

FIRST DATA CORP
Form S-4/A
September 19, 2003
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As filed with the Securities and Exchange Commission on September 19, 2003

Registration No. 333-105432

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 4

to

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

First Data Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

6199
(Primary Standard Industrial
Classification Code Number)

47-0731996
(I.R.S. Employer
Identification Number)

6200 South Quebec Street

Greenwood Village, Colorado 80111

(303) 488-8000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Michael T. Whealy, Esq.

Executive Vice President, Chief Administrative

Officer and General Counsel

First Data Corporation

10825 Old Mill Road, M-10

Omaha, Nebraska 68154

(402) 777-2000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies To:

Thomas A. Rossi, Esq. Joseph C. Mullin, Esq.	Frederick C. Lowinger, Esq.	J. Richard Buchignani, Esq. Concord EFS, Inc.	R. Scott Falk, Esq. Kirkland & Ellis LLP
First Data Corporation	Paul L. Choi, Esq.	5775 Summer Trees Drive	200 East Randolph Drive
10825 Old Mill Road, M-10	Michael A. Gordon, Esq. Sidley Austin Brown & Wood LLP	Memphis, Tennessee 38134	Chicago, Illinois 60601
Omaha, Nebraska 68154	Bank One Plaza	(901) 371-8000	(312) 861-2000
(402) 777-2000	10 South Dearborn Street		
	Chicago, Illinois 60603		
	(312) 853-7000		

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and after the conditions to the completion of the proposed transaction described in the joint proxy statement/prospectus have been satisfied or waived.

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

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

offering. " _____

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

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

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

Preliminary Copy Subject to Completion, dated September 19, 2003

MERGER PROPOSAL YOUR VOTE IS IMPORTANT

On behalf of the boards of directors and managements of both First Data Corporation and Concord EFS, Inc., we are pleased to deliver our joint proxy statement/prospectus for the merger involving First Data and Concord. We believe this merger will create a strong combined company that will deliver important benefits to its shareholders and to its customers, merchants and banks.

If the merger is completed, Concord shareholders will receive 0.40 of a share of First Data common stock for each share of Concord common stock, and cash in lieu of fractional shares. On March 31, 2003, which was the last full trading day prior to the publication of news articles reporting that First Data and Concord were in merger discussions, the closing price of the First Data common stock on the New York Stock Exchange, where it is traded under the symbol FDC, was \$37.01 and the closing price of the Concord common stock on the New York Stock Exchange, where it is traded under the symbol CE, was \$9.40. Based upon this First Data common stock closing price, the value of First Data common stock to be received for each share of Concord common stock in the merger would have been \$14.80. On April 1, 2003, which was the last full trading day prior to the announcement of the merger agreement, the closing price of the First Data common stock and the Concord common stock was \$34.68 and \$11.87, respectively. Based upon this First Data common stock closing price, the value of First Data common stock to be received for each share of Concord common stock in the merger would have been \$13.87. On September 18, 2003, the closing price of the First Data common stock and the Concord common stock was \$41.57 and \$14.20, respectively. Based upon this First Data common stock closing price, the value of First Data common stock to be received for each share of Concord common stock in the merger would have been \$16.63. Under the merger agreement, the exchange ratio is fixed at 0.40 and will not be changed to reflect fluctuations in the market price of the common stock of either company. First Data shareholders will continue to own their existing First Data shares.

A holder of Concord common stock generally will not recognize any gain or loss for federal income tax purposes upon the exchange of the holder's shares of Concord common stock for shares of First Data common stock pursuant to the merger. For a more detailed discussion of the federal income tax consequences of the merger, see Material Federal Income Tax Consequences of the Merger beginning on page 60 of this joint proxy statement/prospectus.

In addition, the section entitled Risk Factors on pages 19 through 23 of this joint proxy statement/prospectus contains a description of the risks that you should consider in evaluating the merger.

We are asking the First Data shareholders to approve the issuance of shares of First Data common stock as contemplated by the merger agreement. **The First Data board of directors unanimously recommends that First Data shareholders vote FOR this proposal.**

We are asking the Concord shareholders to adopt the merger agreement and, by doing so, approve the proposed merger. **The Concord board of directors unanimously recommends that Concord shareholders vote FOR this proposal.**

We cannot complete the merger unless the Concord shareholders adopt the merger agreement and the First Data shareholders approve the issuance of shares of First Data common stock as contemplated by the merger agreement. We encourage you to read this joint proxy statement/prospectus, which includes important information about the merger. **Your vote is important.**

CHARLES T. FOTE

*President, Chief Executive Officer
and Chairman of the Board
First Data Corporation*

BOND R. ISAACSON

*Co-Chief Executive Officer
Concord EFS, Inc.*

DAN M. PALMER

*Co-Chief Executive Officer
Concord EFS, Inc.*

Neither the SEC nor any state securities commission has approved or disapproved the securities to be issued under this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated [•], 2003 and is first being mailed to the First Data and Concord shareholders on or about [•], 2003.

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REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about First Data and Concord from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain those documents incorporated by reference in this joint proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

First Data Corporation	Concord EFS, Inc.
Investor Relations Department	Investor Relations
6200 South Quebec Street	1100 Carr Road
Greenwood Village, CO 80111	Wilmington, DE 19809
(303) 967-6756	(302) 791-8111

If you would like to request documents, please do so by October 21, 2003, in order to receive them before your special meeting.

See Where You Can Find More Information.

VOTING BY MAIL OR BY TELEPHONE

First Data shareholders of record may submit their proxies:

By mail, by signing and dating each proxy card you receive, indicating your voting preference on the proposal and returning each proxy card in the prepaid envelope which accompanied that proxy card; or

By telephone, by calling the toll-free number 1-800-240-6326 in the United States, Canada or Puerto Rico on a touch-tone phone and following the recorded instructions.

Concord shareholders of record may submit their proxies:

By mail, by signing and dating each proxy card you receive, indicating your voting preference on the proposal and returning each proxy card in the prepaid envelope which accompanied that proxy card; or

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By telephone, by calling the toll-free number 1-877-779-8683 in the United States, Canada or Puerto Rico on a touch-tone phone and following the recorded instructions.

If you are a beneficial owner, please refer to your proxy card or the information forwarded by your bank, broker or other holder of record to see which options are available to you.

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
OF FIRST DATA CORPORATION**

NOTICE IS HEREBY GIVEN that First Data Corporation will hold a special meeting of its shareholders on October 28, 2003, at 10:00 a.m. (M.T.), at the Inverness Hotel, 200 Inverness Drive West, Englewood, Colorado 80112 for the following purposes:

1. To consider and vote on a proposal to approve the issuance of shares of First Data common stock as contemplated by an Agreement and Plan of Merger, dated as of April 1, 2003, among First Data, Monaco Subsidiary Corporation, a wholly owned subsidiary of First Data, and Concord EFS, Inc. A copy of the merger agreement is attached as *Annex A* to the joint proxy statement/prospectus accompanying this notice; and
2. To transact such other business as may properly come before the special meeting and any adjournment or postponement of the special meeting.

Shareholders of record at the close of business on September 8, 2003 will be entitled to vote at the meeting and any adjournment or postponement of the special meeting. As of the record date, there were 728,845,452 shares of First Data common stock outstanding (excluding treasury stock). Each share of common stock is entitled to one vote on each matter properly brought before the meeting. If you wish to vote your shares at the meeting, the inspector of elections will be available to record your vote at the meeting site beginning at 9:30 a.m. (M.T.) on the date of the meeting. Voting is expected to close at the commencement of the meeting.

You are cordially invited to attend the meeting, but whether or not you expect to attend in person, you are urged to mark, date and sign the enclosed proxy and return it in the enclosed prepaid envelope or follow the alternative voting procedures described on the proxy and in the accompanying joint proxy statement/prospectus.

Your board of directors unanimously recommends that you vote to approve the issuance of shares of First Data common stock as contemplated by the merger agreement, which is described in detail in the accompanying joint proxy statement/prospectus.

By Order of the Board of Directors

Michael T. Whealy

Corporate Secretary

[•], 2003

First Data Corporation

6200 South Quebec Street

Greenwood Village, CO 80111

YOUR VOTE IS IMPORTANT

PLEASE PROMPTLY MARK, DATE, SIGN AND RETURN YOUR PROXY OR FOLLOW THE TELEPHONE VOTING PROCEDURES DESCRIBED ON THE PROXY SO THAT YOUR SHARES MAY BE VOTED IN ACCORDANCE WITH YOUR WISHES AND SO THAT THE PRESENCE OF A QUORUM MAY BE ASSURED. YOUR PROMPT ACTION WILL AID FIRST DATA CORPORATION IN REDUCING THE EXPENSE OF PROXY SOLICITATION.

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS OF CONCORD EFS, INC.:

NOTICE IS HEREBY GIVEN that Concord EFS, Inc. will hold a special meeting of its shareholders at Colonial Country Club, 2736 Countrywood Parkway, Memphis, Tennessee 38018 on October 28, 2003, beginning at 10:00 a.m. local time. The purpose of the Concord special meeting is to consider and to vote upon the following matters:

1. A proposal to adopt the Agreement and Plan of Merger, dated as of April 1, 2003, among First Data Corporation, Monaco Subsidiary Corporation, a wholly owned subsidiary of First Data, and Concord EFS, Inc. A copy of the merger agreement is included as *Annex A* to the accompanying joint proxy/prospectus; and
2. To transact such other business as may properly come before the special meeting and any adjournment or postponement of the special meeting.

In the merger, each share of Concord common stock will be converted into 0.40 of a share of First Data common stock.

Holders of record of Concord common stock at the close of business on September 8, 2003 are entitled to receive this notice and to vote at the special meeting and any adjournment or postponement of that meeting. As of the record date, there were 465,048,811 shares of Concord common stock outstanding (excluding treasury stock). Each share of common stock is entitled to one vote on each matter properly brought before the meeting.

If your Concord shares are not registered in your own name and you would like to attend the special meeting, please bring evidence of your Concord share ownership on the record date with you to the meeting, such as an account statement from your bank, broker or other record holder.

Whether or not you plan to attend the meeting in person, please vote your shares promptly via telephone or by marking, signing, dating and returning the proxy card promptly in the enclosed prepaid envelope. Instructions regarding both methods of voting are contained on the proxy card.

Your board of directors unanimously recommends that you vote to adopt the merger agreement. Your attention is directed to the joint proxy statement/prospectus accompanying this notice for a discussion of the merger and the merger agreement.

By Order of the Board of Directors,

J. Richard Buchignani

Secretary

[•], 2003

YOUR VOTE IS IMPORTANT

PLEASE PROMPTLY MARK, DATE, SIGN AND RETURN YOUR PROXY OR FOLLOW THE TELEPHONE VOTING PROCEDURES DESCRIBED ON THE PROXY SO THAT YOUR SHARES MAY BE VOTED IN ACCORDANCE WITH YOUR WISHES AND SO THAT THE PRESENCE OF A QUORUM MAY BE ASSURED. YOUR PROMPT ACTION WILL AID CONCORD EFS, INC. IN REDUCING THE EXPENSE OF PROXY SOLICITATION.

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CHAPTER ONE

THE MERGER

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: What do I need to do now?

A: After you carefully read this document, mail your signed proxy card in the enclosed return envelope, or submit your proxy by telephone, as soon as possible, so that your shares may be represented at your meeting. In order to assure that your vote is recorded, please vote your proxy as instructed on your proxy card even if you currently plan to attend your meeting in person.

Q: Why is my vote important?

A: First Data shareholders are being asked to approve the issuance of shares of First Data common stock as contemplated by the merger agreement. Concord shareholders are being asked to adopt the merger agreement and, by doing so, approve the proposed merger. If you do not return your proxy card or submit your proxy by telephone or vote in person at your special meeting, it will be more difficult for First Data and Concord to obtain the necessary quorum to hold their special meetings. In addition, if you are a First Data shareholder, your failure to vote will have the effect of reducing the number of affirmative votes required to approve the issuance of shares of First Data common stock as contemplated by the merger agreement. If you are a Concord shareholder, your failure to vote will have the same effect as a vote against the adoption of the merger agreement.

Q: May I vote in person?

A: Yes. If you are a shareholder of record as of September 8, 2003, you may attend your special meeting and vote your shares in person, instead of returning your signed proxy card or submitting your proxy by telephone.

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

A: No. If your shares are held in street name by your broker and you do not provide your broker with instructions on how to vote your street name shares, your broker will not be permitted to vote them on either the adoption of the merger agreement by Concord shareholders or approval of the issuance of shares of First Data common stock as contemplated by the merger agreement. You should therefore be sure to provide your broker with instructions on how to vote your shares. Please check the voting form used by your broker to see if it offers telephone or Internet submission of proxies.

Q: What if I fail to instruct my broker?

A: If you fail to instruct your broker to vote your shares and the broker submits an unvoted proxy, the resulting broker non-vote will be counted toward a quorum at the respective special meeting and it will have the consequences discussed above under **Why is my vote important?**

Q: What does it mean if I receive more than one set of materials?

A: This means you own shares of First Data or Concord that are registered under different names. For example, you may own some shares directly as a shareholder of record and other shares through a broker or you may own shares through more than one broker. In these situations you will receive multiple sets of proxy materials. It is necessary for you to vote, sign and return all of the proxy cards or follow the instructions for any alternative voting procedure on each of the proxy cards you receive in order to vote all of the shares you own. Each proxy card you received came with its own prepaid return envelope; if you vote by mail, make sure you return each proxy card in the return envelope which accompanied that proxy card.

Q: Can I revoke my proxy and change my vote?

A: Yes. You have the right to revoke your proxy at any time prior to the time your shares are voted at your special meeting. If you are a shareholder of record, your proxy can be revoked in several ways: (i) by timely

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delivery of a written revocation to your company's secretary, (ii) by submitting another valid proxy bearing a later date, or (iii) by attending your special meeting and voting your shares in person. However, if your shares are held in the name of your bank, broker, custodian or other recordholder, you must check with your bank, broker, custodian or other recordholder to determine how to revoke your proxy.

Q: When and where are the special meetings?

A: The First Data special meeting will take place on October 28, 2003 at 10:00 a.m. local time, at the Inverness Hotel, 200 Inverness Drive West, Englewood, Colorado 80112. The Concord special meeting will take place on October 28, 2003 at 10:00 a.m. local time, at Colonial Country Club, 2736 Countrywood Parkway, Memphis, Tennessee 38018.

Q: Should I send in my stock certificates now?

A: No. After the merger is completed, First Data will send Concord shareholders written instructions for exchanging their Concord stock certificates for First Data stock. First Data shareholders will keep their existing stock certificates.

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

A: We are working to complete the merger during the fourth quarter of 2003. However, it is possible that factors outside of our control could require us to complete the merger at a later time or not complete it at all. We hope to complete the merger as soon as reasonably practicable.

Q: Will First Data shareholders receive any shares as a result of the merger?

A: No. First Data shareholders will continue to hold the First Data shares they currently own.

Q: Who can answer any questions I may have about the special meetings or the merger?

A: First Data shareholders may call Morrow & Co., Inc. at 1-800-607-0088.

Concord shareholders may call Georgeson Shareholder Communications, Inc. at 1-800-818-8320.

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SUMMARY

*This summary highlights selected information from this joint proxy statement/prospectus and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger agreement, you should carefully read this entire document and the documents to which we refer you. A copy of the merger agreement is attached as Annex A to this document and is incorporated by reference in this joint proxy statement/prospectus. See *Where You Can Find More Information*.*

The Companies Involved in the Proposed Merger (see page 65)

First Data Corporation

6200 South Quebec Street

Greenwood Village, Colorado 80111

(303) 967-8000

Internet address: www.firstdata.com

First Data Corporation, with headquarters in Denver, helps power the global economy. In the electronic commerce and payment services businesses, First Data serves approximately 3 million merchant locations, 1,400 card issuers and millions of consumers, making it easy, fast and secure for people and businesses to buy goods and services using virtually any form of payment. With 29,000 employees worldwide, First Data provides the following services throughout the United States:

credit, debit, smart card and stored-value card issuing and merchant transaction processing services;

Internet commerce solutions;

money transfer services;

money orders; and

check processing and verification services.

First Data also offers a variety of payment services in the United Kingdom, Australia, Canada, Japan, Mexico, Spain, the Netherlands, the Middle East and Germany. First Data's Western Union and Orlandi Valuta money transfer networks include a total of approximately 165,000 agent locations in more than 195 countries and territories. Shares of First Data common stock are traded on the New York Stock Exchange under the symbol *FDC*.

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Concord EFS, Inc.

2525 Horizon Lake Drive, Suite 120

Memphis, Tennessee 38133

(901) 371-8000

Internet address: www.concordefs.com

Concord EFS, Inc., an electronic transaction processor, provides the technology and network systems that make payments and other financial transactions faster, more efficient and more secure than paper-based alternatives. Concord's primary activities include:

Network Services, which provides automated teller machine (referred to as an ATM in this joint proxy statement/prospectus) processing, debit card processing, deposit risk management and STAR_{sm} network access principally for financial institutions; and

Payment Services, which provides point of sale processing, settlement and related services, with specialized systems focusing on supermarkets, major retailers, gas stations, convenience stores, restaurants and trucking companies.

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Concord's new Risk Management Services group, which combines products that are currently part of its Network Services and Payment Services reporting segments, provides software, information and analysis to financial institutions, retailers, government service providers and other businesses to assist in fraud prevention and reduction. Shares of Concord common stock are traded on the New York Stock Exchange under the symbol CE.

Concord Shareholders Will Receive 0.40 of a Share of First Data Common Stock for Each Share of Concord Common Stock They Hold (see page 73)

Concord shareholders will receive 0.40 of a share of First Data common stock for each share of Concord common stock they hold. First Data will not issue fractional shares pursuant to the merger. As a result, the total number of shares of First Data common stock that each Concord shareholder will receive pursuant to the merger will be rounded down to the nearest whole number, and each Concord shareholder will receive a cash payment for the remaining fraction of a share of First Data common stock that he or she would otherwise receive, if any, based on the market value of First Data common stock at the close of business on the closing date of the merger.

Example: If you currently own 137 shares of Concord common stock, you will be entitled to receive 54 shares of First Data common stock and a check for the market value of 0.80 shares of First Data common stock at the close of business on the closing date of the merger.

Concord Shareholders Will Not Recognize Any Gain or Loss for Federal Income Tax Purposes Upon the Exchange of Their Shares, Except that Gain or Loss Will be Recognized on the Receipt of Cash in Lieu of a Fractional Share of First Data Common Stock (see page 60)

Each of Sidley Austin Brown & Wood LLP, legal counsel to First Data, and Kirkland & Ellis LLP, legal counsel to Concord, has delivered its opinion which provides that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and that each of First Data, Concord and Monaco Subsidiary Corporation (the wholly owned subsidiary of First Data that will merge with and into Concord) will be a party to the reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Assuming the foregoing opinions are correct as of the effective time of the merger, a holder of Concord common stock will not recognize any gain or loss for federal income tax purposes upon the exchange of the holder's shares of Concord common stock for shares of First Data common stock pursuant to the merger, except that gain or loss will be recognized on the receipt of cash in lieu of a fractional share of First Data common stock. The foregoing opinions are based, in part, on customary factual assumptions and written factual representations.

You should carefully read the discussion under the heading "Material Federal Income Tax Consequences of the Merger" beginning on page 60. The federal income tax consequences described above may not apply to some holders of Concord common stock, including some types of holders specifically referred to on page 60.

First Data Expects to Continue its Historical Policy of Paying Quarterly Dividends After Completion of the Merger

The holders of First Data common stock receive dividends if and when declared by the First Data board of directors out of legally available funds. First Data increased its dividend from \$0.01 to \$0.02 per share on a quarterly basis to stockholders during the second quarter of 2002. After completion of the merger, First Data expects to continue paying quarterly cash dividends on a basis consistent with First Data's past practice. The timing and amount of future dividends will be:

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dependent upon First Data's results of operations, financial condition, cash requirements and other relevant factors;

subject to the discretion of the First Data board of directors; and

payable only out of First Data's surplus or current net profits in accordance with the General Corporation Law of the State of Delaware.

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First Data can give Concord shareholders no assurance that First Data will continue to pay dividends on its common stock in the future.

Recent Closing Prices of First Data Common Stock and Concord Common Stock

The following table includes the closing sale prices per share of First Data common stock and Concord common stock as reported on the NYSE Composite Transaction Tape on:

March 7, 2003, the last full trading day prior to an article issued by *Bloomberg News* reporting rumors that Concord put itself up for sale for as much as \$6 billion;

March 31, 2003, the last full trading day prior to the date on which *The Wall Street Journal* and *The New York Times* each published articles reporting that First Data and Concord were in discussions regarding a possible merger;

April 1, 2003, the last full trading day prior to the announcement of the merger agreement; and

September 18, 2003, the most recent practicable date prior to the mailing of this joint proxy statement/prospectus to First Data's and Concord's shareholders.

This table also includes the equivalent price per share of Concord common stock on those dates. The equivalent price per share is equal to the closing price of a share of First Data common stock on that date multiplied by 0.40, the applicable exchange ratio in the merger. These prices will fluctuate prior to the special meetings and the merger, and shareholders are urged to obtain current market quotations prior to making any decision with respect to the merger.

	First Data Common Stock	Concord Common Stock	Concord Common Stock per Share Equivalent
March 7, 2003	\$ 33.83	\$ 10.35	\$ 13.53
March 31, 2003	\$ 37.01	\$ 9.40	\$ 14.80
April 1, 2003	\$ 34.68	\$ 11.87	\$ 13.87
September 18, 2003	\$ 41.57	\$ 14.20	\$ 16.63

Dissenters Will Not Have Any Appraisal Rights (see page 64)

Neither the holders of Concord common stock nor the holders of First Data common stock will have any right to an appraisal of the value of their shares in connection with the merger.

First Data's Financial Advisors Delivered Opinions to the First Data Board of Directors that, as of April 1, 2003, the Exchange Ratio of 0.40 was Fair, From a Financial Point of View, to First Data (see page 37)

Each of Merrill Lynch & Co. and J.P. Morgan Securities Inc. delivered its opinion to the First Data board of directors that, as of April 1, 2003 and based upon and subject to the assumptions, qualifications and limitations discussed in such opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to First Data. The full text of the opinions of Merrill Lynch and JPMorgan, each dated April 1, 2003, which discuss, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations of the review undertaken in connection with each opinion, are attached to this joint proxy statement/prospectus as *Annex B* and *Annex C*, respectively. First Data shareholders are urged to read these opinions in their entirety. Based on these opinions and a number of other factors described in *The Proposed Merger - First Data's Reasons for the Merger*, the First Data board of directors believes that the terms of the merger, including the exchange ratio of 0.40, are advisable to First Data and unanimously recommends to First Data's shareholders that they approve the issuance of shares of First Data common stock as contemplated by the merger agreement.

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As is customary in large public transactions and in order to undertake a deliberate and careful examination of the transaction, the First Data board of directors retained the services of each of Merrill Lynch and JPMorgan, two internationally recognized investment banking and advisory firms with substantial experience in transactions similar to the proposed merger, to render opinions as to the fairness to First Data, from a financial point of view, of the exchange ratio.

Pursuant to its letter agreement with Merrill Lynch dated February 14, 2003, First Data agreed to pay Merrill Lynch a fee of \$100,000 on the date of the letter, a fee of \$4,000,000 upon execution of the merger agreement and a fee of \$10,900,000 upon the completion of the proposed merger. First Data has agreed with Merrill Lynch that a portion of any fees, commissions and discounts that Merrill Lynch or its affiliates receive in connection with First Data's \$1 billion July 2003 high-grade debt offering or First Data's offering of other debt securities prior to the completion of the proposed merger will be deducted from amounts otherwise paid or payable to Merrill Lynch or its affiliates pursuant to the letter agreement. Pursuant to its letter agreement with JPMorgan dated March 5, 2003 (as amended on April 1, 2003), First Data agreed to pay JPMorgan a fee of \$1,200,000 upon public announcement of the proposed merger and a fee of \$2,300,000 upon the completion of the proposed merger.

Each of the Merrill Lynch and JPMorgan opinions is addressed to the First Data board of directors and is directed to the fairness, from a financial point of view, of the exchange ratio in the proposed merger. Neither the Merrill Lynch opinion nor the JPMorgan opinion constitutes a recommendation to any First Data shareholder as to how any such shareholder should vote with respect to the proposed merger or any other matter.

Concord's Financial Advisors Delivered Opinions to the Concord Board of Directors that, as of April 1, 2003, the Exchange Ratio of 0.40 was Fair, From a Financial Point of View, to Concord Shareholders (see page 45)

Each of Goldman, Sachs & Co. and William Blair & Company, L.L.C. delivered its opinion to the Concord board of directors that, as of April 1, 2003 and based upon and subject to the assumptions, qualifications and limitations discussed in such opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of Concord common stock. The full text of the written opinions of Goldman Sachs and William Blair, each dated April 1, 2003, which discuss, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations of the review undertaken in connection with each opinion, are attached to this joint proxy statement/prospectus as *Annex D* and *Annex E*, respectively. Concord shareholders should read these opinions in their entirety. Based on these opinions and a number of other factors described in *The Proposed Merger - Concord's Reasons for the Merger*, the Concord board of directors believes that the terms of the merger, including the exchange ratio of 0.40, are advisable to Concord and its shareholders and unanimously recommends to Concord's shareholders that they adopt the merger agreement and, by doing so, approve the merger.

Due to the size and significance of the merger, the Concord board of directors believed that it was appropriate to retain the services of two financial advisors. The non-executive chairman of the Concord board of directors is a principal of William Blair. The disinterested directors of Concord believed it to be in the best interests of Concord shareholders to engage William Blair as a financial advisor based on William Blair's qualifications and expertise, reputation, knowledge of Concord's business and long record of providing sound financial advice to Concord. The Concord board of directors believed that it was advisable to engage Goldman Sachs as a financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the merger and has no direct or indirect interest in Concord.

Under the terms of separate letter agreements, dated February 21, 2003, in the case of Goldman Sachs, and February 20, 2003, in the case of William Blair, Concord agreed to pay Goldman