

CARDTRONICS INC  
Form 424B5  
August 13, 2010

**Table of Contents**

**Filed pursuant to Rule 424(b)(5)  
Registration No. 333-164395**

**PROSPECTUS SUPPLEMENT**

**(To prospectus dated March 11, 2010)**

**\$200,000,000**

**81/4% Senior Subordinated Notes due 2018**

We are offering \$200 million aggregate principal amount of 81/4% Senior Subordinated Notes due 2018. We will pay interest on the notes on March 1 and September 1 of each year, beginning March 1, 2011. The notes will mature on September 1, 2018.

We may redeem some or all of the notes at any time on or after September 1, 2014 at the redemption prices described in this prospectus supplement and prior to such date at a make-whole redemption price. We may also redeem up to 35% of the notes prior to September 1, 2013 with cash proceeds we receive from certain equity offerings. If we sell certain assets and do not reinvest the proceeds or repay senior indebtedness or if we experience specific kinds of changes of control, we must offer to repurchase the notes.

The notes will be our general unsecured senior subordinated obligations, subordinated in right of payment to all of our existing and future senior indebtedness, structurally subordinated to all liabilities of our subsidiaries which are not guarantors and equal in right of payment to all our existing and future senior subordinated indebtedness.

Our existing domestic restricted subsidiaries and certain future subsidiaries will guarantee the notes with unconditional guarantees that will be the general unsecured senior subordinated obligations of such guarantors, subordinated in right of payment to all existing and future senior indebtedness of the guarantors and equal in right of payment to all existing and future senior subordinated indebtedness of the guarantors.

**Investing in the notes involves risks that are described in the Risk Factors section beginning on page S-13 of this prospectus supplement and page 5 of the accompanying prospectus.**

	<b>Per Note</b>	<b>Total</b>
Public offering price(1)	100.000%	\$ 200,000,000
Underwriting discount	1.625%	\$ 3,250,000
Proceeds, before expenses, to us(1)	98.375%	\$ 196,750,000

(1) Plus accrued interest, if any, from August 26, 2010, if settlement occurs after that date.

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

The notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, *société anonyme*, on or about August 26, 2010.

*Joint Book-Running Managers*

**BofA Merrill Lynch**

**J.P. Morgan**

*Co-Managers*

**Wells Fargo Securities**

**BBVA Securities**

**SunTrust Robinson Humphrey**

The date of this prospectus supplement is August 12, 2010

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**TABLE OF CONTENTS**

**Prospectus Supplement**

	<b>Page</b>
<u>About This Prospectus Supplement</u>	S-iii
<u>Non-GAAP Financial Information</u>	S-iii
<u>Industry and Market Data</u>	S-iv
<u>Cautionary Statement Concerning Forward-Looking Statements</u>	S-iv
<u>Summary</u>	S-1
<u>The Offering</u>	S-7
<u>Summary Selected Financial Data</u>	S-9
<u>Risk Factors</u>	S-13
<u>Use of Proceeds</u>	S-31
<u>Capitalization</u>	S-32
<u>Ratio of Earnings to Fixed Charges</u>	S-33
<u>Description of Other Indebtedness</u>	S-34
<u>Description of Notes</u>	S-37
<u>Book-Entry; Delivery and Form</u>	S-79
<u>Certain United States Federal Income Tax Considerations</u>	S-83
<u>Underwriting</u>	S-87
<u>Legal Matters</u>	S-90
<u>Experts</u>	S-90
<u>Where You Can Find More Information</u>	S-91
<u>Documents Incorporated by Reference</u>	S-91

**Prospectus**

	<b>Page</b>
About This Prospectus	1
Where You Can Find More Information	1
Documents Incorporated by Reference	1
Cautionary Statement Regarding Forward-Looking Statements	3
Cardtronics, Inc.	4
The Subsidiary Guarantors	4
Risk Factors	5
Use of Proceeds	5
Ratio of Earnings to Fixed Charges	5
Description of Debt Securities	5
Description of Common Stock	17
Selling Stockholders	21
Plan of Distribution	22
Legal Matters	24
Experts	24



**Table of Contents**

We expect delivery of the notes will be made against payment therefor on or about August 26, 2010, which is the tenth business day following the date of pricing of the notes (such settlement being referred to as T+10 ). Under Rule 15(c)6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes on the date of pricing of the notes or during the next succeeding six business days will be required, by virtue of the fact that the notes initially will settle in T+10, to specify an alternate settlement cycle at the time of any such trade to prevent failed settlement and should consult their own advisers.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectuses we may provide to you in connection with this offering. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference herein and any free writing prospectuses we may provide to you in connection with this offering is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

Unless otherwise indicated or the context requires otherwise, all references in this prospectus to Cardtronics, we, us and our refer to Cardtronics, Inc. and its subsidiaries. References to underwriters refer to the firms listed on the cover of this prospectus.

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission ( SEC ) using a shelf registration process. We are providing information to you about this offering in two parts. The first part is this prospectus supplement and the information incorporated by reference herein, which describes the specific terms of the securities that we are offering and also adds to, updates or changes information contained in the accompanying prospectus and the documents incorporated by reference into the accompanying prospectus. The second part is the accompanying prospectus, including the documents incorporated by reference therein, which provides you with more general information, some of which may not apply to this offering and some of which may have been supplemented or superseded by information in this prospectus supplement or documents incorporated or deemed to be incorporated by reference into this prospectus supplement that we filed with the SEC subsequent to the date of the prospectus. If the description of the offering in this prospectus supplement varies from statements in the accompanying prospectus, you should rely on the information in this prospectus supplement. Before you invest in our securities, you should carefully read this prospectus supplement and the accompanying prospectus and the additional information described under the heading Documents Incorporated by Reference.

**NON-GAAP FINANCIAL INFORMATION**

EBITDA and Adjusted EBITDA and the related ratios presented in this prospectus supplement are supplemental measures of performance that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ( U.S. GAAP ). See Summary Selected Financial Data for the definition of EBITDA and Adjusted EBITDA, as well as our reasons for presenting this information. Adjusted EBITDA, as we define it, may not be comparable to similarly titled measures employed by other companies and is not a measure of performance calculated in accordance with U.S. GAAP. Adjusted EBITDA should not be considered in isolation or as a substitute for operating income, net income, cash flows from operating, investing, and financing activities or other

income or cash flow statement data prepared in accordance with U.S. GAAP.

S-iii

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**Table of Contents**

**INDUSTRY AND MARKET DATA**

In this prospectus supplement, we rely on and refer to information and statistics regarding economic trends and conditions and other data pertaining to the automated consumer financial services industry. We have obtained this data from our own research, surveys and studies conducted by third parties and industry or other publications, such as *Mercator Advisory Group*, *LINK* and *APACS*, and other publicly available sources. We believe that our sources of information and estimates are reliable and accurate, but we have not independently verified them. Our statements about the automated consumer financial services industry in general, the number and type of automated teller machines ( ATMs ) in various markets, and the size and operations of our competitors in this prospectus supplement are based on our management's belief, this statistical data, internal studies, and our knowledge of industry trends. Neither we nor the underwriters can guarantee that this information is accurate or complete.

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

The information in this prospectus supplement and in the documents incorporated by reference includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (the Securities Act ) and Section 21E of the Securities Exchange Act of 1934 (the Exchange Act ). The words project, believe, expect, anticipate, intend, contemplate, foresee, would, could, plan or other similar expressions are intended to identify forward-looking statements, which are generally not historical in nature. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that we currently anticipate. All comments concerning our expectations for future revenues and operating results are based on our forecasts for our existing operations and do not include the potential impact of any future acquisitions. Our forward-looking statements involve significant risks and uncertainties (some of which are beyond our control) and assumptions that could cause actual results to differ materially from our historical experience and our present expectations or projections.

Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, those summarized below:

our financial outlook and the financial outlook of the ATM industry;

our ability to respond to recent and future regulatory changes that may impact the ATM and financial services industries;

our ability to respond to potential reductions in the amount of interchange fees that we receive from global and regional debit networks for transactions conducted on our ATMs;

our ability to provide new ATM solutions to financial institutions;

our ATM vault cash rental needs, including potential liquidity issues with our vault cash providers;

the implementation of our corporate strategy;

our ability to compete successfully with new and existing competitors;

our ability to renew and strengthen our existing customer relationships and add new customers;



our ability to meet the service levels required by our service level agreements with our customers;

our ability to pursue and successfully integrate acquisitions;

our ability to successfully manage our existing international operations and to continue to expand internationally;

our ability to prevent security breaches;

S-iv

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**Table of Contents**

our ability to manage the risks associated with our third-party service providers failing to perform their contractual obligations;

changes in interest rates and foreign currency rates; and

the additional risks we are exposed to in our armored transport business.

The information contained in this prospectus supplement, including the information set forth under the heading Risk Factors, identifies factors that could affect our operating results and performance. When considering forward-looking statements, you should keep in mind these factors and other cautionary statements in this prospectus supplement and in the documents incorporated herein by reference. Should one or more of the risks or uncertainties described above or elsewhere in this prospectus supplement or in the documents incorporated by reference occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements. We specifically disclaim all responsibility to publicly update any information contained in a forward-looking statement or any forward-looking statement except as required by law. We urge you to carefully consider those factors, as well as factors described in our reports filed from time to time with the SEC and other announcements we make from time to time.

S-v

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**Table of Contents****SUMMARY**

*This summary highlights selected information about us and this offering, including information appearing elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein, and does not contain all of the information that you should consider in making your investment decision. You should read this summary together with the more detailed information appearing elsewhere in this prospectus supplement, as well as the information in the accompanying prospectus and in the documents incorporated by reference or deemed incorporated by reference into this prospectus supplement or the accompanying prospectus. You should carefully consider, among other things, the matters discussed in the sections titled *Risk Factors* on page S-13 of this prospectus supplement, on page 5 of the accompanying prospectus, in our Annual Report on Form 10-K for the year ended December 31, 2009 (the *2009 Form 10-K*) and in our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2010 and June 30, 2010. In addition, certain statements include forward-looking information that involve risks and uncertainties. See *Cautionary Statement Concerning Forward-Looking Statements* on page S-iv of this prospectus supplement.*

**Our Company**

Cardtronics, Inc. provides convenient automated consumer financial services through its network of ATMs and multi-function financial services kiosks. As of June 30, 2010, we operated over 33,700 devices throughout the United States ( U.S. ) (including the U.S. territories of Puerto Rico and the U.S. Virgin Islands), the United Kingdom and Mexico, of which 69% were owned by us, making us the world's largest non-bank owner of ATMs. Included within this number are approximately 2,200 multi-function financial services kiosks deployed in the U.S. that, in addition to traditional ATM functions such as cash dispensing and bank account balance inquiries, perform other consumer financial services, including bill payments, check cashing, remote deposit capture (which is deposit taking at ATMs not physically located at a bank using electronic imaging), and money transfers. To maximize the utility of our ATM footprint, we partner with large, nationally-known retail merchants and leading national financial institutions to provide convenience to their customers.

The agreements we enter into with our retail partners are typically multi-year agreements that allow us to place our ATMs and kiosks within their store locations. In doing so, we provide our retail partners with an automated financial services solution that we believe helps attract and retain customers, and in turn, increases the likelihood that our devices will be utilized. Historically, we have deployed and operated our devices under two distinct arrangements with our retail partners: Company-owned and merchant-owned arrangements. Under Company-owned arrangements, we provide the device and are typically responsible for all aspects of its operation, including transaction processing, procuring cash, supplies, and telecommunications as well as routine and technical maintenance. Under our merchant-owned arrangements, the retail merchant or the distributor owns the device and is usually responsible for providing cash and performing simple maintenance tasks, while we provide more complex maintenance services, transaction processing, and connection to the electronic funds transfer ( EFT ) networks. As of June 30, 2010, approximately 69% of our devices were Company-owned and 31% were merchant-owned. While we may continue to add merchant-owned devices to our network as a result of acquisitions and internal sales efforts, our focus for internal growth remains on expanding the number of Company-owned devices in our network due to the higher margins typically earned and the additional revenue opportunities available to us under Company-owned arrangements.

In addition to partnering with leading merchants, we also partner with leading national financial institutions to brand selected ATMs and financial services kiosks within our network, including Citibank, N.A., HSBC Bank USA, N.A., JPMorgan Chase Bank, N.A., SunTrust Banks, Inc. and Sovereign Bank. As of June 30, 2010, approximately 11,600 of our Company-owned devices were under contract with financial institutions to place their logos on those machines,

thus providing convenient surcharge-free access for their banking customers. We also own and operate the Allpoint network, which we believe is the largest surcharge-free ATM network within the United States based on the number of participating ATMs. The Allpoint network, which has approximately 1,200 card issuer participants and more than 37,000 participating ATMs, including a majority of our ATMs in the United States and all of our ATMs in the United Kingdom, provides surcharge-

S-1

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## **Table of Contents**

free ATM access to customers of participating financial institutions that lack a significant ATM network. Allpoint also works with financial institutions that manage prepaid debit card programs on behalf of corporate entities and governmental agencies, including general purpose, payroll, and electronic benefits transfer cards. Under these programs, the issuing financial institutions pay Allpoint a fee per card or per transaction in return for allowing the users of those cards surcharge-free access to Allpoint's participating ATM network.

More recently, we have started offering a managed services solution. Under a managed services agreement, retailers and financial institutions rely on us to handle some or all of the operational aspects associated with operating and maintaining, as well as potentially owning, their ATM fleets. Under these types of arrangements, we will typically receive a fixed monthly management fee in return for providing certain services, including monitoring, maintenance, customer service, and cash management. Additionally, we will typically charge a per-transaction fee for any transaction processing services we provide under these arrangements.

Finally, we own and operate an EFT transaction processing platform that provides transaction processing services to our network of ATMs and financial services kiosks as well as approximately 1,900 ATMs owned and operated by third parties.

Our revenues are recurring in nature and historically have been primarily derived from transaction fees, which are paid by cardholders, and interchange fees, which are paid by the cardholder's financial institution and are typically set by the applicable EFT network that transmits data between the device and the cardholder's financial institution. We generate additional revenues by branding our devices with the logos of leading national banks and other financial institutions and by collecting fees from financial institutions that participate in Allpoint, our wholly-owned surcharge-free ATM network.

### **Our Competitive Strengths**

*Leading Market Position.* We are the world's largest non-bank owner of ATMs. As of June 30, 2010, we operated over 33,700 devices, including approximately 2,200 multi-function financial services kiosks, located throughout the United States (including the U.S. territories of Puerto Rico and the U.S. Virgin Islands), the United Kingdom, and Mexico. We estimate that approximately 90% of the United States population lives within five miles of one of the devices operated by us. We believe the breadth of our global footprint would be difficult to replicate and represents a significant competitive advantage, as well as a barrier to entry for potential competitors.

*Leading ATM Debit Network.* We have created one of the largest ATM debit networks in the United States. Our network leverages our customer relationships with well-known retailers and issuers of debit and prepaid debit cards, including leading national financial institutions and prepaid debit card companies. We operate the Allpoint network, which we believe is the largest surcharge-free network of ATMs in the United States based on the number of participating ATMs. Our network has enabled us to create new revenue streams, including bank branding and surcharge-free network revenues. As a result of the scale and reach of our network, we believe we benefit from significant network efficiencies as evidenced by our growth in transactions per device.

*Multi-Year Contracts with Leading Retail Merchants.* We have developed significant relationships with leading national and regional retail merchants within the United States, the United Kingdom, and Mexico. These merchants typically operate high-traffic locations, which we have found to result in increased transaction activity and profitability. Our long-term retail merchant relationships can provide opportunities for us to deploy devices in additional locations of those retailers that do not currently have an ATM, and new locations opened by those retailers in the future. Our contracts with our retail merchant customers are typically multi-year arrangements with an initial targeted term of seven years. As of June 30, 2010, our contracts with our top 10 retail merchant customers (based on revenues for the trailing twelve months) had a weighted average remaining life of 5.6 years. In addition, our top 10

retail merchant customers have worked with us, including the businesses we have acquired, for an average of over nine years, and eight of these contracts have been renewed or extended since they were originally acquired. We believe our retail merchant customers value our

S-2

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## **Table of Contents**

high level of service, our 24-hour per day monitoring and accessibility, and that our devices in the United States are on-line and able to serve customers an average of 99.1% of the time.

*Proprietary Transaction Processing Platform.* We believe that our proprietary EFT transaction processing platform sets us apart from our competitors. Our platform manages the transaction processing services to our network of devices as well as ATMs owned and operated by third parties, substantially reducing the incremental cost to process a transaction. Our transaction processing platform also gives us the ability to control the content of the information appearing on the screens of our devices as well as those devices that we process on behalf of financial institutions and retailers.

*Recurring and Stable Revenues and Operating Cash Flows.* The long-term contracts that we enter into with our retail merchant partners provide us with relatively stable, recurring revenue streams. Additionally, our bank branding and surcharge-free network arrangements provide us with additional revenues under long-term contracts that are generally not based on the number of transactions per device. For the six months ended June 30, 2010, we derived over 98% of our total revenues from ATM transactions, bank branding, and surcharge-free fees, as well as other access fees generated through the provision of additional automated consumer financial services. Our recurring and stable revenue base, relatively low and predictable maintenance capital expenditure requirements, and minimal working capital requirements allow us to generate operating cash flows to service our indebtedness and invest in future growth initiatives.

*Efficient, Scalable Infrastructure and Operations.* We believe the size of our ATM network combined with our operating infrastructure allows us to drive substantial economies of scale. Our infrastructure allows us to expand our operations without proportionally increasing our fixed and semi-fixed costs. The scale of our operations provides us with a competitive advantage in operating our own fleet, negotiating with third-party service providers, acquiring new ATM portfolios, and providing cost effective managed services solutions to financial institutions and large retailers. We believe that the operating efficiencies that result from our scale provide us with a significant cost advantage over our competitors. Our ATM operating gross profit margin (exclusive of depreciation, accretion and amortization) has increased from 22.9% in 2007 to 30.9% during the year ended December 31, 2009, and further to 32.4% during the six month period ended June 30, 2010.

*Experienced Management Team.* Our management team has significant financial services, network, and payment processing-related experience. Our team is led by Steven A. Rathgaber, our recently hired Chief Executive Officer, who has over 32 years of broad payment product and network experience. Our management team has augmented the organic growth of our business by successfully identifying and integrating a number of acquired businesses, both in the United States and internationally, that have expanded our network and the products and services we offer. We believe the strength and expertise of our management team helps us attract new retail merchant customers and provides us with increased acquisition, bank branding, and managed services opportunities, thereby contributing significantly to our growth.

### **Our Market Opportunity**

We believe that the following industry factors result in an increased market opportunity for us:

the dollar volume of cash used in the United States economy is large and growing;

United States banks are seeking to increase customer touch points in a cost-effective manner and provide convenient, surcharge-free access to ATMs;

there has been a recent proliferation in the number of prepaid debit cards, especially in the United States, that can be used at our ATMs;

recent increases in the fees charged by large United States financial institutions for non-customers to use their ATMs have provided us with an opportunity to increase the fees we charge on our ATMs and increased the value proposition of our Allpoint surcharge-free network;

demand for automated consumer financial services beyond basic banking services continues to increase;

S-3

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**Table of Contents**

outsourcing by financial institutions of non-core operations such as the management of their ATM fleets could provide us with additional revenue opportunities; and

the continuing under-penetration of ATMs in many international markets.

**Our Strategy**

Our strategy is to expand and enhance our position as a leading provider of automated consumer financial services in the United States, the United Kingdom and Mexico; to leverage our existing ATM network with products and services that increase our revenues per ATM; to become a significant provider of managed services to financial institutions and retailers with significant ATM and financial services kiosk networks; and to further expand our network and service offerings into select international markets. In order to execute this strategy, we will endeavor to:

*Expand our Network of Devices with Leading Merchants.* We believe that we have opportunities to further expand the number of ATMs and financial services kiosks that we own and/or operate with leading merchants. With respect to our existing merchants, we have two principal opportunities to increase the number of deployed devices: first, by deploying devices in existing merchant locations that currently do not have a device, but where consumer traffic volumes and anticipated returns justify installing a device; and second, as our merchants open new locations, by installing devices in those locations. With respect to new merchant customers, we believe our expertise, national footprint, strong record of customer service, and significant scale position us to successfully market to, and enter into long-term contracts with, additional leading national and regional merchants.

*Expand our Relationships with Leading Financial Institutions.* We believe we are well-positioned to work with financial institutions to fulfill many of their ATM and automated consumer financial services requirements. Our services currently offered to financial institutions include branding our ATMs with their logos and providing surcharge-free access to their customers, as well as managing their off-premise ATMs (i.e., ATMs not located in a bank branch). In addition, our EFT transaction processing capabilities provide us with the ability to provide customized control over the content of the information appearing on the screens of our ATMs and ATMs we manage for financial institutions and retailers, which we believe increases the types of products and services that we are able to offer to financial institutions. In the United Kingdom, our armored courier operation, coupled with our existing in-house engineering and EFT transaction processing capabilities, provides us with a full suite of services that we can offer to financial institutions in that market.

*Continue to Capitalize on Surcharge-Free Network and Prepaid Debit Card Opportunities.* We plan to continue pursuing opportunities with respect to our surcharge-free network offerings, where financial institutions pay us to allow their customers surcharge-free access to our ATM network on a non-exclusive basis. We believe surcharge-free arrangements will enable us to increase transaction counts and profitability on our existing machines. We also plan to pursue additional opportunities to work with financial institutions that issue and sponsor prepaid debit card programs. We believe that these programs represent significant transaction growth opportunities for us, as many users of prepaid debit cards do not have bank accounts, and consequently, have historically not been able to utilize our existing ATMs and financial services kiosks.

*Pursue International Growth Opportunities.* We have invested significant amounts of capital in the infrastructure of our United Kingdom and Mexico operations, and we plan to continue to selectively increase the number of our ATMs in these markets by increasing the number of machines deployed with our existing customer base, as well as adding new merchant customers. Additionally, we plan to expand our operations into selected international markets where we believe we can leverage our operational expertise, EFT transaction processing platform, and scale advantages. In particular, we expect to target high-growth, emerging markets where cash is the predominant form of payment, where

off-premise ATM penetration is relatively low, and where we believe significant financial institution and/or retail managed services opportunities exist. We believe Central and Eastern Europe, Central and South America, and the Asia-Pacific regions are examples of international markets that meet these criteria.

S-4

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**Table of Contents**

*Develop and Provide Additional Automated Consumer Financial Services.* Service offerings by ATMs have continued to evolve over time. Certain ATM models are now capable of providing numerous automated consumer financial services, including bill payments, check cashing, remote deposit capture, and money transfers. Certain of our devices are capable of, and currently provide, these types of services. We believe these non-traditional consumer financial services offered by our devices, and other machines that we or others may develop, provide us with additional growth opportunities as retailers and financial institutions seek to provide additional convenient automated financial services to their customers.

**Recent Developments**

*New Revolving Credit Facility.* On July 15, 2010, we entered into a new \$175.0 million revolving credit facility. The new facility, which is led by a syndicate of banks including JPMorgan Chase Bank, N.A. and Bank of America, N.A., provides us with access to \$175.0 million in borrowings and letters of credit (subject to the covenants contained within the facility) and has an initial termination date of February 2013; however, this date will be automatically extended to July 2015 in the event our existing senior subordinated notes are no longer outstanding or have been refinanced with a maturity date later than December 2015. Accordingly, upon the successful consummation of the tender offer for our Series A Notes and redemption of our Series B Notes, each as described below, the term of our revolving credit facility will be automatically extended to July 15, 2015. Additionally, the credit facility contains a feature that allows us to expand the facility up to \$250.0 million, subject to the availability of additional bank commitments by existing or new syndicate participants. See *Description of Other Indebtedness – New Revolving Credit Facility* for additional information as to the terms of our new revolving credit facility.

Concurrent with the execution of the agreement governing our new revolving credit facility, we terminated our previous credit facility with the same borrowing capacity. We did not incur any material termination fees or penalties in connection with the termination of the previously-existing credit facility, which was due to mature in May 2012. However, we expect to record a \$0.4 million pre-tax charge during the third quarter of 2010 to write-off certain deferred financing costs associated with the previous revolving credit facility.

*Redemption of \$100.0 Million 9.25% Senior Subordinated Notes – Series B.* On July 21, 2010, we issued a notice of redemption for all \$100 million of our 9.25% senior subordinated notes – Series B due in 2013 (the *Series B Notes*). The Series B Notes will be redeemed on August 20, 2010, at a redemption price of 102.313% of the principal amount, plus accrued but unpaid interest to August 20. The redemption will be funded with approximately \$30.0 million of available cash on hand and approximately \$72.4 million of borrowings under our recently-executed credit facility (discussed above). We expect that the redemption of the Series B Notes combined with our new credit facility will enhance our financial flexibility by reducing our overall leverage and interest expense amounts. Based on the current interest rate environment, we expect that our annual cash interest expense savings will be roughly \$8.0 million. However, during the third quarter of 2010, we expect to record a \$3.2 million pre-tax charge to write-off the remaining unamortized discount and deferred financing costs associated with the Series B Notes. Additionally, we will record a \$2.3 million pre-tax charge in the third quarter related to the call premium.

*Tender Offer.* Concurrently with the launch of this \$200.0 million offering, we commenced a tender offer for any and all of our outstanding 9.25% Senior Subordinated Notes due 2013 (the *Series A Notes*). The principal amount outstanding of the Series A Notes is \$200.0 million. We are offering to purchase the Series A Notes for cash equal to 100.063% of their principal amount, together with accrued and unpaid interest to the purchase date and a consent fee of 2.5% of the principal amount of notes tendered before 5:00 p.m., New York City time, on August 25, 2010, unless extended by us. No consent fees will be paid to holders who tender their notes after August 25, 2010 and prior to the expiration of the tender offer on September 9, 2010, unless extended by us. Our offer to purchase the Series A Notes is being made on the terms and subject to the conditions set forth in an Offer to Purchase and Consent Solicitation Statement dated August 12, 2010.



**Table of Contents**

In connection with the tender offer, we are also soliciting consents from the holders of the Series A Notes to amendments to the indenture governing the notes to eliminate most of the covenants and certain events of default.

The tender offer and consent solicitation are conditioned upon the receipt of consents to the proposed indenture amendment from holders of a majority of the outstanding principal amount of the Series A Notes. The tender offer and consent solicitation are also conditioned upon our completion of this offering so that the net proceeds from this offering, when combined with our cash on hand and available borrowings under our revolving credit facility, will provide sufficient funds to pay for all tendered Series A Notes and delivered consents plus all related fees and expenses.

If fully subscribed by August 25, 2010, we expect that the tender offer and consent solicitation will result in a pre-tax charge to our net income of approximately \$8.8 million, and that they will cost approximately \$205.7 million (including accrued and unpaid interest of approximately \$0.6 million and the consent fees), which will be funded with the net proceeds from this offering as described in Use of Proceeds, borrowings under our revolving credit facility, and cash on hand.

There is no assurance that the tender offer will be subscribed for in any amount, and we currently intend to redeem any Series A Notes that remain outstanding following the tender offer as permitted under the governing indenture, although we have no legal obligation to do so and the selection of any particular redemption date is in our discretion.

**Corporate Information**

Cardtronics is a Delaware corporation. Our principal offices are located at 3250 Briarpark Drive, Suite 400, Houston, TX 77042, telephone number (832) 308-4000, fax number (832) 308-4001, and our website can be found at [www.cardtronics.com](http://www.cardtronics.com). Unless specifically incorporated by reference in this prospectus supplement, information that you may find on our website is not part of this prospectus supplement.

**Table of Contents**

**THE OFFERING**

The following summary contains basic information about the notes and is not intended to be complete. For a more complete understanding of the notes, please refer to the section entitled "Description of Notes" in this prospectus supplement and the section entitled "Description of Debt Securities" in the accompanying prospectus.

Issuer	Cardtronics, Inc.
Securities Offered	\$200,000,000 aggregate principal amount of 8 1/4% senior subordinated notes due 2018.
Maturity	September 1, 2018.
Interest Rate and Payment Dates	Interest on the notes will accrue at the rate of 8.25% per annum. Interest will accrue from . Interest on the notes will be payable semi-annually, in cash, in arrears on March 1 and September 1 of each year, commencing on March 1, 2011.
Guarantees	All payments on the notes, including principal and interest, will be jointly and severally guaranteed on a senior subordinated basis by all of our existing domestic subsidiaries and certain of our future subsidiaries. See "Description of Notes - Note Guarantees."
Ranking	<p>The notes and guarantees will be unsecured senior subordinated obligations and will rank:</p> <ul style="list-style-type: none"> <li>(i) junior in right of payment to all our and our subsidiary guarantors existing and future senior indebtedness, including borrowings under our revolving credit facility and guarantees of those borrowings,</li> <li>(ii) effectively junior to secured debt and (iii) structurally junior to existing and future indebtedness of our non-guarantor subsidiaries;</li> </ul> <p>equal in right of payment with any of our and our subsidiary guarantors existing and future senior subordinated indebtedness; and</p> <p>senior in right of payment to any of our and our subsidiary guarantors future indebtedness that is expressly subordinated in right of payment to the notes and the guarantees, respectively.</p> <p>As of June 30, 2010, after giving effect to the issuance and sale of the notes and the application of the estimated net proceeds therefrom, as set forth under "Use of Proceeds," together with borrowings under our revolving credit facility and cash on hand to fund our pending tender offer and consent solicitation for our Series A Notes, we would have had total consolidated indebtedness of approximately \$291.6 million, consisting of approximately \$82.1 million of secured indebtedness outstanding under our revolving credit facility, \$200.0 million of the notes offered hereby,</p>

and \$9.5 million of other non-guarantor indebtedness (of which Cardtronics has guaranteed 51%). The subsidiary guarantors would have had total indebtedness of \$282.1 million, excluding intercompany indebtedness, consisting of their guarantees of our secured indebtedness and the notes. For further discussion, see Capitalization and Description of Other Indebtedness.

Optional Redemption

We may redeem some or all of the notes on or after September 1, 2014 at the redemption prices set forth in this prospectus supplement under Description of Notes Original Redemption . At any time prior to September 1, 2014, we may redeem the notes, in whole or in part, at a price equity to 100% of their outstanding principal amount

S-7

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**Table of Contents**

plus the make-whole premium described under the heading Description of Notes Optional Redemption, together with any accrued and unpaid interest to the date of redemption.

In addition, at any time prior to September 1, 2013, we may redeem up to 35% of the aggregate principal amount of the notes issued under the indenture (including any additional notes) at a redemption price of 108.250% using the proceeds of certain equity offerings completed within the preceding 90 days. We may make this redemption only if, after the redemption, at least 65% of the aggregate principal amount of the notes originally issued under the indenture (including any additional notes) remains outstanding.

Change of Control

If we experience specific kinds of changes or control, we must offer to repurchase the notes at a price in cash equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase.

Certain Covenants

The covenants contained in the indenture will, among other things, limit our ability and the ability of our restricted subsidiaries to:

incur or guarantee additional indebtedness;

make certain investments or pay dividends or distributions on our capital stock or repurchase capital stock or make certain other restricted payments;

consolidate or merge with or into other companies;

conduct asset sales;

restrict dividends or other payments by restricted subsidiaries;

engage in transactions with affiliates or related persons; and

create liens.

These covenants are subject to important exceptions and qualifications, which are described under Description of Notes Certain Covenants.

Use of Proceeds

We intend to use the net proceeds from this offering together with borrowings under our revolving credit facility and cash on hand to fund our pending tender offer and consent solicitation for our Series A Notes and to redeem any Series A Notes not acquired in the tender offer. See Use of Proceeds.

Absence of a Public Market for the Notes

The notes are a series of securities for which there is currently no established trading market. The underwriters have advised us that they presently intend to make a market in the notes. However, you should be aware that they are not obligated to make a market in the notes and may



discontinue their market-making activities at any time without notice. As a result, a liquid market for the notes may not be available if you try to sell your notes. We do not intend to apply for a listing of the notes on any securities exchange or any automated dealer quotation system.

Risk Factors

Investing in the notes involves risks. See **Risk Factors** beginning on page S-13 of this prospectus supplement and page 5 of the accompanying prospectus for a discussion of certain factors you should consider in evaluating an investment in the notes.

S-8

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**Table of Contents****SUMMARY SELECTED FINANCIAL DATA**

The summary selected balance sheet data for Cardtronics as of December 31, 2007, 2008 and 2009 and the summary selected statement of operations data for Cardtronics for the years ended December 31, 2007, 2008 and 2009 have been derived from our audited financial statements. The summary selected balance sheet data as of June 30, 2009 and 2010 and the summary selected statements of operations data for Cardtronics for the six months ended June 30, 2009 and 2010 have been derived from our unaudited interim consolidated financial statements. The financial information presented below is not necessarily indicative of results to be expected in any future period. Future results could differ materially from historical levels due to many factors, including, but not limited to, those discussed in **Risk Factors** in this prospectus supplement. You should read the information set forth below in conjunction with all information included and incorporated by reference in this prospectus supplement, including our historical consolidated financial statements and notes thereto in our 2009 Form 10-K and our historical unaudited interim consolidated financial statements and notes thereto in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010.

	<b>Years Ended December 31,</b>			<b>Six Months Ended</b>	
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2009</b>	<b>2010</b>
	<b>(In thousands)</b>				
<b>Consolidated Statements of Operations</b>					
<b>Data:</b>					
Revenues:					
ATM operating revenues	\$ 365,322	\$ 475,800	\$ 483,138	\$ 234,942	\$ 256,247
ATM product sales and other revenues	12,976	17,214	10,215	5,051	4,477
Total revenues	378,298	493,014	493,353	239,993	260,724
Cost of revenues:					
Cost of ATM operating revenues (excludes depreciation, accretion, and amortization shown separately below)(1)	281,705	362,916	333,907	166,204	173,293
Cost of ATM product sales and other revenues	11,942	15,625	10,567	4,967	4,507
Total cost of revenues	293,647	378,541	344,474	171,171	177,800
Gross profit	84,651	114,473	148,879	68,822	82,924
Operating expenses:					
Selling, general, and administrative expenses	29,357	39,068	41,527	21,439	21,415
Depreciation and accretion expense	26,781	39,164	39,420	19,574	20,486
Amortization expense	18,870	18,549	18,916	9,031	7,744
Loss on disposal of assets	2,485	5,807	6,016	3,784	1,472
Goodwill impairment charge		50,003			
Total operating expenses	77,493	152,591	105,879	53,828	51,117
Income (loss) from operations	7,158	(38,118)	43,000	14,994	31,807
Other expense (income):					

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Interest expense, net	29,523	31,090	30,133	15,355	14,632
Amortization and write-off of financing costs and bond discounts	1,641	2,107	2,395	1,171	1,272
Other expense (income)	(626)	93	456	(1,127)	34
Total other expense	30,538	33,290	32,984	15,399	15,938
Income (loss) before income taxes	(23,380)	(71,408)	10,016	(405)	15,869
Income tax expense	4,477	989	4,245	2,033	3,391
Net income (loss)	(27,857)	(72,397)	5,771	(2,438)	12,478
Net income (loss) attributable to noncontrolling interests	(376)	(1,022)	494	142	310
Net income (loss) attributable to controlling interests	(27,481)	(71,375)	5,277	(2,580)	12,168
Preferred stock conversion and accretion expense	36,272				
Net income (loss) attributable to controlling interests and available to common stockholders	\$ (63,753)	\$ (71,375)	\$ 5,277	\$ (2,580)	\$ 12,168

S-9

**Table of Contents**

	As of December 31,			As of June 30,	
	2007	2008	2009	2009	2010
	(In thousands)				
<b>Consolidated Balance Sheet</b>					
<b>Data:</b>					
Total cash and cash equivalents	\$ 13,439	\$ 3,424	\$ 10,449	\$ 6,492	\$ 40,089
Total assets	590,737	480,828	460,404	468,136	472,647
Total long-term debt and capital lease obligations, including current portion	310,744	347,181	307,287	329,051	307,041
Total stockholders' equity (deficit)	106,720	(19,750)	(1,290)	(10,251)	(2,131)

	Years Ended December 31,			Six Months Ended		Last
	2007	2008	2009	2009	2010	Twelve
				June 30,		Months
				2010		Ended
	(In thousands, except ratios, share and per share information, number of devices, and transactions per device)					
						June 30,
						2010

**Other Financial Data****(Unaudited):**

Adjusted EBITDA(2)	\$ 60,582	\$ 81,939	\$ 110,376	\$ 50,411	\$ 63,172	\$ 123,137
Net Debt Outstanding(3)	295,176	342,765	296,602	321,954	266,952	266,952
Net Debt Outstanding to Adjusted EBITDA	4.87	4.18	2.69	6.39	4.23	2.17
Capital expenditures, excluding acquisitions(4)	76,642	60,133	28,530	10,799	21,554	39,285
Interest expense, net	29,523	31,090	30,133	15,355	14,632	29,410

**Operating Data****(Unaudited):**

Number of transacting Company-owned devices (at period end)	20,732	22,215	22,871	22,244	23,233
Average number of total transacting devices	28,277	32,856	33,059	33,008	33,684
Total transactions	247,270	354,391	383,323	185,853	202,036
Total cash withdrawal transactions	166,248	228,306	244,378	119,611	126,429

**Amounts per device per month:**

ATM operating revenues	\$ 1,076	\$ 1,207	\$ 1,218	\$ 1,186	\$ 1,268
	829	921	842	839	858

Cost of ATM operating revenues (exclusive of depreciation, accretion, and amortization)(5)

ATM operating gross profit(6)	\$	247	\$	286	\$	376	\$	347	\$	410
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ATM operating gross profit margin (exclusive of depreciation, accretion, and amortization)(5)

		22.9%		23.7%		30.9%		29.3%		32.4%
Total transactions		729		899		966		938		1,000
Total cash withdrawal transactions		490		579		616		604		626

(1) Costs of ATM Operating Revenues exclude depreciation, accretion, and amortization expense of \$43.1 million, \$52.4 million, and \$51.5 million for the years ended December 31, 2007, 2008 and 2009,

S-10

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**Table of Contents**

respectively, and \$25.3 million and \$24.4 million for the six months ended June 30, 2009 and 2010, respectively.

- (2) Adjusted EBITDA represents net income (loss) before interest expense, income tax expense, and depreciation, accretion and amortization expense, as well as adjustments for certain non-cash and non-recurring items. For the year ended December 31, 2008, Adjusted EBITDA also excluded a \$50.0 million impairment charge of the goodwill associated with our United Kingdom operation. This charge has been excluded as goodwill and associated write-downs would be company-specific and management believes the inclusion of such a charge in Adjusted EBITDA would not contribute to its understanding of the operating results and effectiveness of its business. Adjusted EBITDA, as we define it, may not be comparable to similarly titled measures employed by other companies and is not a measure of performance calculated in accordance with U.S. GAAP. In evaluating our performance as measured by Adjusted EBITDA, we recognize and consider the limitations of this measurement. Adjusted EBITDA does not reflect our obligations for the payment of income taxes, interest expense or other obligations such as capital expenditures. Accordingly, Adjusted EBITDA should not be considered in isolation or as a substitute for operating income, net income, cash flows from operating, investing, and financing activities or other income or cash flow statement data prepared in accordance with U.S. GAAP.

We believe Adjusted EBITDA is useful to an investor in evaluating our operating performance because:

it is used by investors to measure a company's operating performance without regard to items such as interest expense, depreciation, accretion, and amortization, which can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired; and

it helps investors to more meaningfully evaluate and compare the results of our operations from period to period by removing the impact of our capital structure and asset base from our operating results.

Our management uses Adjusted EBITDA:

as a measure of operating performance because it assists them in comparing our performance on a consistent basis as it removes the impact of our capital structure and asset base from our operating results;

as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations;

to assess compliance with financial ratios and covenants included in our credit agreement;

in communications with lenders concerning our financial performance; and

as a performance measure by which our management is evaluated and compensated.

Management compensates for the limitations of Adjusted EBITDA as an analytical tool by reviewing the comparable U.S. GAAP measures, understanding the differences between the measures, and incorporating this knowledge into management's decision-making process.

**Table of Contents**

The following table provides a reconciliation of Adjusted EBITDA to net income (loss), its most directly comparable U.S. GAAP financial measure, for each of the periods presented:

	Years Ended December 31,			Six Months Ended		Last Twelve
	2007	2008	2009	June 30, 2009	2010	Months Ended June 30, 2010
	(In thousands)					
Net income (loss) attributable to controlling interests	\$ (27,481)	\$ (71,375)	\$ 5,277	\$ (2,580)	\$ 12,168	\$ 20,025
Income tax expense	4,477	989	4,245	2,033	3,391	5,603
Interest expense, including amortization of deferred financing costs and bond discounts	31,164	33,197	32,528	16,526	15,904	31,906
Goodwill impairment charge		50,003				
Amortization expense	18,870	18,549	18,916	9,031	7,744	17,629
Depreciation and accretion expense	26,781	39,164	39,420	19,574	20,486	40,332
<b>EBITDA</b>	\$ 53,811	\$ 70,527	\$ 100,386	\$ 44,584	\$ 59,693	\$ 115,495
Add back:						
Loss on disposal of assets	\$ 2,485	\$ 5,807	\$ 6,016	\$ 3,784	\$ 1,472	\$ 3,704
Other (income) expense	(626)	93	(982)	(1,127)	3	148
Noncontrolling interest	(169)	(1,633)	(1,281)	(566)	(872)	(1,587)
Stock-based compensation expense	1,050	3,516	4,620	2,120	2,876	5,376
Adjustments to cost of ATM operating revenues(a)	3,236	2,911	154	153		1
Adjustments to selling, general, and administrative expenses(b)	795	718	1,463	1,463		
<b>Adjusted EBITDA</b>	\$ 60,582	\$ 81,939	\$ 110,376	\$ 50,411	\$ 63,172	\$ 123,137

(a) Adjustments to cost of ATM operating revenues for 2007 and 2008 primarily consisted of costs associated with the conversion of our ATMs over to our in-house EFT processing platform and, in 2008, start-up costs associated with our in-house armored operation in the United Kingdom.

(b) Adjustments to selling, general, and administrative expenses primarily consisted of litigation settlement costs in 2007, the write-off of certain acquisition-related costs in 2008, and the recognition of \$1.2 million in severance costs associated with the departure of our former Chief Executive Officer during the six months ended June 30, 2009.

- (3) Net debt outstanding is defined as total debt outstanding less cash and cash equivalents as of date of the end of each reporting period.
- (4) Capital expenditure amounts are reflected gross of any noncontrolling interest amounts and include capital expenditures financed by direct debt.
- (5) Excludes effects of depreciation, accretion, and amortization expense of \$43.1 million, \$52.4 million, and \$51.5 million for the years ended December 31, 2007, 2008, and 2009, respectively, and \$25.3 million and \$24.4 million for the six months ended June 30, 2009 and 2010, respectively. The inclusion of this depreciation, accretion, and amortization expense in Cost of ATM operating revenues would have increased our cost of ATM operating revenues per ATM per month and decreased our ATM operating gross profit per ATM per month by \$127, \$133, and \$130 for the years ended December 31, 2007, 2008, and 2009, respectively, and \$129 and \$119 for the six months ended June 30, 2009 and 2010, respectively. Additionally, our ATM operating gross profit margin would have been 11.1%, 12.7%, and 20.2% for the years ended December 31, 2007, 2008, and 2009, respectively, and 18.5% and 22.9% for the six months ended June 30, 2009 and 2010, respectively.
- (6) ATM operating gross profit is a measure of profitability that uses only the revenue and expenses that related to operating the ATMs. The revenue and expenses from ATM equipment sales and other ATM-related services are not included.



**Table of Contents**

**RISK FACTORS**

*Investing in the notes involves risks. You should carefully consider the risks described below together with the other information contained in, or incorporated by reference into, this prospectus supplement, before you decide to invest in the notes offered by this prospectus supplement. We believe that the risks and uncertainties described below are the material risks and uncertainties facing us. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become important factors that affect us. If any of the following risks occur, our business, financial condition, results of operations or future growth prospects could be materially and adversely affected.*

**Risks Related to Our Business**

***We depend on ATM and financial services transaction fees for substantially all of our revenues, and our revenues and profits would be reduced by a decline in the usage of our ATMs and financial services kiosks or a decline in the number of devices that we operate, whether as a result of global economic conditions or otherwise.***

Transaction fees charged to cardholders and their financial institutions for transactions processed on our ATMs and financial services kiosks, including surcharge (or convenience ) and interchange transaction fees, have historically accounted for most of our revenues. We expect that transaction fees, including fees we receive through our bank branding and surcharge-free network offerings, will continue to account for a substantial majority of our revenues for the foreseeable future. Consequently, our future operating results will depend on (i) the continued market acceptance of our services in our target markets, (ii) maintaining the level of transaction fees we receive, (iii) our ability to install, acquire, operate, and retain more devices, (iv) continued usage of our devices by cardholders, and (v) our ability to continue to expand our surcharge-free and other consumer financial services offerings. If alternative technologies to our services are successfully developed and implemented, we will likely experience a decline in the usage of our devices. Convenience fees, which are determined through negotiations between us and our merchant partners, could be reduced over time. Further, growth in surcharge-free ATM networks and widespread consumer bias toward these networks could adversely affect our revenues, even though we maintain our own surcharge-free offerings. Many of our devices are utilized by consumers that frequent the retail establishments in which our devices are located, including convenience stores, malls, grocery stores, and other large retailers. If there is a significant slowdown in consumer spending, and the number of consumers that frequent the retail establishments in which we operate our devices declines significantly, the number of transactions conducted on those devices, and the corresponding transaction fees we earn, may also decline.

Although we experienced an increase in our monthly ATM operating revenues per device during 2009 and the first half of 2010, we cannot assure you that our transaction revenues will not decline in the future. A decline in usage of our devices by cardholders or in the levels of fees received by us in connection with this usage, or a decline in the number of devices that we operate, would have a negative impact on our revenues and would limit our future growth.

***Interchange fees, which comprise a substantial portion of our transaction revenues, may be lowered at the discretion of the various EFT networks through which our transactions are routed, or through potential regulatory changes, thus reducing our future revenues.***

Interchange fees, which represented approximately 31% of our total ATM operating revenues for the year ended December 31, 2009, are set by the various EFT networks through which transactions conducted on our devices are routed. Interchange fees are set by each network and typically vary from one network to the next. Accordingly, if some or all of the networks through which our ATM transactions are routed were to reduce the interchange rates paid

to us or increase their transaction fees charged to us for routing transactions across their network, or both, our future transaction revenues could decline.

Recently, certain networks have reduced the net interchange fees paid to ATM deployers for transactions routed through their networks. For example, effective April 1, 2010, a global network brand reduced the interchange rates it pays to domestic ATM deployers for ATM transactions routed across its debit network. As

S-13

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**Table of Contents**

a result, we have recently seen certain financial institutions migrate their volume away from other networks to take advantage of the lower pricing offered by these networks. Such rate change is expected to reduce our ATM operating gross profits by approximately \$1.9 million over the remainder of 2010. Additionally, interchange rates in the United Kingdom, which are set by LINK, the United Kingdom's primary ATM debit network, are expected to decline slightly beginning in 2011. As a result, the interchange revenues generated by certain of our ATMs in that market are expected to decline in the future. If other networks enact interchange fee reductions similar to those outlined above, our interchange revenues could be negatively impacted in future periods.

Finally, some federal officials in the United States have expressed concern that consumers using an ATM may not be aware that in addition to paying the surcharge fee that is disclosed to them at the ATM, their financial institution may also assess an additional fee to offset any interchange fee assessed to the financial institution by the EFT networks with regard to that consumer's transaction. While there are currently no pending legislative actions calling for limits on the amount of interchange fees that can be charged by the EFT networks to financial institutions for ATM transactions, there can be no assurance that such legislative actions will not occur in the future.

Any potential future network or legislative actions that affect the amount of interchange fees that can be assessed on a transaction may adversely affect our revenues. Historically, we have been successful in offsetting the effects of any such reductions in interchange fees received by us through changes in our business. However, we can give no assurances that we will be successful in offsetting the effects of any future reductions in the interchange fees received by us, if and when they occur.

***In the United States, the proliferation of payment options other than cash, including credit cards, debit cards, and prepaid debit cards, could result in a reduced need for cash in the marketplace and a resulting decline in the usage of our ATMs.***

The United States has seen a shift in consumer payment trends since the late 1990s, with more customers now opting for electronic forms of payment (e.g., credit cards and debit cards) for their in-store purchases over traditional paper-based forms of payment (e.g., cash and checks). Additionally, merchants are now offering free cash back at the point-of-sale for customers that utilize debit cards for their purchases, thus providing an additional incentive for consumers to use these cards. According to the Nilson Report from 2003 to 2008, cash transaction counts declined from approximately 41% of all payment transactions in 2003 to approximately 34% in 2008, with declines also seen in check usage as credit and debit card transactions increased. However, in terms of absolute dollar value, the volume of cash used in payment transactions increased from \$1.3 trillion in 2003 to \$1.6 trillion in 2008. Furthermore, during 2009, we saw an increase in the number of cash withdrawal transactions conducted on our domestic ATMs, in part due to the proliferation of prepaid debit cards, thus implying a continued demand for cash and convenient, reliable access to that cash. Regardless, the continued growth in electronic payment methods could result in a reduced need for cash in the marketplace and ultimately, a decline in the usage of our ATMs.

***Deterioration in global credit markets, as well as changes in legislative and regulatory requirements, could have a negative impact on financial institutions that we conduct business with.***

We have a significant number of customer and vendor relationships with financial institutions in all of our key markets, including relationships in which those financial institutions pay us for the right to place their brands on our devices. Additionally, we rely on a small number of financial institution partners to provide us with the cash that we maintain in our Company-owned devices. Turmoil in the global credit markets in the future, such as that recently experienced, may have a negative impact on those financial institutions and our relationships with them. In particular, if the liquidity positions of the financial institutions with which we conduct business deteriorate significantly, these institutions may be unable to perform under their existing agreements with us. If these defaults were to occur, we may not be successful in our efforts to identify new branding partners and cash providers, and the underlying economics of

any new arrangements may not be consistent with our current arrangements. Furthermore, if our existing bank branding partners or cash providers are acquired by other institutions with assistance from the Federal Deposit Insurance Corp. ( FDIC ), or

S-14

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**Table of Contents**

placed into receivership by the FDIC, it is possible that our agreements may be rejected in part or in their entirety.

Finally, in response to the economic crisis, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act or the Act ), which contains broad measures aimed at overhauling existing financial regulations within the United States, was signed into law on July 21, 2010. Among many other things, the Act includes provisions that (i) call for the establishment of a new Bureau of Consumer Financial Protection, (ii) limit the activities that banking entities may engage in and (iii) give the Federal Reserve Bank the authority to regulate interchange transaction fees charged by electronic funds transfer networks for electronic debit transactions. Many of the detailed regulations required under the Act have yet to be finalized and will likely not be finalized for some time. Moreover, based on the current language contained within the Act, it is uncertain whether the regulation of interchange fees for electronic debit transactions will apply to ATM cash withdrawal transactions. If ATM cash withdrawal transactions were to fall under the proposed regulatory framework, and the related interchange fees were reduced from their current levels, such change could have a material adverse impact on our future revenues and operating profits. In addition, it is unclear at this point what impact these new regulations will ultimately have on financial institutions with whom we conduct business. However, if those financial institutions are negatively impacted by such regulations, our future operating results could be negatively impacted.

***The passing of legislation banning or limiting the fees we receive for transactions conducted on our ATMs would severely impact our revenues.***

Despite the nationwide acceptance of convenience fees at ATMs in the United States since their introduction in 1996, consumer activists have from time to time attempted to impose local bans or limits on such fees. Even in the few instances where these efforts have passed the local governing body (such as with an ordinance adopted by the city of Santa Monica, California), federal courts have overturned these local laws on federal preemption grounds. More recently, some federal officials have expressed concern that convenience fees charged by financial institutions and other ATM operators are unfair to consumers. To that end, an amendment proposing limits on the fees that ATM operators, including financial institutions, can charge consumers was recently introduced in the United States Senate, but was not ultimately included in the final version of the Dodd-Frank Act that was signed into law. If similar proposed legislation were to be enacted in the future, and the amount we were able to charge for consumers to use our ATMs was reduced, our revenues and related profitability would be negatively impacted. Furthermore, if such limits were set at levels that are below our current or future costs to operate our ATMs, it would have a material adverse impact on our ability to continue to operate under our current business model.

In the United Kingdom, the Treasury Select Committee of the House of Commons published a report regarding convenience fees in the ATM industry in March 2005. This committee was formed to investigate public concerns regarding the ATM industry, including (1) adequacy of disclosure to ATM customers regarding fee levels, (2) whether ATM providers should be required to provide free services in low-income areas and (3) whether to limit the level of fees charged. While the committee made numerous recommendations to Parliament regarding the ATM industry, including that ATMs should be subject to the Banking Code (a voluntary code of practice adopted by all financial institutions in the United Kingdom), the United Kingdom government did not accept the committee's recommendations. Despite the rejection of the committee's recommendations, the United Kingdom government did sponsor an ATM task force to look at social exclusion in relation to ATM services. As a result of the task force's findings, approximately 600 additional free-to-use ATMs (to be provided by multiple ATM providers) were required to be installed in low income areas throughout the United Kingdom. While this is less than a 2% increase in free-to-use ATMs throughout the United Kingdom, there is no certainty that other similar proposals will not be made and accepted in the future. If the legislature or another body with regulatory authority in the United Kingdom were to impose limits on the level of fees charged for ATM transactions, our operating revenues in the United Kingdom would be negatively impacted.

In Mexico, surcharging for off-premise ATMs was legalized in late 2003, but was not formally implemented until July 2005. In early October 2009, the Central Bank of Mexico adopted new rules regarding

S-15

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**Table of Contents**

how ATM operators disclose fees to consumers. The objective of these rules was to provide more transparency to the consumer regarding the cost of a specific ATM transaction, rather than to limit the amount of fees charged to the consumer. Such rules, which became effective in May 2010, required ATM operators to elect between receiving interchange fees from card issuers or surcharge fees from consumers. Cardtronics Mexico, S.A. de C.V. ( Cardtronics Mexico ) elected to assess a surcharge fee on the consumer rather than select the interchange fee-only option, and subsequently raised the level of its surcharge fees in order to recoup the interchange fees it is no longer receiving. Because these changes were just recently enacted, we cannot be certain what impact such rate changes will have on the long-term withdrawal transaction levels in that market. However, based on very early indications, withdrawal transaction levels in Mexico have declined by amounts greater than those originally anticipated. If such initial transaction declines continue or worsen from their current levels, the additional surcharge fee amounts may not be sufficient to offset the lost interchange revenues, resulting in lower revenues and profitability per ATM in that market.

As a result of the above developments, we have decided to reduce the number of planned ATM deployments in Mexico for the remainder of 2010 in order to gauge the impact of the above rules on our ATM transaction levels and related profits. If transaction levels continue to worsen, and if we are unsuccessful in its efforts to implement certain measures to mitigate the effects of such transaction declines, our overall profitability in that market will decline. If such declines are significant, we may be required to record an impairment charge in future periods to write-down the carrying value of certain existing tangible and intangible assets associated with that operation.

***Further consolidations within the banking industry may impact our branding relationships as existing branding customers are acquired by other, more stable financial institutions, some of which may not be existing branding customers.***

In recent years, an unprecedented amount of consolidation unfolded within the United States banking industry. For example, Washington Mutual, which had over 950 ATMs branded with us, was acquired by JPMorgan Chase, an existing branding customer of ours, in 2008. Additionally, Wachovia, which had 15 high-transaction ATMs branded with us, was acquired by Wells Fargo, a bank that was not an existing branding customer of ours, at the end of 2008. Furthermore, in 2009, Sovereign Bank, which currently has over 1,150 ATMs branded with us, was acquired by Banco Santander, one of the largest banks in Europe. Although our branding contracts were largely unaffected by these transactions, we cannot assure you that they will remain unaffected by future consolidations that may occur within the banking industry, and in particular, our branding partners.

***We rely on third parties to provide us with the cash we require to operate many of our devices. If these third parties were unable or unwilling to provide us with the necessary cash to operate our devices, we would need to locate alternative sources of cash to operate our devices or we would not be able to operate our business.***