103
Interest income	1,031	30	1,061	388	939	409	28
Interest expense	(2,092)	(4,920)	(7,012)	(47,427)	(45,463)	(41,539)	(36,891)
Other (expense) income, net	655	258	913	456	1,911	1,994	(1,418)
Income (loss) before income taxes	3,370	831	4,201	(2,714)	6,117	25,947	28,822
Provision (benefit) for income taxes	2,658		2,658	(3,789)	(458)	7,146	9,804
Net income	$ 712	$ 831	$ 1,543	$ 1,075	$ 6,575	$ 18,801	$ 19,018

Earnings per share[2]							
Basic	$ 0.03	$ 0.01		$ 0.02	$ 0.11	$ 0.31	$ 0.31
Diluted	$ 0.03	$ 0.01		$ 0.02	$ 0.10	$ 0.30	$ 0.30
Weighted average shares outstanding[2]							
Basic	23,300	60,138		60,172	60,245	60,284	60,381
Diluted	24,478	62,167		62,182	63,382	63,700	63,653
Other financial data:							
Recurring revenue percentage[3]	77.3%	65.4%	76.0%	79.3%	81.9%	82.4%	84.7%
Consolidated EBITDA[4]	$ 64,989	$ 8,588	$ 73,577	$ 83,998	$ 98,667	$ 115,566	$ 119,266

Table of Contents

(In thousands)	As of December 31, 2009 Actual	As adjusted
Balance sheet data:		
Cash and cash equivalents	$ 19,055	$ 57,235
Working capital (deficit)	(14,610)	26,260
Total assets	1,185,641	1,225,186
113/4% senior subordinated notes due 2013	205,000	133,250
Senior credit facility, including current portion	192,032	192,032
Total stockholders equity	645,987	758,272

(1) Our combined results for the year ended December 31, 2005 represent the addition of the Predecessor period from January 1, 2005 through November 22, 2005 and the Successor period from November 23, 2005 through December 31, 2005. This combination does not comply with generally accepted accounting principles (GAAP) or with the rules for pro forma presentation, but is presented because we believe it provides the most meaningful comparison of our results.

(2) Amounts for the Predecessor period are computed based upon the capital structure in existence prior to the Acquisition. Amounts for the Successor periods are computed based upon the capital structure in existence subsequent to the Acquisition.

(3) Recurring revenue percentage represents software-enabled services revenues and maintenance revenues as a percentage of total revenues. We do not believe that the recurring revenue percentage for the Successor period of 2005 is meaningful because such period is only five weeks in duration and not indicative of our overall trends.

(4) Consolidated EBITDA is a non-GAAP financial measure used in key financial covenants contained in our senior credit facilities, which are material facilities supporting our capital structure and providing liquidity to our business. Consolidated EBITDA is defined as earnings before interest, taxes, depreciation and amortization (EBITDA), further adjusted to exclude unusual items and other adjustments permitted in calculating covenant compliance under our senior credit facilities. We believe that the inclusion of supplementary adjustments to EBITDA applied in presenting Consolidated EBITDA is appropriate to provide additional information to investors to demonstrate compliance with the specified financial ratios and other financial condition tests contained in our senior credit facilities.

Management uses Consolidated EBITDA to gauge the costs of our capital structure on a day-to-day basis when full financial statements are unavailable. Management further believes that providing this information allows our investors greater transparency and a better understanding of our ability to meet our debt service obligations and make capital expenditures.

Any breach of covenants in our senior credit facilities that are tied to ratios based on Consolidated EBITDA could result in a default under that agreement, in which case the lenders could elect to declare all amounts borrowed due and payable and to terminate any commitments they have to provide further borrowings. Any such acceleration would also result in a default under our indenture. Any default and subsequent acceleration of payments under our debt agreements would have a material adverse effect on our results of operations, financial position and cash flows. Additionally, under our debt agreements, our ability to engage in activities such as incurring additional indebtedness, making investments and paying dividends is also tied to ratios based on Consolidated EBITDA.

Consolidated EBITDA does not represent net income or cash flow from operations as those terms are defined by GAAP and does not necessarily indicate whether cash flows will be sufficient to fund cash needs. Further, our senior credit facilities require that Consolidated EBITDA be calculated for the most recent four fiscal quarters. As a result, the measure can be disproportionately affected by a particularly strong or weak quarter. Further, it may not be comparable to the measure for any subsequent four-quarter period or any complete fiscal year.

Consolidated EBITDA is not a recognized measurement under GAAP, and investors should not consider Consolidated EBITDA as a substitute for measures of our financial performance and liquidity as determined in accordance with GAAP, such as net income, operating income or net cash provided by operating activities. Because other companies may calculate Consolidated EBITDA differently than we do, Consolidated EBITDA may not be comparable to similarly titled measures reported by other companies. Consolidated EBITDA has other limitations as an analytical tool, when compared to the use of net income, which is the most directly comparable GAAP financial measure, including:

Consolidated EBITDA does not reflect the provision of income tax expense in our various jurisdictions;

Consolidated EBITDA does not reflect the significant interest expense we incur as a result of our debt leverage;

Consolidated EBITDA does not reflect any attribution of costs to our operations related to our investments and capital expenditures through depreciation and amortization charges;

Consolidated EBITDA does not reflect the cost of compensation we provide to our employees in the form of stock option awards; and

Consolidated EBITDA excludes expenses that we believe are unusual or non-recurring, but which others may believe are normal expenses for the operation of a business.

The following is a reconciliation of net income to EBITDA and Consolidated EBITDA:

(In thousands)	Predecessor Period from January 1 through November 22, 2005	Successor Period from November 23, 2005 through December 31, 2005	Combined[a] Year ended December 31, 2005	Year ended December 31, 2006	Year ended December 31, 2007	Year ended December 31, 2008	Successor Year ended December 31, 2009
Net income	$ 712	$ 831	$ 1,543	$ 1,075	$ 6,575	$ 18,801	$ 19,018
Interest expense, net	1,061	4,890	5,951	47,039	44,524	41,130	36,863
Income taxes	2,658		2,658	(3,789)	(458)	7,146	9,804
Depreciation and amortization	9,575	2,301	11,876	27,128	35,047	35,038	36,028
EBITDA	14,006	8,022	22,028	71,453	85,668	102,115	101,713
Purchase accounting adjustments[b]		616	616	3,017	(296)	(289)	(93)
Merger costs	36,912		36,912				
Capital-based taxes				1,841	1,721	1,212	795
Unusual or non-recurring charges (income)[c]	(737)	(242)	(979)	1,485	(1,718)	1,480	1,990
Acquired EBITDA and cost savings[d]	14,808	85	14,893	1,147	135	2,379	8,053
Stock-based compensation				3,871	10,979	7,323	5,607
Other[e]		107	107	1,184	2,158	1,346	1,201
Consolidated EBITDA	$ 64,989	$ 8,588	$ 73,577	$ 83,998	$ 98,667	$ 115,566	$ 119,266

(a) Our combined results for the year ended December 31, 2005 represent the addition of the Predecessor period from January 1, 2005 through November 22, 2005 and the Successor period from November 23, 2005 through December 31, 2005. This combination does not comply with GAAP or with the rules for pro forma presentation, but is presented because we believe it provides the most meaningful comparison of our results.

(b) Purchase accounting adjustments include (1) an adjustment to increase revenues by the amount that would have been recognized if deferred revenue were not adjusted to fair value at the date of the Transaction and (2) an adjustment to increase rent expense by the amount that would have been recognized if lease obligations were not adjusted to fair value at the date of the Transaction.

(c)

Unusual or non-recurring charges include foreign currency transaction gains and losses, expenses related to our prior proposed public offering, severance expenses associated with workforce reduction, gains and losses on the sales of marketable securities, equity earnings and losses on investments, proceeds and payments associated with legal and other settlements, costs associated with the closing of a regional office and other one-time gains and expenses.

(d) Acquired EBITDA and cost savings reflects the EBITDA impact of significant businesses that were acquired during the period as if the acquisition occurred at the beginning of the period and cost savings to be realized from such acquisitions.

(e) Other includes management fees and related expenses paid to Carlyle and the non-cash portion of straight-line rent expense.

Table of Contents

Consolidated EBITDA and consolidated leverage ratios

Our senior credit facilities require us to maintain both a maximum consolidated total leverage to Consolidated EBITDA ratio (currently no more than 5.50) and a minimum Consolidated EBITDA to consolidated net interest coverage ratio (currently not less than 2.25), in each case calculated for the trailing four quarters.

The table below summarizes our Consolidated EBITDA, consolidated total leverage ratio and consolidated net interest coverage ratio for the periods presented.

(In thousands, except ratio data)	Combined[1] Twelve months ended December 31, 2005	Twelve months ended December 31, 2006	Twelve months ended December 31, 2007	Twelve months ended December 31, 2008	Twelve months ended December 31, 2009	Successor Twelve months ended December 31, 2009 (As adjusted)[6]
Consolidated EBITDA[2]	$ 73,577	$ 83,998	$ 98,667	$ 115,566	$ 119,266	$ 119,266
Consolidated total leverage to Consolidated EBITDA ratio (current maximum covenant level: 5.50)[3]	6.43	5.48	4.30	3.28	3.17	2.48
Consolidated EBITDA to consolidated net interest coverage ratio (current minimum covenant level: 2.25)[4]	10.87[5]	1.88	2.34	2.98	3.45	4.56

(1) Our combined results for the year ended December 31, 2005 represent the addition of the Predecessor period from January 1, 2005 through November 22, 2005 and the Successor period from November 23, 2005 through December 31, 2005. This combination does not comply with GAAP or with the rules for pro forma presentation, but is presented because we believe it provides the most meaningful comparison of our results.

(2) We reconcile our Consolidated EBITDA for the trailing four quarters to net income for the same period using the same methods set forth above.

(3) Consolidated total leverage ratio is defined in our senior credit facilities at the last day of any period of four consecutive fiscal quarters, as the ratio of (a) the principal amount of all debt at such date, minus the amount, up to a maximum amount of $30.0 million, of cash and cash equivalents to (b) Consolidated EBITDA. The current maximum consolidated total leverage ratio is 5.50. The maximum consolidated total leverage ratio for 2009 was 5.50, for 2008 was 6.00, for 2007 was 6.75 and for 2006 was 7.50. There was no maximum consolidated total leverage ratio covenant prior to June 30, 2006.

(4) Consolidated net interest coverage ratio is defined in our senior credit facilities as for any period, the ratio of (a) Consolidated EBITDA for such period to (b) total cash interest expense for such period with respect to all outstanding indebtedness minus total cash interest income for such period. The current minimum consolidated net interest coverage ratio is 2.25. The minimum consolidated net interest coverage ratio for 2009 was 2.00, for 2008 was 1.70, for 2007 was 1.50 and for 2006 was 1.40. There was no minimum consolidated net interest coverage ratio covenant prior to June 30, 2006.

(5) This ratio is not comparable because we did not incur debt under our existing senior credit facilities until November 2005 in connection with the Transaction.

(6) As adjusted to give effect to the sale by us of 8,225,000 shares of our common stock in this offering at the initial public offering price of $15.00 per share, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, and the use of a majority of the net proceeds thereof to redeem $71.75 million in original principal amount of our outstanding 113/4% senior subordinated notes at a redemption price of 105.875% of the principal amount, plus accrued and unpaid interest. The as adjusted data also give effect to our receipt of the aggregate exercise price for the 551,726 shares of common stock to be acquired by certain of the selling stockholders upon exercise of options in connection with this offering and the 14,450 shares which were acquired by certain of the selling stockholders upon exercise of options in 2010.

Table of Contents

Risk factors

Investing in our common stock involves a high degree of risk. You should carefully consider the following risk factors, as well as the other information in this prospectus, before deciding whether to invest in our common stock. If any of the following risks occur, our business, financial condition and operating results could be materially affected. The trading price of our common stock could decline as a result of any of these risks, and you might lose all or part of your investment in our common stock.

Risks relating to our business

Our business is greatly affected by changes in the state of the general economy and the financial markets, and a prolonged downturn in the general economy or the financial services industry could disproportionately affect the demand for our products and services.

The systemic impact of a potential long-term and wide-spread recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility and diminished expectations for both western and emerging economies. These unfavorable changes in economic conditions, as well as declining consumer confidence, inflation, recession or other factors, have caused and could continue to cause our clients or prospective clients to delay or reduce purchases of our products, and our revenues could be adversely affected. Fluctuations in the value of assets under our clients management could also adversely affect our revenues. These unfavorable conditions could also make it difficult for our clients to obtain credit on reasonable terms or at all, preventing them from making desired purchases of our products and services. Further, the current challenging economic conditions also may impair the ability of our clients to pay for products they have purchased and, as a result, our reserves, allowances for doubtful accounts and write-offs of accounts receivable could increase. We cannot predict the timing or duration of any economic downturn, generally, or in the markets in which our businesses operate. Continued turbulence in the U.S. and international markets and prolonged declines in business consumer spending could materially adversely affect our liquidity and financial condition, and the liquidity and financial condition of our clients.

Our clients include a range of organizations in the financial services industry whose success is linked to the health of the economy generally and of the financial markets specifically. As a result, we believe that fluctuations, disruptions, instability or prolonged downturns in the general economy and the financial services industry, including the current economic crisis, could disproportionately affect demand for our products and services. For example, such fluctuations, disruptions, instability or downturns may cause our clients to do the following:

- cancel or reduce planned expenditures for our products and services;
- process fewer transactions through our software-enabled services;
- seek to lower their costs by renegotiating their contracts with us;
- move their IT solutions in-house;
- switch to lower-priced solutions provided by our competitors; or
- exit the industry.

If such conditions occur and persist, our business and financial results, including our liquidity and our ability to fulfill our obligations to the holders of our 113/4% senior subordinated notes

Table of Contents

due 2013, which we refer to as the notes or senior subordinated notes, and our other lenders, could be materially adversely affected.

Further or accelerated consolidations and failures in the financial services industry could adversely affect our results of operations due to a resulting decline in demand for our products and services.

If banks and financial services firms fail or continue to consolidate, there could be a decline in demand for our products and services. Failures, mergers and consolidations of banks and financial institutions reduce the number of our clients and potential clients, which could adversely affect our revenues even if these events do not reduce the aggregate activities of the consolidated entities. Further, if our clients fail and/or merge with or are acquired by other entities that are not our clients, or that use fewer of our products and services, they may discontinue or reduce their use of our products and services. It is also possible that the larger financial institutions resulting from mergers or consolidations would have greater leverage in negotiating terms with us. In addition, these larger financial institutions could decide to perform in-house some or all of the services that we currently provide or could provide or to consolidate their processing on a non-SS&C system. The resulting decline in demand for our products and services could have a material adverse effect on our revenues.

If we are unable to retain and attract clients, our revenues and net income would remain stagnant or decline.

If we are unable to keep existing clients satisfied, sell additional products and services to existing clients or attract new clients, then our revenues and net income would remain stagnant or decline. A variety of factors could affect our ability to successfully retain and attract clients, including:

- the level of demand for our products and services;
- the level of client spending for information technology;
- the level of competition from internal client solutions and from other vendors;
- the quality of our client service;
- our ability to update our products and services and develop new products and services needed by clients;
- our ability to understand the organization and processes of our clients; and
- our ability to integrate and manage acquired businesses.

We face significant competition with respect to our products and services, which may result in price reductions, reduced gross margins or loss of market share.

The market for financial services software and services is competitive, rapidly evolving and highly sensitive to new product and service introductions and marketing efforts by industry participants. The market is also highly fragmented and served by numerous firms that target only local markets or specific client types. We also face competition from information systems developed and serviced internally by the IT departments of financial services firms.

Table of Contents

Some of our current and potential competitors have significantly greater financial, technical, distribution and marketing resources, generate higher revenues and have greater name recognition. Our current or potential competitors may develop products comparable or superior to those developed by us, or adapt more quickly to new technologies, evolving industry trends or changing client or regulatory requirements. It is also possible that alliances among competitors may emerge and rapidly acquire significant market share. Increased competition may result in price reductions, reduced gross margins and loss of market share. Accordingly, our business may not grow as expected and may decline.

Catastrophic events may adversely affect our ability to provide, our clients ability to use, and the demand for, our products and services, which may disrupt our business and cause a decline in revenues.

A war, terrorist attack, natural disaster or other catastrophe may adversely affect our business. A catastrophic event could have a direct negative impact on us or an indirect impact on us by, for example, affecting our clients, the financial markets or the overall economy and reducing our ability to provide, our clients ability to use, and the demand for, our products and services. The potential for a direct impact is due primarily to our significant investment in infrastructure. Although we maintain redundant facilities and have contingency plans in place to protect against both man-made and natural threats, it is impossible to fully anticipate and protect against all potential catastrophes. A computer virus, security breach, criminal act, military action, power or communication failure, flood, severe storm or the like could lead to service interruptions and data losses for clients, disruptions to our operations, or damage to important facilities. In addition, such an event may cause clients to cancel their agreements with us for our products or services. Any of these events could cause a decline in our revenues.

Our software-enabled services may be subject to disruptions that could adversely affect our reputation and our business.

Our software-enabled services maintain and process confidential data on behalf of our clients, some of which is critical to their business operations. For example, our trading systems maintain account and trading information for our clients and their customers. There is no guarantee that the systems and procedures that we maintain to protect against unauthorized access to such information are adequate to protect against all security breaches. If our software-enabled services are disrupted or fail for any reason, or if our systems or facilities are infiltrated or damaged by unauthorized persons, our clients could experience data loss, financial loss, harm to their reputation and significant business interruption. If that happens, we may be exposed to unexpected liability, our clients may leave, our reputation may be tarnished, and client dissatisfaction and lost business may result.

We may not achieve the anticipated benefits from our acquisitions and may face difficulties in integrating our acquisitions, which could adversely affect our revenues, subject us to unknown liabilities, increase costs and place a significant strain on our management.

We have made and intend in the future to make acquisitions of companies, products or technologies that we believe could complement or expand our business, augment our market coverage, enhance our technical capabilities or otherwise offer growth opportunities. However, acquisitions could subject us to contingent or unknown liabilities, and we may have to incur debt or severance liabilities or write off investments, infrastructure costs or other assets.

Table of Contents

Our success is also dependent on our ability to complete the integration of the operations of acquired businesses in an efficient and effective manner. Successful integration in the rapidly changing financial services software and services industry may be more difficult to accomplish than in other industries. We may not realize the benefits we anticipate from acquisitions, such as lower costs or increased revenues. We may also realize such benefits more slowly than anticipated, due to our inability to:

- combine operations, facilities and differing firm cultures;
- retain the clients or employees of acquired entities;
- generate market demand for new products and services;
- coordinate geographically dispersed operations and successfully adapt to the complexities of international operations;
- integrate the technical teams of these companies with our engineering organization;
- incorporate acquired technologies and products into our current and future product lines; and
- integrate the products and services of these companies with our business, where we do not have distribution, marketing or support experience for these products and services.

Integration may not be smooth or successful. The inability of management to successfully integrate the operations of acquired companies could disrupt our ongoing operations, divert management from day-to-day responsibilities, increase our expenses and harm our operating results or financial condition. Such acquisitions may also place a significant strain on our administrative, operational, financial and other resources. To manage growth effectively, we must continue to improve our management and operational controls, enhance our reporting systems and procedures, integrate new personnel and manage expanded operations. If we are unable to manage our growth and the related expansion in our operations from recent and future acquisitions, our business may be harmed through a decreased ability to monitor and control effectively our operations and a decrease in the quality of work and innovation of our employees.

We expect that our operating results, including our profit margins and profitability, may fluctuate over time.

Historically, our revenues, profit margins and other operating results have fluctuated from period to period and over time primarily due to the timing, size and nature of our license and service transactions. Additional factors that may lead to such fluctuation include:

- the timing of the introduction and the market acceptance of new products, product enhancements or services by us or our competitors;
- the lengthy and often unpredictable sales cycles of large client engagements;
- the amount and timing of our operating costs and other expenses;
- the financial health of our clients;
- changes in the value of assets under our clients management;

cancellations of maintenance and/or software-enabled services arrangements by our clients;

changes in local, national and international regulatory requirements;

changes in our personnel;

implementation of our licensing contracts and software-enabled services arrangements;

changes in economic and financial market conditions; and

changes in the mix in the types of products and services we provide.

If we cannot attract, train and retain qualified managerial, technical and sales personnel, we may not be able to provide adequate technical expertise and customer service to our clients or maintain focus on our business strategy.

We believe that our success is due in part to our experienced management team. We depend in large part upon the continued contribution of our senior management and, in particular, William C. Stone, our Chief Executive Officer and Chairman of the Board of Directors. Losing the services of one or more members of our senior management could significantly delay or prevent the achievement of our business objectives. Mr. Stone has been instrumental in developing our business strategy and forging our business relationships since he founded the company in 1986. We maintain no key man life insurance policies for Mr. Stone or any other senior officers or managers.

Our success is also dependent upon our ability to attract, train and retain highly skilled technical and sales personnel. Loss of the services of these employees could materially affect our operations. Competition for qualified technical personnel in the software industry is intense, and we have, at times, found it difficult to attract and retain skilled personnel for our operations.

Locating candidates with the appropriate qualifications, particularly in the desired geographic location and with the necessary subject matter expertise, is difficult. Our failure to attract and retain a sufficient number of highly skilled employees could prevent us from developing and servicing our products at the same levels as our competitors and we may, therefore, lose potential clients and suffer a decline in revenues.

If we are unable to protect our proprietary technology, our success and our ability to compete will be subject to various risks, such as third-party infringement claims, unauthorized use of our technology, disclosure of our proprietary information or inability to license technology from third parties.

Our success and ability to compete depends in part upon our ability to protect our proprietary technology. We rely on a combination of trade secret, copyright and trademark law, nondisclosure agreements and technical measures to protect our proprietary technology. We have registered trademarks for some of our products and will continue to evaluate the registration of additional trademarks as appropriate. We generally enter into confidentiality and/or license agreements with our employees, distributors, clients and potential clients. We seek to protect our software, documentation and other written materials under trade secret and copyright laws, which afford only limited protection. These efforts may be insufficient to prevent third parties from asserting intellectual property rights in our technology. Furthermore, it may be possible for unauthorized third parties to copy portions of our products or to reverse

Table of Contents

engineer or otherwise obtain and use our proprietary information, and third parties may assert ownership rights in our proprietary technology.

Existing patent and copyright laws afford only limited protection. Others may develop substantially equivalent or superseding proprietary technology, or competitors may offer equivalent products in competition with our products, thereby substantially reducing the value of our proprietary rights. There are many patents in the financial services field. As a result, we are subject to the risk that others will claim that the important technology we have developed, acquired or incorporated into our products will infringe the rights, including the patent rights, such persons may hold. These claims, if successful, could result in a material loss of our intellectual property rights. Expensive and time-consuming litigation may be necessary to protect our proprietary rights.

We incorporate open source software into a limited number of our software solutions. We monitor our use of open source software to avoid subjecting our products to conditions we do not intend. Although we believe that we have complied with our obligations under the applicable licenses for open source software that we use, there is little or no legal precedent governing the interpretation of many of the terms of certain of these licenses. Therefore, the potential impact of these terms is uncertain and may result in unanticipated obligations or restrictions regarding those of our products, technologies or solutions affected.

We have acquired and may acquire important technology rights through our acquisitions and have often incorporated and may incorporate features of this technology across many products and services. As a result, we are subject to the above risks and the additional risk that the seller of the technology rights may not have appropriately protected the intellectual property rights we acquired. Indemnification and other rights under applicable acquisition documents are limited in term and scope and therefore provide us with only limited protection.

In addition, we currently use certain third-party software in providing some of our products and services, such as industry standard databases and report writers. If we lost our licenses to use such software or if such licenses were found to infringe upon the rights of others, we would need to seek alternative means of obtaining the licensed software to continue to provide our products or services. Our inability to replace such software, or to replace such software in a timely manner, could have a negative impact on our operations and financial results.

We could become subject to litigation regarding intellectual property rights, which could seriously harm our business and require us to incur significant costs, which, in turn, could reduce or eliminate profits.

In recent years, there has been significant litigation in the United States involving patents and other intellectual property rights. We may be a party to litigation in the future to enforce our intellectual property rights or as a result of an allegation that we infringe others intellectual property rights, including patents, trademarks and copyrights. From time to time we have received notices claiming our technology may infringe third-party intellectual property rights. Any parties asserting that our products or services infringe upon their proprietary rights could force us to defend ourselves and possibly our clients against the alleged infringement. These claims and any resulting lawsuit, if successful, could subject us to significant liability for damages and invalidation of our proprietary rights. These lawsuits, regardless of their success, could be time-consuming and expensive to resolve, adversely affect our revenues, profitability and prospects and divert management time and attention away from our operations. We may

Table of Contents

be required to re-engineer our products or services or obtain a license of third-party technologies on unfavorable terms.

Our failure to continue to derive substantial revenues from the licensing of, or the provision of software-enabled services related to, our CAMRA, TradeThru, Pacer, AdvisorWare and Total Return software, and the provision of maintenance and professional services in support of such licensed software, could adversely affect our ability to sustain or grow our revenues and harm our business, financial condition and results of operations.

The licensing of, and the provision of software-enabled services, maintenance and professional services relating to, our CAMRA, TradeThru, Pacer, AdvisorWare and Total Return software accounted for approximately 54% of our revenues for the year ended December 31, 2009. We expect that the revenues from these software products and services will continue to account for a significant portion of our total revenues for the foreseeable future. As a result, factors adversely affecting the pricing of or demand for such products and services, such as competition or technological change, could have a material adverse effect on our ability to sustain or grow our revenues and harm our business, financial condition and results of operations.

We may be unable to adapt to rapidly changing technology and evolving industry standards and regulatory requirements, and our inability to introduce new products and services could result in a loss of market share.

Rapidly changing technology, evolving industry standards and regulatory requirements and new product and service introductions characterize the market for our products and services. Our future success will depend in part upon our ability to enhance our existing products and services and to develop and introduce new products and services to keep pace with such changes and developments and to meet changing client needs. The process of developing our software products is extremely complex and is expected to become increasingly complex and expensive in the future due to the introduction of new platforms, operating systems and technologies. Our ability to keep up with technology and business and regulatory changes is subject to a number of risks, including that:

- we may find it difficult or costly to update our services and software and to develop new products and services quickly enough to meet our clients needs;

- we may find it difficult or costly to make some features of our software work effectively and securely over the Internet or with new or changed operating systems;

- we may find it difficult or costly to update our software and services to keep pace with business, evolving industry standards, regulatory and other developments in the industries where our clients operate; and

- we may be exposed to liability for security breaches that allow unauthorized persons to gain access to confidential information stored on our computers or transmitted over our network.

Our failure to enhance our existing products and services and to develop and introduce new products and services to promptly address the needs of the financial markets could adversely affect our business and results of operations.

Table of Contents

Undetected software design defects, errors or failures may result in loss of our clients data, litigation against us and harm to our reputation and business.

Our software products are highly complex and sophisticated and could contain design defects or software errors that are difficult to detect and correct. Errors or bugs may result in loss of client data or require design modifications. We cannot assure you that, despite testing by us and our clients, errors will not be found in new products, which errors could result in data unavailability, loss or corruption of client assets, litigation and other claims for damages against us. The cost of defending such a lawsuit, regardless of its merit, could be substantial and could divert management s attention from ongoing operations of the company. In addition, if our business liability insurance coverage proves inadequate with respect to a claim or future coverage is unavailable on acceptable terms or at all, we may be liable for payment of substantial damages. Any or all of these potential consequences could have an adverse impact on our operating results and financial condition.

Challenges in maintaining and expanding our international operations can result in increased costs, delayed sales efforts and uncertainty with respect to our intellectual property rights and results of operations.

For the years ended December 31, 2007, 2008 and 2009, international revenues accounted for 41%, 39% and 36%, respectively, of our total revenues. We sell certain of our products, such as Altair and Pacer, primarily outside the United States. Our international business may be subject to a variety of risks, including:

changes in a specific country s or region s political or economic condition;

difficulties in obtaining U.S. export licenses;

potentially longer payment cycles;

increased costs associated with maintaining international marketing efforts;

foreign currency fluctuations;

the introduction of non-tariff barriers and higher duty rates;

foreign regulatory compliance; and

difficulties in enforcement of third-party contractual obligations and intellectual property rights.

Such factors could have a material adverse effect on our ability to meet our growth and revenue projections and negatively affect our results of operations.

Risks relating to our indebtedness

Our substantial indebtedness could adversely affect our financial health and prevent us from fulfilling our obligations under our 113/4% senior subordinated notes due 2013 and our senior credit facilities.

We have incurred a significant amount of indebtedness. As of December 31, 2009, we had total indebtedness of $397.3 million and additional available borrowings of $73.0 million under our revolving credit facility. Our total indebtedness consisted of $205.0 million of 113/4% senior subordinated notes due 2013, $190.0 million of secured indebtedness under our term loan B facility, $2.0 million of secured indebtedness under our revolving credit facility and $0.3 million of capital leases.

Our substantial indebtedness could have important consequences. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to our notes and our senior credit facilities;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund acquisitions, working capital, capital expenditures, research and development efforts and other general corporate purposes;
- increase our vulnerability to and limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- expose us to the risk of increased interest rates as borrowings under our senior credit facilities are subject to variable rates of interest;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds.

In addition, the indenture governing the notes and the agreement governing our senior credit facilities contain financial and other restrictive covenants that limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our debts.

To service our indebtedness, we require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

We are currently obligated to make periodic principal and interest payments on our senior and subordinated debt of approximately $35 million annually. Our ability to make payments on and to refinance our indebtedness and to fund planned capital expenditures will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under our senior credit facilities in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness on or before maturity. We cannot assure you that we will be able to refinance any of our indebtedness, including our senior credit

facilities and the notes, on commercially reasonable terms or at all. If we cannot service our indebtedness, we may have to take actions such as selling assets, seeking additional equity or reducing or delaying capital expenditures, strategic acquisitions, investments and alliances. We cannot assure you that any such actions, if necessary, could be effected on commercially reasonable terms or at all.

Despite current indebtedness levels, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks associated with our substantial financial leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future because the terms of the indenture governing the notes and our senior credit facilities do not fully prohibit us or our subsidiaries from doing so. Subject to covenant compliance and certain conditions, our senior credit facilities permit additional borrowing, including borrowing up to $75.0 million under our revolving credit facility. If new debt is added to our and our subsidiaries current debt levels, the related risks that we and they now face could intensify.

Restrictive covenants in the indenture governing the notes and the agreement governing our senior credit facilities may restrict our ability to pursue our business strategies.

The indenture governing the notes and the agreement governing our senior credit facilities limit SS&C s ability, among other things, to:

- incur additional indebtedness;
- sell assets, including capital stock of restricted subsidiaries;
- agree to payment restrictions affecting SS&C s restricted subsidiaries;
- pay dividends;
- consolidate, merge, sell or otherwise dispose of all or substantially all of SS&C s assets;
- make strategic acquisitions;
- enter into transactions with SS&C s affiliates;
- incur liens; and
- designate any of SS&C s subsidiaries as unrestricted subsidiaries.

In addition, our senior credit facilities include other covenants which, subject to permitted exceptions, prohibit us from making capital expenditures in excess of certain thresholds, making investments, loans and other advances, engaging in sale-leaseback transactions, entering into speculative hedging agreements, and prepaying our other indebtedness while indebtedness under our senior credit facilities is outstanding. The agreement governing our senior credit facilities also requires us to maintain compliance with specified financial ratios, particularly a leverage ratio and an interest coverage ratio. Our ability to comply with these ratios may be affected by events beyond our control. See Description of certain indebtedness Senior credit facilities for additional information.

The restrictions contained in the indenture governing the notes and the agreement governing our senior credit facilities could limit our ability to plan for or react to market conditions, meet capital needs or make acquisitions or otherwise restrict our activities or business plans.

Table of Contents

A breach of any of these restrictive covenants or our inability to comply with the required financial ratios could result in a default under the agreement governing our senior credit facilities. If a default occurs, the lenders under our senior credit facilities may elect to:

- declare all borrowings outstanding, together with accrued interest and other fees, to be immediately due and payable; or

- prevent us from making payments on the notes,

either of which would result in an event of default under the notes. The lenders also have the right in these circumstances to terminate any commitments they have to provide further borrowings. If we are unable to repay outstanding borrowings when due, the lenders under our senior credit facilities also have the right to proceed against the collateral, including our available cash, granted to them to secure the indebtedness. If the indebtedness under our senior credit facilities and the notes were to be accelerated, we cannot assure you that our assets would be sufficient to repay in full that indebtedness and our other indebtedness.

We may not have the ability to raise the funds necessary to finance the change of control offer required by the indenture governing the notes.

Upon the occurrence of certain specific kinds of change of control events, we will be required to offer to repurchase all outstanding notes at 101% of the principal amount thereof plus accrued and unpaid interest and liquidated damages, if any, to the date of repurchase. However, it is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of notes or that restrictions in our senior credit facilities will not allow such repurchases. In addition, certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a Change of Control under the indenture governing the notes.

SS&C Holdings is a holding company with no operations or assets of its own and its ability to pay dividends is limited or otherwise restricted.

SS&C Holdings has no direct operations and no significant assets other than the stock of SS&C. Our ability to pay dividends is limited by our status as a holding company and by the terms of the indenture governing our notes and the agreement governing our senior credit facilities, which significantly restrict the ability of our subsidiaries to pay dividends or otherwise transfer assets to SS&C Holdings. See Risk factors Risks relating to our indebtedness Restrictive covenants in the indenture governing the notes and the agreement governing our senior credit facilities may restrict our ability to pursue our business strategies. Moreover, even in the absence of any such restrictions, none of the subsidiaries of SS&C Holdings is obligated to make funds available to SS&C Holdings for the payment of dividends or otherwise. In addition, Delaware law imposes requirements that may restrict the ability of our subsidiaries, including SS&C, to pay dividends to SS&C Holdings. Also, SS&C Holdings has no ability to do acquisitions or conduct other business activities directly. These limitations could reduce our attractiveness to investors.

Table of Contents

Risks relating to this offering and ownership of our common stock

An active trading market for our common stock may not develop, and you may not be able to sell your common stock at or above the initial public offering price.

Prior to this offering, there has been no public market for the common stock of SS&C Holdings. Although our common stock has been approved for listing on the NASDAQ Global Select Market, an active and liquid trading market for shares of our common stock may never develop or be sustained following this offering. If no trading market develops, securities analysts may not initiate or maintain research coverage of our company, which could further depress the market for our common stock. As a result, investors may not be able to sell their common stock at or above the initial public offering price or at the time that they would like to sell.

If equity research analysts do not publish research or reports about our business or if they issue unfavorable commentary or downgrade our common stock, the price of our common stock could decline.

The trading market for our common stock will rely in part on the research and reports that equity research analysts publish about us and our business. We do not control these analysts. The price of our stock could decline if one or more equity analysts downgrade our stock or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business.

The market price of our common stock may be volatile, which could result in substantial losses for investors purchasing shares in this offering.

The initial public offering price for our common stock was determined through negotiations with the underwriters. This initial public offering price may vary from the market price of our common stock after the offering. Some of the factors that may cause the market price of our common stock to fluctuate include:

- fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- changes in estimates of our financial results or recommendations by securities analysts;
- failure of any of our products to achieve or maintain market acceptance;
- changes in market valuations of similar companies;
- success of competitive products;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- announcements by us or our competitors of significant products, contracts, acquisitions or strategic alliances;
- regulatory developments in the United States, foreign countries or both;
- litigation involving our company, our general industry or both;
- additions or departures of key personnel;

Table of Contents

investors general perception of us; and

changes in general economic, industry and market conditions.

In addition, if the market for technology stocks or the stock market in general experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition or results of operations. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to class action lawsuits that, even if unsuccessful, could be costly to defend and a distraction to management.

A significant portion of our total outstanding shares may be sold into the public market in the near future, which could cause the market price of our common stock to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our common stock in the public market could occur at any time after the expiration of the lock-up agreements described in Underwriting. These sales, or the market perception that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. After this offering, we will have 69,191,228 shares of common stock outstanding based on the number of shares outstanding as of December 31, 2009. This includes the 10,725,000 shares of common stock being offered by this prospectus, which may be resold in the public market immediately. The remaining 58,466,228 shares, or 84.5% of our outstanding shares after this offering, are currently restricted as a result of securities laws or lock-up agreements but will be able to be sold, subject to any applicable volume limitations under federal securities laws with respect to affiliate sales, in the near future as set forth below.

Number of shares	Date available for sale into public market
222,323 shares	On the date of this prospectus.
19,472 shares	90 days after the date of this prospectus.
58,224,433 shares	180 days after the date of this prospectus, subject to extension in specified instances, due to lock-up agreements between the holders of these shares and the underwriters. However, the underwriters can waive the provisions of these lock-up agreements and allow these stockholders to sell their shares at any time.

In addition, as of December 31, 2009, there were 12,171,383 shares subject to outstanding options that will become eligible for sale in the public market to the extent permitted by any applicable vesting requirements, the lock-up agreements and Rules 144 and 701 under the Securities Act of 1933, which we refer to as the Securities Act. Moreover, after this offering, holders of an aggregate of 58,204,288 shares of our common stock as of December 31, 2009, will have rights, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. We also intend to register all shares of common stock that we may issue under our employee benefit plans. Once we register these shares, they can be freely sold in the public market upon issuance, subject to the lock-up agreements and the restrictions imposed on our affiliates under Rule 144.

Table of Contents

You will incur immediate and substantial dilution in the net tangible book value of your shares as a result of this offering.

If you purchase common stock in this offering, you will incur immediate and substantial dilution of $19.87 per share, representing the difference between the initial public offering price of $15.00 per share and our adjusted net tangible book value per share after giving effect to this offering. Moreover, we issued options in the past to acquire common stock at prices significantly below the initial public offering price. As of December 31, 2009, there were 12,171,383 shares subject to outstanding options with a weighted average exercise price of $6.91 per share. To the extent that these outstanding options are ultimately exercised, you will incur further dilution.

A few significant stockholders control the direction of our business. If the ownership of our common stock continues to be highly concentrated, it will prevent you and other stockholders from influencing significant corporate decisions.

Following the completion of this offering, investment funds affiliated with Carlyle will beneficially own approximately 62.8% of our common stock, and William C. Stone, our Chairman of the Board and Chief Executive Officer, will beneficially own approximately 25.2% of our common stock, assuming that the underwriters do not exercise their option to purchase additional shares. We are also party to a stockholders agreement with Carlyle and Mr. Stone, pursuant to which Carlyle and Mr. Stone have agreed to vote in favor of nominees to our board of directors nominated by each other. As a result, Carlyle and Mr. Stone will continue to exercise control over matters requiring stockholder approval and our policy and affairs. See Certain relationships and related transactions Stockholders agreement.

The presence of Carlyle s nominees on our board of directors may result in a delay or the deterrence of possible changes in control of our company, which may reduce the market price of our common stock. The interests of our existing stockholders may conflict with the interests of our other stockholders. Additionally, Carlyle and its affiliates are in the business of making investments in companies, and from time to time acquire interests in businesses that directly or indirectly compete with certain portions of our business or are suppliers or clients of ours.

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

We cannot specify with certainty the particular uses of a portion of the net proceeds we will receive from this offering. Our management will have broad discretion in the application of the net proceeds, including for any of the purposes described in Use of proceeds. Accordingly, you will have to rely upon the judgment of our management with respect to the use of the proceeds, with only limited information concerning management s specific intentions. Our management may spend a portion of the net proceeds from this offering in ways that our stockholders may not desire or that may not yield a favorable return. The failure by our management to apply these funds effectively could harm our business. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

Table of Contents

Provisions in our certificate of incorporation and bylaws might discourage, delay or prevent a change of control of our company or changes in our management and, therefore, depress the trading price of our common stock.

Provisions of our certificate of incorporation and bylaws and Delaware law may discourage, delay or prevent a merger, acquisition or other change in control that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares of our common stock. These provisions may also prevent or frustrate attempts by our stockholders to replace or remove our management. These provisions include:

- limitations on the removal of directors;
- a classified board of directors so that not all members of our board are elected at one time;
- advance notice requirements for stockholder proposals and nominations;
- the inability of stockholders to call special meetings;
- the ability of our board of directors to make, alter or repeal our bylaws;
- the ability of our board of directors to designate the terms of and issue new series of preferred stock without stockholder approval, which could be used to institute a rights plan, or a poison pill, that would work to dilute the stock ownership of a potential hostile acquirer, likely preventing acquisitions that have not been approved by our board of directors; and
- a prohibition on stockholders from acting by written consent if William C. Stone, investment funds affiliated with Carlyle, and certain transferees of Carlyle cease to collectively hold a majority of our outstanding common stock.

The existence of the foregoing provisions and anti-takeover measures could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our company, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition.

See Description of capital stock Anti-takeover provisions for additional information on the anti-takeover measures applicable to us.

As a result of our operating as a public company, our management will be required to devote significant time to public company compliance requirements. This may divert management s attention from the growth and operation of the business.

The Sarbanes-Oxley Act of 2002, and rules subsequently implemented by the Securities and Exchange Commission and the NASDAQ Global Select Market, impose a number of requirements on public companies, including provisions regarding corporate governance practices. Our management and other personnel will need to devote a significant amount of time to these compliance initiatives. Moreover, these rules and regulations will make some activities more time-consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantial additional costs to maintain the same or similar coverage. These rules and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

Table of Contents

In addition, the Sarbanes-Oxley Act requires, among other things, that we maintain effective internal control over financial reporting and disclosure controls and procedures. In particular, we will need to perform system and process evaluation and testing of our internal control over financial reporting to allow management and our independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. Our testing, or the subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. Our compliance with Section 404 will require that we expend significant management time on compliance-related issues. Moreover, if we are not able to comply with the requirements of Section 404 in a timely manner, or if we or our independent registered public accounting firm identify deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our common stock could decline and we could be subject to sanctions or investigations by the NASDAQ Global Select Market, the Securities and Exchange Commission or other regulatory authorities, which would require additional financial and management resources.

Table of Contents

Forward-looking statements

This prospectus includes statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms believes, estimates, anticipates, plans, expects, intends, may, will or should or, in each case, their negative or oth comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this prospectus and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, technology and strategies and the industry in which we operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this prospectus. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

The following list represents some, but not all, of the factors that may cause actual results to differ from those anticipated or predicted:

- the effect of a prolonged downturn in the general economy or the financial services industry;
- the effect of any further or accelerated consolidations in the financial services industry;
- our ability to retain and attract clients and key personnel;
- the integration of acquired businesses;
- our ability to continue to derive substantial revenues from the licensing of, or provision of software-enabled services relating to, certain of our licensed software, and the provision of maintenance and professional services in support of such licensed software;
- our ability to adapt to rapidly changing technology and evolving industry standards, and our ability to introduce new products and services;
- challenges in maintaining and expanding our international operations;
- the effects of war, terrorism and other catastrophic events;
- the risk of increased interest rates due to the variable rates of interest on certain of our indebtedness; and
- other risks and uncertainties, including those listed under the caption Risk factors.

You should also carefully read the factors described in the Risk factors section of this prospectus to better understand the risks and uncertainties inherent in our business and underlying any forward-looking statements.

Any forward-looking statements that we make in this prospectus speak only as of the date of such statement, and we undertake no obligation to update such statements except as required by law. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

Use of proceeds

We estimate that we will receive approximately $112.3 million in net proceeds from the 8,225,000 shares of common stock that we are offering based upon the initial public offering price of $15.00 per share, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We will also receive proceeds of approximately $1.8 million from the exercise of stock options by certain selling stockholders in connection with this offering. If the underwriters exercise their over-allotment option in full, we estimate our net proceeds from this offering will be approximately $134.8 million. We will not receive any proceeds from the sale of shares of common stock offered by the selling stockholders, except for the aggregate exercise price of the selling stockholder options, as noted above.

We intend to use:

- a majority of our net proceeds from this offering to redeem up to $71.75 million in principal amount of our outstanding 113/4% senior subordinated notes due 2013, at a redemption price of 105.875% of the principal amount, plus accrued and unpaid interest; and

- the balance of our net proceeds from this offering for working capital and other general corporate purposes, including potential acquisitions.

We believe opportunities may exist from time to time to expand our current business through acquisitions of complementary companies, products or technologies. While we have no agreements or commitments for any specific acquisitions at this time, we may use a portion of the net proceeds for these purposes.

We have not yet determined the amount of notes we will redeem with a portion of our net proceeds from this offering. The amount we redeem will depend on the amount of our proceeds from this offering, our anticipated cash resources and needs and other factors we consider relevant. We may not redeem more than 35% of the aggregate principal amount of notes outstanding without a waiver from the lenders under our senior credit facilities. If we redeem 35% of the aggregate principal amount of the notes, we will redeem $71.75 million in principal amount of notes for $76.0 million in cash, plus accrued and unpaid interest. This redemption will result in a loss on extinguishment of debt of approximately $5.5 million in the period in which the notes are redeemed, which includes a $4.2 million redemption premium and a non-cash charge of approximately $1.3 million relating to the write-off of deferred financing fees attributable to the redeemed notes. For each $1.0 million decrease in the principal amount redeemed, we will pay $1.06 million less in cash to redeem the notes.

We have not yet determined with any certainty the manner in which we will allocate the balance of our net proceeds from this offering, and as a result management will retain broad discretion in the allocation and use of the net proceeds. The amounts and timing of our expenditures will vary depending on a number of factors, including the amount of cash generated by our operations, potential acquisitions, competitive developments and the rate of growth, if any, of our business. For example, if we were to expand our operations more rapidly than anticipated by our current plans, a greater portion of the net proceeds would likely be used for working capital. Alternatively, if we were to engage in an acquisition that contained a significant cash component, some or all of the net proceeds in excess of the amount required to redeem the notes might be used for that purpose.

Pending any use, as described above, we plan to invest the net proceeds in short-term, interest-bearing, investment-grade securities.

Table of Contents

Dividend policy

We do not expect to pay dividends on our common stock for the foreseeable future. Instead, we anticipate that all of our earnings in the foreseeable future will be used for the operation and growth of our business. Our ability to pay dividends to holders of our common stock is limited as a practical matter by our senior credit facilities and the indenture governing our notes, insofar as we may seek to pay dividends out of funds made available to us by our subsidiaries, because our debt instruments directly or indirectly impose certain limitations on our subsidiaries ability to pay dividends or make loans to us. In particular, SS&C is only permitted to pay dividends or advances to us in limited circumstances and, subject to compliance with specified financial ratios, in amounts determined by reference to, among other things, consolidated net income. Any future determination to pay dividends on our common stock is subject to the discretion of our board of directors and will depend upon various factors, including our results of operations, financial condition, liquidity requirements, restrictions that may be imposed by applicable law and our contracts, and other factors deemed relevant by our board of directors. See Management s discussion and analysis of financial condition and results of operations and note 6 to our consolidated financial statements included elsewhere in this prospectus.

Capitalization

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2009, as follows:

on a pro forma basis giving effect to the 8.5-for-1 stock split of our common stock effected as of March 10, 2010 and the filing of our restated certificate of incorporation as of the closing date of this offering, which will reflect the creation of our Class A non-voting common stock described below; and
on a pro forma as adjusted basis to reflect:

(1) the sale of 8,225,000 shares of common stock that we are offering at the initial public offering price of $15.00 per share, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, the use of a majority of the net proceeds thereof to redeem $71.75 million in original principal amount of our outstanding 113/4% senior subordinated notes due 2013 at a redemption price of 105.875% of the principal amount, plus accrued and unpaid interest, a loss on extinguishment of debt of approximately $5.5 million, including a $4.2 million redemption premium and a non-cash charge of approximately $1.3 million relating to the write-off of deferred financing fees attributable to the redeemed notes and the related tax effect of the loss on extinguishment of debt; and

(2) the issuance of 551,726 shares of common stock upon the exercise of options held by certain selling stockholders in connection with this offering, the issuance of 14,450 shares of common stock upon the exercise of options by certain selling stockholders in 2010 and the receipt of the aggregate exercise price for such options and the associated tax effect of the exercises.

On February 16, 2010, we amended our certificate of incorporation to create our Class A non-voting common stock and amended an option previously granted by SS&C to Mr. Stone on February 17, 2000 to make it an option to purchase 637,500 shares of our Class A non-voting common stock at an exercise price of $0.87 per share. Mr. Stone exercised the option on February 17, 2010 and purchased 637,500 shares of our Class A non-voting common stock.

You should read the following table in conjunction with our consolidated financial statements and the accompanying notes and the sections entitled Selected historical financial data and Management s discussion and analysis of financial condition and results of operations appearing elsewhere in this prospectus.

(In thousands, except per share data)	December 31, 2009 Pro forma	December 31, 2009 Pro forma as adjusted
Cash and cash equivalents	$ 19,055	$ 57,235
Senior credit facilities	$ 192,032	$ 192,032
113/4% senior subordinated notes due 2013	205,000	133,250
Capital leases	227	227
Total debt, including current portion	397,259	325,509
Stockholders equity:		
Preferred stock, par value $0.01 per share; 5,000 shares authorized and no shares issued or outstanding, pro forma and pro forma as adjusted		
Common stock, par value $0.01 per share; 100,000 shares authorized, pro forma and pro forma as adjusted; 60,807 shares issued and 60,400 shares outstanding, pro forma; 69,598 shares issued and 69,191 shares outstanding, pro forma as adjusted	608	696
Class A non-voting common stock, par value $0.01 per share; 5,000 shares authorized and no shares issued or outstanding, pro forma and pro forma as adjusted		
Additional paid-in capital	587,293	702,717
Accumulated other comprehensive income	16,436	16,436
Retained earnings	46,300	43,073
Less: cost of common stock in treasury, 407 shares	(4,650)	(4,650)
Total stockholders equity	645,987	758,272
Total capitalization, including current portion of long-term debt	$ 1,043,246	$ 1,083,781

The preceding table excludes:

12,171,383 shares of common stock issuable upon the exercise of stock options outstanding as of December 31, 2009 at a weighted average exercise price of $6.91 per share;

1,874,258 shares of common stock reserved as of December 31, 2009 for future issuance under our 2006 equity incentive plan; and

2,623,661 shares of common stock reserved as of December 31, 2009 for future issuance under our 2008 stock incentive plan.

In addition, the pro forma presentation excludes 551,726 shares to be sold by selling stockholders upon the exercise of outstanding options in connection with this offering and 14,450 shares to be sold by selling stockholders that were acquired upon the exercise of outstanding options in 2010.

Table of Contents

Dilution

If you invest in our common stock, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the net tangible book value per share of our common stock immediately after this offering.

Our net tangible book value as of December 31, 2009 was a deficit of $(453.5) million, or $(7.51) per share of common stock. Net tangible book value per share represents the amount of our total tangible assets less our total liabilities, divided by the number of shares of common stock outstanding.

After giving effect to our sale of 8,225,000 shares of common stock in this offering at the initial public offering price of $15.00 per share and the receipt of approximately $1.8 million in proceeds from the exercise of options held by certain selling stockholders and the related tax effect, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, but excluding any retirement of outstanding debt, our net tangible book value as of December 31, 2009 would have been a deficit of approximately $(336.7) million, or approximately $(4.87) per share. This amount represents an immediate increase in net tangible book value to our existing stockholders of $2.64 per share and an immediate dilution to new investors of $19.87 per share. Dilution per share to new investors is determined by subtracting the net tangible book value per share after this offering from the initial public offering price per share paid by a new investor. The following table illustrates the per share dilution without giving effect to the over-allotment option granted to the underwriters or the use of proceeds from this offering:

Initial public offering price per share		$ 15.00
Net tangible book value per share as of December 31, 2009	$ (7.51)	
Increase per share attributable to new investors	2.64	
Net tangible book value per share after this offering		(4.87)
Dilution per share to new investors		$ 19.87

If the underwriters over-allotment option is exercised in full, the net tangible book value per share after this offering would be a deficit of approximately $(4.44), resulting in dilution per share to new investors of $19.44.

Table of Contents

The following table summarizes, as of December 31, 2009, after giving effect to the issuance of 551,726 shares of common stock upon the exercise of options held by certain selling stockholders and the issuance of 14,450 shares of common stock upon the exercise of options by certain selling stockholders in 2010, the differences between the number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid by our existing stockholders and by new investors, based upon the initial public offering price of $15.00 per share and before deducting underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares purchased		Total consideration		Average price per share
	Number	Percent	Amount	Percent	
Existing stockholders	60,966,228	88.1%	$ 530.1 million	81.1%	$ 8.69
New investors	8,225,000	11.9	$ 123.4 million	18.9	$ 15.00
Total	69,191,228	100.0%	$ 653.5 million	100.0%	

The preceding discussion and table assume no exercise of outstanding stock options as of December 31, 2009, other than the options to purchase an aggregate of 551,726 shares of common stock to be exercised by certain selling stockholders in connection with this offering and options to purchase an aggregate of 14,450 shares of common stock exercised by certain selling stockholders in 2010. As of December 31, 2009, we had outstanding options to purchase a total of 12,171,383 shares of common stock at a weighted average exercise price of $6.91 per share. To the extent any of these options are exercised, there will be further dilution to new investors.

The sale of 2,500,000 shares of our common stock to be sold by the selling stockholders in this offering will reduce the number of shares of our common stock held by existing stockholders to 58,466,228, or 84.5% of the total number of shares of our common stock outstanding after this offering, and will increase the number of shares of our common stock held by new investors to 10,725,000, or 15.5% of the total number of shares of our common stock outstanding after this offering.

Table of Contents

Selected historical financial data

You should read the selected historical consolidated financial data with Management s discussion and analysis of financial condition and results of operations and our consolidated financial statements and the accompanying notes. The selected consolidated financial data as of December 31, 2008 and 2009 and for the fiscal years ended December 31, 2007, 2008 and 2009 have been derived from our consolidated financial statements included elsewhere in this prospectus, which have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm. The selected consolidated financial data as of December 31, 2005, 2006 and 2007, for the periods from January 1, 2005 through November 22, 2005 and from November 23, 2005 through December 31, 2005 and for the fiscal year ended December 31, 2006 have been derived from audited consolidated financial statements not included in this prospectus. Our historical results may not be indicative of the operating results to be expected in any future periods.

On November 23, 2005, SS&C Holdings acquired SS&C through the merger of Sunshine Merger Corporation, a wholly owned subsidiary of SS&C Holdings, with and into SS&C, with SS&C being the surviving company and a wholly owned subsidiary of SS&C Holdings. We refer to the acquisition of SS&C by SS&C Holdings as the Acquisition. We refer to the Acquisition, together with related transactions entered into to finance the cash consideration for the Acquisition, to refinance certain of our existing indebtedness and to pay related transaction fees and expenses, as the Transaction.

The term Successor refers to us following the Acquisition, and the term Predecessor refers to us prior to the Acquisition. Our combined results of operations for the year ended December 31, 2005 represent the addition of the Predecessor period from January 1, 2005 through November 22, 2005 and the Successor period from November 23, 2005 through December 31, 2005. This combination does not comply with generally accepted accounting principles or with the rules for pro forma presentation, but is presented because we believe it provides a meaningful comparison of our results. The combined operating results may not reflect the actual results we would have achieved absent the Transaction and may not be predictive of future results of operations.

Table of Contents

xcept per share and percentage data)	Predecessor Period from January 1, 2005 through November 22, 2005	Successor Period from November 23, 2005 through December 31, 2005	Combined Year Ended December 31, 2005	Year Ended December 31, 2006	Year Ended December 31, 2007	Year Ended December 31, 2008
erations data:						
	$ 20,147	$ 3,587	$ 23,734	$ 22,925	$ 27,514	$ 24,844
	44,064	3,701	47,765	55,222	61,910	65,178
ices	12,565	2,520	15,085	19,582	17,491	24,352
services	67,193	7,857	75,050	107,740	141,253	165,632
	143,969	17,665	161,634	205,469	248,168	280,006
	2,963	856	3,819	9,216	9,616	9,198
	10,393	1,499	11,892	20,415	26,038	26,854
ices	7,849	861	8,710	12,575	14,277	16,118
services	37,799	4,411	42,210	57,810	78,951	90,263
nues	59,004	7,627	66,631	100,016	128,882	142,433
	84,965	10,038	95,003	105,453	119,286	137,573
es:						
eting	13,134	1,364	14,498	17,598	19,701	19,566
elopment	19,199	2,071	21,270	23,620	26,282	26,804
nistrative	11,944	1,140	13,084	20,366	24,573	26,120
	36,912		36,912			
xpenses	81,189	4,575	85,764	61,584	70,556	72,490
e	3,776	5,463	9,239	43,869	48,730	65,083
	1,031	30	1,061	388	939	409
	(2,092)	(4,920)	(7,012)	(47,427)	(45,463)	(41,539)
ncome, net	655	258	913	456	1,911	1,994

fore income taxes	3,370	831	4,201	(2,714)	6,117	25,947
n for income taxes	2,658		2,658	(3,789)	(458)	7,146
	$ 712	$ 831	$ 1,543	$ 1,075	$ 6,575	$ 18,801
e[1]						
	$ 0.03	$ 0.01		$ 0.02	$ 0.11	$ 0.31
	$ 0.03	$ 0.01		$ 0.02	$ 0.10	$ 0.30
e shares outstanding[1]						
	23,300	60,138		60,172	60,245	60,284
	24,478	62,167		62,182	63,382	63,700
gs per share[2]						
ed average shares outstanding[2]						
h flows data:						
d by (used in):						
es	$ 32,116	$ 4,915		$ 30,709	$ 57,057	$ 61,655
es	(110,495)	(877,261)		(18,626)	(12,839)	(24,608
es	69,161	868,655		(16,427)	(37,408)	(25,532
data:						
e percentage[3]	77.3%	65.4%	76.0%	79.3%	81.9%	82.4%
TDA[4]	$ 64,989	$ 8,588	$ 73,577	$ 83,998	$ 98,667	$ 115,566
ta (at period end):						
alents and marketable securities		$ 15,584		$ 11,718	$ 19,175	$ 29,299
deficit)		7,283		(1,312)	5,668	10,835
		1,176,371		1,152,521	1,190,495	1,127,353
net of current portion		478,143		466,235	440,580	406,625
s equity		557,133		563,132	612,593	587,253

(1) Amounts for the Predecessor periods are computed based upon the capital structure in existence prior to the Acquisition. Amounts for the Successor periods are computed based upon the capital structure in existence subsequent to the Acquisition.

(2) Pro forma basic and diluted earnings per share for the year ended December 31, 2009 give effect to the issuance of 5,445,542 shares by us in this offering whose proceeds will be used to redeem $71.75 million in principal amount of the notes, for $76.0 million in cash. As a result of this redemption, the Company s aggregate annual interest expense in respect of the notes, net of tax will decrease by approximately $5.1 million. See Use of proceeds.

(3) Recurring revenue percentage represents software-enabled services revenues and maintenance revenues as a percentage of total revenues. We do not believe that the recurring revenue percentage for the Successor period of 2005 is meaningful because such period is only five weeks in duration and not indicative of our overall trends.

(4) Consolidated EBITDA is a non-GAAP financial measure used in key financial covenants contained in our senior credit facilities, which are material facilities supporting our capital structure and providing liquidity to our business. Consolidated EBITDA is defined as earnings before interest, taxes, depreciation and amortization (EBITDA), further adjusted to exclude unusual items and other adjustments permitted in calculating covenant compliance under our senior credit facilities. We believe that the inclusion of supplementary adjustments to EBITDA applied in presenting Consolidated EBITDA is appropriate to provide additional information to investors to demonstrate compliance with the specified financial ratios and other financial condition tests contained in our senior credit facilities.

Management uses Consolidated EBITDA to gauge the costs of our capital structure on a day-to-day basis when full financial statements are unavailable. Management further believes that providing this information allows our investors greater transparency and a better understanding of our ability to meet our debt service obligations and make capital expenditures.

Any breach of covenants in our senior credit facilities that are tied to ratios based on Consolidated EBITDA could result in a default under that agreement, in which case the lenders could elect to declare all amounts borrowed due and payable and to terminate any commitments they have to provide further borrowings. Any such acceleration would also result in a default under our indenture. Any default and subsequent acceleration of payments under our debt agreements would have a material adverse effect on our results of operations, financial position and cash flows. Additionally, under our debt agreements, our ability to engage in activities such as incurring additional indebtedness, making investments and paying dividends is also tied to ratios based on Consolidated EBITDA.

Consolidated EBITDA does not represent net income or cash flow from operations as those terms are defined by GAAP and does not necessarily indicate whether cash flows will be sufficient to fund cash needs. Further, our senior credit facilities require that Consolidated EBITDA be calculated for the most recent four fiscal quarters. As a result, the measure can be disproportionately affected by a particularly strong or weak quarter. Further, it may not be comparable to the measure for any subsequent four-quarter period or any complete fiscal year.

Consolidated EBITDA is not a recognized measurement under GAAP, and investors should not consider Consolidated EBITDA as a substitute for measures of our financial performance and liquidity as determined in accordance with GAAP, such as net income, operating income or net cash provided by operating activities. Because other companies may calculate Consolidated EBITDA differently than we do, Consolidated EBITDA may not be comparable to similarly titled measures reported by other companies. Consolidated EBITDA has other limitations as an analytical tool, when compared to the use of net income, which is the most directly comparable GAAP financial measure, including:

Consolidated EBITDA does not reflect the provision of income tax expense in our various jurisdictions;

Consolidated EBITDA does not reflect the significant interest expense we incur as a result of our debt leverage;

Consolidated EBITDA does not reflect any attribution of costs to our operations related to our investments and capital expenditures through depreciation and amortization charges;

Consolidated EBITDA does not reflect the cost of compensation we provide to our employees in the form of stock option awards; and

Consolidated EBITDA excludes expenses that we believe are unusual or non-recurring, but which others may believe are normal expenses for the operation of a business.

The following is a reconciliation of net income to Consolidated EBITDA as defined in our senior credit facilities.

(In thousands)	Predecessor Period from January 1 through November 22, 2005	Successor Period from November 23, 2005 through December 31, 2005	Combined Year Ended December 31, 2005	Year Ended December 31, 2006	Year Ended December 31, 2007	Year Ended December 31, 2008	Successor Year Ended December 31, 2009
Net income	$ 712	$ 831	$ 1,543	$ 1,075	$ 6,575	$ 18,801	$ 19,018
Interest expense, net	1,061	4,890	5,951	47,039	44,524	41,130	36,863
Income taxes	2,658		2,658	(3,789)	(458)	7,146	9,804
Depreciation and amortization	9,575	2,301	11,876	27,128	35,047	35,038	36,028
EBITDA	14,006	8,022	22,028	71,453	85,668	102,115	101,713
Purchase accounting adjustments[a]		616	616	3,017	(296)	(289)	(93)
Merger costs	36,912		36,912				
Capital-based taxes				1,841	1,721	1,212	795
Unusual or non-recurring charges (income)[b]	(737)	(242)	(979)	1,485	(1,718)	1,480	1,990
Acquired EBITDA and cost savings[c]	14,808	85	14,893	1,147	135	2,379	8,053
Stock-based compensation				3,871	10,979	7,323	5,607
Other[d]		107	107	1,184	2,158	1,346	1,201
Consolidated EBITDA	$ 64,989	$ 8,588	$ 73,577	$ 83,998	$ 98,667	$ 115,566	$ 119,266

(a) Purchase accounting adjustments include (1) an adjustment to increase revenues by the amount that would have been recognized if deferred revenue were not adjusted to fair value at the date of the Transaction and (2) an adjustment to increase rent expense by the amount that would have been recognized if lease obligations were not adjusted to fair value at the date of the Transaction.

(b) Unusual or non-recurring charges include foreign currency transaction gains and losses, expenses related to our prior proposed public offering, severance expenses associated with workforce reduction, gains and losses on the sales of marketable securities, equity earnings and losses on investments, proceeds and payments associated with legal and other settlements, costs associated with the closing of a regional office and other one-time gains and expenses.

(c) Acquired EBITDA and cost savings reflects the EBITDA impact of significant businesses that were acquired during the period as if the acquisition occurred at the beginning of the period and cost savings to be realized from such acquisitions.

(d) Other includes management fees and related expenses paid to Carlyle and the non-cash portion of straight-line rent expense.

Table of Contents

Consolidated EBITDA and consolidated leverage ratios

Our senior credit facilities require us to maintain both a maximum consolidated total leverage to Consolidated EBITDA ratio (currently no more than 5.50) and a minimum Consolidated EBITDA to consolidated net interest ratio (currently not less than 2.25) in each case calculated for the trailing four quarters.

The table below summarizes our Consolidated EBITDA, consolidated total leverage ratio and consolidated net interest coverage ratio for the periods presented.

(In thousands, except ratio data)	Combined[1] Twelve Months Ended December 31, 2005	Twelve Months Ended December 31, 2006	Twelve Months Ended December 31, 2007	Twelve Months Ended December 31, 2008	Twelve Months Ended December 31, 2009	Successor Twelve Months Ended December 31, 2009 (As adjusted)[6]
Consolidated EBITDA[2]	$ 73,577	$ 83,998	$ 98,667	$ 115,566	$ 119,266	$ 119,266
Consolidated total leverage to Consolidated EBITDA ratio (current maximum covenant level: 5.50)[3]	6.43	5.48	4.30	3.28	3.17	2.48
Consolidated EBITDA to consolidated net interest coverage ratio (current minimum covenant level: 2.25)[4]	10.87[5]	1.88	2.34	2.98	3.45	4.56

(1) Our combined results for the year ended December 31, 2005 represent the addition of the Predecessor period from January 1, 2005 through November 22, 2005 and the Successor period from November 23, 2005 through December 31, 2005. This combination does not comply with GAAP or with the rules for pro forma presentation, but is presented because we believe it provides the most meaningful comparison of our results.

(2) We reconcile our Consolidated EBITDA for the trailing four quarters to net income for the same period using the same methods set forth above.

(3) Consolidated total leverage ratio is defined in our senior credit facilities at the last day of any period of four consecutive fiscal quarters, as the ratio of (a) the principal amount of all debt at such date, minus the amount, up to a maximum amount of $30.0 million of cash and cash equivalents to (b) Consolidated EBITDA. The current maximum consolidated total leverage ratio is 5.50. The maximum consolidated total leverage ratio for 2009 was 5.50, for 2008 was 6.00, for 2007 was 6.75 and for 2006 was 7.50. There was no maximum consolidated total leverage ratio covenant prior to June 30, 2006.

(4) Consolidated net interest coverage ratio is defined in our senior credit facilities as for any period, the ratio of (a) Consolidated EBITDA for such period to (b) total cash interest expense for such period with respect to all outstanding indebtedness minus total cash interest income for such period. The current minimum consolidated net interest coverage ratio is 2.25. The minimum consolidated net interest coverage ratio for 2009 was 2.00, for 2008 was 1.70, for 2007 was 1.50 and for 2006 was 1.40. There was no minimum consolidated net interest coverage ratio covenant prior to June 30, 2006.

(5) This ratio is not comparable because we did not incur debt under our existing senior credit facilities until November 2005 in connection with the Transaction.

(6) As adjusted to give effect to the sale by us of 8,225,000 shares of our common stock in this offering at the initial public offering price of $15.00 per share, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, and the use of a majority of the net proceeds thereof to redeem $71.75 million in original principal amount of our outstanding 113/4% senior subordinated notes at a redemption price of 105.875% of the principal amount, plus accrued and unpaid interest. The as adjusted data also give effect to our receipt of the aggregate exercise price for the 551,726 shares of common stock to be acquired by certain of the selling stockholders upon exercise of options in connection with this offering and the 14,450 shares which were acquired by certain of the selling stockholders upon exercise of options in 2010.

Table of Contents

Management s discussion and analysis of financial condition and results of operations

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the Selected historical financial data section of this prospectus and our consolidated financial statements and the accompanying notes appearing elsewhere in this prospectus. In addition to historical information, this discussion contains forward-looking statements based on our current expectations that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in the Risk factors section and elsewhere in this prospectus.

Overview

We are a leading provider of mission-critical, sophisticated software products and software-enabled services that allow financial services providers to automate complex business processes and effectively manage their information processing requirements. Our portfolio of software products and rapidly deployable software-enabled services allows our clients to automate and integrate front-office functions such as trading and modeling, middle-office functions such as portfolio management and reporting, and back-office functions such as accounting, performance measurement, reconciliation, reporting, processing and clearing. Our solutions enable our clients to focus on core operations, better monitor and manage investment performance and risk, improve operating efficiency and reduce operating costs. We provide our solutions globally to more than 4,500 clients, principally within the institutional asset management, alternative investment management and financial institutions vertical markets. In addition, our clients include commercial lenders, corporate treasury groups, insurance and pension funds, municipal finance groups and real estate property managers.

Since 2007, we have expanded our presence in current markets and entered new markets, increased our recurring revenues, enhanced our operating income, paid down debt and reduced our debt leverage, increased our revenues through offering our proprietary software as software-enabled services, and expanded our reach in the financial services market. Our acquisitions since 2007 have expanded our offerings for alternative investment managers, added to our portfolio management systems and provided us with new trading products for broker/dealers and financial exchanges.

Our revenues for 2009 were $270.9 million, compared to $280.0 million and $248.2 million in 2008 and 2007, respectively. Our revenues decreased in 2009 due in part to the impact of the recent economic downturn and of a strengthened U.S. dollar, offset in part by revenues attributable to acquired businesses. Our recurring revenues, which consist of our maintenance revenues and software-enabled services revenues, were $229.4 million in 2009, compared to $230.8 million and $203.2 million in 2008 and 2007, respectively. In 2009, recurring revenues represented 84.7% of total revenues, compared to 82.4% and 81.9% in 2008 and 2007, respectively. We believe our high level of recurring revenues provides us with the ability to better manage our costs and capital investments. Our revenues from sales outside the United States were $98.6 million in 2009, compared to $110.3 million and $101.1 million in 2008 and 2007, respectively.

As we have expanded our business, we have focused on increasing our contractually recurring revenues. Since 2007, we have seen increased demand in the financial services industry for our

Table of Contents

software-enabled services from existing and new customers. To support that demand, we have taken a number of steps, such as automating our software-enabled services delivery methods and providing our employees with sales incentives. We have also acquired businesses that offer software-enabled services or that have a large base of maintenance clients. We believe that increasing the portion of our total revenues that are contractually recurring gives us the ability to better plan and manage our business and helps us reduce the fluctuations in revenues and cash flows typically associated with software license revenues. Our software-enabled services revenues increased from $141.3 million in 2007 to $163.3 million in 2009. Our maintenance revenues increased from $61.9 million in 2007 to $66.1 million in 2009. Maintenance customer retention rates have continued to be in excess of 90% and we have maintained both pricing levels for new contracts and annual price increases for existing contracts. To support the growth in our software-enabled services revenues and maintain our level of customer service, we have invested in increased personnel, facilities expansion and information technology. These investments and automation improvements in our software-enabled services have resulted in improved gross margins. Gross margins have increased from 48.1% in 2007 to 49.2% in 2009. We expect our contractually recurring revenues to continue to increase as a percentage of our total revenues.

We continue to focus on improving operating margins. Our total expenses, including costs of revenues, were $203.8 million in 2009, compared to $214.9 million and $199.4 million in 2008 and 2007, respectively. Our expenses decreased in 2009 over 2008 mainly as a result of our workforce reduction in November 2008 in an effort to reduce costs in response to the then anticipated effects of the recent economic downturn. As a result of managing our expenses, our operating income margins were 24.8% of revenues in 2009 compared to 23.2% in 2008 and 19.6% in 2007. Consolidated EBITDA, a non-GAAP financial measure defined in our credit agreement and used to measure our debt compliance, was $119.3 million in 2009 compared to $115.6 million and $98.7 million, in 2008 and 2007, respectively. Please see Selected historical financial data for a reconciliation of net income to Consolidated EBITDA.

We generated $59.9 million in cash from operating activities in 2009, compared to $61.7 million and $57.1 million in 2008 and 2007, respectively. In 2009, we used our operating cash flow and existing cash to repay $19.7 million of debt, acquire four businesses for $51.5 million and invest $2.6 million in capital equipment in our business.

Acquisitions

To supplement our organic growth, we evaluate and execute acquisitions that provide complementary products or services, add proven technology and an established client base, expand our intellectual property portfolio or address a highly specialized problem or a market niche. Since the beginning of 2007, we have spent approximately $88.9 million in cash to acquire seven businesses in the financial services industry.

Table of Contents

The following table lists the businesses we have acquired since January 1, 2007:

Acquired business	Acquisition date	Acquired capabilities, products and services
GIPS	February 2010	Expanded fund administration services to private equity market
Tradeware	December 2009	Added electronic trading offering in broker/ dealer market
TheNextRound	November 2009	Expanded private equity client base with TNR Solution product
MAXIMIS	May 2009	Expanded institutional footprint and provided new cross-selling opportunities
Evare	March 2009	Expanded institutional middle- and back-office outsourcing services with financial data acquisition, transformation and delivery services
Micro Design Services	October 2008	Added real-time, mission-critical order routing and execution services with ACA, BlockTalk and MarketLook products
Northport	March 2007	Expanded fund administration services to private equity market

Critical accounting estimates and assumptions

A number of our accounting policies require the application of significant judgment by our management, and such judgments are reflected in the amounts reported in our consolidated financial statements. In applying these policies, our management uses its judgment to determine the appropriate assumptions to be used in the determination of estimates. Those estimates are based on our historical experience, terms of existing contracts, management s observation of trends in the industry, information provided by our clients and information available from other outside sources, as appropriate. On an ongoing basis, we evaluate our estimates and judgments, including those related to revenue recognition, doubtful accounts receivable, goodwill and other intangible assets and other contingent liabilities. Actual results may differ significantly from the estimates contained in our consolidated financial statements. We believe that the following are our critical accounting policies.

Revenue recognition

Our revenues consist primarily of software-enabled services and maintenance revenues, and, to a lesser degree, software license and professional services revenues.

Software-enabled services revenues, which are based on a monthly fee or transaction-based, are recognized as the services are performed. Software-enabled services are provided under arrangements that generally have terms of two to five years and contain monthly or quarterly fixed payments, with additional billing for increases in market value of a client s assets, pricing and trading activity under certain contracts.

We recognize software-enabled services revenues on a monthly basis as the software-enabled services are provided and when persuasive evidence of an arrangement exists, the price is fixed or determinable and collectibility is reasonably assured. We do not recognize any revenues before services are performed. Certain contracts contain additional fees for increases in market value, pricing and trading activity. Revenues related to these additional fees are recognized in

the month in which the activity occurs based upon our summarization of account information and trading volume.

We recognize revenues from the sale of software licenses when persuasive evidence of an arrangement exists, the product has been delivered, the fee is fixed or determinable and collection of the resulting receivable is reasonably assured. Our products generally do not require significant modification or customization of the underlying software and, accordingly, the implementation services we provide are not considered essential to the functionality of the software.

We use a signed license agreement as evidence of an arrangement for the majority of our transactions. Delivery generally occurs when the product is delivered to a common carrier F.O.B. shipping point, or if delivered electronically, when the client has been provided with access codes that allow for immediate possession via a download. Although our arrangements generally do not have acceptance provisions, if such provisions are included in the arrangement, then delivery occurs at acceptance, unless such acceptance is deemed perfunctory. At the time of the transaction, we assess whether the fee is fixed or determinable based on the payment terms. Collection is assessed based on several factors, including past transaction history with the client and the creditworthiness of the client. The arrangements for perpetual software licenses are generally sold with maintenance and professional services. We allocate revenue to the delivered components, normally the license component, using the residual value method based on objective evidence of the fair value of the undelivered elements. The total contract value is attributed first to the maintenance and customer support arrangement based on the fair value, which is derived from renewal rates. Fair value of the professional services is based upon stand-alone sales of those services. Professional services are generally billed at an hourly rate plus out-of-pocket expenses. Professional services revenues are recognized as the services are performed. Maintenance agreements generally require us to provide technical support and software updates to our clients (on a when-and-if-available basis). We generally provide maintenance services under one-year renewable contracts. Maintenance revenues are recognized ratably over the term of the contract.

We also sell term licenses with maintenance. These arrangements range from one to seven years. Vendor-specific objective evidence does not exist for the maintenance element in the term licenses, and revenues are therefore recognized ratably over the contractual term of the arrangement.

We occasionally enter into software license agreements requiring significant customization or fixed-fee professional service arrangements. We account for these arrangements in accordance with the percentage-of-completion method based on the ratio of hours incurred to expected total hours; accordingly we must estimate the costs to complete the arrangement utilizing an estimate of man-hours remaining. Due to uncertainties inherent in the estimation process, it is at least reasonably possible that completion costs may be revised. Such revisions are recognized in the period in which the revisions are determined. Due to the complexity of some software license agreements, we routinely apply judgments to the application of software revenue recognition accounting principles to specific agreements and transactions. Different judgments or different contract structures could have led to different accounting conclusions, which could have a material effect on our reported results of operations.

Allowance for doubtful accounts

The preparation of financial statements requires our management to make estimates relating to the collectibility of our accounts receivable. Management establishes the allowance for doubtful accounts based on historical bad debt experience. In addition, management analyzes client accounts, client concentrations, client creditworthiness, current economic trends and changes in our clients payment terms when evaluating the adequacy of the allowance for doubtful accounts. Such

Table of Contents

estimates require significant judgment on the part of our management. Therefore, changes in the assumptions underlying our estimates or changes in the financial condition of our clients could result in a different required allowance, which could have a material effect on our reported results of operations.

Long-lived assets, intangible assets and goodwill

We must test goodwill annually for impairment (and in interim periods if certain events occur indicating that the carrying value of goodwill or indefinite-lived intangible assets may be impaired). We test the recoverability of goodwill by comparing the fair value or our reporting unit to its book value. To the extent that we do not achieve our revenue or operating cash flow plans or other measures of fair value decline, including external valuation assumptions, our current goodwill carrying value could be impaired. Additionally, since fair value is also based in part on the market approach, if comparable company market multiples decline from the levels at December 31, 2009, it is possible we could be required to perform the second step of the goodwill impairment test and impairment could result. The first step of the impairment analysis indicated that the fair value of our reporting unit exceeded its carrying value by more than 25% at December 31, 2009.

We assess the impairment of identifiable intangibles, long-lived assets and goodwill whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors we consider important which could trigger an impairment review include the following:

significant underperformance relative to historical or projected future operating results;

significant changes in the manner of our use of the acquired assets or the strategy for our overall business; and

significant negative industry or economic trends.

When we determine that the carrying value of intangibles and long-lived assets may not be recoverable based upon the existence of one or more of the above indicators of potential impairment, we assess whether an impairment has occurred based on whether net book value of the assets exceeds related projected undiscounted cash flows from these assets. We consider a number of factors, including past operating results, budgets, economic projections, market trends and product development cycles in estimating future cash flows. Differing estimates and assumptions as to any of the factors described above could result in a materially different impairment charge and thus materially different results of operations.

Acquisition accounting

In connection with our acquisitions, we allocate the purchase price to the assets and liabilities we acquire, such as net tangible assets, completed technology, in-process research and development, client contracts, other identifiable intangible assets, deferred revenue and goodwill. We applied significant judgments and estimates in determining the fair market value of the assets acquired and their useful lives. For example, we have determined the fair value of existing client contracts based on the discounted estimated net future cash flows from such client contracts existing at the date of acquisition and the fair value of the completed technology based on the relief-from-royalties method on estimated future revenues of such completed technology. While actual results during the years ended December 31, 2009, 2008 and 2007 were consistent with our estimated cash flows and we did not incur any impairment charges during those years, different estimates and assumptions in valuing acquired assets could yield materially different results.

Table of Contents

Stock-based compensation

Using the fair value recognition provisions of relevant accounting literature, stock-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the appropriate service period. Determining the fair value of stock-based awards requires considerable judgment, including estimating the fair value of our common stock, the expected term of stock options, expected volatility of our stock price, and the number of awards expected to be forfeited. In addition, for stock-based awards where vesting is dependent upon achieving certain operating performance goals, we estimate the likelihood of achieving the performance goals. Differences between actual results and these estimates could have a material effect on our financial results. A deferred income tax asset is recorded over the vesting period as stock compensation expense is recorded. The realizability of the deferred tax asset is ultimately based on the actual value of the stock-based award upon exercise. If the actual value is lower than the fair value determined on the date of grant, then there could be an income tax expense for the portion of the deferred tax asset that is not realizable.

To date, we have granted stock options to our employees and directors under our 2006 equity incentive plan and 2008 stock incentive plan. Given the lack of a public market for our common stock, our board of directors must determine the fair value of our common stock on the measurement date, which requires making complex and subjective judgments. Our board has reviewed and considered a number of factors when determining the fair value of our common stock, including:

- the value of our business as determined at arm s length in connection with the Transaction;

- significant business milestones that may have affected the value of our business subsequent to the Transaction;

- the continued risks associated with our business;

- the economic outlook in general and the condition and outlook of our industry;

- our financial condition and expected operating results;

- our level of outstanding indebtedness;

- the market price of stocks of publicly traded corporations engaged in the same or similar lines of business;

- as of July 31, 2006, March 31, 2007 and March 1, 2008, analyses using a weighted average of three generally accepted valuation procedures: the income approach, the market approach publicly traded guideline company method and the market approach transaction method; and

- as of November 15, 2008, April 1, 2009 and November 30, 2009, analyses using a weighted average of two generally accepted valuation procedures: the income approach and the market approach-publicly traded guideline company method. The market approach transaction method was not utilized due to the lack of comparable transactions in the evaluation period.

Table of Contents

The following table summarizes information about stock options granted since August 2006, the date of the first option grants since the Transaction:

Grant date	Shares under option	Exercise price	Fair value of underlying stock	Weighted-average grant date fair value of options by vesting type[1]: Time	Performance	Change in control
August 2006	9,909,555	$ 8.77	$ 8.77	$ 3.66	$ 3.88	$ 2.50
November 2006	89,250	8.77	8.77	3.62	3.84	2.50
March 2007	195,500	8.77	8.77	3.61	3.83	0.87
May 2007	148,750	11.64	11.64	4.81	5.10	1.07
June 2007	25,500	11.64	11.64	4.87	5.16	1.02
January 2009	255,041	10.08	10.08	2.86		
December 2009	102,000	14.53	14.53	4.54		
January 2010	4,250	14.53	14.53	4.49		
February 2010	400,350	14.53	14.53	4.48		
March 2010	1,615,085	14.53	14.53	4.51		

(1) The weighted-average fair value of options by vesting type represents the value at the grant date. These fair values do not reflect the re-valuation of certain options related to modifications effected in February 2009, March 2008 and April 2007, or the resolutions approved by our board and compensation committee in February 2010 relating to performance-based and superior options, as more fully described in notes 10, 16 and 17 to the consolidated financial statements included elsewhere in this prospectus.

Stock options granted

Between the closing date of the Transaction in November 2005 and early August 2006, we did not award any options or other equity awards to our employees or directors. In August 2006, our board of directors adopted, and our stockholders approved, our 2006 equity incentive plan. On August 9, 2006, our board of directors granted options to purchase an aggregate of 9,909,555 shares of common stock at an exercise price of $8.77 per share. Our board of directors determined that $8.77, which was the value of our common stock at the time of the Transaction and which was arrived at in an arm s-length negotiation between representatives of the independent committee of SS&C s board of directors and representatives of investment funds affiliated with The Carlyle Group, continued to represent the fair value of our common stock in August 2006. The board of directors believed that the business had not fundamentally changed since November 2005 and that the likelihood of a liquidity event, including a potential sale of the company or a public offering of stock, was remote. Subsequently, we filed a registration statement for a proposed public offering on June 13, 2007, which we withdrew on October 29, 2008 due to market conditions.

In October 2007, in connection with our prior proposed public offering and in anticipation of receiving a recommended initial public offering price range from our managing underwriters, our board of directors undertook a reassessment of the fair value of our common stock as of July 31, 2006 (the October 2007 reassessment). Our board of directors reassessed the fair value of our common stock using three generally accepted valuation procedures: the income approach, the market approach publicly traded guideline company method and the market approach transaction method. The income approach is a method used to value business interests that involves estimating the future cash flows of the business, discounted to their present value. The market approach publicly traded guideline company method estimates fair value using revenue and EBITDA multiples derived from the stock price of publicly traded companies engaged in a similar line of business. The market approach transaction method estimates fair value using transactions involving the actual sale or purchase of similar companies, and we reviewed eight transactions as part of this analysis. We then compared the results of the various valuation methods and other factors to calculate the enterprise value attributable to common stockholders and the fair value of each share, which we determined to be between $7.42 and $9.06 per share. As the board s prior valuation of $8.77 not only fell within the range of estimated values in the reassessment but also reflected the arm s-length price negotiated at the time of the Transaction, the board determined that $8.77 continued to represent the fair value per share of our common stock as of August 9, 2006.

In November 2006 and March 2007, we granted options to purchase an aggregate of 284,750 shares of common stock at an exercise price of $8.77 per share. In November 2006, we also sold an aggregate of 75,650 shares of common stock to our employees under the 2006 equity incentive plan for a purchase price of $8.77 per share. The board believed that $8.77 continued to represent the fair value of the common stock at this time because the business had not changed fundamentally and a liquidity event continued to be remote. The board did not conduct contemporaneous or retrospective valuations of the common stock in connection with the November and March grants because of the immaterial size of the awards and the cost of such valuations.

Between May 10, 2007 and June 19, 2007, we granted options to purchase an aggregate of 174,250 shares of common stock at an exercise price of $11.64 per share, which our board of directors determined was equal to the fair value of our common stock. In setting the fair value of our common stock at $11.64, our board used the same three generally accepted valuation procedures that were used in its October 2007 reassessment: the income approach, the market approach publicly traded guideline company method and the market approach transaction method. We conducted the assessment as of March 31, 2007 and then correlated the results of the various valuation methods and other factors to calculate the enterprise value attributable to common stockholders and the fair value of each share. Our board believed that the fair value of our common stock had increased to $11.64 per share as of March 31, 2007 because of improvements in the performance of our business and the near-term outlook of our business, as well as management s expectations regarding the imminence of our prior proposed public offering. The fair value of our common stock had increased since the July 2006 determinations under all three methodologies for the following reasons:

Income Approach. Our board factored in timing differences in the receipt of future cash flows, as well as the reduction in net debt. In addition, while the expected timing of a liquidity event was still believed to be remote as of July 31, 2006, a public offering was imminent as of March 31, 2007 and thus our board did not apply a liquidity discount as of March 31, 2007.

Publicly Traded Guideline Company Method. Our board determined that revenue and EBITDA multiples for guideline companies generally increased or remained flat between July 31, 2006 and March 31, 2007. Moreover, we experienced improvements in the performance of our business between July 31, 2006 and March 31, 2007, which resulted in higher trailing twelve-month and projected revenues and EBITDA. Under this methodology, our board also factored in the reduction in net debt and the imminence of a public offering.

Transaction Method. Our board believed our valuation was higher due to our improved revenue and EBITDA metrics (against flat multiples of comparable transactions), our reduction in net debt and the imminence of a public offering.

On January 6, 2009, we granted options to purchase an aggregate of 255,041 shares of common stock at an exercise price of $10.08 per share, which our board of directors determined was equal to the fair value of our common stock. In setting the fair value of our common stock at $10.08, our

Table of Contents

board used two generally accepted valuation procedures: the income approach and the market approach publicly traded guideline company method. The market approach transaction method was not utilized due to the lack of comparable transactions in the evaluation period. We conducted the assessment as of November 15, 2008 and then correlated the results of the various valuation methods and other factors to calculate the enterprise value attributable to common stockholders and the fair value of each share. The board did not conduct contemporaneous or retrospective valuations of the common stock in connection with the January 2009 grants because of the availability of the November 15, 2008 valuation, the immaterial size of the awards and the cost of such valuation.

On December 31, 2009, we authorized the grant of options to purchase an aggregate of 102,000 shares of common stock to former employees of TheNextRound whom we hired in connection with our acquisition of such business, and on January 27, 2010, we authorized the grants of options to purchase 4,250 shares of common stock to one of our employees in accordance with the terms of his offer letter. These options had an exercise price of $14.53 per share, which our board of directors determined was equal to the estimated fair value of our common stock. In addition, on February 4, 2010, we authorized the grant of options to purchase an aggregate of 2,125,000 shares of common stock at an exercise price of $14.53 per share, which our board of directors determined was equal to the fair value of our common stock, of which options for the purchase of 318,750 shares were granted to our named executive officers and the balance to employees designated by our chief executive officer. On March 23, 2010, options for the purchase of 1,615,085 shares were awarded to certain of our non-executive officer employees designated by our chief executive officer pursuant to his previously delegated authority.

On February 11, 2010, we authorized the grant of options to purchase an aggregate of 81,600 shares of common stock to former employees of GIPS whom we hired in connection with our acquisition of such business (see note 16 to our consolidated financial statements included elsewhere in this prospectus). The options had an exercise price of $14.53 per share, which our board of directors determined was equal to the estimated fair value of our common stock. In estimating the fair value of our common stock, our board used two generally accepted valuation procedures: the income approach and the market approach publicly traded guideline company method. The market approach transaction method was not utilized due to the lack of comparable transactions in the evaluation period. We conducted the assessment as of November 30, 2009 and then correlated the results of the various valuation methods and other factors to calculate the enterprise value attributable to common stockholders and the fair value of each share. The board did not conduct contemporaneous or retrospective valuations of the common stock in connection with the December 2009, February 2010 or March 2010 grants because of the availability of the November 2009 valuation. In addition, the board of directors believed that the business had not fundamentally changed since November 2009 and that the $14.53 price continued to represent the estimated fair value of our common stock in December 2009 and February 2010. In accordance with the authority delegated to him on February 4, 2010, our chief executive officer granted the March 2010 options at an exercise price of $14.53 per share, which he concluded continued to represent the fair value of our common stock based on the fact that $14.53 was within the estimated price range set forth in the preliminary prospectus, and represented approximately 97% of the high-point of such estimated range. Our board believed that the fair value of our common stock had increased to $14.53 per share as of November 30, 2009 from the January 2009 and April 2009 valuations because of improvements in the performance of our business, the near-term outlook of our business and overall strengthening of the equity markets during this period as reflected by the impact on multiples of comparable companies, as well as management s expectations regarding an initial public offering in the first half of 2010.

Table of Contents

Stock option modifications

In April 2007, our board of directors approved (i) the vesting, as of April 18, 2007, of 50% of the performance-based options granted to our employees through March 31, 2007 that would have vested if the we had met our EBITDA target for fiscal year 2006 (collectively, the 2006 Performance Options); (ii) the vesting, conditioned upon us meeting our EBITDA target for fiscal year 2007, of the other 50% of the 2006 Performance Options; and (iii) the reduction of our EBITDA target for fiscal year 2007. We re-measured those awards using the Black-Scholes option-pricing model and assumptions reflecting current facts and circumstances as of the modification date. As of the modification date, we estimated the fair value of the modified performance-based options to be $5.35. We estimated the fair value of our common stock as of the modification to be $11.64. Our board used the three generally accepted valuation procedures used in its March 2008 reassessment: the income approach, the market approach publicly traded guideline company method and the market approach transaction method. We used the following assumptions to estimate the value of the modified performance-based options: expected term to exercise of 3.5 years; expected volatility of 41.0%; risk-free interest rate of 4.57%; and no dividend yield. Expected volatility is based on a combination of our historical volatility adjusted for the Transaction and historical volatility of our peer group. Expected term to exercise is based on our historical stock option exercise experience, adjusted for the Transaction. For purposes of our discussion of stock-based compensation, references to EBITDA targets and EBITDA target ranges refer to our Consolidated EBITDA, as further adjusted to exclude acquired EBITDA and cost savings.

In March 2008, our board of directors approved (1) the vesting, conditioned upon our EBITDA for 2008 falling within the targeted range, of the 2006 and 2007 performance-based options that did not otherwise vest during 2007, and (2) the reduction of our annual EBITDA target range for 2008. We re-measured affected performance-based options using the Black-Scholes option pricing model and assumptions reflecting current facts and circumstances as of the modification date. We estimated the weighted-average fair value of performance-based options that vest upon the attainment of the 2008 EBITDA target range to be $4.83. We estimated the fair value of our common stock as of the modification to be $12.95. Our board used the three generally accepted valuation procedures used in its March 2008 reassessment: the income approach, the market approach publicly traded guideline company method and the market approach transaction method. We used the following weighted-average assumptions to estimate the option value: expected term to exercise of 2.5 years; expected volatility of 26.0%; risk-free interest rate of 1.735%; and no dividend yield. Expected volatility is based on the historical volatility of our peer group. Expected term to exercise is based on our historical stock option exercise experience, adjusted for the Transaction.

In February 2009, our board of directors (1) approved the immediate vesting of the 2006, 2007 and 2008 performance-based options that did not otherwise vest during 2006, 2007 or 2008 and (2) established our annual EBITDA target range for 2009. As of that date, we estimated the weighted-average fair value of the performance-based options that were vested by the board and those that vest upon the attainment of the 2009 EBITDA target range to be $3.65. We estimated the fair value of our common stock as of the modification to be $10.91 (the April 1, 2009 analysis). Our board believed that the fair value of our common stock had decreased from $11.64 per share as of June 2007 to $10.91 as of April 1, 2009 because of the then current economic crisis, as reflected by the impact on multiples of comparable companies, and accompanying downturn in general market conditions, mitigated to a degree by the fact that our revenues and cash flows were not as proportionately affected as revenues and cash flows of others in our industry. Our board believed that the fair value of our common stock had increased from $10.08 per share as of January 6, 2009 to $10.91 per share as of April 1, 2009 because of an increase in the multiples of comparable companies and our acquisition of Evare. Our board used two generally accepted valuation procedures: the income approach and the market approach-publicly traded guideline company method. The market approach-transaction method was not utilized due to the lack of comparable transactions in the evaluation period. We used the following weighted-average assumptions to estimate the option value: expected term to exercise of 2.5 years; expected volatility of 38.0%; risk-free interest rate of 1.2%; and no dividend yield. Expected volatility is based on the historical volatility of our peer group. Expected term to exercise is based on our historical stock option exercise experience, adjusted for the Transaction.

If factors change and we employ different assumptions in future periods, the compensation expense that we record may differ significantly from what we have recorded in the current period. In addition, there is a risk that our estimates of the fair values of our share-based compensation awards on the grant dates may bear little resemblance to the actual values realized upon the exercise, expiration, early termination or forfeiture of those share-based payments in the future. Certain share-based payments, such as employee stock options, may expire worthless or otherwise result in zero intrinsic value as compared to the fair values originally estimated on the grant date and reported in our financial statements.

We believe that we have used reasonable methodologies, approaches and assumptions consistent with the *AICPA s Practice Aid Valuation of Privately-Held-Company Equity Securities Issued as Compensation* to determine the fair value of our common stock on the date of grant or the date of the modification of a grant.

The values of outstanding vested and unvested options as of December 31, 2009 based on the difference between the initial public offering price of $15.00 per share and the exercise price of the options outstanding are as follows:

	Options	**Intrinsic value**
Unvested	2,682,077	$15,691,620
Vested	10,055,482	$89,473,117

On February 4, 2010, our compensation committee approved, effective upon the closing of this offering:

the conversion of the outstanding superior options granted under the 2006 equity incentive plan into performance-based options that vest based on our EBITDA performance in 2010 and 2011, which affects 1,680,868 outstanding options, of which 701,497 are held by our named executive officers;

the elimination of pre-determined EBITDA targets from the option agreements and provision for the annual proposal of EBITDA ranges by management, subject to approval by our board, which EBITDA target range for 2010 was established by our board in a subsequent meeting described below; and

the rolling over of performance-based options that do not vest (in whole or in part) in any given year into performance-based options for the following year, except as otherwise provided by our board of directors. Under the 2006 equity incentive plan, our board has the authority to amend the options to effect such a rollover and, generally, has the authority to amend, suspend or terminate any option, provided that, except with respect to specified

Table of Contents