FONAR CORP
Form DEF 14A
April 05, 2019

Fonar Corporation

……………………………………………………………………………………………

(Name of Registrant as Specified In Its Charter)

……………………………………………………………………………………………

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required

[ ] Fee computed on table below per Exchange Act Rules 14-6(i) (1) and 0-11.

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2) Aggregate number of securities to which transaction applies:

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3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount of which the filing fee is calculated and state how it was determined:

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4) Proposed maximum aggregate value of transaction:

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…………………………………………………………………………

5) Total fee paid:

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………………………………………………………………………….

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………………………………………..

4) Date Filed:

………………………………………..

FONAR CORPORATION

110 Marcus Drive

Melville, New York 11747

(631) 694-2929

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Monday, May 20, 2019

To The Stockholders:

The Annual Meeting of the stockholders of Fonar Corporation will be held at the Double Tree Hotel, Wilmington Downtown, 700 King Street, Wilmington, Delaware 19801 (302-655-0400), on Monday, May 20, 2019, at 10:00 a.m. local time for the following purposes:

1. To elect five Directors to the Board of Directors.

2. To approve, on an advisory basis, the compensation of the Company’s named executive officers.

3. To recommend, in an advisory vote, whether the advisory stockholder vote to approve the compensation of the Company’s named executive officers be taken every year, every two years, or every three years.

4. To ratify the selection of Marcum LLP as the Company’s auditors for the fiscal year ending June 30, 2019.

5. To transact such other business as may properly come before the meeting.

Only stockholders of record at the close of business on March 25, 2019 are entitled to notice of, and to vote at, this meeting. A list of such stockholders will be available for examination by any stockholder for any purpose germane to the meeting, during normal business hours, at the principal office of the Company, 110 Marcus Drive, Melville, New York, for a period of ten days prior to the meeting.

Whether or not you expect to attend in person, we urge you to vote your shares at your earliest convenience. You may vote by internet, by phone or by signing, dating, and returning your proxy at your earliest convenience. Voting by internet, telephone or mail will not prevent you from voting your stock at the meeting if you desire to do so, as your proxy is revocable at your option.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Claudette J.V. Chan

Claudette J.V. Chan, Secretary

PROXY STATEMENT

FOR ANNUAL MEETING OF

STOCKHOLDERS TO BE HELD MONDAY, MAY 20, 2019

This proxy statement, which is first being made available to shareholders on or about April 10, 2019 on the internet, is furnished in connection with the solicitation of proxies by the Board of Directors of Fonar Corporation (the "Company"), to be voted at the annual meeting of the stockholders of the Company to be held at 10:00 a.m. on May 20, 2019 and any adjournment(s) thereof for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. At the same time a paper notice regarding the availability of proxy materials will be mailed to stockholders. Stockholders who execute proxies retain the right to revoke them at any time prior to the exercise of the powers conferred thereby. The cost of solicitation of proxies will be borne by the Company.

The stockholders will have several options as to how to view the materials and vote their shares.

The Company is posting the Notice of Annual Meeting and Proxy Statement, together with the Annual Report on the internet. You may read the materials online or print out a copy. You will also have the ability to vote online.

In the alternative, you may elect to receive an e-mail or the traditional paper copies of the Notice of Annual Meeting and Proxy Statement, and the Annual Report. There is no charge for receiving e-mail or paper copies, BUT you must request them if you want them. To facilitate timely delivery please make the request as instructed on or before April 30, 2019.

To view the materials and vote on the internet, have the 12 Digit Control Number(s) located on the Notice Regarding the Availability of Proxy Materials available and visit: www.proxyvote.com.

Stockholders may request a copy of the Proxy Materials:

1. **By internet – visit www.proxy.com**
2. **By telephone – 1-800-579-1639**
3. **By e-mail – sendmaterial@proxyvote.com**

Only stockholders of record at the close of business on March 25, 2019 will be entitled to vote at the meeting. Shares of Common Stock are entitled to one vote per share, shares of Class B Common Stock are entitled to ten votes per share and shares of Class C Common Stock are entitled to twenty-five votes per share. At the close of business on March 25, 2019, there were issued and outstanding 6,357,482 shares of Common Stock held of record by approximately 1,022 stockholders, 118 shares of Class B Common Stock held of record by 9 stockholders and 382,513 shares of Class C Common Stock held of record by 3 stockholders. The shares of Class A Nonvoting Preferred Stock, 311,834 shares held of record by approximately 1,123 stockholders at the close of business on March 25, 2019, are not entitled to vote. Except for the shares of Class A Nonvoting Preferred Stock, there are no shares of Preferred Stock issued and outstanding.

Any proxy may be revoked at any time before it is exercised by delivery of a written instrument of revocation or a later dated proxy to the Secretary of the Company at the principal executive office of the Company or, while the meeting is in session, to the Secretary of the meeting, without, however, affecting any vote previously taken. The presence of a stockholder at the meeting will not operate to revoke his proxy. The casting of a ballot by a stockholder who is present at the meeting, however, will revoke his proxy, but only as to the matters on which the ballot is cast and not as to any matters on which he does not cast a ballot or as to matters previously voted upon.

Proxies received by management will be voted at the meeting or any adjournment thereof. EACH PROXY WILL BE VOTED IN ACCORDANCE WITH THE SPECIFICATIONS MADE THEREIN BY THE PERSON GIVING THE PROXY. TO THE EXTENT NO CHOICE IS SPECIFIED, HOWEVER, THE PROXY WILL BE VOTED FOR MANAGEMENT’S PROPOSALS. All of management’s proposals have been unanimously approved by the Board of Directors.

1. ELECTION OF DIRECTORS AND MANAGEMENT INFORMATION

Five directors are to be elected at the annual meeting, to hold office until the next annual meeting of stockholders and until their successors are elected and qualified. It is intended that the accompanying proxy will be voted in favor of the following nominees to serve as directors unless the stockholder indicates to the contrary on the proxy. All of the nominees are currently directors. Management expects that each of the nominees will be available for election.

NOMINEES FOR ELECTION OF DIRECTORS

1. Raymond V. Damadian
2. Claudette J.V. Chan
3. Robert J. Janoff
4. Charles N. O'Data
5. Ronald G. Lehman

BIOGRAPHIES FOR DIRECTORS AND OFFICERS

Raymond V. Damadian, M.D. (age 83) has been the Chairman of the Board since its inception in 1978 and Treasurer since February, 2001. Up until February 11, 2016, Dr. Damadian also served as the President and Chief Executive Officer of Fonar. Dr. Damadian was employed by the State University of New York, Downstate Medical Center, New York, as an Associate Professor of Biophysics and Associate Professor of Internal Medicine from 1967 until September 1979. He received an M.D. degree in 1960 from Albert Einstein College of Medicine, New York, and a B.S. degree in mathematics from the University of Wisconsin in 1956. In addition, Dr. Damadian conducted post-graduate work at Harvard University, where he studied extensively in the fields of physics, mathematics and electronics. Dr. Damadian is the author of numerous articles and books on the nuclear magnetic resonance effect in human tissue, which is the theoretical basis for the Fonar MRI scanners. He is a 1988 recipient of the National Medal of Technology. In 1989 he was inducted into the National Inventors Hall of Fame, for his contributions in conceiving and developing the application of magnetic resonance technology to medical applications including whole body scanning and diagnostic imaging. Dr. Damadian is the President, Treasurer and director of Health Management Corporation of America ("HMCA"), a Manager of Imperial Management Services, LLC ("Imperial") and a Manager of Health Diagnostics Management, LLC ("HDM") which three entities are subsidiaries of Fonar. Dr. Damadian is the father of Timothy Damadian and brother of Claudette J.V. Chan.

Timothy Damadian (age 54) has been the President and Chief Executive Officer of Fonar since February 11, 2016. From 2010 to 2016 he served as an independent consultant, with a focus on the Company's MRI facility management business. Timothy Damadian began his career at Fonar in 1985, installing MRI scanners and components for Fonar customers. Over the course of the following 16 years, he held positions of increasing authority, eventually becoming Vice President of Operations. In 1997, Timothy Damadian was appointed President of the newly formed Health Management Corporation of America (HMCA), a wholly-owned subsidiary of Fonar that was formed to manage medical and diagnostic imaging offices. In 2001, Timothy Damadian left Fonar to form Integrity Healthcare Management, Inc., a diagnostic imaging management company that would eventually manage 11 MRI scanning centers in New York and Florida. The company was a success and was sold to Health Diagnostics, LLC in 2007. Mr. Damadian returned to Fonar as a consultant in 2010. He also serves as a Manager of Imperial Management Services, LLC and a Manager of Health Diagnostics Management, LLC, which are subsidiaries of HMCA. Mr. Damadian is the son of Raymond V. Damadian and nephew of Claudette J.V. Chan.

Luciano B. Bonanni (age 63) has served as Chief Operating Officer (COO) and Executive Vice President (EVP) for Fonar Corporation since June 27, 2016. Prior to his appointment as COO, Mr. Bonanni had served the Company as Vice President since 1989, during which time he oversaw general operations, research and development, manufacturing, service, sales, finance, accounting and regulatory compliance. Prior to 1989, Mr. Bonanni held the title of Vice President of Production and Engineering from the time of Fonar's initial public offering in 1981. Mr. Bonanni joined the Company as an electrical engineer in 1978. He holds a Bachelor of Electrical Engineering degree from Manhattan College.

Claudette J.V. Chan (age 81) has been a Director of Fonar since October 1987 and Secretary of Fonar since January 2008. Mrs. Chan was employed from 1992 through 1997 by Raymond V. Damadian, M.D. MR Scanning Centers Management Company and since 1997 by HMCA, as "site inspector," in which capacity she is responsible for supervising and implementing standard procedures and policies for MRI scanning centers. From 1989 to 1994 Mrs. Chan was employed by St. Matthew's and St. Timothy's Neighborhood Center, Inc., as the director of volunteers in the "Meals on Wheels" program, a program which cares for the elderly. From approximately 1983 to 1989, Mrs. Chan was President of the Claudette Penot Collection, a retail mail-order business specializing in women's apparel and gifts. Mrs. Chan practiced and taught in the field of nursing until 1973, when her son was born. She received a bachelor of science degree in nursing from Cornell University in 1960. Mrs. Chan is the sister of Raymond V. Damadian and aunt of Timothy Damadian.

Robert J. Janoff (age 91) has been a Director of Fonar since February 1989. Mr. Janoff has been a self-employed New York State licensed private investigator for more than thirty-five years and was a Senior Adjustor in Empire Insurance Group for more than 15 years until retiring from that position on July 1, 1997. Mr. Janoff also served, from June 1985 to June 1991, as President of Action Data Management Strategies, Ltd., a supplier of computer programs for use by insurance companies. Mr. Janoff was a member of the Board of Directors of Harmony Heights of Oyster Bay, New York for over 25 years, which is a nonprofit residential school for girls with learning disabilities.

Charles N. O'Data (age 83) has been a Director of Fonar since February 1998. From 1961 to 1997, Mr. O'Data was the Vice President for Development for Geneva College, a liberal arts college located in western Pennsylvania. In that capacity, he acted as the College's chief investment officer. His responsibilities included management of the College's endowment fund and fund raising. In July 1997, Mr. O'Data retired from Geneva College after 36 years of service to assume a position of National Sales Executive for SC Johnson Company's Professional Markets Group, a unit of SC Johnson Wax, and specialized in healthcare and education sales, a position he held until the spring of 1999. In his capacity with SC Johnson he was responsible for sales to the nation’s three largest Group Purchasing Organizations which included some 4,000 hospitals. Mr. O'Data presently acts as an independent financial consultant to various entities. Mr. O'Data served on the board of The Medical Center, Beaver, Pennsylvania, now a part of Heritage Valley Health System, a 500 bed acute care facility, for 26 years, three as its Chair. Mr. O’Data also served on the board of the Hospital Council of Western Pennsylvania, a shared-services and group purchasing organization covering seven states. He founded The Beaver County Foundation, a Community Foundation, in 1992, and serves as its President. Mr. O'Data is listed as a finance associate in the Middle States Association, Commission on Higher Education. The commission is the formal accrediting body for higher education in the eastern region of the country. In this capacity he evaluates the financial aspects of educational organizations. Mr. O’Data is a graduate of Geneva College, where he received a B.S. degree in Economics in 1958.

Ronald G. Lehman (age 42) has been a Director of Fonar since April, 2012. From October, 2009 to the present, Mr. Lehman has served as Managing Director of Investment Banking with Bruderman Brothers, LLC, a private New York-based broker-dealer registered with the Securities and Exchange Commission and which is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Mr. Lehman directly manages all facets of the firm’s transaction processes, from deal origination, to sourcing capital, to negotiating deal structures, through documentation and closing. The firm provides buy and sell-side advisory, capital

raising, and consulting services to lower middle-market companies. Mr. Lehman specializes in advising healthcare services companies and has recently completed several recapitalizations in the industry. He also participates in the firm's merchant banking investments and oversees many of these assignments. From May, 2008 to October, 2009, Mr. Lehman served as Senior Vice President of Acquisitions at Health Diagnostics, LLC, where he managed the company's acquisition and corporate finance activities. From March, 2000 to May, 2008, Mr. Lehman worked for various Bruderman entities as a buy and sell-side advisor and as a principal in several private equity transactions. From September, 1998 to March, 2000, Mr. Lehman worked at Deutsche Bank Securities, Inc. and last held the position of Associate in their Global Custody Group. Mr. Lehman graduated from Columbia University with a B.A. in 1998.

CORPORATE GOVERNANCE, THE BOARD AND ITS COMMITTEES

All of the nominees are presently directors of the Company. The five nominees will be elected to hold office for the ensuing year or until their respective successors are elected and qualified. Of the five nominees, Messrs. Charles N. O'Data, Robert J. Janoff and Ronald G. Lehman are independent, as defined in the Securities and Exchange Commission Regulations and Nasdaq Market Place Rules. In making such determinations, there were no transactions, relationships or arrangements not disclosed in our SEC filings to be considered by the Board of Directors, in determining whether the director was independent.

BOARD MEETINGS

During the year ended June 30, 2018 the Board of Directors unanimously consented to take action in lieu of a meeting on two occasions, and the audit committee met four times.

The attendance of the Board of Directors at annual meetings is not required. The Chairman of the Board, Dr. Raymond V. Damadian, however, attends the annual meeting of stockholders where he acts as Chairman of the Meeting.

Dr. Damadian receives no compensation for serving on the Board. The other directors are each paid $20,000 per year in their capacities as directors. This is the sole compensation payable to the directors.

Board Leadership Structure. The current Board Chairman is Dr. Raymond V. Damadian. In addition, although the Company has not selected a lead independent director, Charles N. O'Data, in his capacity as Chairman of the Audit Committee, effectively functions as such. The Company believes that the Company's current leadership structure is appropriate for the Company in the context of the specific circumstances facing the Company. Consideration of the Company's leadership structure is a continuing process which the Board of Directors and Management of the Company undertake in coordination with each other.

The lead independent director, Charles N. O'Data, is the Chairman of the Audit Committee. As such he plays a leading role in the engagement of auditors and the review of the Company's financial statements. Under certain circumstances, he has also served as a contact point for employees.

The Company believes its present leadership structure is successfully meeting the Company’s current needs, including:

- Efficient communication between Management and the Board;
- Clarity for the Company’s stockholders on corporate leadership and accountability;
- The Chairman of the Board having the Company’s strategy, operations and financial conditions; and
- Continuity in the Company’s leadership, as the Chairman of the Board, Dr. Raymond V. Damadian, founded the Company in 1978.

The Company's Board of Directors has an audit committee. There is no standing compensation committee, nominating committee or other committee of the Board.

In accordance with the Nasdaq Marketplace Rules, the Board of Directors adopted a written charter for the audit committee which took effect in June, 2001 and was revised on November 17, 2004. All of the directors on the audit committee are independent.

Stockholders may communicate with directors by writing to them at the Company in accordance with the Company's corporate governance policies and code of conduct, or in any other manner the particular director may provide. Depending on the sensitivity and timing of a matter raised by a stockholder and the need for disclosure of matters to be made not to just one stockholder, but to the stockholders as a whole, it may not be possible for the director to reply to the stockholder.

The shareholdings of the Company's Chairman of the Board, Dr. Raymond V. Damadian, have more than 50% of the voting power of the Company's outstanding stock. Consequently, the Company is a controlled company for purposes of NASDAQ Marketplace Rule 4350(c).

AUDIT COMMITTEE

The Audit Committee, which is comprised solely of independent directors, is governed by a Board approved charter that contains, among other things, the Committee's membership requirements and responsibilities. The audit committee oversees the Company's accounting, financial reporting processes, internal controls and audits, and consults with management and the independent public accountants on, among other items, matters related to the annual audit, the published financial statements and the accounting principles applied. As part of its duties, the audit committee appoints, evaluates and retains the Company's independent public accountants. It also maintains direct responsibility for the compensation, termination and oversight of the Company's independent public accountants and evaluates the independent public accountants' qualifications, performance and independence.

Financial Expert on Audit Committee: The Board has determined that Mr. Charles N. O'Data, is the audit committee financial expert. The Board made a qualitative assessment of Mr. O'Data's level of knowledge and experience based on a number of factors, including his formal education and experience.

Board Oversight of Risk Management. The Company faces risk in many different areas, including business strategy; government regulation; financial condition; health care compliance; product research and development; competition for talent; business vitality; operational efficiency; quality assurance; reputation; intellectual property; and trade secrets, among others. The oversight function is carried out in the quarterly and annual Audit Committee meetings and by communication and meetings with the Company's Management, which exercises the responsibility for oversight of risk management.

AUDIT COMMITTEE REPORT

The audit committee has (a) reviewed and discussed the audited financial statements with management, (b) discussed with the independent auditors the matters required to be discussed by SAS 61 (Statement on Auditing Standards No. 61) and (c) has received the written disclosures and the letter from the independent accountants required by Independence Standards Board, Standard No. 1 and has discussed with the independent accountants the independent accountant's independence.

Based on the foregoing review and discussions, the audit committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2018.

The members of the audit committee are Messrs. Charles N. O'Data, Robert J. Janoff and Ronald G. Lehman. Messrs. O'Data, Janoff and Lehman are independent directors, as defined in the Securities and Exchange Commission Regulations and Nasdaq Market Place Rules.

NOMINATING COMMITTEE

The Board of Directors does not believe it requires a separate standing nominating committee because the Board of Directors is relatively small and can make the nominations acting as a whole. The Board does not have a policy with regard to director candidates recommended by stockholders because the absence of such recommendations makes a formal policy unnecessary. Historically, there usually has not been a need to identify new nominees in the absence of the resignation or death of an existing director. The remaining directors evaluate a new nominee based on his integrity, loyalty, competence and experience, and how his background complements that of the remaining directors.

Promoting diversity in the selection of nominees has not yet been considered, but the Board follows a policy of nondiscrimination and equal opportunity.

COMPENSATION COMMITTEE

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Board of Directors does not believe it requires a separate standing compensation committee because the management, under the authority of the Chairman of the Board and the Chief Executive Officer, is best equipped to make compensation decisions. The Board reserves the right to change this policy at any time.

Dr. Raymond V. Damadian, who serves as Chairman of the Board, and Timothy Damadian, who serves as Chief Executive Officer and President of the Company, participate in the deliberation and determination of executive officer and director compensation.

VOTE REQUIRED AND BOARD RECOMMENDATION

The directors will be elected by the vote of a plurality of the votes represented at the meeting. THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL OF THE NOMINEES FOR THE DIRECTORS OF THE COMPANY.

INFORMATION REGARDING BENEFICIAL OWNERSHIP OF PRINCIPAL STOCKHOLDERS, DIRECTORS, AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of the Company's common shares held by holders of at least 5% of the shares of any class, by the nominees for directors, the Company's Chief Executive Officer, and the directors and executive officers as a group as of the close of business on March 25, 2019.

s ficially ed	Percent of Class
702	1.96 %
447	99.98 %
93	6.12 %
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	*
05	*
5	*

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Unclaimed property laws of every state in the U.S., the District of Columbia, Puerto Rico and the U.S. Virgin Islands requi
certain information on all of our payment instruments and money transfers and, if they are unclaimed at the end of an applic
abandonment period, that we remit the proceeds of the unclaimed property to the appropriate jurisdiction. Statutory abando
payment instruments and money transfers range from three to seven years. Certain foreign jurisdictions also have unclaime
These laws are evolving and are frequently unclear and inconsistent among various jurisdictions, making compliance challe
ongoing program designed to comply with escheatment laws as they apply to our business.
Data Privacy and Cybersecurity Laws and Regulations — We are subject to federal, state and international laws and regula
collection, use, retention, security, transfer, storage and disposal of personally identifiable information of our consumers, ag
employees. In the U.S., we are subject to various federal privacy laws, including the Gramm-Leach-Bliley Act, which requi
institutions provide consumers with privacy notices and have in place policies and procedures regarding the safeguarding o
information. We are also subject to privacy and data breach laws of various states. Outside the U.S., we are subject to priva
numerous countries and jurisdictions. In some cases, these laws are more restrictive than the U.S. laws and impose more str
companies or penalties for non-compliance. For example, the General Data Protection Regulation in the European Union, e
will impose a higher standard of personal data protection with significant penalties for non-compliance for companies opera
European Union or doing business with European Union residents. In addition, government surveillance laws and data loca
evolving to address increased and changing threats and risks. All of these laws are continuing to develop and may be incons
jurisdiction to jurisdiction.

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Dodd-Frank Act — The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was signed
The Dodd-Frank Act imposes additional regulatory requirements and creates additional regulatory oversight over us. The D
created a Bureau of Consumer Financial Protection (the "CFPB") which issues and enforces consumer protection initiatives
financial products and services, including money transfer services, in the U.S. The CFPB's Remittance Transfer Rule becar
October 28, 2013. Its requirements include: a disclosure requirement to provide consumers sending funds internationally fro
enhanced pre-transaction written disclosures, an obligation to resolve certain errors, including errors that may be outside ou
obligation to cancel transactions that have not been completed at a customer's request. As a "larger participant" in the mark
money transfers, we are subject to direct examination and supervision by the CFPB. We have modified our systems and co
in light of the requirements of the Remittance Transfer Rule. In addition, under the Dodd-Frank Act, it is unlawful for any p
consumer financial products or services to engage in unfair, deceptive or abusive acts or practices. The CFPB has substanti
enforcement authority to prevent unfair, deceptive or abusive acts or practices in connection with any transaction with a co
financial product or service.

Foreign Exchange Regulation — Our money transfer services are subject to foreign currency exchange statutes of the U.S.,
state laws and the laws of certain other countries in which we operate. Certain of these statutes require registration or licens
Others may impose currency exchange restrictions with which we must comply.

Regulation of Prepaid Cards — We sell our MoneyGram-branded prepaid card in the U.S., in addition to loading prepaid ca
issuers through our ExpressPayment offering. Our prepaid cards and related loading services may be subject to federal and
regulations, including laws related to consumer protection, licensing, unclaimed property, anti-money laundering and the pa
Certain of these federal and state statutes prohibit or limit fees and expiration dates on and/or require specific consumer dis
certain categories of prepaid cards. We continually monitor our prepaid cards and related loading services in light of develo
statutes and regulations.

Anti-Bribery Regulation — We are subject to regulations imposed by the Foreign Corrupt Practices Act (the "FCPA") in th
Bribery Act and similar anti-bribery laws in other jurisdictions. We are subject to recordkeeping and other requirements im
companies related to compliance with these laws. We maintain a compliance program designed to comply with applicable a
and regulations.

Clearing and Cash Management Bank Relationships

Our business involves the transfer of money on a global basis on behalf of our consumers, our agents and ourselves. We bu
of global currencies and maintain a network of settlement accounts to facilitate the funding of money transfers and foreign
ensure that funds are received on a timely basis. Our relationships with the clearing, trading and cash management banks ar
efficient and reliable global funding network.

In the U.S., we have agreements with six active clearing banks that provide clearing and processing functions for official ch
orders and other draft instruments. We employ four banks to clear our official checks and three banks to clear our retail mo
believe that this network of banks provides sufficient capacity to handle the current and projected volumes of items for thes
We maintain significant relationships with major international banks which provide the capability to transfer money electro
through domestic and international wire transfer networks. There are a limited number of banks that have the capabilities th
enough in scope to handle our volume and complexity. Consequently, we employ banks whose market is not limited to thei
region, and have extensive systems capabilities and branch networks that can support settlement needs that are often unique
countries around the world. In 2013, we activated our participation in the Society for Worldwide Interbank Financial Teleco
("SWIFT") network for international wire transfers, which improves access to all banks in the world while lowering the cos
transfers.

Intellectual Property

The MoneyGram brand is important to our business. We have registered our MoneyGram trademark in the U.S. and in a ma
countries in which we do business. We maintain a portfolio of other trademarks that are material to our Company, which w
discussed in the "Overview" section. In addition, we maintain a portfolio of MoneyGram branded and related domain name
We rely on a combination of patent, trademark and copyright laws and trade secret protection and confidentiality or license
protect our proprietary rights in products, services, expertise and information. We believe the intellectual property rights in
equipment, computer systems, software and business processes held by us and our subsidiaries provide us with a competitiv
take appropriate measures to protect our intellectual property to the extent such intellectual property can be protected.

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We own various patents related to our money order and money transfer technologies which have given us competitive adva marketplace. We also have patent applications pending in the U.S. that relate to our money transfer, money order and bill pa technologies and business methods. We anticipate that these applications, if granted, could give us continued competitive ad marketplace.

Employees

As of December 31, 2017, we had 1,180 full-time employees in the U.S. and 1,756 full-time employees outside of the U.S. engage independent contractors to support various aspects of our business. None of our employees in the U.S. are represent union.

Executive Officers of the Registrant

W. Alexander Holmes, age 43, has served as Chief Executive Officer since January 2016 and Chairman of the Board since Prior to that, Mr. Holmes served as Executive Vice President, Chief Financial Officer and Chief Operating Officer of the Co February 2014 and Executive Vice President and Chief Financial Officer since March 2012. He joined the Company in 200 President for Corporate Strategy and Investor Relations. From 2003 to 2009, Mr. Holmes served in a variety of positions at Corporation, including chief of staff to the Chief Executive Officer, Director of Investor Relations and Senior Vice Presider Sourcing & Strategic Initiatives. From 2002 to 2003, he managed Western Union's Benelux region from its offices in Amst

Lawrence Angelilli, age 62, has served as Chief Financial Officer, since January 2016. Prior to that, Mr. Angelilli served as President, Corporate Finance and Treasurer since 2014. He joined the Company in August 2011 as Senior Vice President an 2009 to 2010, Mr. Angelilli served as Director of Underwriting at Hudson Advisors, a global asset management company a Star Funds, a global private equity fund. From 1998 to 2009, he was Senior Vice President of Finance at Centex Corporatio homebuilder and mortgage originator.

Joann L. Chatfield, age 52, has served as Chief Marketing Officer since May 2017. Ms. Chatfield joined MoneyGram in Ma held various roles within the Company, including Director of Marketing, U.S. and Canada, Vice President, Global Marketin Head of Marketing for North and South America. Prior to joining MoneyGram, Ms. Chatfield held various management rol Union and MCI, Inc. Ms. Chatfield has over 20 years of leadership experience in marketing, brand management, product m vendor and sponsorship management.

Kamila K. Chytil, age 38, has served as Chief Global Operations Officer since May 2016. Ms. Chytil joined the Company i Senior Vice President of key partnerships and payments. From 2011 to May 2015, Ms. Chytil was Senior Vice President an of retail payments at Fidelity National Information Services, Inc., a global provider of financial technology solutions, where responsible for e-commerce, check cashing and retail payments. From 2004 to 2011, Ms. Chytil held various other manager Fidelity National Information Services, overseeing analytics, risk management, and operations.

Laura Gardiner, age 50, has been Chief Human Resources and Communications Officer since February 2017. She joined th April of 2012 as a Senior Director of Human Resources and from 2014 to January 2017 served as Vice President of Human 2010 to 2012, Ms. Gardiner served as Director of Human Resources with Western Union, a global financial services compa 2009, Ms. Gardiner served as Vice President of Human Resources with Pronerve LLC, a neurophysiologic monitoring servi Gardiner has over 20 years of experience in human resources and business roles in a variety of industries.

Francis Aaron Henry, age 52, has served as General Counsel and Corporate Secretary since August 2012 and previously ser General Counsel from July 2012 to August 2012. He joined the Company in January 2011 as Senior Vice President, Assista Counsel, Global Regulatory and Privacy Officer. From 2008 to 2011, Mr. Henry was Assistant General Counsel at Western 2004 to 2008, he was Senior Counsel at Western Union.

Grant A. Lines, age 53, has served as Chief Revenue Officer since January 2018. Prior to that, he served as Chief Revenue Middle East, Asia Pacific, Russia and CIS from February 2015 until January 2018. Mr. Lines previously served the Compa Vice President, Asia-Pacific, South Asia and Middle East from February 2014 to February 2015. Prior to that, Mr. Lines se as Senior Vice President, Asia-Pacific, South Asia and Middle East from February 2013 to February 2014. Prior to that, Mr General Manager of Black Label Solutions, a leading developer and supplier of computerized retail point of sale systems, fr December 2012. He served as Managing Director of First Data Corporation's ANZ business, a global payment processing c September 2008 to February 2011. Prior to that, Mr. Lines held various positions in the industry.

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Andres Villareal, age 53, has been Chief Compliance Officer since March 2016. He joined the Company in April 2015 as S
President and Deputy Chief Compliance Officer. From 2004 to April 2015, Mr. Villareal held various positions at Citigrou
bank, including Global Head of Compliance for Citi Commercial Bank and Chief Compliance Officer for Citi Assurance S
insurance company. Mr. Villareal has over 27 years of experience in various compliance, legal and business roles in a varie
including financial services, banking and insurance.
John D. Stoneham, age 39, has been Corporate Controller and Principal Accounting Officer since October 2015. Mr. Stonel
served as Vice President and Interim Controller since August 2015. From December 2012 to July 2015, Mr. Stoneham serv
accounting roles at the Company. Prior to December 2012, Mr. Stoneham was the Corporate Controller for Cinsay, Inc., a s
From January 2011 to December 2011, he was the SEC Reporting Manager at Archipelago Learning, a software-as-a-servic
education products. Mr. Stoneham is a Certified Public Accountant and began his career at KPMG LLP, an accounting and
services firm.

Available Information

Our website address is corporate.moneygram.com. The information on our website is not part of this Annual Report on For
our reports on Forms 10-K, 10-Q and 8-K, Section 16 reports on Forms 3, 4 and 5, and all amendments to those reports, ava
electronically free of charge in the Investor Relations section of our website (ir.moneygram.com) as soon as reasonably pra
are filed with or furnished to the Securities and Exchange Commission (the "SEC"). Any materials filed with the SEC may
at the SEC's Public Reference Room at 100 F Street, NE., Washington DC 20549. Information on the operation of the Publ
can be found by calling the SEC at 1-800-SEC-0330. Additionally, the SEC maintains an internet site that contains reports,
information statements, and other information regarding issuers that file electronically with the SEC, which may be found a

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Item 1A. RISK FACTORS

Various risks and uncertainties could affect our business. Any of the risks described below or elsewhere in this Annual Rep
or our other filings with the SEC could have a material impact on our business, prospects, financial condition or results of o

RISK FACTORS

Risks Related to Our Business and Industry

We face intense competition, and if we are unable to continue to compete effectively, our business, financial condition and
operations could be adversely affected.

The markets in which we compete are highly competitive, and we face a variety of competitors across our businesses, some
larger and more established customer bases and substantially greater financial, marketing and other resources than we have.
bill payment and money order services compete in a concentrated industry, with a small number of large competitors and a
small, niche competitors. Our money transfer products compete with a variety of financial and non-financial companies, inc
associations, web-based services, payment processors, informal remittance systems, consumer money transfer companies a
services are differentiated by features and functionalities, including brand recognition, customer service, reliability, distribu
options, price, speed and convenience. Distribution channels such as online, account based and mobile solutions continue t
impact the competitive environment for money transfers. The electronic bill payment services within our Global Funds Tra
compete in a highly fragmented consumer-to-business payment industry. Our official check business competes primarily w
institutions that have developed internal processing capabilities or services similar to ours and do not outsource official che
Financial institutions could also offer competing official check outsourcing services to our existing and prospective official
Our future growth depends on our ability to compete effectively in money transfer, bill payment, money order and official
example, if our products and services do not offer competitive features and functionalities, we may lose customers to our c
could adversely affect our business, financial condition and results of operations. In addition, if we fail to price our services
relative to our competitors, consumers may not use our services, which could adversely affect our business, financial condit
operations. For example, transaction volume where we face intense competition could be adversely affected by increasing p
between our money transfer services and those of some of our competitors, which could reduce margins and adversely affe
condition and results of operations. We have historically implemented and will likely continue to implement price adjustme
time in response to competition and other factors. If we reduce prices in order to more effectively compete, such reductions
affect our financial condition and results of operations in the short term and may also adversely affect our financial conditi

operations in the long term if transaction volumes do not increase sufficiently.

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If we lose key agents, our business with key agents is reduced or we are unable to maintain our agent network under terms c
those currently in place, our business, financial condition and results of operations could be adversely affected.
Most of our revenue is earned through our agent network. In addition, our international agents may have subagent relationsh
are not directly involved. If agents or their subagents decide to leave our network, our revenue and profits could be adversel
loss may occur for a number of reasons, including competition from other money transfer providers, an agent's dissatisfacti
relationship with us or the revenue earned from the relationship, or an agent's unwillingness or inability to comply with our
requirements, including those related to compliance with anti-money laundering regulations, anti-fraud measures or agent m
may also generate fewer transactions or reduce locations for reasons unrelated to our relationship with them, including incre
in their business, general economic conditions, regulatory costs or other reasons. In addition, we may not be able to maintai
network under terms consistent with those already in place. Larger agents may demand additional financial concessions or m
enter into exclusive arrangements, which could increase competitive pressure. The inability to maintain our agent contracts
consistent with those already in place, including in respect of exclusivity rights, could adversely affect our business, financi
results of operations.
A substantial portion of our agent network locations, transaction volume and revenue is attributable to or generated by a lim
key agents. During 2017 and 2016, our ten largest agents accounted for 34% and 36%, respectively, of our total revenue. O
Walmart, accounted for 17% and 18% of our total revenue in 2017 and 2016, respectively. The current term of our contract
expires on February 1, 2019. If our contracts with our key agents, including Walmart, are not renewed or are terminated, or
on less favorable terms, or if such agents generate fewer transactions or reduce their locations, our business, financial condi
operations could be adversely affected. In addition, the introduction of competitive products by Walmart or our other key ag
competing white label products, could reduce our business with those key agents and intensify industry competition, which
affect our business, financial condition and results of operations.
Consumer fraud could adversely affect our business, financial condition and results of operations.
Criminals are using increasingly sophisticated methods to engage in illegal activities such as identity theft, fraud and paper
counterfeiting. As we make more of our services available over the internet and other digital media, we subject ourselves to
consumer fraud risk because requirements relating to consumer authentication are more complex with internet services. Cer
have also engaged in fraud against consumers, and existing agents could engage in fraud against consumers. We use a varie
protect against fraud; however, these tools may not always be successful. Allegations of fraud may result in fines, settlemen
expenses and reputational damage.
The industry is under increasing scrutiny from federal, state and local regulators in the United States and regulatory agencie
countries in connection with the potential for consumer fraud. If consumer fraud levels involving our services were to rise,
regulatory intervention and reputational and financial damage. This, in turn, could lead to government enforcement actions
reduce the use and acceptance of our services or increase our compliance costs and thereby have a material adverse impact
financial condition and results of operations.
MoneyGram and our agents are subject to numerous U.S. and international laws and regulations. Failure to comply with the
regulations could result in material settlements, fines or penalties, and changes in these laws or regulations could result in in
costs or reduced demand for our products or services, all of which may adversely affect our business, financial condition an
operations.
We operate in a highly regulated environment, and our business is subject to a wide range of laws and regulations that vary
to jurisdiction. We are also subject to oversight by various governmental agencies, both in the U.S. and abroad. In light of t
conditions in the global financial markets and economy, lawmakers and regulators in the U.S. in particular have increased t
regulation of the financial services industry. New or modified regulations and increased oversight may have unforeseen or u
effects on the financial services industry, which could affect our business and operations.
Our business is subject to a variety of regulations aimed at preventing money laundering and terrorism. We are subject to U
anti-money laundering laws, including the Bank Secrecy Act and the requirements of OFAC, which prohibit us from transm
specified countries or to or from prohibited individuals. Additionally, we are subject to anti-money laundering laws in many
which we operate, particularly in the European Union. We are also subject to financial services regulations, money transfer
instrument licensing regulations, consumer protection laws, currency control regulations, escheatment laws, privacy and da
and anti-bribery laws. Many of these laws are constantly evolving, and may be unclear and inconsistent across various juris
compliance challenging. Subsequent legislation, regulation, litigation, court rulings or other events could expose us to incre

costs, liability and reputational damage.
We are considered a Money Services Business in the U.S. under the Bank Secrecy Act, as amended by the USA PATRIOT
such, we are subject to reporting, recordkeeping and anti-money laundering provisions in the U.S. as well as many other jur
2017, there were significant regulatory reviews and actions taken by U.S. and other regulators and law enforcement agencie
Money Services Businesses and other financial institutions related to money laundering, and

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the trend appears to be greater scrutiny by regulators of potential money laundering activity through financial institutions. W
to regulatory oversight and enforcement by the U.S. Department of the Treasury Financial Crimes Enforcement Network ("
determination that we have violated the anti-money-laundering laws could have an adverse effect on our business, financial
results of operations.
The Dodd-Frank Act increases the regulation and oversight of the financial services industry. The Dodd-Frank Act addresse
things, systemic risk, capital adequacy, deposit insurance assessments, consumer financial protection, interchange fees, deri
limits, thrift charters and changes among the bank regulatory agencies. The Dodd-Frank Act requires enforcement by variou
agencies, including the CFPB. Money transmitters such as the Company are subject to direct supervision by the CFPB and
provide additional consumer information and disclosures, adopt error resolution standards and adjust refund procedures for
transactions originating in the U.S. in a manner consistent with the Remittance Transfer Rule (a rule issued by the CFPB pu
Dodd-Frank Act). In addition, the CFPB may adopt other regulations governing consumer financial services, including regu
unfair, deceptive, or abusive acts or practices, and new model disclosures. We could be subject to fines or other penalties if
have violated the Dodd-Frank Act's prohibition against unfair, deceptive or abusive acts or practices. The CFPB's authority
regulations adopted in the past by other regulators could increase our compliance costs and litigation exposure. We may als
failure of our agents to comply with the Dodd-Frank Act. The legislation and implementation of regulations associated with
Act have increased our costs of compliance and required changes in the way we and our agents conduct business. In additio
to periodic examination by the CFPB.
We are also subject to regulations imposed by the FCPA in the U.S., the U.K. Bribery Act and similar anti-bribery laws in o
Because of the scope and nature of our global operations, we experience a higher risk associated with the FCPA and similar
than many other companies. We are subject to recordkeeping and other requirements imposed upon companies related to co
these laws. In 2017, there have been significant regulatory reviews and actions taken by the United States and other regulato
anti-bribery laws, and the trend appears to be greater scrutiny on payments to, and relationships with, foreign entities and in
We are also subject to the European Union's Payment Services Directive ("PSD"), which governs the regulatory regime for
the European Union, and similar regulatory or licensing requirements in other jurisdictions. The PSD and other internationa
licensing requirements may impose potential liability on us for the conduct of our agents and the commission of third-party
services. If we fail to comply with the PSD or such other requirements, we could be subject to fines or penalties or revocati
which could adversely impact our business, financial condition and results of operations. Additionally, the U.S. and other co
periodically consider initiatives designed to lower costs of international remittances which, if implemented, may adversely
business, financial condition and results of operations.
In addition, we are subject to escheatment laws in the United States and certain foreign jurisdictions in which we conduct b
are evolving and are frequently unclear and inconsistent among various jurisdictions, making compliance challenging. We h
program designed to comply with escheatment laws as they apply to our business. In the United States, we are subject to th
states which from time to time take inconsistent or conflicting positions regarding the requirements to escheat property to a
Certain foreign jurisdictions do not have escheatment provisions which apply to our transactions. In these jurisdictions whe
requirement to escheat, and when, by utilizing historical data we determine that the likelihood is remote that the item will b
record a reduction to our payment service obligation and recognize an equivalent amount as a component of fee and other r
Any violation by us of the laws and regulations set forth above could lead to significant fines or penalties and could limit ou
conduct business in some jurisdictions. In some cases, we could be liable for the failure of our agents or their subagents to c
which could have an adverse effect on our business, financial condition and results of operations. As a result, the risk of adv
action against the Company because of actions of its agents or subagents and the cost to monitor our agents and subagents h
addition to these fines and penalties, a failure by us or our agents to comply with applicable laws and regulations also could
our reputation and result in diminished revenue and profit and increase our operating costs and could result in, among other
of required licenses or registrations, loss of approved status, termination of contracts with banks or retail representatives, ad
enforcement actions and fines, class action lawsuits, cease and desist orders and civil and criminal liability. The occurrence
these events could have a material adverse effect on our business, financial condition and results of operations.
In certain cases, regulations may provide administrative discretion regarding enforcement. As a result, regulations may be a
inconsistently across the industry, which could result in additional costs for the Company that may not be required to be inc
its competitors. If the Company were required to maintain a price higher than its competitors to reflect its regulatory costs, t
ability to compete effectively, which could adversely affect its business, financial condition and results of operations. In add

laws, regulations or other industry practices and standards, or interpretations of legal or regulatory requirements, may reduc
value of our products or services or render our products or services less profitable or obsolete. For example, policy makers
heightened customer due diligence requirements or other restrictions

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or fees on remittances. Changes in the laws affecting the kinds of entities that are permitted to act as money transfer agents
requirements for capitalization or ownership) could adversely affect our ability to distribute certain of our services and the c
such services. Many of our agents are in the check cashing industry. Any regulatory action that negatively impacts check ca
cause this portion of our agent base to decline. If onerous regulatory requirements were imposed on our agents, the requiren
a loss of agents, which, in turn, could lead to a loss of retail business.

Litigation or investigations involving us or our agents could result in material settlements, fines or penalties and may advers
business, financial condition and results of operations.

We have been, and in the future may be, subject to allegations and complaints that individuals or entities have used our mon
services for fraud-induced money transfers, as well as certain money laundering activities, which may result in fines, penalt
settlements and litigation expenses. We also are the subject from time to time of litigation related to our business. The outco
allegations, complaints, claims and litigation cannot be predicted.

Regulatory and judicial proceedings and potential adverse developments in connection with ongoing litigation may adverse
business, financial condition and results of operations. There may also be adverse publicity associated with lawsuits and inv
could decrease agent and consumer acceptance of our services. Additionally, our business has been in the past, and may be
subject of class action lawsuits, regulatory actions and investigations and other general litigation. The outcome of class acti
regulatory actions and investigations and other litigation is difficult to assess or quantify but may include substantial fines a
well as the revocation of required licenses or registrations or the loss of approved status, which could have a material adver
business, financial position and results of operations or consumers' confidence in our business. Plaintiffs or regulatory agen
lawsuits, actions or investigations may seek recovery of very large or indeterminate amounts, and the magnitude of these ac
unknown for substantial periods of time. The cost to defend or settle future lawsuits or investigations may be significant. In
activities, lawsuits or investigations involving our agents may adversely impact our business operations or reputation even i
directly involved.

We face possible uncertainties relating to compliance with and the extension and impact of the deferred prosecution agreem
with the U.S. federal government.

In November 2012, we announced that we had entered into a five-year DPA with the MDPA/U.S. DOJ relating to the perio
early 2009. Pursuant to the DPA, the MDPA/U.S. DOJ filed a two-count criminal Information in the U.S. District Court for
District of Pennsylvania. Under the DPA, the Company has agreed, among other things, to retain an independent complianc
"Compliance Monitor") for a period of five years. On November 1, 2017, the Company agreed to a stipulation with the Gov
term of the Company's DPA be extended for 90 days to February 6, 2018. On January 31, 2018, the Company agreed with
that the term of the DPA be extended for an additional 45 days to March 23, 2018. The purpose of the extension is to provid
and the Government additional time to discuss whether the Company is in compliance with the DPA. There can be no assur
Company and the Government will be able to negotiate a mutually satisfactory outcome during such 45 day period (or durin
short-term extension of the DPA) or that such outcome will not include a further extension of the DPA, financial penalties o
restrictions on the Company, including a monitorship period beyond the current monitorship that ends on April 30, 2018. T
agreement with the Government could impose significant additional costs upon the Company related to compliance and oth
which could have an adverse impact on the Company's operations. Furthermore, there can be no assurance that the Governm
any other remedy, including criminal prosecution and financial penalties, in lieu of an extension of the DPA and the monito
prosecution of the Company by the Government or the imposition of significant financial penalties could lead to a severe m
effect upon the Company's ability to conduct its business. Furthermore, neither the DPA nor any agreement with the MDPA
resolve any inquiries from other governmental agencies, which could result in additional costs, expenses and fines.

The Company has recorded an $85.0 million accrual in connection with a possible resolution of this matter, based on the fac
circumstances known at the time. However, the Company is unable to reasonably estimate the ultimate loss and no assuranc
future costs and payments made in connection with this matter will not exceed the amount currently recorded or that the gov
also seek to impose non-monetary remedies or penalties.

Current and proposed data privacy and cybersecurity laws and regulations could adversely affect our business, financial con
of operations.

We are subject to requirements relating to data privacy and cybersecurity under U.S. federal, state and foreign laws. For exa
States Federal Trade Commission routinely investigates the privacy practices of companies and has commenced enforceme
many, resulting in multi-million dollar settlements and multi-year agreements governing the settling companies' privacy pra

the General Data Protection Regulation in the European Union, effective May 2018, will impose a higher standard of perso
with significant penalties for non-compliance for companies operating in the European Union or doing business with Europ
residents. If we are unable to meet such requirements, we may be subject to significant fines or penalties. Furthermore, cert
require us to adhere to privacy requirements in

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addition to federal, state and foreign laws, and certain of our business relationships depend upon our compliance with these
the number of countries enacting privacy and related laws increases and the scope of these laws and enforcement efforts ex
increasingly become subject to new and varying requirements. Failure to comply with existing or future data privacy and cy
regulations and requirements, including by reason of inadvertent disclosure of personal information, could result in signific
consequences, including reputational harm, civil litigation, regulatory enforcement, costs of remediation, increased expense
systems and personnel, harm to our consumers and harm to our agents. These consequences could materially adversely affe
financial condition and results of operations.

In addition, in connection with regulatory requirements to assist in the prevention of money laundering and terrorist financi
legal obligations and authorizations, the Company makes information available to certain United States federal and state, as
foreign, government agencies. In recent years, the Company has experienced increasing data sharing requests by these agen
connection with efforts to prevent terrorist financing or reduce the risk of identity theft. During the same period, there has a
public attention to the corporate use and disclosure of personal information, accompanied by legislation and regulations int
data protection, information security and consumer privacy. These regulatory goals may conflict, and the law in these areas
settled. While we believe that we are compliant with our regulatory responsibilities, the legal, political and business enviro
areas are rapidly changing, and subsequent legislation, regulation, litigation, court rulings or other events could expose us t
program costs, liability and reputational damage that could have a material adverse effect on our business, financial conditi
operations.

If we fail to successfully develop and timely introduce new and enhanced products and services or if we make substantial i
unsuccessful new product, service or infrastructure change, our business, financial condition and results of operations could
affected.

Our future growth will depend, in part, on our ability to continue to develop and successfully introduce new and enhanced
providing money transfer, bill payment, money order, official check and related services that keep pace with competitive in
technological changes and the demands and preferences of our agents, financial institution customers and consumers. If alte
mechanisms become widely substituted for our current products and services, and we do not develop and offer similar alte
mechanisms successfully and on a timely basis, our business, financial condition and results of operations could be advers
may make future investments or enter into strategic alliances to develop new technologies and services or to implement inf
to further our strategic objectives, strengthen our existing businesses and remain competitive. Such investments and strateg
however, are inherently risky, and we cannot guarantee that such investments or strategic alliances will be successful. If su
strategic alliances are not successful, they could have a material adverse effect on our business, financial condition and res

Our substantial debt service obligations, significant debt covenant requirements and our credit rating could impair our acce
financial condition and adversely affect our ability to operate and grow our business.

We have substantial interest expense on our debt, and our ratings are below "investment grade." This requires that we acce
are subject to higher volatility than those that support higher rated companies. Since a significant portion of our cash flow f
dedicated to debt service, a reduction in cash flow could result in an event of default, or significantly restrict our access to c
below investment grade also create the potential for a cost of capital that is higher than other companies with which we co
debt is subject to floating interest rates. Interest rates are highly sensitive to many factors, including governmental monetar
and international economic and political conditions and other factors beyond our control. A significant increase in interest r
adverse effect on our financial position and results of operations.

We are also subject to capital requirements imposed by various regulatory bodies throughout the world. We may need acce
capital to support these regulatory requirements in order to maintain our licenses and our ability to earn revenue in these ju
interruption of our access to capital could impair our ability to conduct business if our regulatory capital falls below require

Weakness in economic conditions could adversely affect our business, financial condition and results of operations.

Our money transfer business relies in part on the overall strength of global and local economic conditions. Our consumers t
employed in industries such as construction, energy, manufacturing and retail that tend to be cyclical and more significantl
economic conditions than other industries. This may result in reduced job opportunities for our customers in the U.S. or oth
are important to our business, which could adversely affect our business, financial condition and results of operations. For e
weakness in the price of oil could adversely affect economic conditions and lead to reduced job opportunities in certain reg
a significant portion of our total money transfer volume, which could result in a decrease in our transaction volume. In add
employment opportunities may lag other elements of any economic recovery.

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Our agents or billers may have reduced sales or business as a result of weak economic conditions. As a result, our agents co
number of locations or hours of operation, or cease doing business altogether. Our billers may have fewer consumers makin
them, particularly billers in those industries that may be more affected by an economic downturn such as the automobile, m
industries.

If economic conditions were to deteriorate in a market important to our business, our revenue, financial condition and result
could be adversely impacted. Additionally, if our consumer transactions decline due to deteriorating economic conditions, w
to timely and effectively reduce our operating costs or take other actions in response, which could adversely affect our busin
condition and results of operations.

There are a number of risks associated with our international sales and operations that could adversely affect our business.

We provide money transfer services between and among more than 200 countries and territories and continue to expand in
international markets. Our ability to grow in international markets and our future results could be adversely affected by a nu
including:

- changes in political and economic conditions and potential instability in certain regions, including in particular the recent ci
terrorism, political turmoil and economic uncertainty in Africa, the Middle East and other regions;
- restrictions on money transfers to, from and between certain countries;
- currency controls, new currency adoptions and repatriation issues;
- changes in regulatory requirements or in foreign policy, including the adoption of domestic or foreign laws, regulations and
detrimental to our business;
- possible increased costs and additional regulatory burdens imposed on our business;
- the implementation of U.S. sanctions, resulting in bank closures in certain countries and the ultimate freezing of our assets;
- burdens of complying with a wide variety of laws and regulations;
- possible fraud or theft losses, and lack of compliance by international representatives in foreign legal jurisdictions where co
enforcement may be difficult or costly;
- reduced protection of our intellectual property rights;
- unfavorable tax rules or trade barriers;
- inability to secure, train or monitor international agents; and
- failure to successfully manage our exposure to foreign currency exchange rates, in particular with respect to the euro.

In particular, a portion of our revenue is generated in currencies other than the U.S. dollar. As a result, we are subject to risk
changes in the value of our revenues denominated in foreign currencies. In addition, we maintain significant foreign curren
subject to volatility, and could result in losses due to a devaluation of the U.S. dollar. See "Enterprise Risk Management-Fo
in Item 7A of this Annual Report on Form 10-K for more information.

We conduct money transfer transactions through agents in some regions that are politically volatile, which could increase o
in those regions.

We conduct money transfer transactions through agents in some regions that are politically volatile, which could increase o
in those regions. For example, it is possible that our money transfer services or other products could be used in contraventio
law or regulations. Such circumstances could result in increased compliance costs, regulatory inquiries, suspension or revoc
licenses or registrations, seizure or forfeiture of assets and the imposition of civil and criminal fees and penalties, or other re
business operations. In addition to monetary fines or penalties that we could incur, we could be subject to reputational harm
material adverse effect on our business, financial condition and results of operations.

We have submitted a Voluntary Self-Disclosure to OFAC that could result in penalties from OFAC, which could have a ma
impact on our business or financial condition.

We have policies and procedures designed to prevent transactions that are subject to economic and trade sanctions program
OFAC and by certain foreign jurisdictions that prohibit or restrict transactions to or from (or dealings with or involving) cer
their governments, and in certain circumstances, their nationals, as well as with certain individuals and entities such as narc
terrorists and terrorist organizations. If such policies and procedures are not effective in preventing such transactions, we m
sanctions programs, which could have a material adverse impact on our business.

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In 2015, we initiated an internal investigation to identify payments processed by the Company that were violations of OFAC regulations. We notified OFAC of the internal investigation, which was conducted in conjunction with the Company's outsi March 28, 2017, we filed a Voluntary Self-Disclosure with OFAC regarding the findings of our internal investigation. OFA reviewing the results of the Company's investigation. OFAC has broad discretion to assess potential violations and impose time, it is not possible to determine the outcome of this matter, or the significance, if any, to our business, financial conditio and we cannot predict when OFAC will conclude their review of our Voluntary Self-Disclosure. Adverse findings or penalt OFAC could have a material adverse impact on our business or financial condition.

Major bank failure or sustained financial market illiquidity, or illiquidity at our clearing, cash management and custodial fi could adversely affect our business, financial condition and results of operations.

We face certain risks in the event of a sustained deterioration of financial market liquidity, as well as in the event of sustain the liquidity, or failure, of our clearing, cash management and custodial financial institutions. In particular:

- We may be unable to access funds in our investment portfolio, deposit accounts and clearing accounts on a timely basis to s instruments, pay money transfers and make related settlements to agents. Any resulting need to access other sources of liqu borrowing would increase our costs. Any delay or inability to settle our payment instruments, pay money transfers or make with our agents could adversely impact our business, financial condition and results of operations.
- In the event of a major bank failure, we could face major risks to the recovery of our bank deposits used for the purpose of agents, and to the recovery of a significant portion of our investment portfolio. A substantial portion of our cash, cash equiv interest-bearing deposits are either held at banks that are not subject to insurance protection against loss or exceed the depo
- Our Revolving Credit Facility is one source of funding for our corporate transactions and liquidity needs. If any of the bank our Revolving Credit Facility were unable or unwilling to fulfill its lending commitment to us, our short-term liquidity and in corporate transactions, such as acquisitions, could be adversely affected.
- We may be unable to borrow from financial institutions or institutional investors on favorable terms, which could adversely to pursue our growth strategy and fund key strategic initiatives, such as product development and acquisitions.

If financial liquidity deteriorates, there can be no assurance we will not experience an adverse effect, which may be materia access capital and on our business, financial condition and results of operations.

An inability by us or our agents to maintain adequate banking relationships may adversely affect our business, financial co of operations.

We rely on domestic and international banks for international cash management, electronic funds transfer and wire transfer money transfers and settle with our agents. We also rely on domestic banks to provide clearing, processing and settlement f paper-based instruments, including official checks and money orders. Our relationships with these banks are a critical comp ability to conduct our official check, money order and money transfer businesses. The inability on our part to maintain exis new banking relationships sufficient to enable us to conduct our official check, money order and money transfer businesses affect our business, financial condition and results of operations. There can be no assurance that we will be able to establish adequate banking relationships.

If we cannot maintain sufficient relationships with large international banks that provide these services, we would be requir global network of local banks to provide us with these services or implement alternative cash management procedures, whi increased costs. Relying on local banks in each country in which we do business could alter the complexity of our treasury the level of automation, visibility and service we currently receive from banks and affect patterns of settlement with our age result in an increase in operating costs and an increase in the amount of time it takes to concentrate agent remittances and to payables, potentially adversely impacting our cash flow, working capital needs and exposure to local currency value fluctua We and our agents are considered Money Service Businesses in the U.S. under the Bank Secrecy Act. U.S. regulators are in the position that Money Service Businesses, as a class, are high risk businesses. In addition, the creation of anti-money laun created concern and awareness among banks of the negative implications of aiding and abetting money laundering activity. may choose not to provide banking services to Money Services Businesses in certain regions due to the risk of additional re and the cost of building and maintaining additional compliance functions. In addition, certain foreign banks have been forc relationships with Money Services Businesses by U.S. correspondent banks. As a result, we and certain of our agents have to retail banking services in certain markets by banks that have sought to reduce their exposure to Money Services Busines result of any concern related to the Company's

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compliance programs. If we or our agents are unable to obtain sufficient banking relationships, we or they may not be able
services in a particular region, which could adversely affect our business, financial condition and results of operations.
A breach of security in the systems on which we rely could adversely affect our business, financial condition and results of
We rely on a variety of technologies to provide security for our systems. Advances in computer capabilities, new discoveri
cryptography or other events or developments, including improper acts by third parties, may result in a compromise or brea
measures we use to protect our systems. We obtain, transmit and store confidential consumer, employer and agent informat
with certain of our services. These activities are subject to laws and regulations in the U.S. and other jurisdictions. The requ
by these laws and regulations, which often differ materially among the many jurisdictions, are designed to protect the priva
information and to prevent that information from being inappropriately disclosed. Any security breaches in our computer n
or facilities could lead to the inappropriate use or disclosure of personal information, which could harm our business and re
affect consumers' confidence in our or our agents' business, cause inquiries and fines or penalties from regulatory or gover
cause a loss of consumers, subject us to lawsuits and subject us to potential financial losses. In addition, we may be require
significant capital and other resources to protect against these security breaches or to alleviate problems caused by these bre
and third-party independent contractors may also experience security breaches involving the storage and transmission of ou
the ability to initiate unauthorized transactions. If users gain improper access to our, our agents' or our third-party independ
computer networks or databases, they may be able to steal, publish, delete or modify confidential customer information or
unauthorized money transfers. Such a breach could expose us to monetary liability, losses and legal proceedings, lead to re
cause a disruption in our operations, or make our consumers and agents less confident in our services, which could have a
effect on our business, financial condition and results of operations.
Because our business is particularly dependent on the efficient and uninterrupted operation of our information technology,
systems and data centers, disruptions to these systems and data centers could adversely affect our business, financial condit
operations.
Our ability to provide reliable services largely depends on the efficient and uninterrupted operation of our computer networ
centers. Our business involves the movement of large sums of money and the management of data necessary to do so. The
business particularly depends upon the efficient and error-free handling of transactions and data. We rely on the ability of o
our internal systems and processes to process these transactions in an efficient, uninterrupted and error-free manner.
In the event of a breakdown, catastrophic event (such as fire, natural disaster, power loss, telecommunications failure or ph
security breach, computer virus, improper operation, improper action by our employees, agents, consumers, financial institu
vendors or any other event impacting our systems or processes or our agents' or vendors' systems or processes, we could su
loss of consumers, regulatory sanctions, lawsuits and damage to our reputation or consumers' confidence in our business. T
have enacted, such as the implementation of disaster recovery plans and redundant computer systems, may not be successf
experience problems other than system failures, including software defects, development delays and installation difficulties
harm our business and reputation and expose us to potential liability and increased operating expenses. In addition, any wo
other labor actions by employees who support our systems or perform any of our major functions could adversely affect ou
of our agent contracts, including our contract with Walmart, contain service level standards pertaining to the operation of o
the agent a right to collect damages or engage other providers and, in extreme situations, a right of termination for system d
exceeding agreed upon service levels. If we experience significant system interruptions or system failures, our business int
may not be adequate to compensate us for all losses or damages that we may incur.
In addition, our ability to continue to provide our services to a growing number of agents and consumers, as well as to enha
services and offer new services, is dependent on our information technology systems. If we are unable to effectively manag
associated with our business, we could experience increased costs, reductions in system availability and loss of agents or c
failure of our systems in scalability, reliability and functionality could adversely impact our business, financial condition a
operations.
Changes in tax laws and unfavorable outcomes of tax positions we take could adversely affect our tax expense and liquidit
From time to time, the U.S. and foreign, state and local governments consider legislation that could increase our effective t
to applicable tax laws are enacted that significantly increase our corporate tax rate, our net income could be negatively imp
We file tax returns and take positions with respect to federal, state, local and international taxation, and our tax returns and
subject to review and audit by taxing authorities. An unfavorable outcome in a tax review or audit could result in higher tax
including interest and penalties, which could adversely affect our financial condition, results of operations

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and cash flows. We establish reserves for material known tax exposures; however, there can be no assurance that an actual t
would not exceed our reserves.
Recently enacted changes to the U.S. federal tax laws could adversely affect our business, financial condition and results of
On December 22, 2017, the legislation commonly known as the "Tax Cuts and Jobs Act" (the "TCJA"), which significantly
Revenue Code of 1986, as amended, was enacted. The TCJA, among other things, contains significant changes to the U.S. c
including a permanent reduction of the corporate income tax rate, a limitation on the deductibility of business interest exper
the deduction for certain net operating losses to 80% of current year taxable income, an indefinite net operating loss carryfo
deductions for new investments in certain business assets instead of deductions for depreciation expense over time, modific
many business deductions and credits (including certain foreign tax credits), a shift of the U.S. taxation of multinational cor
tax on worldwide income to a modified territorial system (retaining certain existing rules and containing new rules designed
U.S. income tax base certain income generated in non-U.S. territories whether or not that income has been repatriated to the
taxing system related to payments deemed to erode the U.S. tax base, and a one-time tax on accumulated offshore earnings
illiquid assets (with the latter taxed at a lower rate). We continue to examine the impact the TCJA may have on us, and it co
affect our business, financial condition and results of operations.
A significant change or disruption in international migration patterns could adversely affect our business, financial conditio
operations.
Our money transfer business relies in part on international migration patterns, as individuals move from their native countri
with greater economic opportunities or a more stable political environment. A significant portion of money transfer transact
by immigrants or refugees sending money back to their native countries. Changes in immigration laws that discourage inter
and political or other events (such as war, terrorism or health emergencies) that make it more difficult for individuals to mig
abroad could adversely affect our money transfer remittance volume or growth rate. Sustained weakness in global economic
reduce economic opportunities for migrant workers and result in reduced or disrupted international migration patterns. Redu
international migration patterns, particularly in the U.S. or Europe, are likely to reduce money transfer transaction volumes
an adverse effect on our business, financial condition and results of operations. Furthermore, significant changes in internat
patterns could adversely affect our business, financial condition and results of operations.
We face credit risks from our agents and financial institutions with which we do business.
The vast majority of our money transfer, bill payment and money order business is conducted through independent agents t
products and services to consumers at their business locations. Our agents receive the proceeds from the sale of our paymen
money transfers, and we must then collect these funds from the agents. If an agent becomes insolvent, files for bankruptcy,
otherwise fails to remit payment instruments or money transfer proceeds to us, we must nonetheless pay the payment instru
the money transfer on behalf of the consumer.
Moreover, we have made, and may make in the future, secured or unsecured loans to agents under limited circumstances or
retain our funds for a period of time before remitting them to us. As of December 31, 2017, we had credit exposure to our a
million in the aggregate spread across 14,344 agents.
Financial institutions, which are utilized to conduct business for our Financial Paper Products segment, issue official checks
and remit to us the face amounts of those instruments the day after they are issued. We may be liable for payment on all of t
As of December 31, 2017, we had credit exposure for official checks and money orders conducted by financial institutions o
in the aggregate spread across 923 financial institutions.
We monitor the creditworthiness of our agents and the financial institutions with which we do business on an ongoing basis
assurance that the models and approaches we use to assess and monitor the creditworthiness of our agents and these financi
be sufficiently predictive, and we may be unable to detect and take steps to timely mitigate an increased credit risk.
In the event of an agent bankruptcy, we would generally be in the position of creditor, possibly with limited or no security,
therefore be at risk of a reduced recovery. We are not insured against credit losses, except in circumstances of agent theft or
credit losses could have a material adverse effect on our business, financial condition and results of operations.

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If we are unable to adequately protect our brand and the intellectual property rights related to our existing and any new or e
and services, or if we infringe on the rights of others, our business, prospects, financial condition and results of operations c
affected.
The MoneyGram brand is important to our business. We utilize trademark registrations in various countries and other tools
brand. Our business would be harmed if we were unable to adequately protect our brand and the value of our brand was to c
We rely on a combination of patent, trademark and copyright laws, trade secret protection and confidentiality and license ag
protect the intellectual property rights related to our products and services. We also investigate the intellectual property righ
to prevent our infringement of those rights. We may be subject to third-party claims alleging that we infringe their intellectu
or have misappropriated other proprietary rights. We may be required to spend resources to defend such claims or to protec
own rights. Some of our intellectual property rights may not be protected by intellectual property laws, particularly in foreig
The loss of our intellectual property protection, the inability to secure or enforce intellectual property protection or to succe
against claims of intellectual property infringement could harm our business, prospects, financial condition and results of op
Failure to attract and retain key employees could have a material adverse impact on our business.
Our success depends to a large extent upon our ability to attract and retain key employees. Qualified individuals with exper
industry are in high demand. In addition, legal or enforcement actions against compliance and other personnel in the money
may affect our ability to attract and retain key employees. The lack of management continuity or the loss of one or more me
executive management team could harm our business and future development.
The operation of retail locations and acquisition or start-up of businesses create risks and may adversely affect our business
condition and results of operations.
We have Company-operated retail locations for the sale of our products and services. We may be subject to additional laws
that are triggered by our ownership of retail locations and our employment of individuals who staff our retail locations. The
risks inherent in operating any retail location, including theft, personal injury and property damage and long-term lease obli
We may, from time to time, acquire or start-up businesses both inside and outside of the U.S. The acquisition and integratio
involve a number of risks. Such risks include, among others:

- risks in connection with acquisitions and start-ups and potential expenses that could be incurred in connection therewith;
- risks related to the integration of new businesses, including integrating facilities, personnel, financial systems, accounting s distribution, operations and general operating procedures;
- the diversion of capital and management's attention from our core business;
- the impact on our financial condition and results of operations due to the timing of the new business or the failure of the ne operating expectations; and
- the assumption of unknown liabilities relating to the new business.

Risks associated with acquiring or starting new businesses could result in increased costs and other operating inefficiencies
an adverse effect on our business, financial condition and results of operations.
Any restructuring activities and cost reduction initiatives that we undertake may not deliver the expected results and these a
adversely affect our business operations.
We have undertaken and may in the future undertake various restructuring activities and cost reduction initiatives in an effo
our organizational structure and costs with our strategy. These activities and initiatives can be substantial in scope and they
expenditures. Such activities could result in significant disruptions to our operations, including adversely affecting the time
releases, the successful implementation and completion of our strategic objectives and the results of our operations. If we d
or maintain the anticipated benefits of any restructuring plan or cost reduction initiative, our business, financial condition a
operations could be adversely affected.
Failure to maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act could have a mate
on our business.
We are required to certify and report on our compliance with the requirements of Section 404 of the Sarbanes-Oxley Act, w
annual management assessments of the effectiveness of our internal control over financial reporting and a report by our ind
public accounting firm addressing the effectiveness of our internal control over financial reporting. If we fail to maintain th
internal controls, as such standards are modified, supplemented or amended from time to time, we may not be able to ensur
conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 40

achieve effective internal controls, we may need to enhance our accounting

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systems or processes, which could increase our cost of doing business. Any failure to achieve and maintain an effective inte
environment could have a material adverse effect on our business.

Risks Related to Ownership of Our Stock

THL owns a substantial percentage of our common stock, and its interests may differ from the interests of our other commo

As of December 31, 2017, Thomas H. Lee Partners, L.P. (“THL”) held 43.8% of our outstanding common shares and 37.6%
shares on a fully-converted basis (if all of the outstanding shares of the Series D Participating Convertible Preferred (the "D
converted to common shares), excluding treasury shares held by the Company. The combined ownership percentage of THI
Goldman Sachs & Co. (“Goldman Sachs” and, collectively with THL, the “Investors”) on a fully-converted basis was 51.7%
2017. Additionally our charter provides that as long as the Investors have a right to designate directors to our Board of Dire
the Amended and Restated Purchase Agreement, dated as of March 17, 2008, among the Company and the several Investor
therein, THL has the right to designate two to four directors (such directors, the "THL Representatives"), who each have eq
together have a total number of votes equal to the number of directors as is proportionate to the common stock ownership (
basis) of the Investors (rounded to the nearest whole number), unlike the other members of our Board of Directors who hav
each. THL has appointed two of the nine members of our Board of Directors, each THL Representative currently has multi
THL Representatives together currently hold a majority of the votes of our Board of Directors.

We cannot provide assurance that the interests of THL will coincide with the interests of other holders of our common stoc
substantial control over us could result in harm to the market price of our common stock by delaying, deferring or preventin
control of our company; impeding a merger, consolidation, takeover or other business combination involving our company
management and Board of Directors.

We have a significant number of salable common shares and D Stock held by the Investors relative to our outstanding com

As of December 31, 2017, there were 54.2 million outstanding common shares, excluding treasury shares (or 63.1 million c
the outstanding D Stock were converted into common shares). As of December 31, 2017, THL held approximately 23.7 mil
common stock and Goldman Sachs held approximately 71,282 shares of D Stock, which are convertible into approximately
of our common stock. Sales of a substantial number of common shares, or the perception that significant sales could occur
sales are concentrated in time or amount), may depress the trading price of our common stock.

Our charter and Delaware law contain provisions that could delay or prevent an acquisition of the Company, which could in
to receive a premium on your investment from a possible sale of the Company.

Our charter contains provisions that may discourage third parties from seeking to acquire the Company. These provisions a
provisions of Delaware law relating to business combinations with interested stockholders may have the effect of delaying,
preventing certain business combinations, including a merger or change in control of the Company. Some of these provisio
a future acquisition of the Company even if stockholders would receive an attractive value for their shares or if a significan
stockholders believed such a proposed transaction to be in their best interests. As a result, stockholders who desire to partic
transaction may not have the opportunity to do so.

Our bylaws designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of a
proceedings that may be initiated by our stockholders, which could limit our stockholders’ ability to obtain a favorable judi
disputes with us or our directors, officers or employees.

Our bylaws provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of th
will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action or proce
our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or employee
stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law,
asserting a claim against us that is governed by the internal affairs doctrine. This choice of forum provision may limit a sto
bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or employees, which m
lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our bylaws inapplicable to, o
respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with reso
in other jurisdictions, which could adversely affect our business, financial condition or results of operations.

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Our Board of Directors has the power to issue series of preferred stock and to designate the rights and preferences of those s
adversely affect the voting power, dividend, liquidation and other rights of holders of our common stock.
Under our charter, our Board of Directors has the power to issue series of preferred stock and to designate the rights and pre
series. Therefore, our Board of Directors may designate a new series of preferred stock with the rights, preferences and priv
Board of Directors deems appropriate, including special dividend, liquidation and voting rights. The creation and designatio
of preferred stock could adversely affect the voting power, dividend, liquidation and other rights of holders of our common
possibly, any other class or series of stock that is then in existence.
The market price of our common stock may be volatile.
The market price of our common stock may fluctuate significantly in response to a number of factors, some of which may b
control. These factors include the perceived prospects or actual operating results of our business; changes in estimates of ou
by analysts, investors or our management; our actual operating results relative to such estimates or expectations; actions or
us or our competitors; litigation and judicial decisions; legislative or regulatory actions; and changes in general economic o
conditions. In addition, the stock market in general has from time to time experienced extreme price and volume fluctuation
fluctuations could reduce the market price of our common stock for reasons unrelated to our operating performance.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 2. PROPERTIES

Our leased corporate offices are located in Dallas, TX. We have a number of offices leased in more than 30 countries and te
the world including, but not limited to: U.S., United Kingdom, Poland and United Arab Emirates. These offices provide ope
marketing support and are used by both our Global Funds Transfer Segment and our Financial Paper Products Segment. We
properties are sufficient to meet our current and projected needs. We periodically review our facility requirements and may
facilities, or modify, consolidate, dispose of or sublet existing facilities, based on business needs.

Item 3. LEGAL PROCEEDINGS

The matters set forth below are subject to uncertainties and outcomes that are not predictable. The Company accrues for the
resulting losses become probable and can be reasonably estimated. Further, the Company maintains insurance coverage for
litigation matters.
Litigation Commenced Against the Company:
The Company is involved in various claims and litigation that arise from time to time in the ordinary course of the Compan
Management does not believe that after final disposition any of these matters is likely to have a material adverse impact on
financial condition, results of operations and cash flows.
Government Investigations:
OFAC — In 2015, we initiated an internal investigation to identify any payments processed by the Company that were viol
Department of the Treasury's OFAC sanctions regulations. We notified OFAC of the ongoing internal investigation, which
conjunction with the Company's outside counsel. On March 28, 2017, we filed a Voluntary Self-Disclosure with OFAC reg
of our internal investigation. OFAC is currently reviewing the results of the Company's investigation. At this time, it is not
determine the outcome of this matter, or the significance, if any, to our business, financial condition or results of operations
predict when OFAC will conclude their review of our Voluntary Self-Disclosure.
Deferred Prosecution Agreement — In November 2012, we announced that a settlement was reached with the MDPA and t
to the previously disclosed investigation of transactions involving certain of our U.S. and Canadian agents, as well as fraud
the consumer anti-fraud program, during the period from 2003 to early 2009. In connection with this settlement, we entered
the MDPA and U.S. DOJ dated November 8, 2012.

On November 1, 2017, the Company agreed to a stipulation with the Government that the term of the Company's DPA be e
to February 6, 2018. On January 31, 2018, the Company agreed with the Government that the term of the DPA be

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extended for an additional 45 days to March 23, 2018. The purpose of the extension is to provide the Company and the Gov
time to discuss whether the Company is in compliance with the DPA. There can be no assurance that the Company and the
continue to be able to negotiate a mutually satisfactory outcome during such 45 day period (or any further short-term extens
that such outcome will not include a further extension of the DPA, financial penalties or additional restrictions on the Comp
monitorship period beyond the current monitorship that ends on April 30, 2018. Furthermore, there can be no assurance tha
will not seek any other remedy, including criminal prosecution and financial penalties, in lieu of an extension of the DPA a
As a result, in the fourth quarter of 2017, the Company recorded an $85.0 million accrual in connection with a possible reso
matter, based on the facts and circumstances known at the time. However, the Company is unable to reasonably estimate th
no assurance can be given that future costs and payments made in connection with this matter will not exceed the amount c
or that the government will not also seek to impose non-monetary remedies or penalties.

Other Matters — The Company is involved in various other government inquiries and other matters that arise from time to
does not believe that any of these other matters is likely to have a material adverse impact on the Company's financial cond
operations and cash flows.

Actions Commenced by the Company:

Tax Litigation — The IRS completed its examination of the Company's consolidated income tax returns through 2013 and
Deficiency for 2005-2007 and 2009 and an Examination Report for 2008. The Notices of Deficiency and Examination Rep
among other items, approximately $900.0 million of ordinary deductions on securities losses in the 2007, 2008 and 2009 ta
2012 and December 2012, the Company filed petitions in the U.S. Tax Court challenging the 2005-2007 and 2009 Notices
respectively. In 2013, the Company reached a partial settlement with the IRS allowing ordinary loss treatment on $186.9 m
in dispute. In January 2015, the U.S. Tax Court granted the IRS's motion for summary judgment upholding the remaining a
Notices of Deficiency. During 2015, the Company made payments to the IRS of $61.0 million for federal tax payments and
related to the matter. The Company believes that it has substantive tax law arguments in favor of its position. The Company
appeal with the U.S. Tax Court on July 27, 2015 for an appeal to the U.S. Court of Appeals for the Fifth Circuit. Oral argun
before the Fifth Circuit on June 7, 2016, and on November 15, 2016, the Fifth Circuit vacated the Tax Court's decision and
to the Tax Court for further proceedings. The Company filed a motion for summary judgment in the Tax Court on May 31,
23, 2017, the IRS filed a motion for summary judgment and its response to the Company's motion for summary judgment.
outcome of the appeal, the Company may be required to file amended state returns and make additional cash payments of u
million on amounts that have previously been accrued.

See Note 13 — Commitments and Contingencies of the Notes to the Consolidated Financial Statements for additional discl

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Item 4. MINE SAFETY DISCLOSURES

Not applicable.

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PART II

Item 5. MARKET FOR THE REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISS PURCHASES OF EQUITY SECURITIES

Our common stock is traded on the NASDAQ Stock Market LLC under the symbol “MGI.” As of March 8, 2018, there wer of record of our common stock.
The high and low sales prices for our common stock for the periods presented were as follows for the respective periods:

	2017		2016	
Fiscal Quarter	High	Low	High	Low
First	$17.13	$11.26	$7.09	$4.68
Second	$17.92	$15.88	$7.37	$5.81
Third	$17.48	$15.28	$8.33	$6.29
Fourth	$16.27	$12.40	$12.72	$5.83

Our Board of Directors has authorized the repurchase of a total of 12,000,000 common shares, as announced in our press re November 18, 2004, August 18, 2005 and May 9, 2007. The repurchase authorization is effective until such time as the Co repurchased 12,000,000 common shares. The Company may consider repurchasing shares which would be subject to limita agreements. Common stock tendered to the Company in connection with the exercise of stock options or vesting of restricte considered repurchased shares under the terms of the repurchase authorization. As of December 31, 2017, the Company had 9,842,509 common shares under the terms of the repurchase authorization and has remaining authorization to repurchase up 2,157,491 shares. During the three months ended December 31, 2017, the Company did not repurchase any common shares
The terms of our debt agreements place significant limitations on the amount of restricted payments we may make, includin common stock and repurchases of our capital stock. Subject to certain customary conditions, we may (i) make restricted pa aggregate amount not to exceed $50.0 million (without regard to a pro forma leverage ratio calculation), (ii) make restricted formulaic amount determined based on incremental build-up of our consolidated net income in future periods (subject to co maximum pro forma leverage ratio calculation) and (iii) repurchase capital stock from THL and Goldman Sachs in a remain amount up to $170.0 million. As a result, our ability to declare or pay dividends or distributions to the stockholders of the C stock is materially limited at this time. No dividends were paid on our common stock in 2017 or 2016.

STOCKHOLDER RETURN PERFORMANCE

The Company's peer group consists of companies that are in the money remittance and payment industries, along with com effectively capture our competitive landscape given the products and services that we provide. The peer group is comprised companies: Euronet Worldwide Inc., Fiserv, Inc., MasterCard, Inc., Paypal Holdings, Inc., Visa, Inc. and The Western Unio

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The following graph compares the cumulative total return from December 31, 2012 to December 31, 2017 for our common
group index of payment services companies and the S&P 500 Index. The graph assumes the investment of $100 in each of
our peer group and the S&P 500 Index on December 31, 2012, and the reinvestment of all dividends as and when distribute
furnished and shall not be deemed "filed" with the SEC or subject to Section 18 of the Securities Exchange Act of 1934, as
"Exchange Act"), and is not to be incorporated by reference into any filing of the Company, whether made before or after t
regardless of any general incorporation language in such filing.

COMPARISON OF CUMULATIVE TOTAL RETURN*
AMONG MONEYGRAM INTERNATIONAL, INC.,
S&P 500 INDEX AND PEER GROUP INDEX

*$100 invested on 12/31/2012 in stock or index, including reinvestment of dividends.

The following table is a summary of the cumulative total return for the fiscal years ending December 31:

	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017
MoneyGram International, Inc.	100.00	156.36	68.40	47.18	88.86	99.17
S&P 500	100.00	132.39	150.51	152.59	170.84	208.14
Peer Group	100.00	156.03	175.00	205.36	217.05	323.71

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Item 6. SELECTED FINANCIAL DATA

The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial C of Operations" and our Consolidated Financial Statements and Notes thereto. The following table presents our selected con data for the years ended December 31:

(Amounts in millions, except per share and location data)	2017	2016	2015	2014[1]	2013 [1]
Operating Results					
Revenue					
Global Funds Transfer segment	$1,508.1	$1,553.7	$1,465.8	$1,470.1	$1,475.0
Financial Paper Products segment	94.0	75.6	73.3	80.3	84.0
Other	—	1.1	—	—	0.6
Total revenue	$1,602.1	$1,630.4	$1,539.1	$1,550.4	$1,559.6
Net (loss) income	$(29.8)	$15.9	$(77.7)	$71.6	$52.0
Net (loss) income per common share:					
Basic	$(0.47)	$0.26	$(1.25)	$1.10	$0.73
Diluted	$(0.47)	$0.24	$(1.25)	$1.09	$0.72
Financial Position					
Cash and cash equivalents	$190.0	$157.2	$164.5	$250.6	$318.8
Total assets	$4,772.5	$4,597.4	$4,505.2	$4,628.3	$4,775.8
Long-term debt	$908.1	$915.2	$942.6	$949.6	$831.8
Stockholders' deficit	$(245.3)	$(215.6)	$(229.5)	$(189.0)	$(82.8)

(1) Selected financial data for the years ended December 31, 2014 and 2013 has been corrected to reflect the adjustments re described in Note 15 — Immaterial Error Correction of the Notes to the Consolidated Financial Statements. The correction net income by $0.5 million and $0.4 million and diluted net income per common share by $0.01 for the years ended Decem 2013, respectively. Stockholders' deficit increased by $6.3 million and $5.8 million as of December 31, 2014 and 2013, resp

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Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPER

The following discussion should be read in conjunction with our Consolidated Financial Statements and related Notes. This
contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from tho
to various factors discussed below under "Cautionary Statements Regarding Forward-Looking Statements" and under the ca
in Part 1, Item 1A of this Annual Report on Form 10-K.
The comparisons presented in this discussion refer to the same period in the prior year, unless otherwise noted. This discuss
the following sections:

- Overview
- Results of Operations
- Liquidity and Capital Resources
- Critical Accounting Policies and Estimates
- Cautionary Statements Regarding Forward-Looking Statements

OVERVIEW

MoneyGram is a global provider of innovative money transfer services and is recognized worldwide as a financial connecti
family. Whether online, through a mobile device, at a kiosk or in a local store, we connect consumers in any way that is con
We also provide bill payment services, issue money orders and process official checks in the U.S. and in select countries an
primarily offer services through third-party agents, including retail chains, independent retailers, post offices and financial i
also have Company-operated retail locations in the U.S. and Western Europe. Additionally, we offer Digital solutions, whic
moneygram.com, mobile solutions, account deposit and kiosk-based services.
We manage our revenue and related commissions expense through two reporting segments: Global Funds Transfer and Fina
Products. The Global Funds Transfer segment provides global money transfer services in approximately 350,000 agent loca
200 countries and territories. Our global money transfer services are our primary revenue driver, accounting for 89% of tota
year ended December 31, 2017. The Global Funds Transfer segment also provides bill payment services to consumers throu
all of our money transfer agent and Company-operated locations in the U.S., Canada and Puerto Rico, at certain agent locat
Caribbean and European countries and through our Digital solutions. The Financial Paper Products segment provides mone
consumers through retail locations and financial institutions located in the U.S. and Puerto Rico, and provides official chec
financial institutions in the U.S. Corporate expenses that are not related to our segments' performance are excluded from op
Global Funds Transfer and Financial Paper Products segments.

Business Environment

Throughout 2017, worldwide political and economic conditions remained highly variable, as evidenced by both economic g
challenges in key markets, low currency reserves, currency controls in certain countries and a volatile immigration environ
continued political unrest and economic weakness in parts of the Middle East and Africa that contributed to the volatility. C
reach and extent of the current economic conditions, the growth of money transfer volumes and the average face value of m
continued to be highly variable by corridor and country.
We generally compete for money transfer consumers on the basis of trust, convenience, price, technology and brand recogn
for money transfer services remains very competitive, consisting of a few large competitors and a large number of small, ni
addition to the competitive environment, global compliance requirements are becoming increasingly more complex, which
our top line growth. We continue to enhance our compliance tools to comply with various government and other regulatory
the globe. We also introduced self-imposed compliance measures to further protect our customers and the integrity of our n
We continue to make progress on our journey toward becoming a digitally-enabled, customer-centric organization despite c
new technologies that allow consumers to send and receive money in a variety of ways. We believe that our continued inve
innovative products and services, particularly Digital solutions, such as the global expansion of moneygram.com, mobile so
account deposit services, positions the Company to accelerate our digital transformation and diversify our product and servi
meet consumers' needs. Digital solutions revenue for 2017 was $211.6 million, or 14% of money transfer revenue and incre
$194.1 million in 2016. Moneygram.com, which represents 42% of Digital solutions revenue for 2017, grew by $17.7 milli
2016.

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Anticipated Trends

This discussion of trends expected to impact our business in 2018 is based on information presently available and reflects c
including assumptions regarding future economic conditions. Differences in actual economic conditions compared with our
have a material impact on our results. See "Cautionary Statements Regarding Forward-Looking Statements" and Part I, Iter
this Annual Report on Form 10-K for additional factors that could cause results to differ materially from those contemplate
forward-looking statements.

We continue to see increased opportunities to capitalize on growth and expansion both geographically and through product
offerings. However, economic and political instability, which can result in currency volatility, liquidity pressure on central
on labor markets in certain countries, may continue to impact our business in 2018. Additionally, pricing pressure continues
impact our growth in the U.S. to U.S. channel, along with economic issues in the Middle East and Africa, which have restri
transact in certain markets.

The June 23, 2016 referendum by British voters to exit the European Union (referred to as Brexit), which was followed by
official notice to leave the European Union in March of 2017, introduced additional uncertainty in global markets and curre
rates. We are currently unable to determine the long term impact that Brexit will have on us, as any impact will depend, in
outcome of tariff, trade, regulatory and other negotiations.

For our Financial Paper Products segment, we expect the decline in overall paper-based transactions to continue primarily
migration by customers to other payment methods. Our investment revenue, which consists primarily of interest income ge
investment of cash balances received from the sale of our Financial Paper Products, is dependent on the interest rate enviro
Company would see a positive impact on its investment revenue if interest rates continue to rise.

The TCJA, which was signed into law on December 22, 2017, makes significant changes to the taxation of U.S. business e
changes include a permanent reduction to the federal corporate income tax rate and changes in the deductibility of interest
obligations, among others. The Company continues to analyze the various components of the TCJA and its impact on our c
financial statements. As such, the provisional amounts recorded as of December 31, 2017 related to the estimated impact re
re-measurement of our deferred tax assets and liabilities and the estimated charge for the one-time tax on our deferred forei
change. See "Income Taxes" section further below and Note 12 — Income Taxes of the Notes to the Consolidated Financia
additional disclosure.

We continue to see a trend among state, federal and international regulators toward enhanced scrutiny of anti-money launde
programs, as well as consumer fraud prevention and education. Compliance with laws and regulations is a highly complex
our day-to-day operations; thus we have continued to increase our compliance personnel headcount and make investments i
compliance-related technology and infrastructure. For the year ended December 31, 2017, the Company has invested $28.0
compliance enhancement program, which includes $18.4 million of capital expenditures and $9.6 million of expenses incur
In the first quarter of 2013, a compliance monitor was selected pursuant to a requirement of our settlement with the MDPA
have received five annual reports from the compliance monitor and we continue to make investments in our compliance sys
operations as part of our compliance enhancement program. We incurred $16.0 million of expense directly related to the co
for the year ended December 31, 2017.

Financial Measures and Key Metrics

This Annual Report on Form 10-K includes financial information prepared in accordance with generally accepted accounti
U.S. ("GAAP") as well as certain non-GAAP financial measures that we use to assess our overall performance.

GAAP Measures — We utilize certain financial measures prepared in accordance with GAAP to assess the Company's ove
These measures include, but are not limited to: fee and other revenue, fee and other commissions expense, fee and other rev
commissions, operating income and operating margin. Due to our regulatory capital requirements, we deem certain assets a
Settlement assets represent funds received or to be received from agents for unsettled money transfers, money orders and c
Settlement assets include settlement cash and cash equivalents, receivables, net, interest-bearing investments and available-
investments. See Note 2 — Summary of Significant Accounting Policies of the Notes to the Consolidated Financial Statem
disclosure.

Non-GAAP Measures — Generally, a non-GAAP financial measure is a numerical measure of financial performance, fina
flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure ca
presented in accordance with GAAP. The non-GAAP financial measures should be viewed as a supplement to, and not a su
financial measures presented in accordance with GAAP. We strongly encourage investors and stockholders to review our fi

and publicly-filed reports in their entirety and not to rely on any single financial measure. While we believe that these metri
investors' understanding of our business, these metrics are not necessarily

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comparable with similarly named metrics of other companies. The following are non-GAAP financial measures we use to a
performance:
EBITDA (Earnings before interest, taxes, depreciation and amortization, including agent signing bonus amortization)
Adjusted EBITDA (EBITDA adjusted for certain significant items) — Adjusted EBITDA does not reflect cash requirement
interest or principal payments on our indebtedness or tax payments that may result in a reduction in cash available.
Adjusted Free Cash Flow (Adjusted EBITDA less cash interest, cash taxes, cash payments for capital expenditures and cash
agent signing bonuses) — Adjusted Free Cash Flow does not reflect cash payments related to the adjustment of certain sign
Adjusted EBITDA.
Constant Currency — Constant currency metrics assume that amounts denominated in foreign currencies are translated to t
consistent with those in the prior year.
The Company utilizes specific terms related to our business throughout this document, including the following:
Corridor — With regard to a money transfer transaction, the originating "send" location and the designated "receive" locati
corridor.
Corridor mix — The relative impact of increases or decreases in money transfer transaction volume in each corridor versus
period.
Face value — The principal amount of each completed transaction, excluding any fees related to the transaction.
Foreign currency — The impact of foreign currency exchange rate fluctuations on our financial results is typically calculate
between current period activity translated using the current period's currency exchange rates and the comparable prior-year
exchange rates. We use this method to calculate the impact of changes in foreign currency exchange rates on revenues, com
operating expenses for all countries where the functional currency is not the U.S. dollar.
RESULTS OF OPERATIONS
The following table is a summary of the results of operations for the years ended December 31:

(Amounts in millions, except percentages)	2017	2016	2015	2017 vs 2016	2016 vs 2015	2017 vs 2016	2016 vs 2015
Revenue							
Fee and other revenue	$1,560.9	$1,612.4	$1,527.0	$(51.5)	$85.4	(3)%	6 %
Investment revenue	41.2	18.0	12.1	23.2	5.9	NM	49 %
Total revenue	1,602.1	1,630.4	1,539.1	(28.3)	91.3	(2)%	6 %
Expenses							
Fee and other commissions expense	763.5	793.1	759.8	(29.6)	33.3	(4)%	4 %
Investment commissions expense	8.7	2.5	0.8	6.2	1.7	NM	NM
Total commissions expense	772.2	795.6	760.6	(23.4)	35.0	(3)%	5 %
Compensation and benefits	277.7	295.7	310.4	(18.0)	(14.7)	(6)%	(5)%
Transaction and operations support	402.3	309.5	324.8	92.8	(15.3)	30 %	(5)%
Occupancy, equipment and supplies	66.1	61.9	62.3	4.2	(0.4)	7 %	(1)%
Depreciation and amortization	75.1	79.9	66.1	(4.8)	13.8	(6)%	21 %
Total operating expenses	1,593.4	1,542.6	1,524.2	50.8	18.4	3 %	1 %
Operating income	8.7	87.8	14.9	(79.1)	72.9	(90)%	NM
Other expenses							
Interest expense	45.3	45.0	45.3	0.3	(0.3)	1 %	(1)%
Debt extinguishment costs	—	0.3	—	(0.3)	0.3	NM	NM
Total other expenses (income), net	45.3	45.3	45.3	—	—	— %	— %
(Loss) income before income taxes	(36.6)	42.5	(30.4)	(79.1)	72.9	NM	NM
Income tax (benefit) expense	(6.8)	26.6	47.3	(33.4)	(20.7)	NM	(44)%
Net (loss) income	$(29.8)	$15.9	$(77.7)	$(45.7)	$93.6	NM	NM

NM = Not meaningful

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Global Funds Transfer Fee and Other Revenue

Fee and other revenue consists of transaction fees, foreign exchange revenue and other revenue. The Company earns money
primarily from consumer transaction fees on its money transfer and bill payment services and the management of currency
involving different "send" and "receive" countries. Other revenue in the Global Funds Transfer segment primarily consists
revenue on money transfer transactions where the likelihood of payment is remote and there is no requirement for remitting
government agencies under unclaimed property laws.

The following discussion provides a summary of fee and other revenue for the Global Funds Transfer segment for the years
31. Investment revenue is not included in the analysis below. For further detail, see "Investment Revenue Analysis" below.

(Amounts in millions, except percentages)	2017	2016	2015	2017 vs 2016	2016 vs 2015
Money transfer fee and other revenue	$1,421.8	$1,456.2	$1,366.9	(2)%	7 %
Bill payment fee and other revenue	86.3	97.5	98.7	(11)%	(1)%
Global Funds Transfer fee and other revenue	$1,508.1	$1,553.7	$1,465.6	(3)%	6 %
Fee and other commissions expense	$762.2	$791.9	$759.5	(4)%	4 %

Money Transfer Fee and Other Revenue

The following table details the changes in money transfer fee and other revenue from the respective prior year for the years
31:

(Amounts in millions)	2017	2016
Prior year ended	$1,456.2	$1,366.9
Change resulting from:		
Corridor mix	(41.1)	24.2
Money transfer volume	17.2	74.1
Average face value per transaction and pricing	(15.5)	11.1
Impact from changes in exchange rates	1.7	(16.2)
Other	3.3	(3.9)
Current year ended	$1,421.8	$1,456.2

In 2017, the decrease in money transfer fee and other revenue was primarily driven by a negative change in corridor mix an
average face value per transaction and pricing, partially offset by increased Non-U.S. and U.S. outbound money transfer vo
further below.

In 2016, the increase in money transfer fee and other revenue was primarily driven by increased Non-U.S. and U.S. outbou
volume discussed further below and a positive change in corridor mix, partially offset by the stronger U.S. dollar compared

The following table displays year-over-year money transfer fee and other revenue growth by geographic channel (the regio
transaction) for the years ended December 31:

	2017 vs 2016	2016 vs 2015
Total money transfer fee and other revenue	(2)%	7%
U.S. Outbound	1%	9%
Non-U.S.	(2)%	8%
U.S. to U.S.	(16)%	(7)%

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Money Transfer Transactions

The following table displays the percentage distribution of total money transfer transactions by geographic channel (the reg transaction) for the years ended December 31:

	2017	2016	2015
U.S. Outbound	44 %	43 %	43 %
Non-U.S.	44 %	43 %	40 %
U.S. to U.S.	12 %	14 %	17 %

The following table displays year over year money transfer transaction growth by geographic channel (the region originatin for the years ended December 31:

	2017 vs 2016	2016 vs 2015
Total transactions	1%	5%
U.S. Outbound	2%	8%
Non-U.S.	6%	11%
U.S. to U.S.	(14)%	(13)%

During 2017, total money transfer fee and other revenue declined by 2% and total money transfer transactions grew by 1%. Outbound channel generated 1% revenue growth for the year ended December 31, 2017 and 2% transaction growth for the revenue and transaction growth was primarily driven by sends to Latin America. The U.S. Outbound channel accounted for money transfer transactions for 2017.

During 2017, money transfer fee for the Non-U.S. channel and other revenue declined by 2% and transactions grew by 6% period. The transaction growth was primarily driven by sends from Latin America, Middle East and Europe partially offset revenue caused by geopolitical and economic challenges in parts of Africa. The Non-U.S. channel accounted for 44% of tot transactions for the year ended December 31, 2017.

For the year ended December 31, 2017, the U.S. to U.S. channel money transfer fee and other revenue declined by 16% anc declined by 14% for the same period. The decline was primarily due to lower transaction volume. The U.S. to U.S. channel of total money transfer transactions for 2017.

During 2016, total money transfer fee and other revenue grew by 7% and total money transfer transactions grew by 5%. Th channel generated 9% revenue growth for the year ended December 31, 2016 and 8% transaction growth for the same perio transaction growth was primarily driven by sends to Latin America, Africa and Asia Pacific and was partially offset by the our full-service kiosk offerings. The U.S. Outbound channel accounted for 43% of our total money transfer transactions for

During 2016, the Non-U.S. channel money transfer fee and other revenue grew by 8% and transactions grew by 11% for the revenue and transaction growth was primarily driven by sends from Europe, partially offset by lower transaction volume ca geopolitical and economic challenges in parts of Africa. The Non-U.S. channel accounted for 43% of total money transfer t year ended December 31, 2016.

For the year ended December 31, 2016, the U.S. to U.S. channel money transfer fee and other revenue declined by 7% and declined by 13% for the same period. The decline was primarily due to lower volume of transactions under $200. The U.S. accounted for 14% of total money transfer transactions for 2016.

Bill Payment Fee and Other Revenue

In 2017 and 2016, bill payment fee and other revenue decreased by $11.2 million or 11% and $1.2 million or 1%, respectiv transactions resulting from shifts in industry mix. For the years ended December 31, 2017 and 2016, bill payment transactic 12% and 3%, respectively.

Global Funds Transfer Fee and Other Commissions Expense

The Company incurs fee commissions and foreign exchange commissions primarily on our Global Funds Transfer products transfer transaction, both the agent initiating the transaction and the receiving agent earn a fee commission that is generally based on a percentage of the fee charged to the consumer. The agent initiating the transaction and the receiving agent also e exchange commissions, which are generally based on a percentage of currency exchange spreads. In a bill payment transact initiating the transaction receives a commission and, in limited circumstances, the biller will generally earn a commission th percentage of the fee charged to the consumer. Other commissions expense includes the amortization of capitalized agent si payments.

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The following table details the changes in fee and other commissions for the Global Funds Transfer segment from the respe
the years ended December 31:

(Amounts in millions)	2017	2016
Prior year ended	$791.9	$759.5
Change resulting from:		
Money transfer revenue	(17.4)	50.9
Bill payment revenue and commission rates	(6.6)	(0.1)
Money transfer corridor and agent mix	(3.7)	(5.0)
Signing bonuses	(1.9)	(5.0)
Impact from changes in exchange rates	(0.1)	(8.4)
Current year ended	$762.2	$791.9

For the year ended December 31, 2017, fee and other commissions expense decreased $29.7 million or 4%. The decrease in
expense was primarily driven by decreases in money transfer revenue, bill payment revenue and commissions rates and mo
corridor and agent mix. Commissions expense as a percentage of fee and other revenue was 51% in both 2017 and 2016.

For the year ended December 31, 2016, fee and other commissions expense increased $32.4 million or 4%. The increase in
expense was primarily driven by the increase in money transfer revenue, as a result of an increase in money transfer volume
average price per transaction, partially offset by changes in money transfer corridor and agent mix, the impact from a strong
compared to prior year and a decrease in signing bonus amortization. Commissions expense as a percentage of fee and othe
to 51% in 2016 from 52% in 2015.

Financial Paper Products Fee and Other Revenue and Fee and Other Commissions Expense

Fee and other revenue consists of transaction fees and other revenue. Transaction fees are earned on money order and offici
transactions. Other revenue primarily consists of processing fees, service charges on aged outstanding money orders and mo
dispenser fees. We generally do not pay commissions to agents on the sale of money orders, except, in certain limited circu
agents where we may pay a commission based on total money order transactions or outstanding balance.

The following discussion provides a summary of fee and other revenue and fee and other commissions expense for the Fina
Product segment for the years ended December 31. Investment revenue and investment commissions expense are not incluc
below. For further detail, see "Investment Revenue Analysis" below.

(Amounts in millions, except percentages)	2017	2016	2015	2017 vs 2016	2016 vs 2015
Money order fee and other revenue	$42.5	$45.4	$47.6	(6)%	(5)%
Official check fee and other revenue	10.4	12.2	13.8	(15)%	(12)%
Financial Paper Product fee and other revenue	$52.9	$57.6	$61.4	(8)%	(6)%
Fee and other commissions expense	$1.3	$1.2	$0.3	8 %	NM

Money order fee and other revenue decreased in 2017 and 2016 due to transaction declines of 6% and 7%, respectively, attr
the migration of consumers to other payment methods. Similarly, official check fee and other revenue decreased due to tran
3% and 8% in 2017 and 2016, respectively.

Investment Revenue Analysis

The following discussion provides a summary of the Company's investment revenue and investment commissions expense
December 31:

(Amounts in millions, except percentages)	2017	2016	2015	2017 vs 2016	2016 vs 2015
Investment revenue	$41.2	$18.0	$12.1	NM	49 %
Investment commissions expense [(1)]	8.7	2.5	0.8	NM	NM

[(1)]Investment commissions expense consists of amounts paid to financial institution customers based on short-term interest
the average outstanding cash balances of official checks sold by the financial institution.

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Investment Revenue

Investment revenue consists primarily of interest income generated through the investment of cash balances received from t
checks and money orders. These cash balances are available to us for investment until the payment instrument is cleared. In
varies depending on the level of investment balances and the yield on our investments.

Investment revenue in 2017 increased $23.2 million, when compared to 2016, due to the redemption of an asset-backed sec
higher yields earned on investment balances. In 2017, investment commissions expense increased due to the change in inter
4 — Investment Portfolio of the Notes to the Consolidated Financial Statements for additional information on the redempti
Investment revenue in 2016 increased $5.9 million, or 49%, when compared to 2015 primarily due to higher yields earned c
balances. In 2016 investment commissions expense increased due to the change in interest rates.

Operating Expenses

The following table is a summary of the operating expenses, excluding commissions expense, for the years ended Decembe

(Amounts in millions, except percentages)	2017 Dollars	2017 Percent of Total Revenue		2016 Dollars	2016 Percent of Total Revenue		2015 Dollars	2015 Percent of Total Revenue	
Compensation and benefits	$277.7	17	%	$295.7	18	%	$310.4	20	%
Transaction and operations support	402.3	25	%	309.5	19	%	324.8	21	%
Occupancy, equipment and supplies	66.1	4	%	61.9	4	%	62.3	4	%
Depreciation and amortization	75.1	5	%	79.9	5	%	66.1	4	%
Total operating expenses	$821.2	51	%	$747.0	46	%	$763.6	50	%

In 2017, total operating expenses as a percentage of total revenue increased when compared to 2016, due to an $85.0 millio
the DPA.

In 2016, total operating expenses as a percentage of total revenue was 46% compared to 50% in 2015. The decrease was ma
increase in total revenue, lower expense related to the 2014 Global Transformation Program and a decrease in pension expe
by an increase in outsourcing, independent contractor and consultant costs, depreciation and amortization and net salaries, r
taxes and cash incentive compensation, all of which are discussed in more detail below.

Compensation and Benefits

Compensation and benefits include salaries and benefits, management incentive programs, related payroll taxes and other e
costs. The following table is a summary of the change in compensation and benefits from the respective prior year for the y
December 31:

(Amounts in millions)	2017	2016
Prior year ended	$295.7	$310.4
Change resulting from:		
Net salaries, related payroll taxes and cash incentive compensation	(11.7)	12.7
Severance and related costs	(6.0)	7.0
Employee stock-based compensation	(3.4)	(1.7)
Impact from changes in exchange rates	2.3	(2.1)
Pension	(1.3)	(19.7)
Reorganization and restructuring	—	(10.3)
Other	2.1	(0.6)
Current year ended	$277.7	$295.7

In 2017, compensation and benefits decreased by $18.0 million due to the decrease in net salaries, related payroll taxes and
compensation primarily driven by lower headcount, a decrease in severance and related costs and lower employee stock-bas
expense. These decreases were partially offset by the changes in exchange rates due to a weaker U.S. dollar.

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In 2016, compensation and benefits decreased by $14.7 million due to the decrease in pension expense primarily as a result
settlement charge recorded in 2015 from a voluntary pension buyout, the conclusion of the 2014 Global Transformation Pro
reorganization and restructuring activities, impact from changes in exchange rates due to a stronger U.S. dollar and lower e
stock-based compensation expense. These decreases were partially offset by an increase in net salaries, related payroll taxes
incentive compensation primarily driven by higher headcount and also offset by an increase in severance and related costs.

Transaction and Operations Support

Transaction and operations support primarily includes marketing, professional fees and other outside services, telecommuni
support costs, including forms related to our products, non-compensation employee costs, including training, travel and relo
charges and the impact of foreign exchange rate movements on our monetary transactions, assets and liabilities denominate
other than the U.S. dollar.

The following table is a summary of the change in transaction and operations support from the respective prior year for the
December 31:

(Amounts in millions)	2017	2016
Prior year ended	$309.5	$324.8
Change resulting from:		
Legal expenses	94.2	(2.2)
Net realized foreign exchange gains	10.7	(6.8)
Outsourcing, independent contractor and consultant costs	(9.2)	19.2
Marketing costs	(8.4)	5.8
Direct monitor costs	6.9	(2.4)
Provision for loss	(4.9)	(8.1)
Bank Charges	4.2	2.1
Compliance enhancement program	(2.1)	(13.0)
Impact from changes in exchange rates	1.0	(1.0)
Reorganization and restructuring	—	(7.8)
Other	0.4	(1.1)
Current year ended	$402.3	$309.5

In 2017, transaction and operations support increased by $92.8 million primarily due to an increase in legal expenses driven
million accrual related to the DPA discussed in more detail in Note 13 — Commitments and Contingencies of the Notes to
Financial Statements, and costs incurred in connection with the terminated merger with Ant Financial. Additional factors co
increase include: the change in net realized foreign exchange gains, direct monitor costs and bank charges from fees on fore
trades. The increase was partially offset by decreases in outsourcing, independent contractor and consultant costs and mark
reduction in our provision for loss.

In 2016, transaction and operations support decreased by $15.3 million primarily due to the decline in expenses related to th
enhancement program and the completion of the 2014 Global Transformation Program reorganization and restructuring act
in our provision for loss due to reduced moneygram.com fraud losses and decreased net realized foreign exchange gains rel
favorable execution of the purchase of certain currencies, which traded outside of their historical norms in the first half of 2
was partially offset by an increase in costs for outsourcing, independent contractor and consultant costs as a result of contin
our compliance systems and call centers and an increase in marketing costs.

Occupancy, Equipment and Supplies

Occupancy, equipment and supplies expense include facilities rent and maintenance costs, software and equipment mainten
and delivery costs and supplies.

In 2017, occupancy, equipment and supplies expense increased $4.2 million when compared to 2016 as a result of an increa
maintenance costs.

In 2016, occupancy, equipment and supplies remained relatively flat when compared to 2015.

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Depreciation and Amortization

Depreciation and amortization includes depreciation on computer hardware and software, agent signage, point of sale equip
software development costs, office furniture, equipment and leasehold improvements and amortization of intangible assets.
In 2017, depreciation and amortization decreased $4.8 million, or 6%, when compared to 2016, as a result of higher costs d
of 2016 from the accelerated depreciation expense on our non-core point of sale equipment that was early retired.
In 2016, depreciation and amortization increased $13.8 million, or 21%, when compared to 2015, primarily driven by accel
expense on non-core assets and depreciation expense on computer hardware and software asset additions related to the com
enhancement program.

Other Expenses, Net

Interest expense in 2017 remained relatively flat when compared to 2016.
Interest expense in 2016 remained relatively flat when compared to 2015. The Company incurred debt extinguishment cost
2016 in connection with additional debt principal payments and a debt repurchase made during the year.

Income Taxes

The following table represents our provision for income taxes and effective tax rate for the years ended December 31:

(Amounts in millions, except percentages)	2017	2016	2015
Provision for income taxes	$(6.8)	$26.6	$47.3
Effective tax rate	18.6 %	62.6 %	(155.6)%

In 2017, the Company recognized a tax benefit of $6.8 million on a pre-tax loss of $36.6 million. The most significant item
effective tax rate were the tax impacts of TCJA, discussed below, and the tax impact of an accrual related to the DPA as fur
Note 13 — Commitments and Contingencies of the Notes to the Consolidated Financial Statements. As a result of the reduc
corporate income tax rate from 35% to 21% under the TCJA, the Company revalued its ending net deferred tax liabilities as
2017 and recognized a provisional $19.8 million tax benefit in the Company's consolidated statement of income for the yea
31, 2017. Additionally, the Company recognized a provisional net $3.0 million tax benefit for the remeasurement of previo
deferred tax assets and liabilities primarily associated with historical earnings in its foreign subsidiaries. See Note 12 — Inc
Notes to the Consolidated Financial Statements for additional disclosure regarding potential impacts from the TCJA and the
impacting the Company's effective tax rate.

Our provision for income taxes decreased from 2015 to 2016, primarily as a result of an IRS tax court decision received in
offset by a separate IRS settlement in 2016. The effective tax rate increase in 2016 is not meaningful to compare to 2015 du
loss in 2015. See Note 12 — Income Taxes and Note 13 — Commitments and Contingencies of the Notes to the Consolidat
for additional disclosure.

Our provision for income taxes is volatile and could be affected by changes in the valuation of our deferred tax assets and li
in tax laws and regulations, ultimate settlements of the IRS matter referred to above and examinations by tax authorities. W
examine the impact the TCJA may have on us, which could adversely affect our business, financial condition and results of
We are regularly examined by tax authorities both domestically and internationally. We assess the likelihood of adverse out
that adequate amounts have been reserved for adjustments that may result from these examinations. Given the inherent unc
examinations, the ultimate amount and timing of adjustments cannot be assured.

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Operating Income and Operating Margin

The following table provides a summary overview of operating income and operating margin for the years ended Decembe

(Amounts in millions, except percentages)	2017	2016	2015
Operating income:			
Global Funds Transfer	$4.9	$95.8	$31.7
Financial Paper Products	31.8	18.5	17.9
Total segment operating income	36.7	114.3	49.6
Other	(28.0)	(26.5)	(34.7)
Total operating income	$8.7	$87.8	$14.9
Total operating margin	0.5 %	5.4 %	1.0 %
Global Funds Transfer	0.3 %	6.2 %	2.2 %
Financial Paper Products	33.8 %	24.5 %	24.4 %

2017 Compared to 2016

In 2017, the Global Funds Transfer segment operating income and operating margin decreased due to the decline in money other revenue and an $85.0 million accrual related to the DPA discussed in more detail in Note 13 — Commitments and Co Notes to the Consolidated Financial Statements, partially offset by the decrease in operating expenses as a result of various initiatives throughout the year. The Financial Paper Products segment operating income and operating margin increased wh 2016, due to higher segment revenues from the redemption of an asset-backed security described in Note 4 — Investment P to the Consolidated Financial Statements. The increase in "Other" operating losses was primarily driven by costs incurred i the terminated merger with Ant Financial in 2017, partially offset by lower severance and related costs.

2016 Compared to 2015

During 2016, the Company experienced an increase in total operating income and operating margin when compared to 201 increase in money transfer fee and other revenue of $89.3 million. Additionally, total operating expenses as a percent of tot decreased due to the lower expenses related to the 2014 Global Transformation Program and the reduction in pension expe by an increase in outsourcing, independent contractor and consultant costs, depreciation and amortization and net salaries, r taxes and cash incentive compensation, as previously discussed.

"Other" operating losses decreased from 2015 to 2016 primarily due to the decrease in pension expense as a result of a pens charge recorded in 2015 from a voluntary pension buyout.

EBITDA, Adjusted EBITDA, Adjusted Free Cash Flow and Constant Currency

We believe that EBITDA (earnings before interest, taxes, depreciation and amortization, including agent signing bonus amo Adjusted EBITDA (EBITDA adjusted for certain significant items), Adjusted Free Cash Flow (Adjusted EBITDA less cash taxes, cash payments for capital expenditures and cash payments for agent signing bonuses) and constant currency measure that amounts denominated in foreign currencies are translated to the U.S. dollar at rates consistent with those in the prior ye information to investors because they are indicators of the strength and performance of our ongoing business operations. Th are commonly used as a basis for investors, analysts and other interested parties to evaluate and compare the operating perf of companies within our industry. In addition, our debt agreements require compliance with financial measures similar to A EBITDA, Adjusted EBITDA, Adjusted Free Cash Flow and constant currency are financial and performance measures use in reviewing results of operations, forecasting, allocating resources and establishing employee incentive programs. We also EBITDA growth, constant currency adjusted, which provides information to investors regarding MoneyGram's performanc of foreign currency exchange rate fluctuations year-over-year.

Although we believe that EBITDA, Adjusted EBITDA, Adjusted Free Cash Flow and constant currency measures enhance understanding of our business and performance, these non-GAAP financial measures should not be considered in isolation the accompanying GAAP financial measures. These metrics are not necessarily comparable with similarly named metrics o

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The following table is a reconciliation of our non-GAAP financial measures to the related GAAP financial measures for the
December 31:

(Amounts in millions)	2017	2016	2015
(Loss) income before income taxes	$(36.6)	$42.5	$(30.4)
Interest expense	45.3	45.0	45.3
Depreciation and amortization	75.1	79.9	66.1
Amortization of agent signing bonuses	51.9	54.0	60.4
EBITDA	135.7	221.4	141.4
Significant items impacting EBITDA:			
Legal and contingent matters(1)	85.9	2.3	1.7
Direct monitor costs	16.0	9.1	11.5
Stock-based, contingent and incentive compensation	14.5	19.0	26.9
Costs incurred in connection with the terminated merger with Ant Financial(2)	12.7	—	—
Compliance enhancement program	9.6	10.3	26.5
Severance and related costs	1.5	1.9	—
Reorganization and restructuring costs	—	—	20.0
Pension settlement charge	—	—	13.8
Adjusted EBITDA	$275.9	$264.0	$241.8
Adjusted EBITDA growth, as reported	5 %		
Adjusted EBITDA growth, constant currency adjusted	5 %		
Adjusted EBITDA	$275.9	$264.0	$241.8
Cash payments for interest	(41.9)	(41.6)	(42.1)
Cash payments for taxes, net of refunds	(5.0)	(9.5)	(64.4)
Payments related to IRS tax matter	—	—	61.0
Cash payments for capital expenditures	(83.6)	(82.8)	(109.9)
Cash payments for agent signing bonuses	(40.3)	(34.0)	(87.3)
Adjusted Free Cash Flow	$105.1	$96.1	$(0.9)

(1) 2017 consists primarily of an $85.0 million accrual related to the DPA net of a one-time insurance settlement of $1.3 million.

(2) Costs include, but are not limited to, legal, investment banking and consultant fees and other one-time integration planning costs.

2017 Compared to 2016

The Company generated EBITDA of $135.7 million and $221.4 million and Adjusted EBITDA of $275.9 million and $264
years ended December 31, 2017 and 2016, respectively. Adjusted EBITDA increased when compared to the same period in
due to a decrease in total operating expenses driven by a decrease in net salaries, related payroll taxes and cash incentive co
outsourcing, independent contractor and consultant costs and marketing costs. EBITDA decreased primarily due to an $85.0
related to the DPA discussed in more detail in Note 13 — Commitments and Contingencies of the Notes to the Consolidate
Statements when compared to 2016.

For 2017, Adjusted Free Cash Flow increased by $9.0 million. The increase was a result of increase in Adjusted EBITDA, d
payments for net cash taxes, partially offset by increases in agent signing bonuses.

2016 Compared to 2015

For 2016, the Company generated EBITDA of $221.4 million and adjusted EBITDA of $264.0 million. When compared to
EBITDA increased $22.2 million. The increase in Adjusted EBITDA was primarily driven by an increase in money transfer
revenue and a decrease in the pension expense. The increase in EBITDA was driven by the same factors that impacted Adju

lower expense related to the 2014 Global Transformation Program.
For 2016, Adjusted Free Cash Flow increased by $97.0 million. The increase was a result of increase in Adjusted EBITDA,
payments for capital expenditures and agent signing bonuses.
See "Results of Operations" and "Analysis of Cash Flows" sections for additional information regarding these changes.

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LIQUIDITY AND CAPITAL RESOURCES

We have various resources available for purposes of managing liquidity and capital needs, including our investment portfol and letters of credit. We refer to our cash and cash equivalents, settlement cash and cash equivalents, interest-bearing inves available-for-sale investments collectively as our "investment portfolio." The company utilizes cash and cash equivalents in and capital assessments.

Cash and Cash Equivalents, Settlement Assets and Payment Service Obligations

The following table shows the components of the Company's cash and cash equivalents and settlement assets as of Decemb

(Amounts in millions)	2017	2016
Cash and cash equivalents	$190.0	$157.2
Settlement assets:		
Settlement cash and cash equivalents	1,469.9	1,365.0
Receivables, net	1,125.8	999.4
Interest-bearing investments	1,154.2	1,252.1
Available-for-sale investments	7.0	17.8
	3,756.9	3,634.3
Payment service obligations	$(3,756.9)	$(3,634.3)

Our primary sources of liquidity include cash flows generated by the sale of our payment instruments, our cash and cash eq interest-bearing investment balances, proceeds from our investment portfolio and credit capacity under our credit facilities. operating liquidity needs are related to the settlement of payment service obligations to our agents and financial institution operating expenses and debt service.

To meet our payment service obligations at all times, we must have sufficient highly liquid assets and be able to move fund timely basis. On average, we receive in and pay out a similar amount of funds on a daily basis to collect and settle the princ payment instruments sold and related fees and commissions with our end consumers and agents. This pattern of cash flows our payment service obligations through ongoing cash generation rather than liquidating investments or utilizing our revolv We have historically generated, and expect to continue generating, sufficient cash flows from daily operations to fund ongo needs.

We seek to maintain funding capacity beyond our daily operating needs to provide a cushion through the normal fluctuation service obligations, as well as to provide working capital for the operational and growth requirements of our business. We b sufficient liquid assets and funding capacity to operate and grow our business for the next 12 months. Should our liquidity r operating cash flows, we believe that external financing sources, including availability under our credit facilities, will be su anticipated funding requirements.

Cash and Cash Equivalents and Interest-bearing Investments

To ensure we maintain adequate liquidity to meet our operating needs at all times, we keep a significant portion of our inve cash and cash equivalents and interest-bearing investments at financial institutions rated A- or better by two of the followin agencies: Moody's Investor Service ("Moody's"), Standard & Poor's ("S&P") and Fitch Ratings, Inc. ("Fitch"); and in AAA government money market funds. If the rating agencies have split ratings, the Company uses the lower of the highest two o across the agencies for disclosure purposes. If the institution has only two ratings, the Company uses the lower of the two ra disclosure purposes. As of December 31, 2017, cash and cash equivalents (including unrestricted and settlement cash and ca and interest-bearing investments totaled $2.8 billion. Cash and cash equivalents consist of interest-bearing deposit accounts bearing transaction accounts and money market securities; interest-bearing investments consist of time deposits and certific with maturities of up to 24 months.

Available-for-sale Investments

Our investment portfolio includes $7.0 million of available-for-sale investments as of December 31, 2017. U.S. governmen mortgage-backed securities compose $5.6 million of our available-for-sale investments, while asset-backed and other secur remaining $1.4 million.

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Clearing and Cash Management Banks

We collect and disburse money through a network of clearing and cash management banks. The relationships with these ba
component of our ability to maintain our global active funding requirements on a timely basis. We have agreements with si
banks that provide clearing and processing functions for official checks, money orders and other draft instruments. We have
official check clearing banks, which provide sufficient capacity for our official check business. We rely on three active ban
retail money orders and believe that these banks provide sufficient capacity for that business. We also maintain relationship
domestic and international cash management banks for electronic funds transfer and wire transfer services used in the move
funds and agent settlements.

Credit Facilities

On March 28, 2013, we entered into the 2013 Credit Agreement with BOA, as administrative agent, the financial institution
lenders and the other agents party thereto. The 2013 Credit Agreement provided for (i) a senior secured five-year Revolving
to an aggregate principal amount of $125.0 million and (ii) a senior secured seven-year term loan facility of $850.0 million
Facility"). The Revolving Credit Facility includes a sub-facility that permits the Company to request the issuance of letters
aggregate amount of $50.0 million, with borrowings available for general corporate purposes and which would reduce the a
under the Revolving Credit Facility.

On April 2, 2014, we entered into the Incremental Agreement with BOA, as administrative agent, and various lenders, whic
tranche under the Term Credit Facility in an aggregate principal amount of $130.0 million, (ii) an increase in the aggregate
commitments under the 2013 Credit Agreement from $125.0 million to $150.0 million, and (iii) certain other amendments t
Agreement.

On December 12, 2016, the Company entered into Amendment No. 2 to the 2013 Credit Agreement (the "2016 Amendmen
various lenders. The 2016 Amendment includes, but is not limited to, decreasing the aggregate revolving credit commitmen
million to $125.0 million from December 12, 2016 to March 27, 2018 (the remainder of the original Revolving Credit Facil
increasing the maximum secured leverage ratio, effective the first quarter of 2017. The 2016 Amendment also extends the r
revolving credit commitments of the extending lenders, which represent commitments of $85.8 million in the aggregate, fro
to September 28, 2019.

The following table is a summary of the Company's outstanding debt balance as of December 31:

(Amounts in millions, except percentages)	December 31, 2017 Effective Interest Rate		December 31, 2016 Effective Interest Rate	
Senior secured credit facility due 2020	4.94%	$914.2	4.25%	$924.0
Unamortized debt issuance costs and debt discount		(6.1)		(8.8)
Total debt, net		$908.1		$915.2

As of December 31, 2017, the Company had no outstanding letters of credit or borrowings under the Revolving Credit Faci
million of borrowing capacity thereunder. The Company's effective interest rate on senior secured borrowings increased fro
December 31, 2016 to 4.94% as of December 31, 2017 due to an increase in the Eurodollar rate.

The 2013 Credit Agreement contains various financial and non-financial covenants. We continuously monitor our compliar
covenants. At December 31, 2017, the Company was in compliance with its financial covenants. See Note 8 — Debt of the
Consolidated Financial Statements for additional disclosure related to the Company's credit facilities and financial covenan

Credit Ratings

As of December 31, 2017, our credit ratings from Moody's and S&P were B1 with a stable outlook and B+ with a stable ou
Our credit facilities, regulatory capital requirements and other obligations will not be impacted by a future change in our cr

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Regulatory Capital Requirements and Contractual Obligations

Regulatory Capital Requirements

We have capital requirements relating to government regulations in the U.S. and other countries where we operate. Such re
require us to maintain certain assets in a defined ratio to our payment service obligations. Through our wholly-owned subsi
entity, MPSI, we are regulated in the U.S. by various state agencies that generally require us to maintain a pool of liquid as
investments in an amount generally equal to the regulatory payment service obligation measure, as defined by each state, fo
payment instruments, namely teller checks, agent checks, money orders and money transfers. The regulatory requirements
specify individual assets held to meet our payment service obligations, nor are we required to deposit specific assets into a
other special account. Rather, we must maintain a pool of liquid assets. Provided we maintain a total pool of liquid assets su
the regulatory and contractual requirements, we are able to withdraw, deposit or sell our individual liquid assets at will, wit
penalty or limitations. We were in compliance with all state capital requirements as of December 31, 2017.

We are also subject to regulatory capital requirements in various countries outside of the U.S., which typically result in a re
prefund agent settlements or hold minimum required levels of cash or guarantees within the applicable country. The amoun
based on our level of activity and is likely to increase over time as our business expands internationally. Assets used to mee
requirements support our payment service obligations and are not available to satisfy other liquidity needs. As of Decembe
$83.5 million of prefunds and cash designated to meet regulatory capital requirements and such amounts are included in "S
on the Consolidated Balance Sheet.

We were in compliance with all regulatory capital requirements as of December 31, 2017. We believe that our liquidity and
will remain sufficient to ensure ongoing compliance with all regulatory capital requirements.

Contractual Obligations

The following table includes aggregated information about the Company's contractual obligations that impact our liquidity
The table includes information about payments due under specified contractual obligations, aggregated by type of contract
December 31, 2017:

	Payments due by period				
(Amounts in millions)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Debt, including interest payments	$1,025.4	$ 57.5	$967.9	$ —	$ —
Non-cancellable leases	65.0	16.3	27.5	16.5	4.7
Signing bonuses	34.0	28.0	6.0	—	—
Marketing	59.1	22.3	25.2	9.8	1.8
Total contractual cash obligations	$1,183.5	$ 124.1	$1,026.6	$ 26.3	$ 6.5

Our Consolidated Balance Sheet at December 31, 2017 includes $914.2 million of debt, netted with unamortized debt issua
discount of $6.1 million. The above table reflects the principal and interest that will be paid through the maturity of the deb
effect on December 31, 2017, and assuming no prepayments of principal. Non-cancellable leases include operating leases f
vehicles and equipment and other leases. Signing bonuses are payments to certain agents and financial institution customer
enter into long-term contracts. Marketing represents contractual marketing obligations with certain agents, billers and corp
We have other commitments as described further below that are not included in this table as the timing and/or amount of pa
difficult to estimate.

We have a funded, noncontributory defined benefit pension plan ("Pension Plan") that is frozen to both future benefit accru
participants. It is our policy to fund at least the minimum required contribution each year plus additional discretionary amo
and necessary to minimize expenses of the plan. We made contributions of $8.0 million to the Pension Plan during 2017. A
Company has no minimum required contribution for the Pension Plan in 2018, we expect to contribute $8.0 million to the P
2018.

The Company has certain unfunded defined benefit plans: supplemental executive retirement plans ("SERPs"), which are u
non-qualified defined benefit pension plans providing postretirement income to their participants; and a postretirement plan
Benefits") that provides medical and life insurance for its participants. These plans require payments over extended periods
Company will continue to make contributions to the SERPs and the Postretirement Benefits to the extent benefits are paid.
paid for the unfunded plans are expected to be $7.0 million in 2018.

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As discussed in Note 13 — Commitments and Contingencies of the Notes to the Consolidated Financial Statements, the IR
examination of the Company's consolidated income tax returns through 2013 and issued Notices of Deficiency for 2005-20
Examination Report for 2008. The Notices of Deficiency and Examination Report disallow, among other items, approximat
million of ordinary deductions on securities losses in the 2007, 2008 and 2009 tax returns. In May 2012 and December 201
filed petitions in the U.S. Tax Court challenging the 2005-2007 and 2009 Notices of Deficiency, respectively. In 2013, the
partial settlement with the IRS allowing ordinary loss treatment on $186.9 million of deductions in dispute. In January 201
Court granted the IRS's motion for summary judgment upholding the remaining adjustments in the Notices of Deficiency. I
Company made payments to the IRS of $61.0 million for federal tax payments and associated interest related to the matter.
believes that it has substantive tax law arguments in favor of its position. The Company filed a notice of appeal with the U.
July 27, 2015 for an appeal to the U.S. Court of Appeals for the Fifth Circuit. Oral arguments were held before the Fifth Ci
2016, and on November 15, 2016, the Fifth Circuit vacated the Tax Court's decision and remanded the case to the Tax Cou
proceedings. The Company filed a motion for summary judgment in the Tax Court on May 31, 2017. On August 23, 2017,
motion for summary judgment and its response to the Company's motion for summary judgment. Pending the outcome of t
Company may be required to file amended state returns and make additional cash payments of up to $18.7 million on amou
previously been accrued.

In limited circumstances as an incentive to new or renewing agents, the Company may grant minimum commission guarant
period of time at a contractually specified amount. Under the guarantees, the Company will pay to the agent the difference
contractually specified minimum commission and the actual commissions earned by the agent. As of December 31, 2017, t
commission guarantees had a maximum payment of $2.1 million over a weighted average remaining term of 0.6 years. The
payment is calculated as the contractually guaranteed minimum commission times the remaining term of the contract and, t
that the agent generates no money transfer transactions during the remainder of its contract. As of December 31, 2017, the
minimum commission guarantees was $1.2 million. Minimum commission guarantees are not reflected in the table above.

The Company has agreements with certain co-investors to provide funds related to investments in limited partnership intere
December 31, 2017, the total amount of unfunded commitments related to these agreements was $0.3 million.

Analysis of Cash Flows

(Amounts in millions)	2017	2016	2015	2017 vs 2016	2016 vs 2015
Net cash provided by operating activities	$132.5	$120.9	$34.1	$11.6	$86.8
Net cash used in investing activities	(83.6)	(82.8)	(109.5)	(0.8)	26.7
Net cash used in financing activities	(16.1)	(45.4)	(10.7)	29.3	(34.7)
Net change in cash and cash equivalents	$32.8	$(7.3)	$(86.1)	$40.1	$78.8

Cash Flows from Operating Activities

During 2017, cash provided by operating activities increased due to a decrease in cash taxes, net and reduction in expenditu
capital items. The increase was partially offset by an increase in signing bonus payments of $6.3 million driven by the timi
expansion and retention efforts.

During 2016, cash provided by operating activities increased due to an increase in net income and a decrease in signing bo
of $53.3 million driven by the timing of agent expansion and retention efforts. This increase was partially offset by increase
employee performance bonuses and a payment of $13.0 million related to the State Civil Investigative Demands matter in M

Cash Flows from Investing Activities

Items impacting net cash used in investing activities in 2017, 2016 and 2015 were primarily from capital expenditures of $8
million and $109.9 million, respectively. Capital expenditures remained relatively flat when compared to 2016.

Cash Flows from Financing Activities

In 2017, items impacting net cash used in financing activities were $9.8 million of principal payments on debt and payment
for stock-based compensation of $8.0 million. In 2016, items impacting net cash used in financing activities were $30.3 mil
payments on debt, which included additional principal payments totaling $20.0 million made on the Term Credit Facility in
of 2016, stock repurchases of $11.7 million and payments to tax authorities for stock-based compensation of $2.7 million. I
impacting net cash used in financing activities were $9.8 million principal payments on debt, payments to tax authorities fo

compensation of $0.5 million and $0.4 million of stock repurchases.

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Stockholders' Deficit

Stockholders' Deficit — The Company is authorized to repurchase up to 12,000,000 shares of our common stock. As of De
had repurchased a total of 9,842,509 shares of our common stock under this authorization and have remaining authorizatior
to 2,157,491 shares.

Under the terms of our outstanding credit facilities, we are restricted in our ability to pay dividends on our common stock. N
paid on our common stock in 2017, and we do not anticipate declaring any dividends on our common stock during 2018.

Off-Balance Sheet Arrangements

None.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires estimates and assumptions that affect the reporte
related disclosures in the consolidated financial statements. Actual results could differ from those estimates. On a regular ba
reviews its accounting policies, assumptions and estimates to ensure that our financial statements are presented fairly and ir
GAAP. Our significant accounting policies are discussed in Note 2 — Summary of Significant Accounting Policies of the N
Consolidated Financial Statements.

Critical accounting policies are those policies that management believes are very important to the portrayal of our financial
results of operations, and that require management to make estimates that are difficult, subjective or complex. Based on the
management has identified and discussed with the Audit Committee the following critical accounting policies and estimates
methodology and disclosures related to those estimates.

Goodwill — We have two reporting units: Global Funds Transfer and Financial Paper Products. Our Global Funds Transfer
only reporting unit that carries goodwill. We evaluate goodwill for impairment annually as of October 1, or more frequently
of certain events. When testing goodwill for impairment, we may elect to perform either a qualitative test or a quantitative t
it is more likely than not that the carrying value of a reporting unit exceeds its estimated fair value. During a qualitative ana
the impact of any changes to the following factors: macroeconomic, industry and market factors, cost factors, and changes i
performance, as well as any other relevant events and uncertainties impacting a reporting unit. If our qualitative assessment
that it is more likely than not that the estimated fair value of the reporting unit is greater than the carrying value, we perform
analysis. In a quantitative testing, the fair value of a reporting unit is determined based on a discounted cash flow analysis a
analyzed using other methods of valuation. A discounted cash flow analysis requires us to make various assumptions, inclu
about future cash flows, growth rates and discount rates. The assumptions about future cash flows and growth rates are base
projections by reporting unit. In addition, an assumed terminal value is used to project future cash flows beyond base years.
in our impairment testing are consistent with our internal forecasts and operating plans. Our discount rate is based on our de
balances, adjusted for current market conditions and investor expectations of return on our equity. If the fair value of a repo
its carrying amount, there is no impairment. If not, we compare the fair value of the reporting unit with its carrying amount.
carrying amount of the reporting unit exceeds its fair value, a write-down of the reporting unit's goodwill would be necessa
We did not recognize a goodwill impairment loss for 2017, 2016 or 2015. The carrying value of goodwill assigned to the G
Transfer reporting unit at December 31, 2017 was $442.2 million. By analyzing the qualitative factors discussed above, we
quantitative impairment analysis was not needed. As of October 1, 2017, the Global Funds Transfer reporting unit carrying
relatively unchanged when compared to the prior year. Additionally, as of the 2017 test date, the Company's market price m
when compared to the prior year test date and there were no significant changes to the reporting unit's cash flows and growt
we concluded that the Global Funds Transfer reporting unit's fair value was substantially in excess of the reporting unit's ca
As of December 31, 2017, there were no qualitative factors that indicated that the fair value of the reporting unit is less thar
value.

Pension — Through the Company's Pension Plan and SERPs, collectively referred to as our "Pension," we provide defined
coverage to certain of our employees and certain employees of Viad Corporation, our former parent. Our pension obligatior
plans are measured as of December 31, the measurement date. Pension benefit obligations and the related expense are basec
projections using assumptions regarding mortality, discount rates, long-term return on assets and other factors.

Our assumptions reflect our historical experience and management's best judgment regarding future expectations. Certain c
particularly the discount rate and expected return on plan assets, require significant judgment and could have a material imp
measurement of our pension obligation.

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In order to estimate the interest cost components of net periodic benefit expense for its Pension and Postretirement Benefits
utilizes a full yield curve approach by applying the specific spot rates along the yield curve used in the determination of the
to their underlying projected cash flows.
At each measurement date, the discount rate used to measure total benefit obligation for the Pension and Postretirement Be
the then current interest rate yield curves for long-term corporate debt securities with maturities rated AA comparable to ou
Our Pension Plan assets are primarily invested in commingled trust funds. Our investments are periodically realigned in acc
investment guidelines. The expected return on Pension Plan assets is based on our historical market experience, our asset al
expectations for long-term rates of return. We also consider peer data and historical returns to assess the reasonableness and
of our assumption. Our Pension Plan asset allocations are reviewed periodically and are based upon plan funded ratio, an ev
conditions, tolerance for risk and cash requirements for benefit payments.
Lower discount rates increase the Pension and Postretirement Benefits obligation and subsequent year pension expense, wh
rates decrease the Pension and Postretirement Benefits obligation and subsequent year pension expense. Decreasing the disc
50 basis points would have increased the 2017 Pension and Postretirement Benefits net periodic benefit expense by $0.3 mi
discount rate increased by 50 basis points, the Pension and Postretirement Benefits net periodic benefit expense would have
million. Decreasing the expected rate of return by 50 basis points would have increased the 2017 Pension Plan net periodic
$0.6 million and increasing the expected rate of return by 50 basis points would have decreased the 2017 Pension Plan net p
expense by $0.6 million.
Income Taxes, Tax Contingencies — We are subject to income taxes in the U.S. and various foreign jurisdictions. In detern
income, income or loss before taxes is adjusted for differences between local tax laws and GAAP.
We file tax returns in multiple states within the U.S. and various countries. Generally, our tax filings are subject to audit by
three to five years following submission of a return. With a few exceptions, the Company is no longer subject to foreign or
local income tax examinations for years prior to 2012. The U.S. federal income tax filings are subject to audit for fiscal yea
2017.
The benefits of tax positions are recorded in the income statement if we determine it is more-likely-than-not, based on the t
the position, that the tax position will be sustained upon examination, including any related appeals or litigation.
Changes in tax laws, regulations, agreements and treaties, foreign currency exchange restrictions or our level of operations
each taxing jurisdiction could have an impact on the amount of income taxes that we provide during any given year. The de
taxable income in any jurisdiction requires the interpretation of the related tax laws and regulations and the use of estimates
regarding significant future events, such as the amount, timing and character of deductions and the sources and character of
credits.
These assumptions and probabilities are periodically reviewed and revised based upon new information.
Changes in our current estimates due to unanticipated events, or other factors, could have a material effect on our financial
results of operations. Actual tax amounts may be materially different from amounts accrued based upon the results of audits
interpretations by the tax authorities than those of the Company. While we believe that our reserves are adequate to cover re
tax risks, an unfavorable tax settlement generally requires the use of cash and an increase in the amount of income tax expe
recognize. A favorable tax settlement generally requires a decrease in the amount of income taxes that we recognize.
Income Taxes, Valuation of Deferred Tax Assets — Deferred tax assets and liabilities are recorded based on the future tax
attributable to temporary differences that exist between the financial statement carrying value of assets and liabilities and th
basis, and operating loss and tax credit carry-forwards on a taxing jurisdiction basis. We measure deferred tax assets and lia
enacted statutory tax rates that will apply in the years in which we expect the temporary differences to be recovered or paid
The carrying amount of deferred tax assets must be reduced through a valuation allowance if it is more-likely-than-not that
asset will not be realized. In the period in which a valuation allowance is recorded, we would record tax expense, whereas a
be recorded in the period a valuation allowance is released.
In assessing the need for a valuation allowance, we consider both positive and negative evidence related to the likelihood th
assets will be realized. Our assessment of whether a valuation allowance is required or should be adjusted requires judgmen
on a taxing jurisdiction basis. We consider, among other matters: the nature, frequency and severity of any cumulative finan
losses; the ability to carry back losses to prior years; future reversals of existing taxable temporary differences; tax planning
projections of future taxable income. We also consider our best estimate of the outcome of any on-going examinations base
merits of the position, historical procedures and case law, among other items.

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As of December 31, 2017, we have recorded a valuation allowance of $75.9 million against deferred tax assets of $133.6 m
valuation allowance primarily relates to basis differences in revalued investments, capital losses and certain foreign tax loss
we believe that the basis for estimating our valuation allowance is appropriate, changes in our current estimates due to unan
other factors, could have a material effect on our financial condition and results of operations.

The Company has not completed its accounting for the income tax effects of the TCJA. Where the Company has been able
estimates of the effects, the Company has recorded provisional amounts in accordance with SEC Staff Accounting Bulletin
the Company has not yet been able to make reasonable estimates of the impact of certain elements, the Company has not re
amounts related to those elements and has continued accounting for them in accordance with ASC 740 on the basis of the ta
immediately prior to the enactment of the TCJA.

The TCJA reduces the U.S. federal corporate tax rate from 35% to 21% for tax years beginning after December 31, 2017. W
accounting is incomplete, the Company has made a reasonable estimate and recorded a provisional decrease to net U.S. def
of $19.8 million with a corresponding increase to deferred tax benefit. Based on further analysis of the estimates and additio
the application of the law, it is anticipated that revisions may occur throughout the allowable measurement period.

Transition Tax on unrepatriated foreign earnings: The Transition Tax on unrepatriated foreign earnings is a tax on previous
accumulated and current earnings and profits ("E&P") of the Company's foreign subsidiaries. To determine the amount of t
the Company must determine, among other factors, the amount of post-1986 E&P of its foreign subsidiaries, as well as the
non-U.S. income taxes paid on such earnings. The Company made a reasonable estimate of the Transition Tax and has reco
Transition Tax expense. After the utilization of foreign tax credits related to undistributed foreign subsidiary E&P and other
tax credits, the Company expects a net zero liability associated with the deemed mandatory repatriation. The Company is co
additional information to more precisely compute the amount of the Transition Tax to complete its calculation of E&P as w
determination of non-U.S. income taxes paid.

Due to the complexity of the new tax laws around global intangible low taxed income ("GILTI"), the Company is continuin
the income tax provision will be accounted for under the U.S. generally accepted accounting principles wherein companies
make an accounting policy election of either (i) account for GILTI as a component of tax expense in the period in which the
subject to the rules (the "period cost method"), or (ii) account for GILTI in the Company's measurement of deferred taxes (
Currently, the Company has not elected a method and will only do so after its completion of the analysis of the GILTI prov

Recent Accounting Developments

Recent accounting developments are set forth in Note 2 — Summary of Significant Accounting Policies of the Notes to the
Financial Statements.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K and the documents incorporated by reference herein may contain forward-looking staten
meaning of the Private Securities Litigation Reform Act of 1995, including statements with respect to, among other things,
condition, results of operations, plans, objectives, future performance and business of MoneyGram and its subsidiaries. Stat
by, followed by or that include words such as "believes," "estimates," "expects," "projects," "plans," "anticipates," "intends
"could," "may," "would," "goals" and other similar expressions are intended to identify some of the forward-looking statem
of the Private Securities Litigation Reform Act of 1995 and are included, along with this statement, for purposes of comply
harbor provisions of the Act. These forward-looking statements involve risks and uncertainties. Actual results may differ m
those contemplated by the forward-looking statements due to, among others, the risks and uncertainties described in Part I,
caption "Risk Factors" of this Annual Report. These forward-looking statements speak only as of the date they are made, an
undertakes no obligation to publicly update or revise any forward-looking statements for any reason, whether as a result of
future events or otherwise, except as required by federal securities law. These forward-looking statements are based on man
expectations, beliefs and assumptions and are subject to certain risks, uncertainties and changes in circumstances due to a n
These factors include, but are not limited to:

- our ability to compete effectively;
- our ability to maintain key agent or biller relationships, or a reduction in business or transaction volume from these relation with our largest agent, Walmart, through its introduction of competing white label money transfer products or otherwise;
- our ability to manage fraud risks from consumers or agents;
- the ability of us and our agents to comply with U.S. and international laws and regulations;

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- litigation and regulatory proceedings involving us or our agents, which could result in material settlements, fines or penalti required licenses or registrations, termination of contracts, other administrative actions or lawsuits and negative publicity;
- possible uncertainties relating to compliance with and the impact of the DPA;
- current and proposed regulations addressing consumer privacy and data use and security;
- our ability to successfully develop and timely introduce new and enhanced products and services and our investments in ne services or infrastructure changes;
- our substantial debt service obligations, significant debt covenant requirements and credit rating and our ability to maintain
- continued weakness in economic conditions, in both the U.S. and global markets;
- our ability to manage risks associated with our international sales and operations;
- our offering of money transfer services through agents in regions that are politically volatile or, in a limited number of case subject to certain OFAC restrictions;
- major bank failure or sustained financial market illiquidity, or illiquidity at our clearing, cash management and custodial fi
- the ability of us and our agents to maintain adequate banking relationships;
- a security or privacy breach in systems, networks or databases on which we rely;
- disruptions to our computer systems and data centers and our ability to effectively operate and adapt our technology;
- changes in tax laws or unfavorable outcomes of tax positions we take, or a failure by us to establish adequate reserves for t
- a significant change, material slow down or complete disruption of international migration patterns;
- our ability to manage credit risks from our agents and official check financial institution customers;
- our ability to adequately protect our brand and intellectual property rights and to avoid infringing on the rights of others;
- our ability to attract and retain key employees;
- our ability to manage risks related to the operation of retail locations and the acquisition or start-up of businesses;
- any restructuring actions and cost reduction initiatives that we undertake may not deliver the expected results and these act affect our business;
- our ability to maintain effective internal controls;
- our capital structure and the special voting rights provided to the THL Representatives on our Board of Directors; and
- the risks and uncertainties described in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condi Operations” sections of this Annual Report on Form 10-K, as well as any additional risk factors that may be described in ou the SEC from time to time.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Enterprise Risk Management

Risk is an inherent part of any business. Our most prominent risk exposures are credit, interest rate and foreign currency ex Item 1A “Risk Factors” of this Annual Report on Form 10-K for a description of the principal risks to our business. Approp is important to the success of our business, and the extent to which we effectively manage each of the various types of risk financial condition and profitability. Our risk management objective is to monitor and control risk exposures to produce ste growth and long-term economic value.

Management implements policies approved by our Board of Directors that cover our investment, capital, credit and foreign and strategies. The Board receives periodic reports regarding each of these areas and approves significant changes to policy Asset/Liability Committee composed of senior management, routinely reviews investment and risk management strategies Credit Committee, composed of senior management, routinely reviews credit exposure to our agents.

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The following is a discussion of the risks we have deemed most critical to our business and the strategies we use to manage
risks. While containing forward-looking statements related to risks and uncertainties, this discussion and related analyses ar
of future events. Our actual results could differ materially from those anticipated due to various factors discussed under “Ca
Regarding Forward-Looking Statements” and under “Risk Factors” in Part 1, Item 1A of this Annual Report on Form 10-K
Credit Risk
Credit risk, or the potential risk that we may not collect amounts owed to us, affects our business primarily through receival
and derivative financial instruments. In addition, the concentration of our cash, cash equivalents and investments at large fi
exposes us to credit risk.
Investment Portfolio — Credit risk from our investment portfolio relates to the risk that we may be unable to collect the int
owed to us under the legal terms of the various securities. Our primary exposure to credit risk arises through the concentrati
amount of our investment portfolio at a few large banks, also referred to as financial institution risk, as well as a concentrati
issued by U.S. government agencies.
At December 31, 2017, the Company’s investment portfolio of $2.8 billion was primarily comprised of cash and cash equiv
interest-bearing deposit accounts, non-interest bearing transaction accounts and money market funds backed by U.S. gover
and interest-bearing investments consisting of time deposits and certificates of deposit. Based on investment policy restricti
are limited to those rated A- or better by two of the following three rating agencies: Moody's, S&P and Fitch. If the rating a
ratings, the Company uses the lower of the highest two out of three ratings across the agencies for disclosure purposes. If th
only two ratings, the Company uses the lower of the two ratings for disclosure purposes. No maturity of interest-bearing inv
24 months from the date of purchase.
The financial institutions holding significant portions of our investment portfolio may act as custodians for our asset accoun
counterparties to our foreign currency transactions and conduct cash transfers on our behalf for the purpose of clearing our
instruments and related agent receivables and agent payables. Through certain check clearing agreements and other contrac
to utilize several of these financial institutions.
The concentration in U.S. government agencies includes agencies placed under conservatorship by the U.S. government in
unlimited lines of credit from the U.S. Treasury. The implicit guarantee of the U.S. government and its actions to date supp
the U.S. government will honor the obligations of its agencies if the agencies are unable to do so themselves.

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The following table is a detailed summary of our investment portfolio as of December 31, 2017:

(Amounts in millions, except percentages and financial institutions)	Number of Financial Institutions[1]	Amount	Percent Investm Portfolio	
Cash held on-hand at owned retail locations	N/A	$0.4	—	%
Cash equivalents collateralized by securities issued by U.S. government agencies	3	9.2	—	%
Available-for-sale investments issued by U.S. government agencies	N/A	5.6	—	%
Cash, cash equivalents and interest-bearing investments at institutions rated AAA[2]	1	30.2	1	%
Cash, cash equivalents and interest-bearing investments at institutions rated AA	5	696.7	25	%
Cash, cash equivalents and interest-bearing investments at institutions rated A	12	1,455.1	52	%
Cash, cash equivalents and interest-bearing investments at institutions rated BBB	1	1.7	—	%
Cash, cash equivalents and interest-bearing investments at institutions rated below BBB	3	54.2	2	%
Asset-backed and other securities	N/A	1.4	—	%
Investment portfolio held within the U.S.	25	2,254.5	80	%
Cash held on-hand at owned retail locations	N/A	24.6	1	%
Cash, cash equivalents and interest-bearing investments held at institutions rated AA	5	60.1	2	%
Cash, cash equivalents and interest-bearing investments at institutions rated A	17	417.7	15	%
Cash, cash equivalents and interest-bearing investments at institutions rated below A	50	64.2	2	%
Investment portfolio held outside the U.S.	72	566.6	20	%
Total investment portfolio		$2,821.1	100	%

(1) Financial institutions, located both in the U.S. and outside of the U.S., are included in each of their respective total numb institutions.

(2) Inclusive of deposits with FDIC-insured institutions and where such deposits are fully insured by the Federal Deposit Ins Corporation.

At December 31, 2017, all but $1.4 million of the investment portfolio is invested in cash, cash equivalents, interest-bearing investments issued or collateralized by U.S. government agencies. Approximately 99% of the portfolio is invested in cash, and interest-bearing investments, with 80% of our total investment portfolio invested at financial institutions located withi

Receivables — We have credit exposure to receivables from our agents through the money transfer, bill payment and mone process. These receivables originate from independent agents who collect funds from consumers who are transferring mone orders, and agents who receive proceeds from us in anticipation of payment to the recipients of money transfers. Agents typ one to three days to remit the funds, with longer remittance schedules granted to certain agents on a limited basis. The Com risk management function that conducts the underwriting of credit on new agents as well as conducting credit surveillance monitor their financial health and the history of settlement activity with us. The Company's credit risk management functio daily contact with agents, and performs a collection function. For the year ended December 31, 2017, our annual credit loss a percentage of total fee and other revenue, was 1%. As of December 31, 2017, we had credit exposure to our agents of $54 aggregate spread across 14,344 agents, of which three agents, individually, owed us in excess of $15.0 million.

In addition, we are exposed to credit risk directly from consumer transactions particularly through our Digital solutions, wh originated through means other than cash, and therefore are subject to credit card chargebacks, insufficient funds or other c impediments, such as fraud. As the Digital solutions become a greater proportion of our money transfer business, these loss

We also have credit exposure to receivables from our financial institution customers for business conducted by the Financia segment. Financial institutions will collect proceeds for official checks and money orders and remit those proceeds to us. W the credit risk associated with financial institutions such as banks and credit unions, and have not incurred any losses associ failure or merger of any bank or non-bank financial institution customer. As of December 31, 2017, we had a credit exposu check and money order financial institution customers of $293.7 million in the aggregate spread across 923 financial institu owed us in excess of $15.0 million.

With respect to our credit union customers, our credit exposure is partially mitigated by National Credit Union Administrat we have required certain credit union customers to provide us with larger balances on deposit and/or to issue cashier's chec value of these assets are not at risk in a disruption or collapse of a counterparty financial institution, the delay in accessing adversely affect our liquidity and potentially our earnings depending upon the severity of the delay and corrective actions w

take.

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While the extent of credit risk may vary by product, the process for mitigating risk is similar. We assess the creditworthines
agent before accepting them into our distribution network. This underwriting process includes not only a determination of v
new agent, but also the remittance schedule and volume of transactions that the agent will be allowed to perform in a given
actively monitor the credit risk of our existing agents by conducting periodic financial reviews and cash flow analyses of ou
average high volumes of transactions and monitoring remittance patterns versus reported sales on a daily basis.
The timely remittance of funds by our agents and financial institution customers is an important component of our liquidity
the remittance of funds were to deteriorate, it would alter our pattern of cash flows and could require us to liquidate investm
Revolving Credit Facility to settle payment service obligations. To manage this risk, we closely monitor the remittance patt
and financial institution customers and act quickly if we detect deterioration or alteration in remittance timing or patterns. I
appropriate, we have the ability to immediately deactivate an agent's equipment at any time, thereby preventing the initiatio
further money transfers and money orders.
Credit risk management is complemented through functionality within our point-of-sale system, which can enforce credit li
basis. The system also permits us to remotely disable an agent's terminals and cause a cessation of transactions.
Derivative Financial Instruments — Credit risk related to our derivative financial instruments relates to the risk that we are
amounts owed to us by the counterparties to our derivative agreements. Our derivative financial instruments are used to ma
fluctuations in foreign currency exchange rates. If the counterparties to any of our derivative financial instruments were to c
payments, it could result in a delay or interruption of payments to our agents. We manage credit risk related to derivative fi
by entering into agreements with only major banks and regularly monitoring the credit ratings of these banks. See Note 5 —
Instruments of the Notes to the Consolidated Financial Statements for additional disclosure.

Interest Rate Risk

Interest rate risk represents the risk that our operating results are negatively impacted, and our investment portfolio declines
changes in interest rates. Given the short maturity profile of the investment portfolio and the low level of interest rates, we b
extremely low risk that the value of these securities would decline such that we would have a material adverse change in ou
As of December 31, 2017, the Company held $208.1 million, or 7%, of the investment portfolio in fixed rate investments.
Our operating results are impacted by interest rate risk through our net investment margin, which is investment revenue less
commissions expense. As the money transfer business is not materially affected by investment revenue and pays commissio
to an interest rate index, interest rate risk has the most impact on our money order and official check businesses. We are inv
interest-bearing deposit accounts, non-interest bearing transaction accounts, money market funds backed by U.S. governme
deposits and certificates of deposit. These types of investments have minimal risk of declines in fair value from changes in i
commissions paid to financial institution customers are determined using a variable rate based primarily on the federal fund
are reset daily. Accordingly, both our investment revenue and our investment commissions expense will decrease when rate
increase when rates rise.
Our results are impacted by interest rate risk through our interest expense for borrowings under the 2013 Credit Agreement
may elect an interest rate for its debt under the 2013 Credit Agreement at each reset period based on the BOA prime bank ra
Eurodollar rate. The interest rate election may be made individually for the Term Credit Facility and each draw under the R
Facility. The interest rate will be either the "alternate base rate" (calculated in part based on the BOA prime rate) plus either
points (depending on the Company's secured leverage ratio or total leverage ratio, as applicable, at such time) or the Eurodo
300 or 325 basis points (depending on the Company's secured leverage ratio or total leverage ratio, as applicable, at such tim
with the initial funding under the 2013 Credit Agreement, the Company elected the Eurodollar rate as its primary interest ba
terms of the 2013 Credit Agreement, the minimum interest rate applicable to Eurodollar borrowings under the Term Credit
basis points plus the applicable margins previously referred to in this paragraph. Accordingly, any increases in interest rates
affect interest expense.
The tables below incorporate substantially all of our interest rate sensitive assets and assumptions that reflect changes in all
pertaining to the balance sheet. The "ramp" analysis assumes that interest rates change in even increments over the next 12
analysis assumes interest rates change immediately and remain at the changed level for the next twelve months. Component
income (loss) that are interest rate sensitive include "Investment revenue," "Investment commissions expense" and "Interes
interest rate environment where rates have been historically low, our risk associated with interest rates is not material. A mo
interest rate environment would be generally beneficial to the Company because variable rate assets exceed our variable rat
certain of our variable rate liabilities will not react to increases in interest rates until those rates exceed the floor set for the i

corresponding debt.

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The following table summarizes the changes to affected components of the income statement under various ramp scenarios
December 31, 2017:

	Basis Point Change in Interest Rates					
	Down	Down	Down	Up	Up	Up
(Amounts in millions)	200	100	50	50	100	200
Investment revenue	$(20.5)	$(12.3)	$(6.2)	$6.2	$12.3	$24.7
Investment commissions expense	10.0	6.4	3.4	(3.5)	(7.0)	(14.1)
Interest expense	4.5	3.5	1.9	(1.9)	(3.7)	(7.4)
Change in pretax income	$(6.0)	$(2.4)	$(0.9)	$0.8	$1.6	$3.2

The following table summarizes the changes to affected components of the income statement under various shock scenarios
December 31, 2017:

	Basis Point Change in Interest Rates					
	Down	Down	Down	Up	Up	Up
(Amounts in millions)	200	100	50	50	100	200
Investment revenue	$(30.6)	$(22.8)	$(11.6)	$11.6	$23.1	$46.3
Investment commissions expense	12.8	10.3	5.7	(6.1)	(12.0)	(24.2)
Interest expense	4.8	4.8	3.4	(3.4)	(6.9)	(13.7)
Change in pretax income	$(13.0)	$(7.7)	$(2.5)	$2.1	$4.2	$8.4

Foreign Currency Risk

We are exposed to foreign currency risk in the ordinary course of business as we offer our products and services through a
and financial institutions with locations in more than 200 countries and territories. By policy, we do not speculate in foreig
currency trades relate to underlying transactional exposures.

Our primary source of foreign exchange risk is transactional risk. This risk is predominantly incurred in the money transfer
funds are frequently transferred cross-border and we settle with agents in multiple currencies. Although this risk is somewh
the fact that these transactions are short-term in nature, we currently manage some of this risk with forward contracts to pro
potential short-term market volatility. The primary currency pairs, based on volume, that are traded against the U.S. dollar i
forward markets include the European euro, Mexican peso, British pound and Indian rupee. The tenor of forward contracts
than 30 days.

Realized and unrealized gains or losses on transactional currency and any associated revaluation of balance sheet exposures
“Transaction and operations support” in the Consolidated Statements of Operations. The fair market value of any open forw
period end are recorded in “Other assets” or "Accounts payable and other liabilities" in the Consolidated Balance Sheets. Th
changes in foreign exchange rates and the related forward contracts for the year ended December 31, 2017 was a gain of $7
Additional foreign currency risk is generated from fluctuations in the U.S. dollar value of future foreign currency-denomina
2017, fluctuations in the euro exchange rate (net of transactional hedging activities) resulted in a net increase to our operati
million.

In 2017, the euro was our second largest currency position in the world following the U.S. dollar. Had the euro appreciated
relative to the U.S. dollar by 20% from actual exchange rates for 2017, operating income would have increased/decreased a
$14.0 million for the year. There are inherent limitations in this sensitivity analysis, primarily due to the assumption that fo
movements are linear and instantaneous, that the unhedged exposure is static and that we would not hedge any additional e
result, the analysis is unable to reflect the potential effects of more complex market changes that could arise, which may po
negatively affect income.

Translation risk is generated from the accounting translation of the financial statements of foreign subsidiaries (from their f
into U.S. dollars for consolidation and does not have a significant impact on company results. These translation adjustment
"Accumulated other comprehensive loss" on the Consolidated Balance Sheets.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information called for by Item 8 is found in a separate section of this Annual Report on Form 10-K starting on pages F

Financial Statements” on page F-1.

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Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISC

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed in the Company's repor under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and repo time periods specified in the SEC's rules and forms. Disclosure controls and procedures are designed, without limitation, to information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and com management, including the Company's Chief Executive Officer and Chief Financial Officer, to allow timely decisions rega disclosure.

As of the end of the period covered by this report, the Company's management carried out an evaluation, under the supervis participation of the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act). Based upon that evaluation, the Chi Officer and Chief Financial Officer concluded that, as of December 31, 2017, the Company's disclosure controls and proce effective.

There were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) of the Excha the fiscal quarter ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect, the C control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Management's annual report on internal control over financial reporting is provided on page F-2 of this Annual Report on F attestation report of the Company's independent registered public accounting firm, KPMG LLP, regarding the Company's i financial reporting is provided on page F-3 of this Annual Report on Form 10-K.

Item 9B. OTHER INFORMATION

None.

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PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information called for by this Item is contained in Item 1 of this Annual Report on Form 10-K under the caption “Exec
Registrant” and in our definitive Proxy Statement for our 2018 Annual Meeting of Stockholders, and is incorporated herein
All of our employees, including our principal executive officer, principal financial officer, principal accounting officer and
persons performing similar functions, also referred to as the Principal Officers, are subject to our Code of Conduct. Our dire
subject to our Code of Conduct. These documents are posted on our website at corporate.moneygram.com in the Investor R
and are available in print free of charge to any stockholder who requests them at the address set forth in Item 1 – Available
Annual Report on Form 10-K. We will disclose any amendments to, or waivers of, our Code of Conduct for directors or Pri
our website. The information on our website is not part of this Annual Report on Form 10-K.

Item 11. EXECUTIVE COMPENSATION

The information called for by this Item is contained in our definitive Proxy Statement for our 2018 Annual Meeting of Stoc
incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED ST MATTERS

The information called for by this Item is contained in our definitive Proxy Statement for our 2018 Annual Meeting of Stoc
incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information called for by this Item is contained in our definitive Proxy Statement for our 2018 Annual Meeting of Stoc
incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information called for by this Item is contained in our definitive Proxy Statement for our 2018 Annual Meeting of Stoc
incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1) The financial statements listed in the “Index to Financial Statements” are filed as part of this Annual Report on Form

(2) All financial statement schedules are omitted because they are not applicable or the required information is included
Consolidated Financial Statements or notes thereto listed in the “Index to Financial Statements.”

(3) Exhibits are filed with this Annual Report on Form 10-K or incorporated herein by reference as listed in the accompa
Exhibit Index.

(b) (1) The following exhibits are filed or incorporated by reference herein in response to Item 601 of Regulation S-K. The C
Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K pursuant to the S
Act of 1934 under Commission File No. 1-31950.

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EXHIBIT INDEX

Exhibit Number	Description
2.1	Separation and Distribution Agreement, dated as of June 30, 2004, by and among Viad Corporation, MoneyGram MGI Merger Sub, Inc. and Travelers Express Company, Inc. (Incorporated by reference from Exhibit 2.1 to Regis Report on Form 10-Q filed on August 13, 2004).
2.2	Recapitalization Agreement, dated as of March 7, 2011, among MoneyGram International, Inc., certain affiliates a Thomas H. Lee Partners, L.P. and Goldman, Sachs & Co. and certain of its affiliates (Incorporated by reference fr Registrant's Current Report on Form 8-K filed March 9, 2011).
2.3	Amendment No. 1 to Recapitalization Agreement, dated as of May 4, 2011, among MoneyGram International, Inc and co-investors of Thomas H. Lee Partners, L.P. and Goldman, Sachs & Co. and certain of its affiliates (Incorpor from Exhibit 2.1 to Registrant's Current Report on Form 8-K filed May 6, 2011).
2.4	Agreement and Plan of Merger, dated January 26, 2017, by and among MoneyGram International, Inc., Alipay (U Acquisition Corp. and, solely for purposes of certain specified provisions thereof, Alipay (Hong Kong) Holding L (Incorporated by reference from Exhibit 2.1 to Registrant's Current Report on Form 8-K filed January 26, 2017).
2.5	First Amendment to the Agreement and Plan of Merger, dated April 15, 2017, by and among MoneyGram Interna (UK) Limited, Matrix Acquisition Corp. and Alipay (Hong Kong) Holding Limited (Incorporated by reference fro Registrant's Current Report on Form 8-K filed April 17, 2017).
2.6	Termination Agreement, dated as of January 2, 2018, by and among MoneyGram International, Inc., Alipay (UK) Acquisition Corp. and Alipay (Hong Kong) Holding Limited (Incorporated by reference from Exhibit 10.1 to Reg Report on Form 8-K filed January 2, 2018).
3.1	Amended and Restated Certificate of Incorporation of MoneyGram International, Inc., dated June 28, 2004 (Incor reference from Exhibit 3.1 to Registrant's Annual Report on Form 10-K filed on March 15, 2010).
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of MoneyGram International, Inc 2009 (Incorporated by reference from Exhibit 3.1 to Registrant's Annual Report on Form 10-K filed March 15, 20
3.3	Certificate of Amendment of Amended and Restated Certificate of Incorporation of MoneyGram International, Inc 2011 (Incorporated by reference from Exhibit 3.1 to Registrant's Current Report on Form 8-K filed May 23, 2011
3.4	Certificate of Amendment of Amended and Restated Certificate of Incorporation of MoneyGram International, Inc November 14, 2011 (Incorporated by reference from Exhibit 3.1 to Registrant's Current Report on Form 8-K filed 2011).
3.5	Amended and Restated Bylaws of MoneyGram International, Inc., dated October 28, 2015 (Incorporated by refere Exhibit 3.5 to Registrant's Quarterly Report on Form 10-Q filed on November 2, 2015).
3.6	Amendment to the Amended and Restated Bylaws of MoneyGram International, Inc., dated March 2, 2016 (Incor reference from Exhibit 3.6 to Registrant's Annual Report on Form 10-K filed on March 2, 2016).
3.7	Amended and Restated Certificate of Designations, Preferences and Rights of Series D Participating Convertible P MoneyGram International, Inc., dated May 18, 2011 (Incorporated by reference from Exhibit 3.2 to Registrant's C Form 8-K filed May 23, 2011).
4.1	Form of Specimen Certificate for MoneyGram Common Stock (Incorporated by reference from Exhibit 4.1 to Am Registrant's Form 10 filed on June 14, 2004).
4.2	Registration Rights Agreement, dated as of March 25, 2008, by and among the several Investor parties named ther MoneyGram International, Inc. (Incorporated by reference from Exhibit 4.5 to Registrant's Current Report on For March 28, 2008).
4.3	Amendment No. 1 to Registration Rights Agreement, dated as of May 18, 2011, by and among MoneyGram Inter certain affiliates and co-investors of Thomas H. Lee Partners, L.P., and certain affiliates of Goldman, Sachs & Co. reference from Exhibit 4.1 to Registrant's Current Report on Form 8-K filed May 23, 2011).
10.1	Employee Benefits Agreement, dated as of June 30, 2004, by and among Viad Corporation, MoneyGram Internati Travelers Express Company, Inc. (Incorporated by reference from Exhibit 10.1 to Registrant's Quarterly Report o on August 13, 2004).
10.2	

	Tax Sharing Agreement, dated as of June 30, 2004, by and between Viad Corporation and MoneyGram Internatio (Incorporated by reference from Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q filed on August 13, 2
†10.3	MoneyGram International, Inc. 2004 Omnibus Incentive Plan, as amended February 17, 2005 (Incorporated by ref Exhibit 99.1 to Registrant's Current Report on Form 8-K filed on February 23, 2005).

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†10.4	Form of Amended and Restated Non-Employee Director Indemnification Agreement between MoneyGram Internati Non-Employee Directors of MoneyGram International, Inc. (Incorporated by reference from Exhibit 10.02 to Registr Report on Form 8-K filed on February 13, 2009).
†10.5	Form of Employee Director Indemnification Agreement between MoneyGram International, Inc. and Employee Dire MoneyGram International, Inc. (Incorporated by reference from Exhibit 10.03 to Registrant's Current Report on For February 13, 2009).
†10.6	MoneyGram International, Inc. Performance Bonus Plan, as amended and restated February 17, 2010 (formerly know MoneyGram International, Inc. Management and Line of Business Incentive Plan) (Incorporated by reference from E Registrant's Current Report on Form 8-K filed on February 22, 2010).
†10.7	Deferred Compensation Plan for Directors of Viad Corp, as amended August 19, 2004 (Incorporated by reference fro Registrant's Quarterly Report on Form 10-Q filed on November 12, 2004).
†10.8	First Amendment of the Amended and Restated MoneyGram International, Inc. Executive Severance Plan (Tier II) (reference from Exhibit 10.21 to Registrant's Current Report on Form 8-K filed on March 28, 2008).
†10.9	MoneyGram Supplemental Pension Plan, as amended and restated December 28, 2007 (Incorporated by reference fro Registrant's Current Report on Form 8-K filed on January 4, 2008).
†10.10	First Amendment of MoneyGram Supplemental Pension Plan (Incorporated by reference from Exhibit 10.28 to Ame Registrant's Annual Report on Form 10-K/A filed on August 9, 2010).
†10.11	Description of MoneyGram International, Inc. Director's Charitable Matching Program (Incorporated by reference fr Registrant's Quarterly Report on Form 10-Q filed on August 13, 2004).
†10.12	Viad Corporation Director's Charitable Award Program (Incorporated by reference from Exhibit 10.14 to Amendme Registrant's Form 10 filed on June 3, 2004).
10.13	Amended and Restated Purchase Agreement, dated as of March 17, 2008, among MoneyGram International, Inc. and Investor parties named therein (Incorporated by reference from Exhibit 10.1 to Registrant's Current Report on Form March 18, 2008).
10.14	Subscription Agreement, dated as of March 25, 2008, by and between MoneyGram International, Inc. and The Goldr Inc. (Incorporated by reference from Exhibit 10.4 to Registrant's Current Report on Form 8-K filed on March 28, 20
†10.15	Form of MoneyGram International, Inc. 2004 Omnibus Incentive Plan Restricted Stock Agreement, as amended Feb (Incorporated by reference from Exhibit 99.5 to Registrant's Current Report on Form 8-K filed on February 23, 2005
†10.16	Form of MoneyGram International, Inc. 2004 Omnibus Incentive Plan Non-Qualified Stock Option Agreement, as an February 16, 2005 (Incorporated by reference from Exhibit 99.6 to Registrant's Current Report on Form 8-K filed or 2005).
†10.17	Form of MoneyGram International, Inc. 2004 Omnibus Incentive Plan Non-Qualified Stock Option Agreement for D February 16, 2005 (Incorporated by reference from Exhibit 99.7 to Registrant's Current Report on Form 8-K filed or 2005).
†10.18	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Restricted Stock Agreement, effective June 30 (Incorporated by reference from Exhibit 99.2 to Registrant's Current Report on Form 8-K filed on July 5, 2005).
†10.19	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Restricted Stock Agreement, effective August Version) (Incorporated by reference from Exhibit 99.7 to Registrant's Current Report on Form 8-K filed on August 2
†10.20	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Restricted Stock Agreement, effective August Version) (Incorporated by reference from Exhibit 99.9 to Registrant's Current Report on Form 8-K filed on August 2
†10.21	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Non-Qualified Stock Option Agreement, effec 2005 (US Version) (Incorporated by reference from Exhibit 99.6 to Registrant's Current Report on Form 8-K filed o
†10.22	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Non-Qualified Stock Option Agreement, effec 2005 (UK Version) (Incorporated by reference from Exhibit 99.8 to Registrant's Current Report on Form 8-K filed o
†10.23	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Non-Qualified Stock Option Agreement, effec 2006 (US version) (Incorporated by reference from Exhibit 10.41 to Registrant's Annual Report on Form 10-K filed
†10.24	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Non-Qualified Stock Option Agreement, effec 2006 (UK Version) (Incorporated by reference from Exhibit 10.42 to Registrant's Annual Report on Form 10-K filed 2006).

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†10.25	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Non-Qualified Stock Option Agreement, eff (Incorporated by reference from Exhibit 99.04 to Registrant's Current Report on Form 8-K filed on May 14, 2007).
†10.26	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Non-Qualified Stock Option Agreement, eff 2009 (version 1) (Incorporated by reference from Exhibit 10.8 to Registrant's Quarterly Report on Form 10-Q filed 2009).
†10.27	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Non-Qualified Stock Option Agreement, eff 2009 (version 2) (Incorporated by reference from Exhibit 10.9 to Registrant's Quarterly Report on Form 10-Q filed 2009).
†10.28	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Non-Qualified Stock Option Agreement for August 17, 2005 (Incorporated by reference from Exhibit 99.4 to Registrant's Current Report on Form 8-K filed on
†10.29	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Non-Qualified Stock Option Agreement for February 15, 2006 (Incorporated by reference from Exhibit 10.43 to Registrant's Annual Report on Form 10-K file 2006).
†10.30	Non-Qualified Stock Option Agreement, dated January 21, 2009, between MoneyGram International, Inc. and Pam (Incorporated by reference from Exhibit 10.02 to Registrant's Current Report on Form 8-K filed on January 22, 20
†10.31	Non-Qualified Stock Option Agreement, dated May 12, 2009, between MoneyGram International, Inc. and Pamela (Incorporated by reference from Exhibit 10.02 to Registrant's Current Report on Form 8-K filed on May 18, 2009).
†10.32	Non-Qualified Stock Option Agreement, dated August 31, 2009, between MoneyGram International, Inc. and Pame (Incorporated by reference from Exhibit 10.01 to Registrant's Current Report on Form 8-K filed on September 4, 2
†10.33	Amendment to Non-Qualified Stock Option Agreements, dated August 31, 2009, between MoneyGram Internation H. Patsley (Incorporated by reference from Exhibit 10.03 to Registrant's Current Report on Form 8-K filed on Sept
†10.34	MoneyGram International, Inc. Performance Unit Incentive Plan, as amended and restated May 9, 2007 (Incorporat from Exhibit 99.02 to Registrant's Current Report on Form 8-K filed on May 14, 2007).
†10.35	Form of MoneyGram International, Inc. Executive Compensation Trust Agreement (Incorporated by reference fron Registrant's Current Report on Form 8-K filed on November 22, 2005).
†10.36	First Amendment to the MoneyGram International, Inc. Executive Compensation Trust Agreement (Incorporated b Exhibit 99.01 to Registrant's Current Report on Form 8-K filed on August 22, 2006).
†10.37	The MoneyGram International, Inc. Outside Directors' Deferred Compensation Trust, dated January 5, 2005 (Incor reference from Exhibit 99.05 to Registrant's Current Report on Form 8-K filed on November 22, 2005).
†10.38	Form of Employee Trade Secret, Confidential Information and Post-Employment Restriction Agreement (Incorpora from Exhibit 10.27 to Registrant's Quarterly Report on Form 10-Q filed on May 12, 2008).
†10.39	MoneyGram International, Inc. Severance Plan, restated effective February 17, 2010 (Incorporated by reference fro Registrant's Current Report on Form 8-K/A filed November 22, 2010).
†10.40	Form of MoneyGram International, Inc. Restricted Stock Unit Award Agreement (Incorporated by reference from Registrant's Quarterly Report on Form 10-Q filed August 9, 2010).
†10.41	MoneyGram International, Inc. Deferred Compensation Plan, as amended and restated February 16, 2011 (Incorpor from Exhibit 10.01 to Registrant's Current Report on Form 8-K filed February 23, 2011).
10.42	Consent Agreement, dated as of March 7, 2011, among MoneyGram Payment Systems Worldwide, Inc., MoneyGr Inc. and certain of its subsidiaries and certain affiliates of Goldman, Sachs & Co. (Incorporated by reference from Registrant's Current Report on Form 8-K filed March 9, 2011).
†10.43	MoneyGram International, Inc. 2005 Omnibus Incentive Plan, as amended and restated May 8, 2015 (Incorporated Exhibit 10.1 to Registrant's Current Report on Form 8-K filed May 14, 2015).
+10.44	Amended and Restated Credit Agreement, dated as of March 28, 2013, by and among MoneyGram International, I America, N.A., as administrative agent, the financial institutions party thereto as lenders and the other agents party (Incorporated by reference from Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q filed May 3, 2013).
10.45	Guaranty, dated as of May 18, 2011, among MoneyGram International, Inc., MoneyGram Payment Systems, Inc., New York LLC, and Bank of America, N.A., as administrative agent (Incorporated by reference from Exhibit 10.2 Current Report on Form 8-K filed May 23, 2011).

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10.46	Pledge Agreement, dated as of May 18, 2011, among MoneyGram International, Inc., MoneyGram Payment Syster Inc., MoneyGram Payment Systems, Inc., MoneyGram of New York LLC, and Bank of America, N.A., as collatera (Incorporated by reference from Exhibit 10.3 to Registrant’s Current Report on Form 8-K filed May 23, 2011).
10.47	Security Agreement, dated as of May 18, 2011, among MoneyGram International, Inc., MoneyGram Payment Syst Inc., MoneyGram Payment Systems, Inc., MoneyGram of New York LLC, and Bank of America, N.A., as collatera (Incorporated by reference from Exhibit 10.4 to Registrant’s Current Report on Form 8-K filed May 23, 2011).
10.48	Intercreditor Agreement, dated as of May 18, 2011, among MoneyGram Payment Systems Worldwide, Inc., the Fir Parties as defined therein, the Secord Priority Secured Parties as defined therein, and Deutsche Bank Trust Compan Trustee and Collateral Agent (Incorporated by reference from Exhibit 10.5 to Registrant’s Current Report on Form 2011).
10.49	Patent Security Agreement, dated as of May 18, 2011, between MoneyGram International, Inc. and Bank of Americ Collateral Agent (Incorporated by reference from Exhibit 10.6 to Registrant’s Current Report on Form 8-K filed Ma
10.50	Patent Security Agreement, dated as of May 18, 2011, between MoneyGram Payment Systems, Inc. and Bank of A Collateral Agent (Incorporated by reference from Exhibit 10.7 to Registrant’s Current Report on Form 8-K filed Ma
10.51	Trademark Security Agreement, dated as of May 18, 2011, between MoneyGram International, Inc. and Bank of A Collateral Agent (Incorporated by reference from Exhibit 10.8 to Registrant’s Current Report on Form 8-K filed Ma
10.52	Trademark Security Agreement, dated as of May 18, 2011, between MoneyGram Payment Systems, Inc. and Bank as Collateral Agent (Incorporated by reference from Exhibit 10.9 to Registrant’s Current Report on Form 8-K filed
10.53	Copyright Security Agreement, dated as of May 18, 2011, between MoneyGram International, Inc. and Bank of An Collateral Agent (Incorporated by reference from Exhibit 10.10 to Registrant’s Current Report on Form 8-K filed M
+10.54	First Incremental Amendment and Joinder Agreement, dated April 2, 2014, by and among MoneyGram Internation borrower, MoneyGram Payment Systems Worldwide, Inc., MoneyGram Payment Systems, Inc., and MoneyGram o Bank of America, N.A., as administrative agent, and the financial institutions party thereto as Lenders (Incorporated Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q filed May 2, 2014).
10.55	Consent Agreement, dated as of August 12, 2011, by and among MoneyGram Payment Systems Worldwide, Inc., M International, Inc. and certain of its subsidiaries, and certain affiliates of Goldman, Sachs & Co. (Incorporated by re Exhibit 10.2 to Registrant’s Quarterly Report on Form 10-Q filed November 3, 2011).
10.56	Consent Agreement, dated as of August 12, 2011, by and among MoneyGram International, Inc., and certain affilia co-investors of Thomas H. Lee Partners, L.P. and certain affiliates of Goldman, Sachs & Co. (Incorporated by refer 10.3 to Registrant’s Quarterly Report on Form 10-Q filed November 3, 2011).
10.57	Consent Agreement, dated as of October 24, 2011, by and among MoneyGram Payment Systems Worldwide, Inc., International, Inc. and certain of its subsidiaries, and certain affiliates of Goldman, Sachs & Co. (Incorporated by re Exhibit 10.85 to Registrant’s Annual Report on Form 10-K filed on March 9, 2012).
10.58	Consent Agreement, dated as of November 15, 2011, by and among MoneyGram International, Inc., and certain aff co-investors of Thomas H. Lee Partners, L.P. and affiliates of Goldman, Sachs & Co. (Incorporated by reference fro Registrant’s Current Report on Form 8-K filed November 16, 2011).
10.59	Consent Agreement, dated as of November 17, 2011, by and among MoneyGram Payment Systems Worldwide, Inc International, Inc. and certain of its subsidiaries and certain affiliates of Goldman, Sachs & Co. (Incorporated by re Exhibit 4.1 to Registrant’s Current Report on Form 8-K filed November 18, 2011).
†10.60	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Global Performance Restricted Stock Unit A (Incorporated by reference from Exhibit 99.1 to Registrant’s Current Report on Form 8-K filed November 23, 2011
†10.61	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Global Stock Option Agreement (Incorporat from Exhibit 99.2 to Registrant’s Current Report on Form 8-K filed November 23, 2011).
†10.62	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Global Stock Appreciation Right Agreement reference from Exhibit 10.92 to Registrant’s Annual Report on Form 10-K filed March 9, 2012).
†10.63	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Performance Restricted Stock Unit Award A Participants in France) (Incorporated by reference from Exhibit 10.93 to Registrant’s Annual Report on Form 10-K 2012).

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†10.64	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Stock Option Agreement (For France) (Incorporated by reference from Exhibit 10.94 to Registrant's Annual Report on Form 10-K f 2012).
*†10.65	Form of Executive Severance Agreement.
10.66	Stipulation and Agreement of Compromise and Settlement, dated as of July 19, 2012, by and among t class representatives party thereto, MoneyGram International, Inc., Thomas H. Lee Partners, L.P., Th Group, Inc. and certain individual defendants party thereto (Incorporated by reference from Exhibit 1 Quarterly Report on Form 10-Q filed November 9, 2012).
10.67	Supplemental Agreement Regarding Settlement, dated as of July 20, 2012, by and among MoneyGra Inc., Thomas H. Lee Partners, L.P., The Goldman Sachs Group, Inc., certain individual defendants pa Federal Insurance Company (Incorporated by reference from Exhibit 10.2 to Registrant's Quarterly R filed November 9, 2012).
+10.68	Amended and Restated Master Trust Agreement dated January 29, 2016 by and between MoneyGram Inc. and Wal-Mart Stores, Inc. (Incorporated by reference from Exhibit 10.1 to Registrant's Current R filed February 1, 2016).
+10.69	Amendment No. 1 to Amended and Restated Master Trust Agreement, dated August 26, 2016 by and MoneyGram Payment Systems, Inc. and Wal-Mart Stores, Inc. (Incorporated by reference from Exhib Registrant's Quarterly Report on Form 10-Q filed October 31, 2016).
+10.70	Amendment No. 2 to Amended and Restated Master Trust Agreement, dated October 25, 2016 by an MoneyGram Payment Systems, Inc. and Wal-Mart Stores, Inc. (Incorporated by reference from Exhib Registrant's Annual Report on Form 10-K filed March 16, 2017)"
10.71	Amendment No. 4 to Amended and Restated Master Trust Agreement, dated January 25, 2017 by and MoneyGram Payment Systems, Inc. and Wal-Mart Stores, Inc. (Incorporated by reference from Exhib Registrant's Quarterly Report on Form 10-Q filed May 5, 2017)
10.72	Amendment No. 5 to Amended and Restated Master Trust Agreement, dated January 1, 2017 by and MoneyGram Payment Systems, Inc. and Wal-Mart Stores, Inc. (Incorporated by reference from Exhib Registrant's Quarterly Report on Form 10-Q filed May 5, 2017)
10.73	Amendment No. 6 to Amended and Restated Master Trust Agreement, dated February 20, 2017 by an MoneyGram Payment Systems, Inc. and Wal-Mart Stores, Inc. (Incorporated by reference from Exhib Registrant's Quarterly Report on Form 10-Q filed May 5, 2017)
10.74	Amendment No. 1 to the Co-Branded MTaas Website Addendum to the Amended and Restated Mast Agreement, dated February 22, 2017 by and between MoneyGram Payment Systems, Inc. and Wal-M (Incorporated by reference from Exhibit 10.14 to Registrant's Quarterly Report on Form 10-Q filed M
10.75	Amendment No. 7 to Amended and Restated Master Trust Agreement, dated July 28, 2017 by and be Payment Systems, Inc. and Wal-Mart Stores, Inc. (Incorporated by reference from Exhibit 10.1 to Re Report on Form 10-Q filed November 2, 2017)
*10.76	Non-Employee Director Compensation Arrangements, revised to be effective January 1, 2017.
10.77	Note Purchase Agreement, dated as of March 27, 2013, by and among MoneyGram Payment System GSMP V Onshore US, Ltd., GSMP V Offshore US, Ltd. and GSMP V Institutional US, Ltd. (Incorp from Exhibit 10.1 to Registrant's Current Report on Form 8-K filed March 28, 2013).
10.78	Stock Repurchase Agreement, dated March 26, 2014, by and among the Company and the THL Selli (Incorporated by reference from Exhibit 10.1 to Registrant's Current Report on Form 8-K filed March
†10.79	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Global Performance Restricte Agreement (Incorporated by reference from Exhibit 10.4 to Registrant's Quarterly Report on Form 1 2013).
†10.80	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Global Stock Option Agreeme reference from Exhibit 10.5 to Registrant's Quarterly Report on Form 10-Q filed May 3, 2013).
†10.81	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan Stock Option Agreement (For France) (Incorporated by reference from Exhibit 10.9 to Registrant's Quarterly Report on Form 10-Q

†10.82	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan 2015 Global Time-Based Rest Award Agreement (Incorporated by reference from Exhibit 10.1 to Registrant's Quarterly Report on F May 4, 2015).
†10.83	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan 2015 Global Performance-Bas Unit Award Agreement (Incorporated by reference from Exhibit 10.2 to Registrant's Quarterly Repor filed May 4, 2015).

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†10.84	2015 Global Time-Based Restricted Stock Unit Award Agreement, dated February 25, 2015, between MoneyGram and Pamela H. Patsley (Incorporated by reference from Exhibit 10.3 to Registrant's Quarterly Report on Form 10-C 2015).
†10.85	2015 Global Performance-Based Restricted Stock Unit Award Agreement, dated February 25, 2015, between Mone International, Inc. and Pamela H. Patsley (Incorporated by reference from Exhibit 10.4 to Registrant's Quarterly Re filed May 4, 2015).
†10.86	Employment Agreement, dated July 30, 2015, by and between MoneyGram International, Inc. and Pamela H. Patsle reference from Exhibit 10.2 to Registrant's Current Report on Form 8-K filed July 31, 2015).
†10.87	Amendment No. 1 to Employment Agreement, dated as of December 27, 2017, by and between MoneyGram Intern Pamela H. Patsley (Incorporated by reference from Exhibit 10.1 to Registrant's Current Report on Form 8-K filed D
†10.88	Employment Agreement, dated July 30, 2015, by and between MoneyGram International, Inc. and W. Alexander H (Incorporated by reference from Exhibit 10.3 to Registrant's Current Report on Form 8-K filed July 31, 2015).
†10.89	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan 2016 Global Time-Based Restricted Stock U (Incorporated by reference from Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q filed May 3, 2016).
†10.90	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan 2016 Global Performance-Based Restricted S (Incorporated by reference from Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q filed May 3, 2016).
†10.91	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan 2016 Global Performance-Based Cash Awar (Incorporated by reference from Exhibit 10.4 to Registrant's Quarterly Report on Form 10-Q filed May 3, 2016).
†10.92	2016 Global Time-Based Restricted Stock Unit Award Agreement, dated February 23, 2016, between MoneyGram and Pamela H. Patsley (Incorporated by reference from Exhibit 10.5 to Registrant's Quarterly Report on Form 10-C 2016).
†10.93	2016 Global Performance-Based Restricted Stock Unit Award Agreement, dated February 23, 2016, between Mone International, Inc. and Pamela H. Patsley (Incorporated by reference from Exhibit 10.6 to Registrant's Quarterly Re filed May 3, 2016).
†10.94	2016 Global Performance-Based Cash Award Agreement, dated February 23, 2016, between MoneyGram Internati Pamela H. Patsley (Incorporated by reference from Exhibit 10.7 to Registrant's Quarterly Report on Form 10-Q file
†10.95	2016 Global Time-Based Restricted Stock Unit Award Agreement, dated February 23, 2016, between MoneyGram and W. Alexander Holmes (Incorporated by reference from Exhibit 10.8 to Registrant's Quarterly Report on Form 2016).
†10.96	2016 Global Performance-Based Restricted Stock Unit Award Agreement, dated February 23, 2016, between Mone International, Inc. and W. Alexander Holmes (Incorporated by reference from Exhibit 10.9 to Registrant's Quarterly 10-Q filed May 3, 2016).
†10.97	2016 Global Performance-Based Cash Award Agreement, dated February 23, 2016, between MoneyGram Internati Alexander Holmes (Incorporated by reference from Exhibit 10.10 to Registrant's Quarterly Report on Form 10-Q fi
10.98	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan 2017 Global Time-Based Restricted Stock U Agreement (Incorporated by reference from Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q filed May
10.99	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan 2017 Global Performance-Based Restricted S Agreement (Incorporated by reference from Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q filed May
10.100	Form of MoneyGram International, Inc. 2005 Omnibus Incentive Plan 2017 Global Performance-Based Cash Awar (Incorporated by reference from Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q filed May 5, 2017).
10.101	2017 Time-Based Restricted Stock Unit Award Agreement, dated February 22, 2017, between MoneyGram Interna Pamela H. Patsley (Incorporated by reference from Exhibit 10.4 to Registrant's Quarterly Report on Form 10-Q file
10.102	2017 Performance-Based Restricted Stock Unit Award Agreement, dated February 22, 2017, between MoneyGram and Pamela H. Patsley (Incorporated by reference from Exhibit 10.5 to Registrant's Quarterly Report on Form 10-C 2017).
10.103	2017 Performance-Based Cash Award Agreement, dated February 22, 2017, between MoneyGram International, In Patsley (Incorporated by reference from Exhibit 10.6 to Registrant's Quarterly Report on Form 10-Q filed May 5, 2
10.104	2017 Time-Based Restricted Stock Unit Award Agreement, dated February 22, 2017, between MoneyGram Interna Alexander Holmes (Incorporated by reference from Exhibit 10.7 to Registrant's Quarterly Report on Form 10-Q fil

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10.105	2017 Performance-Based Restricted Stock Unit Award Agreement, dated February 22, 2017, between MoneyGra Inc. and W. Alexander Holmes (Incorporated by reference from Exhibit 10.8 to Registrant's Quarterly Report on May 5, 2017).
10.106	2017 Performance-Based Cash Award Agreement, dated February 22, 2017, between MoneyGram International, Alexander Holmes (Incorporated by reference from Exhibit 10.9 to Registrant's Quarterly Report on Form 10-Q f
+10.107	Amendment No. 2 to Amended and Restated Credit Agreement, dated December 12, 2016, relating to Amended a Agreement dated March 28, 2013 between MoneyGram International, Inc., the lenders from time to time party the America, N.A. as Administrative Agent (Incorporated by reference from Exhibit 10.107 to Registrant's Annual Re filed March 16, 2017).
10.108	Amendment No. 3 to Amended and Restated Credit Agreement, dated December 30, 2016, relating to Amended a Agreement dated March 28, 2013 between MoneyGram International, Inc., the lenders from time to time party the America, N.A. as Administrative Agent (Incorporated by reference from Exhibit 10.108 to Registrant's Annual Re filed March 16, 2017).
*21	Subsidiaries of the Registrant
*23.1	Consent of KPMG LLP
*23.2	Consent of Deloitte & Touche LLP
*24	Power of Attorney
*31.1	Section 302 Certification of Chief Executive Officer
*31.2	Section 302 Certification of Chief Financial Officer
*32.1	Section 906 Certification of Chief Executive Officer
*32.2	Section 906 Certification of Chief Financial Officer
*101	The following financial statements, formatted in Extensible Business Reporting Language ("XBRL"): (i) Consoli as of December 31, 2017 and December 31, 2016; (ii) Consolidated Statements of Operations for the years ended 2017, 2016 and 2015; (iii) Consolidated Statements of Comprehensive (Loss) Income for the years ended Decemb and 2015; (iv) Consolidated Statements of Cash Flows for the years ended December 31, 2017, 2016 and 2015; (v Statements of Stockholders' Deficit as of December 31, 2017, 2016 and 2015, and (vi) Notes to the Consolidated Statements.

* Filed herewith.

†Indicates management contract or compensatory plan or arrangement required to be filed as an exhibit to this report.

\+ Confidential information has been omitted from this Exhibit and has been filed separately with the SEC pursuant to a co request under Rule 24b-2.

Item 16. FORM 10-K SUMMARY

None.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused t
signed on its behalf by the undersigned, thereunto duly authorized.

MoneyGram International, Inc.
(Registrant)

Date: March 16, 2018 By: /S/ W. ALEXANDER HOLMES
W. Alexander Holmes
Chairman and Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following pe
the registrant and in the capacities and on the dates indicated.

/s/ W. Alexander Holmes W. Alexander Holmes	Chairman and Chief Executive Officer (Principal Executive Officer)	March 16, 2018
/s/ Lawrence Angelilli Lawrence Angelilli	Chief Financial Officer (Principal Financial Officer)	March 16, 2018
/s/ John D. Stoneham John D. Stoneham	Corporate Controller (Principal Accounting Officer)	March 16, 2018

Directors

J. Coley Clark	Seth W. Lawry
Victor W. Dahir	Ganesh B. Rao
Antonio O. Garza	W. Bruce Turner
Peggy Vaughan	Michael Rafferty

By: /s/ F. Aaron Henry March 16, 2018
F. Aaron Henry
Attorney-in-fact

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Management's Responsibility Statement
The management of MoneyGram International, Inc. is responsible for the integrity, objectivity and accuracy of the consolid
statements of the Company. The consolidated financial statements are prepared by the Company in accordance with accoun
generally accepted in the United States of America using, where appropriate, management's best estimates and judgments.
information presented throughout the Annual Report is consistent with that in the consolidated financial statements.
Management is also responsible for establishing and maintaining a system of internal controls and procedures over financia
designed to provide reasonable assurance that the books and records reflect the transactions of the Company and that assets
against loss from unauthorized use or disposition. Such a system is maintained through accounting policies and procedures
trained Company personnel and updated on a continuing basis to ensure their adequacy to meet the changing requirements
The Company requires that all of its affairs, as reflected by the actions of its employees, be conducted according to the high
personal and business conduct. This responsibility is reflected in our Code of Ethics.
To test compliance with the Company's system of internal controls and procedures over financial reporting, the Company c
extensive audit program. This program includes a review for compliance with written policies and procedures and a compre
the adequacy and effectiveness of the internal control system. Although control procedures are designed and tested, it must
there are limits inherent in all systems of internal control and, therefore, errors and irregularities may nevertheless occur. Al
judgments are required to assess and balance the relative cost and expected benefits of the controls. Projection of any evalu
effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions
of compliance with the policies or procedures may deteriorate.
The Audit Committee of the Board of Directors, which is composed solely of outside directors, meets quarterly with manag
audit and the independent registered public accounting firm to discuss internal accounting control, auditing and financial re
well as to determine that the respective parties are properly discharging their responsibilities. Both our independent register
accounting firm and internal auditors have had and continue to have unrestricted access to the Audit Committee without the
management.
Management assessed the effectiveness of the Company's internal controls over financial reporting as of December 31, 201
assessment, management used the criteria set forth in Internal Control - Integrated Framework (2013) issued by the Commi
Organizations of the Treadway Commission. Based on our assessment and those criteria, management believes that the Co
and maintained effective internal control over financial reporting as of December 31, 2017.
The Company's independent registered public accounting firm, KPMG LLP, has been engaged to audit our financial statem
this Annual Report on Form 10-K and the effectiveness of the Company's system of internal control over financial reportin
December 31, 2017. Their attestation report regarding the Company's internal control over financial reporting is included o
Annual Report on Form 10-K.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
MoneyGram International, Inc.:

Opinion on Internal Control Over Financial Reporting
We have audited MoneyGram International, Inc. and subsidiaries' (the Company) internal control over financial reporting a
2017, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsori
the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over
as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Co
Sponsoring Organizations of the Treadway Commission.
We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States
consolidated balance sheets of the Company as of December 31, 2017 and 2016, the related consolidated statements of ope
comprehensive income (loss), cash flows, and stockholders' deficit for the years ended December 31, 2017 and 2016, and t
our report dated March 16, 2018 expressed an unqualified opinion on those consolidated financial statements.
Basis for Opinion
The Company's management is responsible for maintaining effective internal control over financial reporting and for its ass
effectiveness of internal control over financial reporting, included in the accompanying Management's Responsibility State
responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We ar
accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance
federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB
We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform
reasonable assurance about whether effective internal control over financial reporting was maintained in all material respec
internal control over financial reporting included obtaining an understanding of internal control over financial reporting, ass
a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on th
Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that
a reasonable basis for our opinion.
Definition and Limitations of Internal Control Over Financial Reporting
A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the re
financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted a
principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to t
records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company
reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance
accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with
management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection o
acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.
Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, p
evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes
that the degree of compliance with the policies or procedures may deteriorate.
/s/ KPMG LLP

Dallas, Texas
March 16, 2018

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
To the Stockholders and Board of Directors
MoneyGram International, Inc.:

Opinion on the Consolidated Financial Statements
We have audited the accompanying consolidated balance sheets of MoneyGram International, Inc. and subsidiaries (the Co
December 31, 2017 and 2016, the related consolidated statements of operations, comprehensive income (loss), cash flows,
deficit for the years ended December 31, 2017 and 2016, and the related notes (collectively, the consolidated financial state
opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company
2017 and 2016, and the results of its operations and its cash flows for the years ended December 31, 2017 and 2016, in con
U.S. generally accepted accounting principles.
We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States
Company's internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Cont
Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report date
expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.
Basis for Opinion
These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to expre
these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB an
be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules an
Securities and Exchange Commission and the PCAOB.
We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perforn
obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether
fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial
due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test
regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the acc
used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated finar
We believe that our audits provide a reasonable basis for our opinion.
/s/ KPMG LLP

We have served as the Company's auditor since 2016.

Dallas, Texas
March 16, 2018

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
To the Board of Directors and Stockholders of
MoneyGram International, Inc.
Dallas, Texas

We have audited the accompanying consolidated statements of operations, comprehensive income (loss), cash flows and sto
of MoneyGram International, Inc. and subsidiaries (the "Company") for the year ended December 31, 2015. These financial
responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements base
We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United Stat
standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements a
misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financia
audit also includes assessing the accounting principles used and significant estimates made by management, as well as evalu
financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.
In our opinion, such 2015 consolidated financial statements present fairly, in all material respects, the results of operations a
MoneyGram International, Inc. and subsidiaries for the year ended December 31, 2015, in conformity with accounting prin
accepted in the United States of America.
/s/ DELOITTE & TOUCHE LLP
Dallas, Texas
March 2, 2016 (March 16, 2017 as to the effects of the 2016 immaterial error correction related to foreign exchange revenu
15 to the consolidated financial statements; March 16, 2018 as to the effects of the 2017 immaterial error correction related
disclosed in Note 15 to the consolidated financial statements and the adoption of ASU 2016-09, Compensation-Stock Comp
718): Improvements to Employee Share-Based Payment Accounting, discussed in Note 2 to the consolidated financial state

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MONEYGRAM INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEETS

AT DECEMBER 31,	20
(Amounts in millions, except share data)	
ASSETS	
Cash and cash equivalents	$1
Settlement assets	3,
Property and equipment, net	21
Goodwill	44
Other assets	16
Total assets	$4
LIABILITIES	
Payment service obligations	$3
Debt, net	90
Pension and other postretirement benefits	97
Accounts payable and other liabilities	25
Total liabilities	5,
COMMITMENTS AND CONTINGENCIES (NOTE 13)	
STOCKHOLDERS’ DEFICIT	
Participating convertible preferred stock - series D, $0.01 par value, 200,000 shares authorized, 71,282 issued at December 31, 2017 and December 31, 2016	18
Common stock, $0.01 par value, 162,500,000 shares authorized, 58,823,567 shares issued at December 31, 2017 and December 31, 2016	0.
Additional paid-in capital	1,
Retained loss	(1
Accumulated other comprehensive loss	(6
Treasury stock: 4,585,223 and 6,058,856 shares at December 31, 2017 and December 31, 2016, respectively	(6
Total stockholders’ deficit	(2
Total liabilities and stockholders’ deficit	$4

See Notes to the Consolidated Financial Statements

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MONEYGRAM INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31,	2017	20
(Amounts in millions, except per share data)		
REVENUE		
Fee and other revenue	$1,560.9	$1
Investment revenue	41.2	18
Total revenue	1,602.1	1,
EXPENSES		
Fee and other commissions expense	763.5	79
Investment commissions expense	8.7	2.
Total commissions expense	772.2	79
Compensation and benefits	277.7	29
Transaction and operations support	402.3	30
Occupancy, equipment and supplies	66.1	61
Depreciation and amortization	75.1	79
Total operating expenses	1,593.4	1,
OPERATING INCOME	8.7	87
Other expenses		
Interest expense	45.3	45
Debt extinguishment costs	—	0.
Total other expenses, net	45.3	45
(Loss) income before income taxes	(36.6)	42
Income tax (benefit) expense	(6.8)	26
NET (LOSS) INCOME	$(29.8)	$1
(LOSS) EARNINGS PER COMMON SHARE		
Basic	$(0.47)	$(
Diluted	$(0.47)	$(
Weighted-average outstanding common shares and equivalents used in computing (loss) earnings per share		
Basic	62.9	62
Diluted	62.9	65

See Notes to the Consolidated Financial Statements

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MONEYGRAM INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

FOR THE YEAR ENDED DECEMBER 31,	2017
(Amounts in millions)	
NET (LOSS) INCOME	$ (29.
OTHER COMPREHENSIVE (LOSS) INCOME	
Net change in unrealized holding gains on available-for-sale securities arising during the period, net of tax benefit of $0.0, $0.1 and $0.0 for the years ended December 31, 2017, 2016 and 2015, respectively	3.6
Net reclassification adjustment for net realized gains included in net earnings, net of tax expense of $0.0 for the years ended December 31, 2017, 2016 and 2015, respectively	(12.2
Net change in pension liability due to amortization of prior service credit and net actuarial loss, net of tax benefit of $1.6, $2.0 and $3.1 for the years ended December 31, 2017, 2016 and 2015, respectively	2.8
Valuation adjustment for pension and postretirement benefits, net of tax (benefit) expense of ($4.5), ($1.2) and $7.1 for the years ended December 31, 2017, 2016 and 2015, respectively	(10.6
Pension settlement charge, net of tax benefit of $0.0, $0.0 and $5.4 for the years ended December 31, 2017, 2016 and 2015, respectively	—
Unrealized foreign currency translation adjustments, net of tax (expense) benefit of ($8.0), $1.3 and $4.6 for the years ended December 31, 2017, 2016 and 2015, respectively	9.5
Other comprehensive (loss) income	(6.9
COMPREHENSIVE (LOSS) INCOME	$ (36.

See Notes to the Consolidated Financial Statements

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MONEYGRAM INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31,	2017	2016	2015
(Amounts in millions)			
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	$(29.8)	$15.9	$(77.7)
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization	75.1	79.9	66.1
Signing bonus amortization	51.9	54.0	60.4
Deferred income tax (benefit) expense	(4.9)	7.3	25.1
Gain on redemption of asset-backed security	(12.2)	—	—
Amortization of debt discount and debt issuance costs	3.2	3.7	2.8
Non-cash compensation and pension expense	20.4	25.1	46.6
Signing bonus payments	(40.3)	(34.0)	(87.3)
Change in other assets	(4.6)	1.0	27.2
Change in accounts payable and other liabilities	70.3	(31.8)	(28.6)
Other non-cash items, net	3.4	(0.2)	(0.5)
Net cash provided by operating activities	132.5	120.9	34.1
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	(83.6)	(82.8)	(109.9)
Proceeds from disposal of assets	—	—	0.4
Net cash used in investing activities	(83.6)	(82.8)	(109.5)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Principal payments on debt	(9.8)	(30.3)	(9.8)
Stock repurchases	—	(11.7)	(0.4)
Contingent consideration payment	—	(0.7)	—
Payments to tax authorities for stock-based compensation	(8.0)	(2.7)	(0.5)
Proceeds from exercise of stock options and other	1.7	—	—
Net cash used in financing activities	(16.1)	(45.4)	(10.7)
NET CHANGE IN CASH AND CASH EQUIVALENTS	32.8	(7.3)	(86.1)
CASH AND CASH EQUIVALENTS—Beginning of year	157.2	164.5	250.6
CASH AND CASH EQUIVALENTS—End of year	$190.0	$157.2	$164.5
Supplemental cash flow information:			
Cash payments for interest	$41.9	$41.6	$42.1
Cash payments for taxes, net of refunds	$5.0	$9.5	$64.4

See Notes to the Consolidated Financial Statements

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MONEYGRAM INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

(Amounts in millions)	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Loss	Accumulated Other Comprehensive Loss	Treasury Stock	Total
January 1, 2015	$ 183.9	$ 0.6	$ 982.8	$(1,144.6)	$ (67.1)	$(138.3)	$(182.7)
Prior period pension adjustment	—	—	—	(3.8)	(2.5)	—	(6.3)
Net loss	—	—	—	(77.7)	—	—	(77.7)
Stock-based compensation activity	—	—	19.6	(5.3)	—	4.5	18.8
Stock repurchase	—	—	—	—	—	(0.4)	(0.4)
Other comprehensive income	—	—	—	—	18.8	—	18.8
December 31, 2015	183.9	0.6	1,002.4	(1,231.4)	(50.8)	(134.2)	(229.5)
Net income	—	—	—	15.9	—	—	15.9
Stock-based compensation activity	—	—	17.9	(37.1)	—	34.2	15.0
Stock repurchase	—	—	—	—	—	(11.7)	(11.7)
Other comprehensive loss	—	—	—	—	(5.3)	—	(5.3)
December 31, 2016	183.9	0.6	1,020.3	(1,252.6)	(56.1)	(111.7)	(215.6)
Net loss	—	—	—	(29.8)	—	—	(29.8)
Stock-based compensation activity	—	—	14.5	(53.7)	—	46.2	7.0
Other comprehensive loss	—	—	—	—	(6.9)	—	(6.9)
December 31, 2017	$ 183.9	$ 0.6	$ 1,034.8	$(1,336.1)	$ (63.0)	$(65.5)	$(245.3)

See Notes to the Consolidated Financial Statements

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MONEYGRAM INTERNATIONAL, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — Description of the Business and Basis of Presentation

References to "MoneyGram," the "Company," "we," "us" and "our" are to MoneyGram International, Inc. and its subsidiar
Nature of Operations — MoneyGram offers products and services under its two reporting segments: Global Funds Transfer
Products. The Global Funds Transfer segment provides global money transfer services and bill payment services to consum
offer services through third-party agents, including retail chains, independent retailers, post offices and other financial instit
offer Digital solutions such as moneygram.com, mobile solutions, account deposit and kiosk-based services. Additionally, v
Company-operated retail locations in the U.S. and Western Europe. The Financial Paper Products segment provides official
services and money orders through financial institutions and agent locations.
Basis of Presentation — The accompanying consolidated financial statements of MoneyGram are prepared in conformity w
accepted accounting principles in the United States of America ("GAAP"). The Consolidated Balance Sheets are unclassifie
uncertainty surrounding the payment of settlement obligations.
Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estim
that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the fi
and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based
experience, future expectations and other factors and assumptions the Company believes to be reasonable under the circum
estimates and assumptions are reviewed on an ongoing basis and are revised when necessary. Changes in estimates are reco
of change. Actual amounts may differ from these estimates.
Principles of Consolidation — The consolidated financial statements include the accounts of MoneyGram International, Inc
Intercompany profits, transactions and account balances have been eliminated in consolidation.
The Company participates in various trust arrangements (special purpose entities or "SPEs") related to official check proces
with financial institutions and structured investments within the investment portfolio. Working in cooperation with certain f
institutions, the Company historically established separate consolidated SPEs that provided these financial institutions with
assurance of its ability to clear their official checks. The Company maintains control of the assets of the SPEs and receives
revenue generated by the assets. The Company remains liable to satisfy the obligations of the SPEs, both contractually and
Uniform Commercial Code, as issuer and drawer of the official checks. As the Company is the primary beneficiary and bea
burden of any losses, the SPEs are consolidated in the consolidated financial statements. The assets of the SPEs are recorde
Consolidated Balance Sheets in a manner consistent with the assets of the Company based on the nature of the asset. Accor
obligations have been recorded in the Consolidated Balance Sheets under "Payment service obligations." The investment re
the assets of the SPEs is allocated to the Financial Paper Products segment in the Consolidated Statements of Operations. A
2017, the Company had only one SPE remaining with settlement assets equal to the payment service obligations of $0.8 mi
December 31, 2016, the Company's SPEs had settlement assets equal to payment service obligations of $1.7 million.
Merger Agreement — On January 26, 2017, MoneyGram International, Inc., a Delaware corporation (the "Company"), ent
and Plan of Merger (as amended by the First Amendment to the Agreement and Plan of Merger, dated April 15, 2017, the "
with Alipay (UK) Limited, a United Kingdom limited company ("Alipay"), Matrix Acquisition Corp., a Delaware corporat
owned subsidiary of Alipay ("Merger Sub"), and, solely for purposes of certain specified provisions of the Merger Agreem
Kong) Holding Limited, a Hong Kong limited company, providing for the merger of Merger Sub with and into the Compan
Company surviving as a wholly owned subsidiary of Alipay (the "Merger"). The closing of the Merger was subject to certa
including clearance by the Committee on Foreign Investment in the United States ("CFIUS") under the Defense Production
amended. On January 2, 2018, the parties to the Merger Agreement have been advised that CFIUS clearance of the Merger
forthcoming, and after further discussion between the parties, they determined to cease efforts to seek CFIUS approval and
Termination Agreement (the "Termination Agreement"). Pursuant to the Termination Agreement, Alipay paid the Company
$30.0 million on January 3, 2018. The parties have agreed to release each other from certain claims and liabilities arising ou
the Merger Agreement or the transactions contemplated thereby.

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Note 2 — Summary of Significant Accounting Policies

Cash and cash equivalents — The Company defines cash and cash equivalents and settlement cash and cash equivalents as
highly liquid debt instruments with original maturities of three months or less at the purchase date.

Settlement assets and payment service obligations — Settlement assets represent funds received or to be received from ager
money transfers, money orders and consumer payments. The Company records corresponding payment service obligations
payable under money transfers, money orders and consumer payment service arrangements. Settlement assets consist of set
cash equivalents, receivables and investments. Payment service obligations primarily consist of: outstanding payment instru
owed to financial institutions for funds paid to the Company to cover clearings of official check payment instruments, remit
clearing adjustments; amounts owed to agents for funds paid to consumers on behalf of the Company; commissions owed to
institution customers and agents for instruments sold; amounts owed to investment brokers for purchased securities and unc
owed to various states. These obligations are recognized by the Company at the time the underlying transaction occurs.

The Company's primary licensed entities are MoneyGram Payment Systems, Inc. ("MPSI") and MoneyGram International
enable us to offer our money transfer service in the European Economic Area as well as around the globe. MPSI is regulate
state agencies that generally require the Company to maintain a pool of assets with an investment rating bearing one of the
grades as defined by a nationally recognized rating agency ("permissible investments") in an amount equal to the payment s
as defined by each state, for those regulated payment instruments, namely teller checks, agent checks, money orders and mo
regulatory payment service assets measure varies by state, but in all cases excludes investments rated below A-. The most re
may also exclude assets held at banks that do not belong to a national insurance program, varying amounts of accounts rece
and/or assets held in the SPE. The regulatory payment service obligations measure varies by state, but in all cases is substan
the Company's payment service obligations as disclosed in the Consolidated Balance Sheets as the Company is not regulate
for payment service obligations resulting from outstanding cashier's checks or for amounts payable to agents and brokers.

We are also subject to licensing or other regulatory requirements in various other jurisdictions. Licensing requirements may
net worth, provision of surety bonds or letters of credit, compliance with operational procedures, agent oversight and the ma
settlement assets in an amount equivalent to outstanding payment service obligations, as defined by our various regulators.

The regulatory and contractual requirements do not require the Company to specify individual assets held to meet its payme
obligations, nor is the Company required to deposit specific assets into a trust, escrow or other special account. Rather, the
maintain a pool of liquid assets sufficient to comply with the requirements. No third party places limitations, legal or otherw
Company regarding the use of its individual liquid assets. The Company is able to withdraw, deposit or sell its individual li
with no prior notice or penalty, provided the Company maintains a total pool of liquid assets sufficient to meet the regulator
requirements. Regulatory requirements also require MPSI to maintain positive net worth, with certain states requiring that M
positive tangible net worth. The Company was in compliance with its contractual and financial regulatory requirements as o
2017.

The following table summarizes the amount of Settlement assets and Payment service obligations as of December 31:

(Amounts in millions)	2017	2016
Settlement assets:		
Settlement cash and cash equivalents	$1,469.9	$1,365.0
Receivables, net	1,125.8	999.4
Interest-bearing investments	1,154.2	1,252.1
Available-for-sale investments	7.0	17.8
	3,756.9	3,634.3
Payment service obligations	$(3,756.9)	$(3,634.3)

Receivables, net (included in settlement assets) — The Company has receivables due from financial institutions and agents
instruments sold and amounts advanced by the Company to certain agents for operational and local regulatory purposes. Th
outstanding from the day of the sale of the payment instrument until the financial institution or agent remits the funds to the
Company provides an allowance for the portion of the receivable estimated to become uncollectible based on its history of
experience, known collection issues, such as agent suspensions and bankruptcies, consumer credit card chargebacks and ins

other matters the Company identifies in its routine collection monitoring. Receivables are generally considered past due one
contractual remittance schedule, which is typically one to three days after the

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sale of the underlying payment instrument. Receivables are generally written off against the allowance one year after becon
The following summary details the activity within the allowance for credit losses for the years ended December 31:

(Amounts in millions)	2017	2016	2015
Beginning balance	$11.8	$9.2	$10.7
Provision	8.0	12.9	20.4
Write-offs, net of recoveries	(13.2)	(10.3)	(21.9)
Ending balance	$6.6	$11.8	$9.2

Investments (included in settlement assets) — The Company classifies securities as interest-bearing or available-for-sale. T
securities classified as trading or held-to-maturity. Time deposits and certificates of deposits with original maturities of up t
classified as interest-bearing investments and recorded at amortized cost. Securities held for indefinite periods of time, inclu
that may be sold to assist in the clearing of payment service obligations or in the management of the investment portfolio, a
available-for-sale securities. These securities are recorded at fair value, with the net after-tax unrealized gain or loss recorde
other comprehensive loss" in the stockholders' deficit section of the Consolidated Balance Sheets. Realized gains and losses
other-than-temporary impairments are recorded in the Consolidated Statements of Operations under "Net securities gains."
Interest income on residential mortgage-backed securities for which risk of credit loss is deemed remote is recorded utilizin
method. Changes in estimated cash flows, both positive and negative, are accounted for with retrospective changes to the ca
investments in order to maintain a level yield over the life of the investment. Interest income on residential mortgage-backe
which risk of credit loss is not deemed remote is recorded under the prospective method as adjustments of yield.
The Company applies the cost recovery method of accounting for interest to some of the investments within the available-fo
The cost recovery method accounts for interest on a cash basis and deems any interest payments received as a recovery of p
reduces the book value of the related security. When the book value of the related security is reduced to zero, interest paym
recognized as investment income upon receipt. The Company applies the cost recovery method of accounting as it believes
the Company will not recover all, or substantially all, of its principal investment and interest for its asset-backed and other s
sustained deterioration in the investment and securities market, the collapse of many asset-backed securities and the low lev
securities have been written down.
Securities with gross unrealized losses as of the balance sheet date are subject to a process for identifying other-than-tempo
Securities that the Company deems to be other-than-temporarily impaired are written down to fair value in the period the in
The assessment of whether such impairment has occurred is based on management's evaluation of the underlying reasons fo
value on an individual security basis. The Company considers a wide range of factors about the security and uses its best ju
evaluating the cause of the decline in the estimated fair value of the security and the prospects for recovery. The Company c
investment to be other-than-temporarily impaired when it is deemed probable that the Company will not receive all of the c
contractually stipulated for the investment, or whether it is more likely than not that we will sell an investment before recov
amortized cost basis. The Company evaluates all residential mortgage-backed and other asset-backed investments for impai
adverse change in expected cash flows occurs, and if the fair value of a security is less than its carrying value, the investmen
to fair value through a permanent reduction to its amortized cost. Securities gains and losses are recognized upon the sale, c
securities using the specific identification method to determine the cost basis of securities sold.
Fair Value of Financial Instruments — Financial instruments consist of cash and cash equivalents, settlement cash and cash
investments, derivatives, payment service obligations and debt. The carrying values of cash and cash equivalents, settlemen
equivalents, interest-bearing investments and payment service obligations approximate fair value. The carrying value of deb
amortized cost; however, for disclosure purposes the fair value is estimated. See Note 3 — Fair Value Measurement for info
the principles and processes used to estimate the fair value of financial instruments.
Derivative Financial Instruments — The Company recognizes derivative financial instruments in the Consolidated Balance
The accounting for changes in the fair value is recognized through the "Transaction and operations support" line in the Con
of Operations in the period of change. See Note 5 — Derivative Financial Instruments for additional disclosure.

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Property and Equipment — Property and equipment includes computer hardware, computer software, signage, equipment a
office furniture and equipment and leasehold improvements, and is stated at cost net of accumulated depreciation and amort
and equipment is depreciated and amortized using a straight-line method over the useful life or term of the lease or license.
related accumulated depreciation and amortization of assets sold or disposed of are removed from the financial statements,
gain or loss, if any, recognized in "Occupancy, equipment and supplies" in the Consolidated Statements of Operations. See
Equipment for additional disclosure. The following table summarizes the estimated useful lives by major asset category:

Type of Asset	Useful Life
Computer hardware	3 years
Computer software	5 - 7 years
Signage	3 years
Equipment at agent locations	3 - 7 years
Office furniture and equipment	7 years
Leasehold improvements	10 years

Tenant allowances for leasehold improvements are capitalized as leasehold improvements upon completion of the improver
over the shorter of the remaining term of the lease or 10 years.

Computer software includes acquired and internally developed software. For the years ended December 31, 2017 and 2016,
development costs of $43.9 million and $43.7 million, respectively, were capitalized. At December 31, 2017 and 2016, ther
million and $101.1 million, respectively, of unamortized software development costs included in property and equipment.

Property and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying a
recoverable by comparing the carrying value of the assets to the estimated future undiscounted cash flows to be generated b
impairment is determined to exist for property and equipment, the carrying value of the asset is reduced to the estimated fai

Goodwill and Intangible Assets — Goodwill represents the excess of the purchase price over the fair value of net assets acq
combinations and is assigned to the reporting unit in which the acquired business will operate. Intangible assets are recorde
fair value at the date of acquisition. In the year following the period in which identified intangible assets become fully amor
amortized balances are removed from the gross asset and accumulated amortization amounts. Goodwill is not amortized, bu
to impairment testing. Intangible assets with finite lives are amortized using a straight-line method over their respective use
follows:

Type of Intangible Asset	Useful Life
Contractual and customer relationships	3-15 years
Non-compete agreements	3-5 years
Developed technology	5-7 years

The Company evaluates its goodwill for impairment annually as of October 1 of each year or more frequently if impairmen
accordance with Accounting Standards Codification ("ASC") Topic 350, "Intangibles - Goodwill and Other." When testing
impairment, the Company may elect to perform either a qualitative test or a quantitative test to determine if it is more likely
carrying value of a reporting unit exceeds its estimated fair value. During a qualitative analysis, the Company considers the
changes to the following factors: macroeconomic, industry and market factors, cost factors, and changes in overall financial
well as any other relevant events and uncertainties impacting a reporting unit. If the qualitative assessment does not concluc
likely than not that the estimated value of the reporting unit is greater than the carrying value, the Company performs a quai
In a quantitative testing, the carrying value of the reporting unit is compared to its estimated fair value. If the fair value of a
exceeds its carrying amount, there is no impairment. If not, we compare the fair value of the reporting unit with its carrying
extent the carrying amount of the reporting unit exceeds its fair value, an impairment charge of the reporting unit's goodwil
recognized; however, the loss recognized would not exceed the total amount of goodwill allocated to that reporting unit. Int
finite lives are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may no
by comparing the carrying value of the assets to the estimated future undiscounted cash flows to be generated by the asset. I
determined to exist for intangible assets, the carrying value of the asset is reduced to the estimated fair value.

Payments on Long-Term Contracts — The Company makes payments to certain agents and financial institution customers a
enter into long-term contracts. The payments, or signing bonuses, are generally required to be refunded pro rata in

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the event of nonperformance under, or cancellation of, the contract by the customer. Signing bonuses are viewed as prepaid
expense and are, therefore, capitalized and amortized over the life of the related contract. Amortization of signing bonuses o
contracts is recorded in "Fee and other commissions expense" in the Consolidated Statements of Operations. The carrying v
bonuses are reviewed whenever events or changes in circumstances indicate that the carrying amounts may not be recovera
Income Taxes — The provision for income taxes is computed based on the pre-tax income (loss) included in the Consolida
Operations. Deferred tax assets and liabilities are recorded based on the future tax consequences attributable to temporary d
exist between the financial statement carrying value of assets and liabilities and their respective tax basis, and operating los
carry-forwards on a taxing jurisdiction basis. The Company measures deferred tax assets and liabilities using enacted statut
will apply in the years in which the Company expects the temporary differences to be recovered or paid. The Company's ab
deferred tax assets depends on the ability to generate sufficient taxable income within the carry-back or carry-forward perio
the tax law. The Company establishes valuation allowances for its deferred tax assets based on a more-likely-than-not thres
management believes that recovery is not likely, a valuation allowance is established in the period in which the determinatio
The liability for unrecognized tax benefits is recorded as a non-cash item in "Accounts payable and other liabilities" in the C
Sheets. The Company records interest and penalties for unrecognized tax benefits in "Income tax expense" in the Consolida
Operations. See Note 12 — Income Taxes for additional disclosure.
Treasury Stock — Repurchased common stock is stated at cost and is presented as a separate component of stockholders' d
Stockholders' Deficit for additional disclosure.
Foreign Currency Translation — The Company converts assets and liabilities of foreign operations to their U.S. dollar equi
effect at the balance sheet dates and records the translation adjustments in "Accumulated other comprehensive loss" in the C
Sheets. Income statements of foreign operations are translated from the operation's functional currency to U.S. dollar equiv
average exchange rate for the month. Foreign currency exchange transaction gains and losses are reported in "Transaction a
support" in the Consolidated Statements of Operations.
Revenue Recognition — The Company earns revenue primarily through service fees charged to consumers and through its
description of these revenues and revenue recognition policies is as follows:

- Fee and other revenue consists of transaction fees, service revenue, foreign exchange revenue and other revenue.
- Transaction fees consist primarily of fees earned on money transfer, money order, bill payment and official check transacti
transfer transaction fees vary based on the principal value of the transaction and the locations in which these money transfe
which they are sent. The official check, money order and bill payment transaction fees are fixed fees charged on a per item
fees are recognized at the time of the transaction or sale of the product and are presented on a gross basis.
- Foreign exchange revenue is earned from the management of currency exchange spreads on money transfer transactions in
"send" and "receive" currencies. Currency exchange spread is the difference between the exchange rate set by the Compan
the rate at which the Company or its agents are able to acquire currency. Foreign exchange revenue is recognized at the tim
funds occurs and is presented on a gross basis.
- Other revenue primarily consists of service charges on aged outstanding money orders and money order dispenser fees. Ad
unclaimed payment instruments and money transfers, we recognize breakage income when the likelihood of consumer pick
remote based on historical experience and there is no requirement for remitting balances to government agencies under unc
laws.
- Investment revenue is earned from the investment of funds generated from the sale of payment instruments, primarily offic
money orders, and consists of interest income, dividend income, income received on our cost recovery securities and amort
premiums and discounts.

Fee and Other Commissions Expense — The Company incurs fee commissions primarily related to our Global Funds Trans
money transfer transaction, both the agent initiating the transaction and the receiving agent earn a commission that is genera
fee or is based on a percentage of the fee charged to the consumer. The agent initiating the transaction and the receiving age
foreign exchange commissions, which are generally based on a percentage of the foreign exchange spread. In a bill paymen
agent initiating the transaction receives a commission that is generally based on a percentage of the fee charged to the consu
limited circumstances, the biller receives a commission that is based on a percentage of the fee charged to the consumer. Th
generally does not pay commissions to agents on the sale of money orders, except, in certain limited circumstances, for larg
may pay a fixed commission based on total money order transactions. Other commissions expense includes the amortizatio
agent signing bonus payments.

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Investment Commissions Expense — Investment commissions expense consists of amounts paid to financial institution cus
short-term interest rate indices times the average outstanding cash balances of official checks sold by the financial institutio
commissions are recognized each month based on the average outstanding balances of each financial institution customer a
variable rate for that month.

Marketing and Advertising Expense — Marketing and advertising costs are expensed as incurred or at the time the advertis
and are recorded in the "Transaction and operations support" line in the Consolidated Statements of Operations. Marketing
expense was $57.2 million, $65.1 million and $59.4 million for 2017, 2016 and 2015, respectively.

Stock-Based Compensation — Stock-based compensation awards are measured at fair value at the date of grant and expens
or service periods. The expense, net of estimated forfeitures, is recognized using the straight-line method and is recorded in
benefits" in the Consolidated Statements of Operations. The Company accounts for modifications to its share-based payme
accordance with the provisions of ASC Topic 718, "Compensation - Stock Compensation." Incremental compensation cost
excess, if any, of the fair value of the modified award over the fair value of the original award immediately before its terms
measured based on the share price and other pertinent factors at that date, and is recognized as compensation cost on the da
(for vested awards) or over the remaining vesting or service period (for unvested awards). Any unrecognized compensation
from the original award is recognized over the vesting period of the modified award. See Note 11 — Stock-Based Compens
disclosure of the Company's stock-based compensation.

Earnings Per Share — For all periods in which it is outstanding, the Series D Participating Convertible Preferred Stock (the
included in the weighted-average number of common shares outstanding utilized to calculate basic earnings per common sh
Stock is deemed a common stock equivalent. Diluted earnings per common share reflects the potential dilution that could re
incremental shares arising out of the Company's stock-based compensation plans were exercised or converted into commo
earnings per common share assumes the exercise of stock options using the treasury stock method.

The following table is a reconciliation of the weighted-average amounts used in calculating (loss) earnings per share for the
December 31:

(Amounts in millions)	2017	2016	2015
Basic common shares outstanding	62.9	62.3	62.1
Shares related to restricted stock units	—	3.6	—
Diluted common shares outstanding	62.9	65.9	62.1

Potential common shares are excluded from the computation of diluted earnings per common share when the effect would b
potential common shares are anti-dilutive in periods of net loss available to common stockholders. Stock options are anti-di
exercise price of these instruments is greater than the average market price of the Company's common stock for the period.
summarizes the weighted-average potential common shares excluded from diluted (loss) income per common share as their
anti-dilutive or their performance conditions are not met for the years ended December 31:

(Amounts in millions)	2017	2016	2015
Shares related to stock options	1.7	2.7	3.4
Shares related to restricted stock units	3.2	—	3.8
Shares excluded from the computation	4.9	2.7	7.2

Recent Accounting Pronouncements and Related Developments — In May 2014, the Financial Accounting Standards Boar
issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606). The new gui
five-step revenue recognition model which replaces the current revenue recognition guidance in its entirety and is intended
numerous industry-specific pieces of revenue recognition guidance and requires more detailed disclosures. To further assist
implementation of ASU 2014-09, the FASB issued the following ASUs:

- ASU 2016-08 (Issued March 2016) — Principal versus Agent Consideration (Reporting Revenue Gross versus Net)
- ASU 2016-10 (Issued April 2016) — Identifying Performance Obligations and Licensing
- ASU 2016-12 (Issued May 2016) — Narrow-Scope Improvements and Practical Expedients
- ASU 2016-20 (Issued December 2016) — Technical Corrections and Improvements to Topic 606, Revenue from Contracts

These ASUs are effective for public entities for interim and annual reporting periods beginning after December 15, 2017. E
permitted, but not before interim and annual reporting periods beginning after December 15, 2016. The Company is

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not early adopting these standards and will use the cumulative effect transition method upon adoption. Based on our evalua
transfer and bill payment services provided by the Global Funds Transfer segment, the Company has determined that each
includes only one performance obligation to the customer. For the Company's money transfer service, the performance obli
the consumer's money and make funds available for payment, generally on the same day, to a designated recipient in the cu
For the Company's bill payment service, the performance obligation is to collect the consumer's money and transfer the fun
designated institution, generally on the same day. The satisfaction of these performance obligations occurs at a point in tim
change from how we currently recognize revenue. For the money orders and official checks products, the Company will co
revenue on a monthly basis depending on the volume of products sold. As such, the adoption of this standard will not have
Company's consolidated financial statements and a minimal impact on our internal controls over financial reporting. Based
requirements of ASC 606, upon adoption, we expect to provide expanded disclosures relating to our revenue recognition po
these relate to our revenue-generating contractual performance obligations. Management is finalizing its disclosure require
standard.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). ASU 2016-02 requires organizations to recognize le
lease liabilities on the balance sheet and to disclose key information about leasing arrangements. The classification criteria
between finance leases and operating leases are substantially similar to the classification criteria for distinguishing between
operating leases in the previous lease guidance. The FASB retained the distinction between finance leases and operating lea
effect of leases in the statement of comprehensive income and the statement of cash flows largely unchanged from previous
2016-02 mandates a modified retrospective transition method and is effective for fiscal years beginning after December 15,
adoption of the amendment is permitted but the Company will not be early adopting this standard. The Company's leases co
operating leases for buildings, equipment and vehicles. The impact of this ASU on the Company's consolidated financial st
being evaluated but, due to the nature of the Company's leases, management believes that this standard will not have a mate
Consolidated Statement of Operations.

In March 2016, the FASB issued ASU 2016-09, Compensation—Stock Compensation (Topic 718): Improvements to Empl
Payment Accounting. This standard makes several modifications to Topic 718 related to the accounting for forfeitures, emp
withholding on share-based compensation and the financial statement presentation of excess tax benefits or deficiencies. U
companies are allowed to withhold up to the employees' maximum statutory tax rates in the applicable jurisdictions withou
liability classification. Further, the ASU requires that cash payments to tax authorities in connection with shares withheld to
withholding requirements be presented as a financing activity in the statement of cash flows. ASU 2016-09 is effective for
beginning after December 15, 2016. The Company adopted ASU 2016-09 in the first quarter of 2017. Prior to the adoption
the Company presented cash payments to tax authorities in connection with shares withheld to meet statutory tax withholdi
as an operating activity in its statement of cash flows. Upon adoption of this ASU, the presentation of these payments was
financing activity and prior period Consolidated Statements of Cash Flows have been updated to reflect this change.

In October 2016, the FASB issued ASU 2016-16, Income Taxes (Topic 740) - Intra- Entity Transfers of Assets Other Than
standard requires that an entity should recognize the income tax consequences of an intra-entity transfer of an asset other th
the transfer occurs. Consequently, the amendments in this standard eliminate the exception for an intra-entity transfer of an
inventory. ASU 2016-16 is effective for public companies for annual reporting periods beginning after December 15, 2017,
reporting periods within those annual reporting periods. The Company will not be early adopting this standard but, upon ad
modified retrospective approach. The modified retrospective approach will result in a reclassification of a net deferred char
approximately $1.3 million from "Other assets" to "Retained loss" on the Consolidated Balance Sheets, with a partial offse
is in the process of finalizing, for the establishment of remaining net deferred tax assets in each respective jurisdiction.

The Company has determined that there have been no other recently adopted or issued accounting standards that had, or wi
impact on its consolidated financial statements.

Note 3 — Fair Value Measurement

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability, or the exit price
transaction between market participants on the measurement date. A three-level hierarchy is used for fair value measureme
observability of the inputs to the valuation of an asset or liability as of the measurement date. Under the hierarchy, the high

to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1), followed by observable inputs (Lev
unobservable inputs (Level 3). A financial instrument's level within the hierarchy is based on the lowest level of any input t
the fair value measurement. The following is a description of the Company's valuation methodologies used to estimate the
and liabilities:

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Assets and liabilities that are measured at fair value on a recurring basis:

- Available-for-sale investments - For residential mortgage-backed securities issued by U.S. government agencies, fair value obtained from an independent pricing service. As market quotes are generally not readily available or accessible for these s the pricing service measures fair value through the use of pricing models utilizing reported market quotes adjusted for obse as market prices for comparable securities, spreads, prepayment speeds, yield curves and delinquency rates. Accordingly, tl classified as Level 2 financial instruments.

For asset-backed and other securities, which include investments in limited partnerships, market quotes are generally not av Company utilizes broker quotes to measure market value, if available. Because the inputs and assumptions that brokers use are unobservable, valuations that are based on brokers' quotes are classified as Level 3. Also, the Company uses pricing ser pricing models based on market observable and unobservable data. The observable inputs include quotes for comparable se curves, default indices, interest rates, historical prepayment speeds and delinquency rates. These pricing models also apply adjustment as a significant unobservable input. Accordingly, asset-backed and other securities valued using third-party pric classified as Level 3.

- Derivative financial instruments — Derivatives consist of forward contracts to manage income statement exposure to foreig risk arising from the Company's assets and liabilities denominated in foreign currencies. The Company's forward contracts products, allowing the use of standardized models with market-based inputs. These models do not contain a high level of su inputs are readily observable. Accordingly, the Company has classified its forward contracts as Level 2 financial instrumen Derivative Financial Instruments for additional disclosure on the Company's forward contracts.

The following table summarizes the Company's financial assets and liabilities measured at fair value by hierarchy level on

(Amounts in millions)	Level 2	Level 3	Total
December 31, 2017			
Financial assets:			
Available-for-sale investments:			
Residential mortgage-backed securities	$ 5.6	$—	$5.6
Asset-backed and other securities	—	1.4	1.4
Forward contracts	0.2	—	0.2
Total financial assets	$ 5.8	$1.4	$7.2
Financial liabilities:			
Forward contracts	$ 1.0	$—	$1.0
December 31, 2016			
Financial assets:			
Available-for-sale investments:			
Residential mortgage-backed securities	$ 7.2	$—	$7.2
Asset-backed and other securities	—	10.6	10.6
Forward contracts	2.4	—	2.4
Total financial assets	$ 9.6	$10.6	$20.2
Financial liabilities:			
Forward contracts	$ 0.1	$—	$0.1

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The following table provides a roll-forward of the asset-backed and other securities classified as Level 3, which are measur
a recurring basis, for the years ended December 31:

(Amounts in millions)	2017	2016	2015
Beginning balance	$10.6	$11.6	$12.6
Principal paydowns	(0.8)	(1.2)	(0.9)
Change in unrealized gains	3.8	0.3	(0.1)
Net realized gains	(12.2)	(0.1)	—
Ending balance	$1.4	$10.6	$11.6

Assets and liabilities that are disclosed at fair value — Debt and interest-bearing investments are carried at amortized cost;
Company estimates the fair value of debt for disclosure purposes. The fair value of debt is estimated using an observable m
(Level 2). The following table is a summary of the Company's fair value and carrying value of debt as of December 31:

	Fair Value		Carrying Value	
(Amounts in millions)	2017	2016	2017	2016
Senior secured credit facility	$910.8	$912.5	$914.2	$924.0

The carrying amounts for the Company's cash and cash equivalents, settlement cash and cash equivalents, interest-bearing i
payment service obligations approximate fair value as of December 31, 2017 and 2016.

The Company records the investments in its defined benefit pension plan ("Pension Plan") trust at fair value. The majority
Plan's investments are common/collective trusts held by the Pension Plan's trustee. The fair values of the Pension Plan's in
determined based on the current market values of the underlying assets. See Note 9 — Pension and Other Benefits for addit
investments held by the Pension Plan.

Assets and liabilities measured at fair value on a non-recurring basis — Assets and liabilities that are measured at fair value
basis relate primarily to the Company's property and equipment, goodwill and other intangible assets, which are re-measur
of an impairment. No impairments of property and equipment, goodwill and other intangible assets were recorded during 2
2015.

Fair value re-measurements are normally based on significant unobservable inputs (Level 3). Tangible and intangible asset
derived using accepted valuation methodologies. If it is determined an impairment has occurred, the carrying value of the a
fair value with a corresponding charge to the "Other expenses" line in the Consolidated Statements of Operations.

Note 4 — Investment Portfolio

The Company's portfolio is invested in cash and cash equivalents, interest-bearing investments and available-for-sale inves
in Note 2 — Summary of Significant Accounting Policies. The following table shows the components of the investment po
December 31:

(Amounts in millions)	2017	2016
Cash	$1,654.5	$1,514.5
Money market securities	5.4	7.7
Cash and cash equivalents [1]	1,659.9	1,522.2
Interest-bearing investments	1,154.2	1,252.1
Available-for-sale investments	7.0	17.8
Total investment portfolio	$2,821.1	$2,792.1

[1] For purposes of the disclosure of the investment portfolio as a whole, the cash and cash equivalents balance includes sett
cash equivalents.

Cash and Cash Equivalents — Cash and cash equivalents consist of interest-bearing deposit accounts, non-interest bearing
and money market securities. The Company's money market securities are invested in two funds, each of which is AAA ra
U.S. Treasury bills, notes or other obligations issued or guaranteed by the U.S. government and its agencies, as well as rep
secured by such instruments.

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Interest-bearing Investments — Interest-bearing investments consist of time deposits and certificates of deposit with maturi
months, and are issued from financial institutions rated A- or better as of December 31, 2017.
Available-for-sale Investments — Available-for-sale investments consist of residential mortgage-backed securities and asse
securities. The following table is a summary of the amortized cost and fair value of available-for-sale investments:

(Amounts in millions)	Amortized Cost	Gross Unrealized Gains	Fair Value
December 31, 2017			
Residential mortgage-backed securities	$ 5.2	$ 0.4	$5.6
Asset-backed and other securities	0.2	1.2	1.4
Total	$ 5.4	$ 1.6	$7.0
December 31, 2016			
Residential mortgage-backed securities	$ 6.6	$ 0.6	$7.2
Asset-backed and other securities	1.0	9.6	10.6
Total	$ 7.6	$ 10.2	$17.8

As of December 31, 2017 and 2016, 80% and 40%, respectively, of the fair value of the available-for-sale portfolio were in
residential mortgage-backed securities issued by U.S. government agencies. These securities have the implicit backing of th
government, and the Company expects to receive full par value upon maturity or pay-down, as well as all interest payments
asset-backed and other securities are collateralized debt obligations backed primarily by high-grade debt, mezzanine equity
collateralized debt obligations and home equity loans, along with private equity investments, as summarized in Note 3 — F
Measurement.
Gains and Losses — For the twelve months ended December 31, 2017, the Company recognized $12.2 million of investme
redemption at par value of $12.7 million of a previously impaired asset-backed security in "Investment revenue" on the Co
Statement of Operations. Prior to the redemption, the security had $0.5 million in book value with $7.9 million in unrealize
December 31, 2017 and 2016, net unrealized gains, net of tax of $2.2 million and $10.8 million, respectively, were include
Consolidated Balance Sheets in "Accumulated other comprehensive loss." The Company had nominal unrealized losses in
portfolio as of December 31, 2017 and no unrealized losses in its available-for-sale portfolio as of December 31, 2016. For
2015 the Company had no net realized losses and no other-than-temporary impairments.
Investment Ratings — In rating the securities in its investment portfolio, the Company uses ratings from Moody's Investor
Standard & Poor's ("S&P") and Fitch Ratings ("Fitch"). If the rating agencies have split ratings, the Company uses the low
out of three ratings across the rating agencies for disclosure purposes. If the institution has only two ratings, the Company u
the two ratings for disclosure purposes. Securities issued or backed by U.S. government agencies are included in the AAA r
Investment grade is defined as a security having a Moody's equivalent rating of Aaa, Aa, A or Baa or an S&P or Fitch equi
AAA, AA, A or BBB. The Company's investments consisted of the following ratings as of December 31:

(Amounts in millions, except percentages)	2017 Number of Securities	Fair Value	Percent of Investments		2016 Number of Securities	Fair Value	Percent of Investments	
Investment grade	11	$ 5.6	80	%	12	$7.2	40	%
Below investment grade	38	1.4	20	%	40	10.6	60	%
Total	49	$ 7.0	100	%	52	$17.8	100	%

Had the Company used the lowest rating from the rating agencies in the information presented above, there would be no ch
classifications as of December 31, 2017 and 2016, respectively.
Contractual Maturities — Actual maturities may differ from contractual maturities as borrowers may have the right to call o
sometimes without call or prepayment penalties. Maturities of residential mortgage-backed and asset-backed and other secu
the repayment characteristics and experience of the underlying obligations.
Fair Value Determination — The Company uses various sources of pricing for its fair value estimates of its available-for-sa
percentage of the portfolio for which the various pricing sources were used is as follows as of December 31, 2017 and 2016
used a third-party pricing service and 7% and 5% used broker quotes, respectively.

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Note 5 — Derivative Financial Instruments

The Company uses forward contracts to manage its foreign currency needs and foreign currency exchange risk arising from
liabilities denominated in foreign currencies. While these contracts may mitigate certain foreign currency risk, they are not
hedges for accounting purposes. These contracts will result in gains and losses which are reported in the "Transaction and o
line item in the Consolidated Statements of Operations. The Company also reports gains and losses from the spread differen
rate set for its transactions and the actual cost of currency at the time the Company buys or sells in the open market. The "T
operations support" line in the Consolidated Statements of Operations and the "Net cash provided by operating activities" li
Consolidated Statements of Cash Flows include the following gains related to assets and liabilities denominated in foreign c
years ended December 31:

(Amounts in millions)	2017	2016	2015
Net realized foreign currency gain (loss)	$21.0	$(5.4)	$(21.3)
Net (loss) gain from the related forward contracts	(13.5)	23.6	32.7
Net gains from foreign currency transactions and related forward contracts	$7.5	$18.2	$11.4

As of December 31, 2017 and 2016, the Company had $311.5 million and $294.5 million, respectively, of outstanding notio
relating to its foreign currency forward contracts. As of December 31, 2017 and 2016, the Company reflects the following f
derivative forward contract instruments in its Consolidated Balance Sheets:

		Gross Amount of Recognized Assets		Gross Amount of Offset		Net Amount of Assets Presented in the Consolidated Balance Sheets	
(Amounts in millions)	Balance Sheet Location	2017	2016	2017	2016	2017	2016
Forward contracts	Other assets	$ 0.4	$ 2.6	$(0.2)	$(0.2)	$ 0.2	$ 2.4

		Gross Amount of Recognized Liabilities		Gross Amount of Offset		Net Amount of Liabilities Presented in the Consolidated Balance Sheets	
(Amounts in millions)	Balance Sheet Location	2017	2016	2017	2016	2017	2016
Forward contracts	Accounts payable and other liabilities	$ 1.2	$ 0.3	$(0.2)	$(0.2)	$ 1.0	$ 0.1

The Company's forward contracts are primarily executed with counterparties governed by International Swaps and Derivati
agreements that generally include standard netting arrangements. Asset and liability positions from forward contracts and a
exchange transactions with the same counterparty are net settled upon maturity.

The Company is exposed to credit loss in the event of non-performance by counterparties to its derivative contracts. The Co
monitors its exposure to credit risk through the use of credit approvals and credit limits, and by selecting major internationa
financial institutions as counterparties. Collateral generally is not required of the counterparties or of the Company. In the u
counterparty fails to meet the contractual terms of the derivative contract, the Company's risk is limited to the fair value of
Company has not had any historical instances of non-performance by any counterparties, nor does it anticipate any future in
non-performance.

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Note 6 — Property and Equipment

The following table is a summary of "Property and equipment, net" as of December 31:

(Amounts in millions)	2017	2016
Computer hardware and software	$432.1	$373.3
Signage	71.3	85.0
Equipment at agent locations	59.1	60.5
Office furniture and equipment	29.6	28.0
Leasehold improvements	28.6	24.7
Total property and equipment	620.7	571.5
Accumulated depreciation and amortization	(405.8)	(370.5)
Total property and equipment, net	$214.9	$201.0

Depreciation and amortization expense for property and equipment for 2017, 2016 and 2015 was $73.0 million, $76.9 milli
million, respectively.

At December 31, 2017 and 2016, the Company had $5.1 million and $3.8 million, respectively, in accrued purchases of pro
equipment included in “Accounts payable and other liabilities” in the Consolidated Balance Sheets.

During 2017 and 2015, the Company had nominal losses related to disposal of its property and equipment. During 2016, th
recognized a loss of $0.2 million on disposal of signage and equipment at agent locations. The losses were recorded in the ‘
equipment and supplies” line in the Consolidated Statements of Operations.

Note 7 — Goodwill and Intangible Assets

Goodwill — The Company's goodwill balance was $442.2 million as of December 31, 2017 and 2016, and all relates to the
Transfer segment. The Company performed an annual assessment of goodwill during the fourth quarter of 2017, 2016 and 2
impairments of goodwill were recorded in 2017, 2016 and 2015.

The following table is a summary of the gross goodwill balances and accumulated impairments as of December 31:

	2017		2016	
(Amounts in millions)	Gross Goodwill	Accumulated Impairments	Gross Goodwill	Accumulated Impairments
Global Funds Transfer	$445.4	$ (3.2)	$445.4	$ (3.2)

Intangibles — The following table is a summary of intangible assets included in “Other assets” in the Consolidated Balance
31:

	2017			2016		
(Amounts in millions)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Contractual and customer relationships	$10.7	$ (7.8)	$ 2.9	$11.1	$ (6.3)	$ 4.8
Non-compete agreements	1.0	(0.9)	0.1	1.5	(1.2)	0.3
Developed technology	0.6	(0.3)	0.3	1.1	(0.7)	0.4
Total intangible assets	$12.3	$ (9.0)	$ 3.3	$13.7	$ (8.2)	$ 5.5

Intangible asset amortization expense for 2017, 2016 and 2015 was $2.1 million, $3.0 million and $2.7 million, respectively
future intangible asset amortization expense is $1.5 million, $0.5 million, $0.5 million, $0.5 million and $0.3 million for 20
2021 and 2022, respectively.

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Note 8 — Debt

The following is a summary of the Company's outstanding debt as of December 31:

(Amounts in millions, except percentages)	December 31, 2017 Effective Interest Rate		December 31, 2016 Effective Interest Rate	
Senior secured credit facility due 2020	4.94%	$914.2	4.25%	$924.0
Unamortized debt issuance costs and debt discount		(6.1)		(8.8)
Total debt, net		$908.1		$915.2

2013 Credit Agreement — On March 28, 2013, the Company, as borrower, entered into an Amended and Restated Credit A
Credit Agreement") with Bank of America, N.A. ("BOA"), as administrative agent, the financial institutions party thereto a
other agents party thereto. The 2013 Credit Agreement provides for (i) a senior secured five-year revolving credit facility u
principal amount of $125.0 million (the "Revolving Credit Facility") and (ii) a senior secured seven-year term loan facility
(the "Term Credit Facility"). The Revolving Credit Facility includes a sub-facility that permits the Company to request the
of credit up to an aggregate amount of $50.0 million, with borrowings available for general corporate purposes.

On April 2, 2014, the Company, as borrower, entered into a First Incremental Amendment and Joinder Agreement (the "In
Agreement") with BOA, as administrative agent, and various lenders. The Incremental Agreement provided for (a) a tranch
Credit Facility in an aggregate principal amount of $130.0 million (the "Tranche B-1 Term Loan Facility") to be made avai
Company under the 2013 Credit Agreement, (b) an increase in the Revolving Credit Facility under the 2013 Credit Agreem
million to $150.0 million and (c) certain other amendments to the 2013 Credit Agreement including, without limitation, (i)
certain of the conditions precedent with respect to these incremental borrowings, (ii) an increase in the maximum secured l
which the Company is required to comply as of the last day of each fiscal quarter, and (iii) amendments to permit the Comp
to $300.0 million under the Term Credit Facility for share repurchases exclusively from affiliates of Thomas H. Lee Partne
and Goldman, Sachs & Co. ("Goldman Sachs"). The Company borrowed $130.0 million under the Tranche B-1 Term Loan
April 2, 2014, and the proceeds were used to fund a portion of the share repurchases from THL reducing the remaining limi
purchases to $170.0 million.

On December 12, 2016, the Company entered into Amendment No. 2 to the 2013 Credit Agreement, dated December 12, 2
Amendment"), with BOA, as administrative agent, and various lenders. The 2016 Amendment includes, but is not limited t
aggregate Revolving Credit Facility from $150.0 million to $125.0 million from December 12, 2016 to March 27, 2018 (th
original Revolving Credit Facility term) and increasing the maximum secured leverage ratio, effective the first quarter of 2
Amendment also extended the maturity date of the revolving credit commitments of the extending lenders, which represent
$85.8 million in the aggregate, from March 28, 2018 to September 28, 2019. This 2016 Amendment was accounted for as a
debt in accordance with ASC Topic 470, "Debt."

The 2013 Credit Agreement is secured by substantially all of the non-financial assets of the Company and its material dom
that guarantee the payment and performance of the Company's obligations under the 2013 Credit Agreement.

The Company may elect an interest rate under the 2013 Credit Agreement at each reset period based on the BOA prime ba
Eurodollar rate. The interest rate election may be made individually for the Term Credit Facility and each draw under the R
Facility. The interest rate will be either the "alternate base rate" (calculated in part based on the BOA prime rate) plus eithe
points (depending on the Company's secured leverage ratio or total leverage ratio, as applicable, at such time) or the Eurod
300 or 325 basis points (depending on the Company's secured leverage ratio or total leverage ratio, as applicable, at such ti
ended December 31, 2017, 2016 and 2015, the Eurodollar rate was the effectively elected primary interest basis. Under the
Credit Agreement, the minimum interest rate applicable to Eurodollar borrowings under the Term Credit Facility is 100 bas
applicable margins previously referred to in this paragraph. The Company's effective interest rate on the senior secured bo
from 4.25% at December 31, 2016 to 4.94% at December 31, 2017 due to an increase in the Eurodollar rate.

Fees on the daily unused availability under the Revolving Credit Facility are 50 basis points. As of December 31, 2017, the

outstanding letters of credit and no borrowings under the Revolving Credit Facility, leaving $125.0 million of availability th

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Debt Covenants and Other Restrictions — Borrowings under the 2013 Credit Agreement are subject to various limitations t
Company's ability to: incur additional indebtedness; create or incur additional liens; effect mergers and consolidations; mak
acquisitions or investments; sell assets or subsidiary stock; pay dividends and other restricted payments; and effect loans, ad
other transactions with affiliates. In addition, the Revolving Credit Facility has covenants that place limitations on the use o
borrowings under the facility.

The terms of our debt agreements place significant limitations on the amount of restricted payments we may make, includin
common stock and our repurchase of our capital stock. Subject to certain customary conditions, we may (i) make restricted
aggregate amount not to exceed $50.0 million (without regard to a pro forma leverage ratio calculation), (ii) make restricted
formulaic amount determined based on an incremental build-up of our consolidated net income in future periods (subject to
maximum pro forma leverage ratio calculation) and (iii) repurchase capital stock from THL and Goldman Sachs in a remain
amount up to $170.0 million as discussed above.

The 2013 Credit Agreement contains various financial and non-financial covenants. A violation of these covenants could ne
the Company's liquidity by restricting the Company's ability to borrow under the Revolving Credit Facility and/or causing a
amounts due under the credit facilities. The financial covenants in the 2013 Credit Agreement measure leverage, interest co
liquidity. Leverage is measured through a senior secured debt ratio calculated as consolidated indebtedness to consolidated
before interest, taxes, depreciation and amortization), adjusted for certain items such as net securities gains, stock-based co
expense, certain legal settlements and asset impairments, among other items, also referred to as adjusted EBITDA. This me
but not identical, to Adjusted EBITDA (EBITDA adjusted for certain significant items) as discussed in Note 11 — Stock-B
Interest coverage is calculated as adjusted EBITDA to net cash interest expense.

The Company's assets in excess of payment service obligations used for the asset coverage calculation, which is equal to to
equivalents and settlement assets less payment service obligations, are $190.0 million and $157.2 million as of December 3
December 31, 2016, respectively.

The 2013 Credit Agreement also has quarterly financial covenants to maintain the following interest coverage and secured l

	Interest Coverage Minimum Ratio	Secured Leverage Not to Exceed
January 1, 2017 through December 31, 2017	2.25:1	4.250:1
January 1, 2018 through June 30, 2018	2.25:1	4.000:1
July 1, 2018 through December 31, 2018	2.25:1	3.750:1
January 1, 2019 through maturity	2.25:1	3.500:1

At December 31, 2017, the Company was in compliance with its financial covenants: our interest coverage ratio was 6.56 to
secured leverage ratio was 3.308 to 1.00. We continuously monitor our compliance with our debt covenants.

Debt Issuance Costs —The Company presents debt issuance costs as a direct deduction from the carrying amount of the rel
amortizes these costs over the term of the related debt liability using the effective interest method. Amortization is recorded
expense" on the Consolidated Statements of Operations.

The Company records debt issuance costs for its Revolving Credit Facility in Other assets on its Consolidated Balance Shee
amortization is recorded in "Interest expense" on the Consolidated Statements of Operations. The unamortized costs associa
Revolving Credit Facility were $0.7 million and $1.2 million as of December 31, 2017 and 2016, respectively.

Debt Discount — The Company records debt discount as a deduction from the carrying amount of the related indebtedness
Balance Sheets with the respective debt discount amortization recorded in "Interest expense." In 2017 and 2015, the Compa
write-offs of debt discount and in 2016 the Company had nominal write-offs.

Debt Extinguishment Costs — There were no debt extinguishment costs recognized in 2017 or 2015. In 2016, the Company
extinguishment costs of $0.3 million in connection with the Term Credit Facility principal payments and debt repurchase di
which are recorded in "Debt extinguishment costs" on the Consolidated Statements of Operations.

Interest Paid in Cash — The Company paid $41.9 million, $41.6 million and $42.1 million of interest in 2017, 2016 and 20
Maturities — At December 31, 2017, debt totaling $892.1 million will mature in 2020, while debt principal totaling $22.1 m
quarterly in increments of approximately $2.5 million through 2020. Any borrowings under the Revolving Credit Facility w

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Note 9 — Pension and Other Benefits

Pension Benefits — The Company's Pension Plan is a frozen, non-contributory funded plan under which no new service or
are accrued by the plan participants. Cash accumulation accounts continue to be credited with interest credits until participa
money from the Pension Plan. It is the Company's policy to fund at least the minimum required contribution each year plus
discretionary amounts as available and necessary to minimize expenses of the plan.

Supplemental Executive Retirement Plans — The Company has obligations under various supplemental executive retireme
which are unfunded non-qualified defined benefit pension plans providing postretirement income to their participants. As o
2017, all benefit accruals under the SERPs are frozen with the exception of one plan for which service is frozen but future p
reflected for active participants. It is the Company's policy to fund the SERPs as benefits are paid.

The Company's Pension Plan and SERPs are collectively referred to as our "Pension."

Postretirement Benefits Other Than Pensions — The Company has an unfunded defined benefit postretirement plan ("Postr
that provides medical and life insurance for its participants. The Company amended the Postretirement Benefits to close it t
as of December 31, 2009. Effective July 1, 2011, the Postretirement Benefits was amended to eliminate eligibility for partic
Medicare coverage. As a result of this plan amendment, the Company no longer receives the Medicare retiree drug subsidy.
funding policy is to make contributions to the Postretirement Benefits as benefits are paid.

Actuarial Valuation Assumptions — The measurement date for the Company's Pension and Postretirement Benefits is Dec
following table is a summary of the weighted-average actuarial assumptions used in calculating net periodic benefit expens
benefit obligation for the years ended and as of December 31:

	Pension Plan			SERPs			Postre
	2017	2016	2015	2017	2016	2015	2017
Net periodic benefit expense (income):							
Discount rate for benefit obligation	4.05%	4.31%	4.15%	4.11%	4.32%	4.78%	4.30
Discount rate for interest cost	3.36%	3.45%	4.15%	3.31%	3.32%	4.78%	3.38
Expected return on plan assets	4.52%	4.66%	4.74%	—	—	—	—
Rate of compensation increase	—	—	—	5.75%	5.75%	5.75%	—
Medical trend rate:							
Pre-65 initial healthcare cost trend rate	—	—	—	—	—	—	7.00
Post-65 initial healthcare cost trend rate	—	—	—	—	—	—	8.25
Pre and post-65 ultimate healthcare cost trend rate	—	—	—	—	—	—	4.50
Year ultimate healthcare cost trend rate is reached for pre/post-65, respectively	—	—	—	—	—	—	2024/ 2025
Benefit obligation:							
Discount rate	3.58%	4.05%	4.31%	3.65%	4.11%	4.32%	3.72
Rate of compensation increase	—	—	—	5.75%	5.75%	5.75%	—
Medical trend rate:							
Pre-65 initial healthcare cost trend rate	—	—	—	—	—	—	7.75
Post-65 initial healthcare cost trend rate	—	—	—	—	—	—	7.75
Pre and post-65 ultimate healthcare cost trend rate	—	—	—	—	—	—	4.50
Year ultimate healthcare cost trend rate is reached for pre/post-65, respectively	—	—	—	—	—	—	2025/ 2027

The Company utilizes a building-block approach in determining the long-term expected rate of return on plan assets. The ex
plan assets is calculated using a calculated value of plan assets that is determined each year by adjusting the previous year's
returns, benefit payments, and contributions. Asset gains and losses are reflected as equal adjustments over a three-year per
markets are studied and long-term historical relationships between equity securities and fixed income securities are preserv
the widely accepted capital market principle that assets with higher volatility generate a greater return over the long run. Cu
factors, such as inflation and interest rates, are evaluated before long-term capital market assumptions are determined. The

return also takes proper consideration of diversification and rebalancing. Peer data and historical returns are reviewed for re
appropriateness.

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Actuarial gains and losses are amortized using the corridor approach, by amortizing the balance exceeding 10% of the great
obligation or the fair value of plan assets. The amortization period is primarily based on the average remaining service life o
for the Pension and the average remaining expected life of plan participants for the Postretirement Benefits. The Company e
interest cost components utilizing a full yield curve approach in the estimation of these components by applying the specific
the yield curve used in the determination of the benefit obligation to their underlying projected cash flows.

Pension Assets — The Company employs a liability-driven investment approach whereby a mix of equity and fixed income
to maximize the long-term return of plan assets for a prudent level of risk. Risk tolerance is established through careful con
liabilities, plan funded status and corporate financial condition. The investment portfolio contains a diversified blend of equ
income securities. Furthermore, equity securities are diversified across large and small capitalized securities and internation
assets, such as real estate and high yield bonds, are used to further diversify equity allocations. Fixed income securities are p
in a mix of investment grade corporate bonds, government bonds, and a smaller allocation to non-investment grade debt. Th
strategy to determine the allocation of return-seeking assets driven by the Pension Plan's funded ratio. Investment risk is me
monitored on an ongoing basis, including quarterly investment portfolio reviews and periodic liability measurements.

The Company records its pension assets at fair value as described in Note 3 — Fair Value Measurement. The following is a
Pension Plan's investments at fair value and valuation methodologies:

- Common/collective trusts — The fair values of the underlying funds in the common/collective trusts are valued based on th
established for each fund at each valuation date. The unit value of a collective investment fund is calculated by dividing the
value on the calculation date by the number of units of the fund that are outstanding on the calculation date, which is derive
purchase and redemption activity in the collective investment fund. The Company's common/collective trusts are categorize
extent that they are readily redeemable at their net asset value. The Company changed the presentation of its common/colle
assets as of December 31, 2016 to match the December 31, 2017 presentation.
- Real estate — The Pension Plan trust holds an investment in a real estate development project that the Company considers
for valuation purposes because it requires the use of unobservable inputs in its fair value measurement. The fair value of thi
represents the estimated fair value of the plan's related ownership percentage in the project based upon an appraisal of the u
property as of each balance sheet date. The fund investment strategy for this asset is long-term capital appreciation.

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The following table is a summary of the Pension Plan’s financial assets recorded at fair value, by hierarchy level:

(Amounts in millions)	Level 2	Level 3	Total
December 31, 2017			
Common/collective trusts			
Short-term investment fund	$3.3	$—	$3.3
Equity securities:			
Large cap	14.7	—	14.7
Small cap	3.4	—	3.4
International	10.1	—	10.1
Fixed income securities	82.2	—	82.2
Real estate	—	5.5	5.5
Total investments in the fair value hierarchy	$113.7	$5.5	$119.2
December 31, 2016			
Common/collective trusts			
Short-term investment fund	$2.0	$—	$2.0
Equity securities:			
Large cap	15.9	—	15.9
Small cap	3.9	—	3.9
International	9.3	—	9.3
Fixed income securities	75.5	—	75.5
Real estate	—	5.6	5.6
Total investments in the fair value hierarchy	$106.6	$5.6	$112.2

The Company does not have participant redemption restrictions for its common/collective trust investments. The following additional disclosures for the Pension Plans assets fair value estimated using net asset value per share:

(Amounts in millions)	Fair Value	Redemptions Frequency (if currently eligible)	Redemption Notice Period
December 31, 2017	$113.7	Daily	15 Days
December 31, 2016	$106.6	Daily	15 Days

Plan Financial Information — Net periodic benefit expense (income) for the Pension and Postretirement Benefits recorded i Statements of Operations in "Compensation and benefits" includes the following components for the years ended Decembe

	Pension			Postretirement Benefits		
(Amounts in millions)	2017	2016	2015	2017	2016	2015
Settlement charge	$—	$—	$14.7	$—	$—	$—
Interest cost	6.6	7.0	9.8	—	—	—
Expected return on plan assets	(5.1)	(5.3)	(5.8)	—	—	—
Amortization of net actuarial loss	4.6	5.8	8.7	0.1	0.2	0.2
Amortization of prior service cost (credit)	0.1	0.1	—	(0.4)	(0.6)	(0.6)
Net periodic benefit expense (income)	$6.2	$7.6	$27.4	$(0.3)	$(0.4)	$(0.4)

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The following tables are a summary of the amounts recognized in other comprehensive (loss) income and net periodic bene
(income) for the years ended December 31:

(Amounts in millions)	Pension	Postretiremen Benefits
2017		
Net actuarial loss	$ 15.3	$ —
Amortization of net actuarial loss	(4.6)	(0.1)
Amortization of prior service (cost) credit	(0.1)	0.4
Total recognized in other comprehensive (income) loss	$ 10.6	$ 0.3
Total recognized in net periodic benefit expense (income)	6.2	(0.3)
Total recognized in other comprehensive (income) loss and net periodic benefit expense (income)	$ 16.8	$ —
2016		
Net actuarial loss (gain)	$ 3.5	$ (0.1)
Amortization of net actuarial loss	(5.8)	(0.2)
Amortization of prior service credit	(0.1)	0.6
Total recognized in other comprehensive (income) loss	$ (2.4)	$ 0.3
Total recognized in net periodic benefit expense (income)	7.6	(0.4)
Total recognized in other comprehensive (income) loss and net periodic benefit expense (income)	$ 5.2	$ (0.1)
2015		
Settlement charge	$ (14.7)	$ —
Net actuarial gain	(19.3)	(0.3)
Amortization of net actuarial loss	(8.7)	(0.2)
Amortization of prior service credit	—	0.6
Total recognized in other comprehensive loss	$ (42.7)	$ 0.1
Total recognized in net periodic benefit expense (income)	27.4	(0.4)
Total recognized in other comprehensive loss and net periodic benefit expense (income)	$ (15.3)	$ (0.3)

The estimated net actuarial loss and prior service (cost) credit for the Pension that will be amortized from "Accumulated ot
loss" into "Net periodic benefit expense (income)" during 2018 is $7.9 million ($6.1 million net of tax) and $0.1 million, re
estimated net actuarial loss and prior service credit for the Postretirement Benefits that will be amortized from "Accumulate
comprehensive loss" into "Net periodic benefit expense (income)" during 2018 is $0.1 million ($0.1 million net of tax). The
prior service credit amortization during 2018 for the Postretirement Benefits.

The following tables are a summary of the benefit obligation and plan assets, changes to the benefit obligation and plan ass
unfunded status of the Pension and Postretirement Benefits as of and for the years ended December 31:

	Pension		Postretirement Benefits	
(Amounts in millions)	2017	2016	2017	2016
Change in benefit obligation:				
Benefit obligation at the beginning of the year	$ 210.4	$ 213.8	$ 0.8	$ 1.0
Interest cost	6.6	7.0	—	—
Actuarial loss (gain)	19.1	4.6	—	(0.1)
Benefits paid	(20.3)	(15.0)	(0.1)	(0.1)
Benefit obligation at the end of the year	$ 215.8	$ 210.4	$ 0.7	$ 0.8
Change in plan assets:				
Fair value of plan assets at the beginning of the year	$ 112.2	$ 107.9	$ —	$ —
Actual return on plan assets	8.8	6.1	—	—
Employer contributions	18.5	13.2	0.1	0.1
Benefits paid	(20.3)	(15.0)	(0.1)	(0.1)
Fair value of plan assets at the end of the year	$ 119.2	$ 112.2	$ —	$ —
Unfunded status at the end of the year	$ 96.6	$ 98.2	$ 0.7	$ 0.8

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In October 2017, the Society of Actuaries issued updated mortality projection scales. The Company adopted the updated m
scales on its measurement date, which decreased the Pension Plan benefit obligation. In December 2017, the Company reev
population of its SERP participants and determined the white-collar adjusted mortality table provided by the Society of Act
better estimate for participants in the plan. Accordingly, the change in estimate resulted in an increase to the SERPs unfund
unfunded status of the Pension Plan was $22.7 million and $27.7 million at December 31, 2017 and 2016, respectively, and
status of the SERPs was $73.9 million and $70.5 million at December 31, 2017 and 2016, respectively.

The following table summarizes the components recognized in the Consolidated Balance Sheets relating to the Pension and
Benefits as of December 31:

	Pension		Postretirement Benefits		Total	
(Amounts in millions)	2017	2016	2017	2016	2017	2016
Pension and other postretirement benefits liability	$96.6	$98.2	$ 0.7	$ 0.8	$97.3	$99.0
Accumulated other comprehensive loss:						
Net actuarial loss, net of tax	$54.1	$46.5	$ 0.5	$ 0.5	$54.6	$47.0
Prior service cost (credit), net of tax	0.2	0.2	—	(0.2)	0.2	—
Total	$54.3	$46.7	$ 0.5	$ 0.3	$54.8	$47.0

The following table summarizes the benefit obligation and accumulated benefit obligation for the Pension Plan, SERPs and
Benefits fair value of plan assets as of December 31:

	Pension Plan		SERPs		Postretirement Benefits	
(Amounts in millions)	2017	2016	2017	2016	2017	2016
Benefit obligation	$141.9	$139.9	$73.9	$70.5	$ 0.7	$ 0.8
Accumulated benefit obligation	141.9	139.9	73.8	70.2	—	—
Fair value of plan assets	119.2	112.2	—	—	—	—

The following table summarizes the estimated future benefit payments for the Pension and Postretirement Benefits for the y
December 31:

(Amounts in millions)	2018	2019	2020	2021	2022	2023-2027
Pension	$29.5	$15.1	$15.0	$14.7	$14.3	$ 64.1
Postretirement Benefits	0.1	0.1	0.1	—	—	0.2

Although the Company has no minimum required contribution for the Pension Plan in 2018, we expect to contribute $8.0 m
Pension Plan in 2018. The Company will continue to make contributions to the SERPs and the Postretirement Benefits to th
are paid. Aggregate benefits paid for the unfunded plans are expected to be $7.0 million in 2018.

Employee Savings Plan — The Company has an employee savings plan that qualifies under Section 401(k) of the Internal I
1986, as amended. Contributions to, and costs of, the 401(k) defined contribution plan totaled $4.8 million, $5.1 million an
2017, 2016 and 2015, respectively.

International Benefit Plans — The Company's international subsidiaries have certain defined contribution benefit plans. Co
costs related to, international plans were $2.8 million, $2.0 million and $1.7 million for 2017, 2016 and 2015, respectively.

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Note 10 — Stockholders' Deficit

Common Stock — The Company’s Amended and Restated Certificate of Incorporation, as amended, provides for the issuar
162,500,000 shares of common stock with a par value of $0.01. The holders of MoneyGram common stock are entitled to o
on all matters to be voted upon by its stockholders. The holders of common stock have no preemptive, conversion or other s
There are no redemption or sinking fund provisions applicable to the common stock. The determination to pay dividends or
will be at the discretion of the Board of Directors and will depend on applicable laws and the Company’s financial conditio
operations, cash requirements, prospects and such other factors as the Board of Directors may deem relevant. The Company
or pay dividends or distributions to the holders of the Company’s common stock is restricted under the Company’s 2013 Cr
dividends were paid in 2017, 2016 or 2015.

Preferred Stock — The Company’s Amended and Restated Certificate of Incorporation provides for the issuance of up to 7,
preferred stock that may be issued in one or more series, with each series to have certain rights and preferences as shall be d
unlimited discretion of the Company’s Board of Directors, including, without limitation, voting rights, dividend rights, conv
redemption privileges and liquidation preferences.

Series D Participating Convertible Preferred Stock — In 2011, the Company issued 173,189 shares of D Stock to Goldman
D Stock has a liquidation preference of $0.01 and is convertible into 125 shares of common stock by a stockholder other tha
which receives such shares by means of (i) a widespread public distribution, (ii) a transfer to an underwriter for the purpose
widespread public distribution, (iii) a transfer in which no transferee (or group of associated transferees) would receive 2%
class of voting securities of the Company, or (iv) a transfer to a transferee that would control more than 50% of the voting s
Company without any transfer from such transferor or its affiliates as applicable (each of (i) — (iv), a “Widely Dispersed C
is non-voting while held by Goldman Sachs or any holder which receives such shares by any means other than a Widely Di
“non-voting holder”). Holders of D Stock other than Goldman Sachs and non-voting holders vote as a single class with the
common stock on an as-converted basis. The D Stock also participates in any dividends declared on the common stock on a
basis.

Treasury Stock — The Board of Directors has authorized the repurchase of a total of 12,000,000 shares. As of December 31
has repurchased 9,842,509 shares of common stock under this authorization and has remaining authorization to repurchase
2,157,491 shares.

The following table is a summary of the Company’s authorized, issued and outstanding stock as of December 31:

	D Stock			Common Stock			Trea
(Shares in thousands)	Authorized	Issued	Outstanding	Authorized	Issued	Outstanding	Stoc
January 1, 2015	200	71	71	162,500	58,824	53,090	(5,7
Stock repurchase	—	—	—	—	—	(49)	(49
Release for restricted stock units	—	—	—	—	—	171	171
December 31, 2015	200	71	71	162,500	58,824	53,212	(5,6
Stock repurchase	—	—	—	—	—	(1,565)	(1,5
Release for restricted stock units	—	—	—	—	—	1,118	1,11
December 31, 2016	200	71	71	162,500	58,824	52,765	(6,0
Release for restricted stock units and stock options exercised	—	—	—	—	—	1,474	1,47
December 31, 2017	200	71	71	162,500	58,824	54,239	(4,5

Participation Agreement between the Investors and Wal-Mart Stores, Inc. — THL and Goldman Sachs (collectively, the "In
Participation Agreement with Wal-Mart Stores, Inc. (“Walmart”), under which the Investors are obligated to pay Walmart c
any accumulated cash payments received by the Investors in excess of the Investors’ original investment in the Company. W
is not a party to, and has no obligations to Walmart or additional obligations to the Investors under, the Participation Agreem
must recognize the Participation Agreement in its consolidated financial statements as the Company indirectly benefits from
Any future payments by the Investors to Walmart may result in an expense that could be material to the Company’s financi
of operations, but would have no impact on the Company’s cash flows. As liquidity events are dependent on many external
uncertainties, the Company does not consider a liquidity event to be probable at this time for any Investors, and has not reco

liability or expense related to the Participation Agreement.

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Accumulated Other Comprehensive Loss — The following table details the components of “Accumulated other comprehen
December 31:

(Amounts in millions)	2017	2016
Net unrealized gains on securities classified as available-for-sale, net of tax	$2.2	$10.8
Cumulative foreign currency translation adjustments, net of tax	(10.4)	(19.9)
Pension and Postretirement Benefits adjustments, net of tax	(54.8)	(47.0)
Accumulated other comprehensive loss	$(63.0)	$(56.1)

The following table is a summary of the changes to "Accumulated other comprehensive loss" by component during 2017, 2

(Amounts in millions)	Net unrealized gains on securities classified as available-for-sale, net of tax	Cumulative foreign currency translation adjustments, net of tax	Pension and Postretirement Benefits adjustments, net of tax	Total
January 1, 2015	$ 11.2	$ (5.4)	$ (75.4)	$(69.
Other comprehensive income (loss) before amortization	1.3	(8.1)	12.5	5.7
Amounts reclassified from accumulated other comprehensive loss	(1.4)	—	14.5	13.1
Net current period other comprehensive (loss) income	(0.1)	(8.1)	27.0	18.8
January 1, 2016	11.1	(13.5)	(48.4)	(50.8
Other comprehensive loss before amortization	—	(6.4)	(2.1)	(8.5
Amounts reclassified from accumulated other comprehensive loss	(0.3)	—	3.5	3.2
Net current period other comprehensive (loss) income	(0.3)	(6.4)	1.4	(5.3
December 31, 2016	10.8	(19.9)	(47.0)	(56.1
Other comprehensive income (loss) before reclassification	3.6	9.5	(10.6)	2.5
Amounts reclassified from accumulated other comprehensive loss	(12.2)	—	2.8	(9.4
Net current period other comprehensive (loss) income	(8.6)	9.5	(7.8)	(6.9
December 31, 2017	$ 2.2	$ (10.4)	$ (54.8)	$(63.

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The following table is a summary of the significant amounts reclassified out of each component of "Accumulated other con
during the years ended December 31:

(Amounts in millions)	2017	2016	2015	Statement of C Location
Change in net unrealized gains on securities classified as available-for-sale, before tax	$(12.2)	$(0.4)	$(1.4)	"Investment re
Tax expense (benefit)	—	0.1	—	
Total, net of tax	$(12.2)	$(0.3)	$(1.4)	
Pension and Postretirement Benefits adjustments:				
Amortization of prior service credit	$(0.3)	$(0.5)	$(0.6)	"Compensatio
Amortization of net actuarial loss	4.7	6.0	8.9	"Compensatio
Settlement charge	—	—	14.7	"Compensatio
Total before tax	4.4	5.5	23.0	
Tax benefit, net	(1.6)	(2.0)	(8.5)	
Total, net of tax	$2.8	$3.5	$14.5	
Total reclassified for the period, net of tax	$(9.4)	$3.2	$13.1	

Note 11 — Stock-Based Compensation

The MoneyGram International, Inc. 2005 Omnibus Incentive Plan (“2005 Plan”) provides for the granting of equity-based c
including stock options, stock appreciation rights, restricted stock units and restricted stock awards (collectively, “share-bas
officers, employees and directors. In May 2015, the Company's stockholders approved an amendment and restatement of th
increasing the aggregate number of shares that may be issued from 12,925,000 to 15,425,000 shares. As of December 31, 20
has remaining authorization to issue future grants of up to 3,050,592 shares.

The calculated fair value of share-based awards is recognized as compensation cost using the straight-line method over the
period in the Company’s financial statements. Stock-based compensation is recognized only for those options and restricted
expected to vest, with forfeitures estimated at the date of grant and evaluated and adjusted periodically to reflect the Compa
experience and future expectations. Any change in the forfeiture assumption will be accounted for as a change in estimate,
cumulative effect of the change on periods previously reported being reflected in the financial statements of the period in w
made.

The following table is a summary of the Company's stock-based compensation expense for the years ended December 31:

(Amounts in millions)	2017	2016	2015
Expense recognized related to stock options	$0.5	$2.8	$4.6
Expense recognized related to restricted stock units	14.0	15.1	15.0
Stock-based compensation expense	$14.5	$17.9	$19.6

Stock Options —Option awards are granted with an exercise price equal to the closing market price of the Company’s comm
of grant. All outstanding stock options contain certain forfeiture and non-compete provisions.

There were no options granted in 2017, 2016 or 2015. All options granted in 2014, 2013 and 2012 have a term of 10 years.
quarter of 2011, options issued were either time based, vesting over a four-year period, or performance based, vesting over
All options issued after the fourth quarter of 2011 are time-based, with options granted in the fourth quarter of 2011 through
2014 vesting over a four-year period, and the remaining options granted in 2014 vesting over a three-year period, in an equa
each year.

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The following table is a summary of the Company's stock option activity for the year ended December 31, 2017:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value ($000,000)
Options outstanding at December 31, 2016	2,485,461	$ 18.02	4.0 years	$ —
Exercised	(112,297)	14.44		
Forfeited/Expired	(353,314)	20.85		
Options outstanding at December 31, 2017	2,019,850	$ 17.72	2.8 years	$ 0.6
Vested or expected to vest at December 31, 2017	2,019,844	$ 17.72	2.8 years	$ 0.6
Options exercisable at December 31, 2017	2,015,249	$ 17.72	2.8 years	$ 0.6

The following table is a summary of the Company's stock option compensation information during the years ended Decemb

(Amounts in millions)	2017	2016	2015
Intrinsic value of options exercised	$ 0.3	$ —	$ —
Cash received from option exercises	$ 1.6	$ —	$ —

As of December 31, 2017, the Company had no unrecognized stock option expense related to outstanding options.

Restricted Stock Units — In February 2017, the Company issued time-based and performance-based restricted stock units. restricted stock units vest in three equal installments on each anniversary of the grant date. The performance-based restricte subject to performance conditions that must be satisfied. If such performance conditions are satisfied at the conclusion of a performance period, the performance-based restricted stock units will vest in three equal installments on each anniversary o With respect to the performance-based restricted stock units, up to 50% of such awards become eligible to vest over such th target level of Adjusted EBITDA is achieved for the year ended December 31, 2017. Adjusted EBITDA is EBITDA (earnin taxes, depreciation and amortization, including agent signing bonus amortization) adjusted for certain significant items. The performance-based restricted stock units become eligible to vest over such three year period if a target level of revenue is ac year ended December 31, 2017. The performance-based restricted stock units have a threshold level of performance for eac levels. Achievement of the threshold level will result in vesting of 50% of the target levels discussed above. The number of performance-based restricted stock units that will vest for performance achievement between the threshold and target will b on a straight-line interpolation. No performance-based restricted stock units will vest for performance achievement below th

During 2016, the Company issued time-based and performance-based restricted stock units. The time-based restricted stock equal installments on each anniversary of the grant date. The performance-based restricted stock units are subject to perform that must be satisfied. If such performance conditions are satisfied at the conclusion of a one-year performance period, the p restricted stock units will vest in three equal installments on each anniversary of the grant date. With respect to the perform restricted stock units, up to 50% of such awards become eligible to vest over such three year period if a target level of Adju achieved for the year ended December 31, 2016. Adjusted EBITDA is EBITDA (earnings before interest, taxes, depreciatio amortization, including agent signing bonus amortization) adjusted for certain significant items. The other 50% of the perfo restricted stock units become eligible to vest over such three year period if a target level of Digital revenue is achieved for t December 31, 2016. The performance-based restricted stock units have a threshold level of performance for each of the targ Achievement of the threshold level will result in vesting of 50% of the target levels discussed above. The number of perfor restricted stock units that will vest for performance achievement between the threshold and target will be determined based interpolation. No performance-based restricted stock units will vest for performance achievement below the thresholds.

During 2015, the Company issued performance-based restricted stock units, which are subject to a one-year performance pe annual Adjusted EBITDA and Digital revenue for the fiscal year 2015. Under the terms of the restricted stock units agreem 2015, the number of restricted stock units that will vest is determined based on the extent to which the performance goals ar the terms of the grant, 50% of the restricted stock units granted will vest for threshold performance and 100% of the restrict granted will vest for the achievement of the annual Adjusted EBITDA and Digital revenue at target. Upon achievement of t goal, each award vests ratably over a three-year period from the grant date. The number of restricted stock units that will ve achievement between the performance threshold and target will be determined based on a straight-line interpolation. No res will vest for performance achievement below the threshold.

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For purposes of determining the fair value of restricted stock units and performance-based restricted stock units, the fair val
based on the stock price at the time of grant. For performance-based restricted stock units, expense is recognized if achiever
performance goal is deemed probable, with the amount of expense recognized based on the Company's best estimate of the
achievement level. As of December 31, 2017, the Company believes it is probable that it will achieve the performance goal
threshold and target levels for the 2017 restricted stock units. For grants to employees, expense is recognized in the "Comp
benefits" line and expense for grants to Directors is recorded in the "Transaction and operations support" line in the Consol
Operations using the straight-line method over the vesting period.

The following table is a summary of the Company's restricted stock unit activity for the year ended December 31, 2017:

	Total Shares	Weighted Average Price	Weighted-Average Remaining Contra Term
Restricted stock units outstanding at December 31, 2016	4,630,038	$ 7.68	0.9 years
Granted	1,361,986	12.87	
Vested and converted to shares	(2,040,682)	7.61	
Forfeited	(684,430)	12.98	
Restricted stock units outstanding at December 31, 2017	3,266,912	$ 8.78	0.7 years
Restricted stock units vested and outstanding at December 31, 2017	32,680	$ 6.12	

The following table is a summary of the Company's restricted stock and restricted stock unit compensation information for
December 31:

(Amounts in millions)	2017	2016	2015
Fair value of restricted stock units vested during the year	$15.5	$15.9	$6.3

As of December 31, 2017, the Company's outstanding restricted stock units had unrecognized compensation expense of $1
remaining weighted-average vesting period of 1.2 years. Unrecognized restricted stock unit expense and the remaining wei
vesting period are presented using the Company's current estimate of achievement of performance goals.

Note 12 — Income Taxes

The following table is a summary of the components of income (loss) before income taxes for the years ended December 3

(Amounts in millions)	2017	2016	2015
U.S.	$(64.1)	$28.7	$(46.5)
Foreign	27.5	13.8	16.1
(Loss) income before income taxes	$(36.6)	$42.5	$(30.4)

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Foreign income consists of income and losses from the Company's international subsidiaries. Most of the Company's whol
subsidiaries recognize revenue based solely on services agreements with the primary U.S. operating subsidiary. The followi
summary of the income tax expense for the years ended December 31:

(Amounts in millions)	2017	2016	2015
Current:			
Federal	$(14.7)	$5.2	$17.7
State	1.6	1.8	(0.5)
Foreign	11.2	12.3	5.0
Current income tax expense	(1.9)	19.3	22.2
Deferred:			
Federal	(4.5)	4.0	21.3
State	0.1	1.3	(0.8)
Foreign	(0.5)	2.0	4.6
Deferred income tax (benefit) expense	(4.9)	7.3	25.1
Income tax (benefit) expense	$(6.8)	$26.6	$47.3

As of December 31, 2017, the Company had a tax payable of $35.4 million recorded in "Accounts payable and other liabili
receivable of $25.7 million recorded in the "Other assets" on the Consolidated Balance Sheets. As of December 31, 2016, th
tax payable of $27.7 million recorded in "Accounts payable and other liabilities" and a tax receivable of $4.7 million recorc
assets" on the Consolidated Balance Sheets.

The following table is a reconciliation of the expected federal income tax (benefit) expense at statutory rates to the actual in
for the years ended in December 31:

(Amounts in millions)	2017	2016	2015
Income tax expense (benefit) at statutory federal income tax rate	$(12.8)	$14.9	$(10.7)
Tax effect of:			
State income tax, net of federal income tax effect	0.2	0.6	(0.6)
Valuation allowance	(3.8)	(0.8)	(1.0)
International taxes	(3.0)	(1.4)	1.1
Net permanent difference	30.2	0.6	1.2
Change in tax reserve	1.9	9.1	(8.8)
Stock-based compensation	(1.5)	3.8	3.4
Estimated impact from the TCJA	(22.8)	—	—
Deferred charge amortization	4.0	—	—
Effect of U.S. Tax Court decision	—	—	64.4
Other	0.8	(0.2)	(1.7)
Income tax (benefit) expense	$(6.8)	$26.6	$47.3

In 2017, the Company recognized a tax benefit of $6.8 million on pre-tax loss of $36.6 million, primarily due to recently en
legislation commonly referred to as the Tax Cuts and Jobs Act (the "TCJA") as discussed in more detail below and an accru
five-year deferred prosecution agreement (the "DPA") as further discussed in Note 13 — Commitments and Contingencies.
In 2016, the Company recognized a tax expense of $26.6 million on pre-tax income of $42.5 million, primarily due to a tax
with the Internal Revenue Service ("IRS") on the matter discussed below and the reversal of tax benefits on share-based cor
In 2015, the Company recognized a tax expense of $47.3 million on pre-tax loss of $30.4 million, primarily resulting from t
U.S. Tax Court during the first quarter of 2015 related to the IRS matter discussed in more detail below.
On December 22, 2017, the President of the United States signed into law the TCJA. The TCJA, among other things, contai
changes to U.S. corporate tax laws, including a permanent reduction of the corporate income tax rate, a limitation on the de
business interest expense, limitation of the deduction for certain net operating losses to 80% of current year taxable income
operating loss carryforward, immediate deductions for new investments in certain business assets instead of deductions for
expense over time, modification or repeal of many business deductions and credits (including

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certain foreign tax credits), a shift of the U.S. taxation of multinational corporations from a tax on worldwide income to a m
system (retaining certain existing rules and containing new rules designed to include in the U.S. income tax base certain inc
non-U.S. territories whether or not that income has been repatriated to the U.S.), a minimum taxing system related to payme
erode the U.S. tax base, and a one-time tax on accumulated offshore earnings held in cash and illiquid assets (with the latter
rate). We continue to examine the impact the TCJA may have on the Company, which could adversely affect our business,
and results of operations.

Although the Company does not consider its earnings in its foreign entities to be permanently reinvested, the deferred tax li
with the unremitted earnings of its foreign entities was revised under the TCJA by a one-time deemed mandatory repatriatio
undistributed foreign subsidiary earnings and profits ("E&P") through the year ended December 31, 2017. The Company m
estimate for the one-time deemed mandatory repatriation and has recorded a provisional expense related its foreign E&P. T
an estimated $101.6 million of undistributed foreign E&P subject to the deemed mandatory repatriation. After the utilizatio
credits related to undistributed foreign subsidiary E&P and other existing foreign tax credits, the Company expects a net zer
associated with the deemed mandatory repatriation. As of December 31, 2016, a U.S. deferred tax liability of $5.2 million w
the unremitted earnings of its foreign entities. However, the Company was able to make reasonable estimates of certain effe
has recorded provisional amounts as follows:

- As a result of the reduction in the U.S. corporate income tax rate from 35% to 21% under the TCJA, the Company revalued deferred tax liabilities at December 31, 2017 and recognized a provisional $19.8 million tax benefit in the Company's cons of income for the year ended December 31, 2017.
- The Company recognized a provisional net $3.0 million tax benefit for the remeasurement of previously recorded deferred liabilities primarily associated with historical earnings in its foreign subsidiaries.
- Subsequent to the enactment of the TCJA, the Company must make an accounting policy election to account for the tax eff intangible low-tax income either as a component of income tax expense in the period the tax arises, or as a component of de related investments in foreign subsidiaries. The Company is currently evaluating these provisions of the TCJA and the relat and has not finalized its accounting policy election. The Company will finalize its accounting policy election in 2018.

The following table is a summary of the Company's deferred tax assets and liabilities as of December 31:

(Amounts in millions)	2017	2016
Deferred tax assets:		
Basis difference in revalued investments	$61.6	$101.6
Tax loss carryovers	22.3	34.3
Tax credit carryovers	18.0	39.2
Postretirement benefits and other employee benefits	17.1	34.0
Bad debt and other reserves	1.4	4.2
Other	13.2	8.8
Valuation allowance	(75.9)	(124.2)
Total deferred tax assets	57.7	97.9
Deferred tax liability:		
Depreciation and amortization and other	(62.7)	(100.8)
Total deferred tax liability	(62.7)	(100.8)
Net deferred tax liability	$(5.0)	$(2.9)

As of December 31, 2017, net deferred tax asset positions of $8.1 million were included in "Other assets" and net deferred t
of $13.1 million were included in "Accounts payable and other liabilities" in the Consolidated Balance Sheets. As of Decem
deferred tax asset positions of $4.4 million were reflected in "Other assets" and net deferred tax liability positions of $7.3 m
included in "Accounts payable and other liabilities" in the Consolidated Balance Sheets. The valuation allowance as of Dec
and December 31, 2016 relates primarily to basis differences in revalued investments, capital loss carryovers and, to a smal
foreign tax loss carryovers.

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The following table is a summary of the amounts and expiration dates of tax loss carry-forwards (not tax effected) and cred
of December 31, 2017:

(Amounts in millions)	Expiration Date	Amount
U.S. capital loss carry-forwards	2018 - 2022	$ 44.2
U.S. net operating loss carry-forwards	2022 - 2037	$ 13.8
U.S. tax credit carry-forwards	2024 - 2037	$ 18.0
U.S. federal minimum tax credit carry-forwards	Indefinite	$ 17.8

The IRS completed its examination of the Company's consolidated income tax returns for the tax years 2011 through 2013
Revenue Agent Report ("RAR") in the first quarter of 2015 that included disallowing $100.0 million of deductions related t
Company made to the U.S. Department of Justice ("U.S. DOJ") pursuant to the Deferred Prosecution Agreement. In April 2
entered into a settlement agreement with the IRS allowing a deduction of $39.3 million. As of December 31, 2016, the Com
settled this matter with $21.2 million of existing deferred tax assets and $0.5 million of cash after recognizing an additional
Income tax expense for the year ended December 31, 2016. The state tax liabilities related to the federal settlement have ye
to the pending implications of the security losses under litigation.

Unrecognized tax benefits are recorded in "Accounts payable and other liabilities" in the Consolidated Balance Sheets. The
reconciliation of unrecognized tax benefits for the years ended December 31:

(Amounts in millions)	2017	2016	2015
Beginning balance	$24.2	$30.5	$31.7
Additions based on tax positions related to prior years	0.3	11.2	8.3
Additions based on tax positions related to current year	3.4	4.6	0.2
Settlements with cash or attributes	—	(21.4)	—
Foreign currency translation	0.8	—	—
Reductions for tax positions of prior years and other	—	(0.7)	(9.7)
Ending balance	$28.7	$24.2	$30.5

As of December 31, 2017, 2016 and 2015, the liability for unrecognized tax benefits was $28.7 million, $24.2 million and $
respectively, exclusive of interest and penalties. For 2017 and 2016, the net amount of unrecognized tax benefits that if reco
impact the effective tax rate was $17.3 million and $16.7 million, respectively. For 2015, all of the unrecognized tax benefi
effective tax rate if recognized. The increases in 2017 were related to a foreign tax position consistent with 2016. The Comp
interest and penalties for unrecognized tax benefits through "Income tax expense" in the Consolidated Statements of Operat
recorded $2.5 million, $2.4 million and $1.9 million in interest and penalties in its Consolidated Statements of Operations f
December 31, 2017, 2016 and 2015, respectively. As of December 31, 2017 and 2016, the Company had a total of $8.9 mil
million, respectively, accrued for interest and penalties within "Accounts payable and other liabilities." As a result of the Co
related to its securities losses previously discussed, it is possible that there could be a significant decrease to the total amour
tax benefits over the next 12 months. However, as of December 31, 2017, it is not possible to reasonably estimate the expec
total amount of unrecognized tax positions over the next 12 months.

Note 13 — Commitments and Contingencies

Leases — The Company has various non-cancelable operating leases for buildings, equipment and vehicles and other leases
through 2026. Certain of these leases contain rent holidays and rent escalation clauses based on pre-determined annual rate
Company recognizes rent expense under the straight-line method over the term of the lease. Any difference between the stra
amounts and amounts payable under the leases are recorded as deferred rent in "Accounts payable and other liabilities" in th
Balance Sheets. Cash or lease incentives received under certain leases are recorded as deferred rent when the incentive is re
amortized as a reduction to rent over the term of the lease using the straight-line method. Incentives received relating to ten
are recognized as a reduction of rent expense under the straight-line method over the term of the lease. Tenant improvemen
leasehold improvements and depreciated over the shorter of the remaining term of the lease or 10 years. The deferred rent r
incentives was an asset of $0.2 million as of December 31, 2017 and 2016.

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The following table is a summary of rent expense under our leases for the years ended December 31:

(Amounts in millions)	2017	2016	2015
Rent expense	$16.6	$16.4	$17.8
Sublease agreements	(0.3)	—	(1.0)
Rent expense under leases	$16.3	$16.4	$16.8

The following table is a summary of the future minimum rental payments for all non-cancelable leases with an initial term of year at December 31, 2017:

(Amounts in millions)	Future Minimum Lease Payments
2018	$ 16.3
2019	14.7
2020	12.8
2021	10.2
2022	6.3
Thereafter	4.7
Total	$ 65.0

Letters of Credit — At December 31, 2017, the Company had no outstanding letters of credit. These letters of credit would available under the Revolving Credit Facility.

Minimum Commission Guarantees — In limited circumstances as an incentive to new or renewing agents, the Company ma commission guarantees for a specified period of time at a contractually specified amount. Under the guarantees, the Compa agent the difference between the contractually specified minimum commission and the actual commissions earned by the ag related to the guarantee are recognized in the “Fee and other commissions expense” line in the Consolidated Statements of As of December 31, 2017, the liability for minimum commission guarantees was $1.2 million and the maximum amount th under the minimum commission guarantees was $2.1 million over a weighted-average remaining term of 0.6 years. The ma calculated as the contractually guaranteed minimum commission multiplied by the remaining term of the contract and, there the agent generates no money transfer transactions during the remainder of its contract. However, under the terms of certain the Company may terminate the contract if the projected or actual volume of transactions falls beneath a contractually speci Company made no payments on minimum commission guarantees in 2017 and paid $2.4 million or 80% of the estimated m in 2016.

Other Commitments — The Company has agreements with certain co-investors to provide funds related to investments in l interests. As of December 31, 2017, the total amount of unfunded commitments related to these agreements was $0.3 millio

Legal Proceedings — The matters set forth below are subject to uncertainties and outcomes that are not predictable. The Co these matters as any resulting losses become probable and can be reasonably estimated. Further, the Company maintains ins for many claims and litigation matters. In relation to various legal matters, including those described below, the Company h and $1.2 million of liability recorded in the “Accounts payable and other liabilities” line in the Consolidated Balance Sheets 2017 and 2016, respectively. A charge of $0.9 million and $2.4 million were recorded in the “Transaction and operations su Consolidated Statements of Operations during 2017 and 2015, respectively, for legal proceedings. A credit of $0.6 million "Transaction and operations support" line in the Consolidated Statements of Operations during 2016 due to the reversal of settlement accruals.

Litigation Commenced Against the Company:

The Company is involved in various claims and litigation that arise from time to time in the ordinary course of the Compan Management does not believe that after final disposition any of these matters is likely to have a material adverse impact on financial condition, results of operations and cash flows.

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Government Investigations

OFAC — In 2015, we initiated an internal investigation to identify any payments processed by the Company that were viol
Department of the Treasury's Office of Foreign Assets Control ("OFAC") sanctions regulations. We notified OFAC of the i
investigation, which was conducted in conjunction with the Company's outside counsel. On March 28, 2017, we filed a Vol
Self-Disclosure with OFAC regarding the findings of our internal investigation. OFAC is currently reviewing the results of
investigation. At this time, it is not possible to determine the outcome of this matter, or the significance, if any, to our busin
condition, or operations, and we cannot predict when OFAC will conclude their review of our Voluntary Self-Disclosure.

Deferred Prosecution Agreement — In November 2012, we announced that a settlement was reached with the U.S. Attorne
Middle District of Pennsylvania (the "MDPA") and the U.S. Department of Justice ("U.S. DOJ") relating to the previously
investigation of transactions involving certain of our U.S. and Canadian agents, as well as fraud complaint data and the con
program, during the period from 2003 to early 2009. In connection with this settlement, we entered into a DPA with the MI
dated November 8, 2012.

On November 1, 2017, the Company agreed to a stipulation with the MDPA and the DOJ (collectively, the "Government")
Company's DPA be extended for 90 days to February 6, 2018. On January 31, 2018, the Company agreed with the Govern
of the DPA be extended for an additional 45 days to March 23, 2018. The purpose of the extension is to provide the Compa
Government additional time to discuss whether the Company is in compliance with the DPA. There can be no assurance tha
and the Government will continue to be able to negotiate a mutually satisfactory outcome during such 45 day period (or any
extension of the DPA) or that such outcome will not include a further extension of the DPA, financial penalties or addition
the Company, including a monitorship period beyond the current monitorship that ends on April 30, 2018. Furthermore, the
assurance that the Government will not seek any other remedy, including criminal prosecution and financial penalties, in li
of the DPA and monitorship.

The Company has recorded an $85.0 million accrual in connection with a possible resolution of this matter, based on the fa
circumstances known at the time. However, the Company is unable to reasonably estimate the ultimate loss and no assuran
future costs and payments made in connection with this matter will not exceed the amount currently recorded or that the go
also seek to impose non-monetary remedies or penalties.

Other Matters — The Company is involved in various other government inquiries and other matters that arise from time to
does not believe that after final disposition any of these other matters is likely to have a material adverse impact on the Co
condition, results of operations and cash flows.

Actions Commenced by the Company:

Tax Litigation — The IRS completed its examination of the Company's consolidated income tax returns through 2013 and
Deficiency for 2005-2007 and 2009, and an Examination Report for 2008. The Notices of Deficiency and Examination Rep
among other items, approximately $900.0 million of ordinary deductions on securities losses in the 2007, 2008 and 2009 ta
2012 and December 2012, the Company filed petitions in the U.S. Tax Court challenging the 2005-2007 and 2009 Notices
respectively. In 2013, the Company reached a partial settlement with the IRS allowing ordinary loss treatment on $186.9 m
in dispute. In January 2015, the U.S. Tax Court granted the IRS's motion for summary judgment upholding the remaining a
Notices of Deficiency. The Company filed a notice of appeal with the U.S. Tax Court on July 27, 2015 for an appeal to the
Appeals for the Fifth Circuit. Oral arguments were held before the Fifth Circuit on June 7, 2016, and on November 15, 201
vacated the Tax Court's decision and remanded the case to the Tax Court for further proceedings. The Company filed a mot
judgment in the Tax Court on May 31, 2017. On August 23, 2017, the IRS filed a motion for summary judgment and its res
Company's motion for summary judgment.

The January 2015 Tax Court decision was a change in facts which warranted reassessment of the Company's uncertain tax
the Company believes that it has substantive tax law arguments in favor of its position and has appealed the ruling, the reas
in the Company determining that it is no longer more likely than not that its existing position will be sustained. Accordingl
re-characterized certain deductions relating to securities losses to be capital in nature, rather than ordinary. The Company re
valuation allowance against these losses in the quarter ended March 31, 2015. This change increased "Income tax expense"
Consolidated Statements of Operations in the quarter ended March 31, 2015 by $63.7 million. During 2015, the Company
the IRS of $61.0 million for federal tax payments and associated interest related to the matter. The November 2016 Fifth Ci
remand the case back to the U.S. Tax Court does not change the Company's current assessment regarding the likelihood th
will be sustained. Accordingly, no change in the valuation allowance was made as of December 31, 2017. Pending the outc

Court proceeding, the Company may be required to file amended state returns and make additional cash payments of up to $
amounts that have previously been accrued.

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Note 14 — Segment Information

The Company’s reporting segments are primarily organized based on the nature of products and services offered and the typ
served. The Company has two reporting segments: Global Funds Transfer and Financial Paper Products. The Global Funds
provides global money transfer services in more than 200 countries and territories. The Global Funds Transfer segment also
payment services to consumers through substantially all of our money transfer agent and Company-operated locations in the
Puerto Rico, at certain agent locations in select Caribbean and European countries and through Digital solutions. The Finan
segment provides money orders to consumers through retail and financial institutions located in the U.S. and Puerto Rico, a
official check services to financial institutions in the U.S. Walmart is our only agent, for both the Global Funds Transfer seg
Financial Paper Products segment, that accounts for more than 10% of total revenue. In 2017, 2016 and 2015, Walmart acco
18% and 19% of total revenue, respectively.

The Company's Chief Operating Decision Maker reviews segment operating income and segment operating margin to asses
performance and allocate resources. Segment accounting policies are the same as those described in Note 2 — Summary of
Accounting Policies. Investment revenue is allocated to each segment based on the average investable balances generated b
sale of payment instruments during the period.

All operating expenses that have not been classified in the above segments are reported as "Other." These unallocated exper
include $10.8 million of legal expenses, Pension and Postretirement Benefits net periodic benefit expense of $5.9 million, o
independent contractor and consultant costs of $4.5 million, depreciation and amortization expense of $1.1 million and othe
costs of $5.7 million. Unallocated expenses in 2016 include $2.6 million of legal expenses, severance and related costs of $
Pension and Postretirement Benefits net periodic benefit expense of $7.2 million and other net corporate costs of $12.0 mill
expenses in 2015 include $5.2 million of legal expenses, Pension and Postretirement Benefits net periodic benefit expense o
and other net corporate costs of $2.5 million.

The following table is a summary of the total revenue by segment for the years ended December 31:

(Amounts in millions)	2017	2016	2015
Global Funds Transfer revenue			
Money transfer revenue	$1,421.8	$1,456.2	$1,367.1
Bill payment revenue	86.3	97.5	98.7
Total Global Funds Transfer revenue	1,508.1	1,553.7	1,465.8
Financial Paper Products revenue			
Money order revenue	55.0	50.8	51.0
Official check revenue	39.0	24.8	22.3
Total Financial Paper Products revenue	94.0	75.6	73.3
Other revenue	—	1.1	—
Total revenue	$1,602.1	$1,630.4	$1,539.1

The following table is a summary of the operating income by segment and detail of the (loss) income before income taxes f
December 31:

(Amounts in millions)	2017	2016	2015
Global Funds Transfer operating income	$4.9	$95.8	$31.7
Financial Paper Products operating income	31.8	18.5	17.9
Total segment operating income	36.7	114.3	49.6
Other operating loss	(28.0)	(26.5)	(34.7)
Total operating income	8.7	87.8	14.9
Interest expense	45.3	45.0	45.3
Debt extinguishment costs	—	0.3	—
(Loss) income before income taxes	$(36.6)	$42.5	$(30.4)

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The following table is a summary of depreciation and amortization expense by segment for the years ended December 31:

(Amounts in millions)	2017	2016	2015
Global Funds Transfer	$66.5	$71.8	$60.4
Financial Paper Products	7.5	7.4	5.5
Other	1.1	0.7	0.2
Total depreciation and amortization	$75.1	$79.9	$66.1

The following table is a summary of capital expenditures by segment for the years ended December 31:

(Amounts in millions)	2017	2016	2015
Global Funds Transfer	$76.4	$68.2	$70.1
Financial Paper Products	8.5	10.9	30.3
Total capital expenditures	$84.9	$79.1	$100.4

Total assets by segment - Settlement assets, as defined in Note 2 - Summary of Significant Accounting Policies, are allocate corresponding payment service obligations that are specifically identified to each reporting segment. Property and equipme identified to both reporting segments with the exception of certain software, most of which is jointly used and allocated to e There is an immaterial amount of software used for corporate purposes. The net carrying value of goodwill and intangibles Global Funds Transfer segment as further summarized in Note 7 - Goodwill and Intangible Assets. While the derivatives po managed on a consolidated level, each derivative instrument is utilized in a manner that can be identified to the Global Fun segment. All assets that are not specifically identified or allocated to each reporting segment are reported as "Other." These include reported cash and cash equivalents, which are the assets in excess of payment service obligations as further discuss and various other corporate assets. The following table sets forth assets by segment as of December 31:

(Amounts in millions)	2017	2016
Global Funds Transfer	$2,333.4	$2,213.9
Financial Paper Products	2,229.4	2,198.3
Other	209.7	185.2
Total assets	$4,772.5	$4,597.4

Revenue by geographic area — International revenues are defined as revenues generated from money transfer and bill payn originating in a country other than the U.S. There are no individual countries, other than the U.S., that exceed 10% of total r years ended December 31, 2017, 2016 and 2015. The following table details total revenue by major geographic area for the December 31:

(Amounts in millions)	2017	2016	2015
U.S.	$854.0	$865.8	$829.7
International	748.1	764.6	709.4
Total revenue	$1,602.1	$1,630.4	$1,539.1

Note 15 — Immaterial Error Correction

2017 Immaterial Error Correction

Subsequent to the issuance of the Company’s 2016 financial statements, the Company’s management determined that there error with respect to the Pension Plan. Specifically, the error related to the calculation of the Company’s prior years' pensio Accordingly, the prior period amounts within the consolidated financial statements and corresponding footnotes have been the correct balances. The adjustment has no impact to "Total liabilities and stockholders' deficit" on the Consolidated Balan December 31, 2016 and “Net cash provided by operating activities” on the Consolidated Statements of Cash Flows for the y December 31, 2016 and 2015.

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The effects of the correction on the consolidated financial statements for the years ended December 31, 2016 and 2015 are a

(Amounts in millions, except per share data)	December 31, 2016 As Previously Reported	Correction	As Corrected
CONSOLIDATED BALANCE SHEET			
Pension and other postretirement benefits	$87.6	$ 11.4	$99.0
Accounts payable and other liabilities	168.7	(4.2)	164.5
Total liabilities	$4,805.8	$ 7.2	$4,813.0

	December 31, 2016			December 31, 2	
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT	As Previously Reported	Correction	As Corrected	As Previously Reported	Co
Retained loss	$(1,247.6)	$ (5.0)	$(1,252.6)	$(1,226.8)	$ (4
Accumulated other comprehensive loss	(53.9)	(2.2)	(56.1)	(48.7)	(2.
Total stockholders' deficit	$(208.4)	$ (7.2)	$(215.6)	$(222.8)	$ (
CONSOLIDATED STATEMENTS OF OPERATIONS					
Compensation and benefits	$295.1	$ 0.6	$295.7	$309.1	$ 1
Total operating expenses	1,542.0	0.6	1,542.6	1,522.9	1.3
Operating income	88.4	(0.6)	87.8	16.2	(1.
Income tax expense	26.8	(0.2)	26.6	47.8	(0.
Net income (loss)	$16.3	$ (0.4)	$15.9	$(76.9)	$ (
EARNINGS (LOSS) PER COMMON SHARE					
Basic	$0.26	$ —	$0.26	$(1.24)	$ (
Diluted	$0.25	$ (0.01)	$0.24	$(1.24)	$ (
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)					
Net change in pension liability due to amortization of prior service credit and net actuarial loss, net of tax	$3.4	$ 0.1	$3.5	$5.0	$ 0
Valuation adjustment for pension and postretirement benefits, net of tax	(1.9)	(0.2)	(2.1)	12.7	(0.
Pension settlement charge, net of tax	—	—	—	8.9	0.4
Other comprehensive (loss) income	$(5.2)	$ (0.1)	$(5.3)	$18.4	$ 0
CONSOLIDATED STATEMENTS OF CASH FLOWS					
Non-cash compensation and pension expense	$24.5	$ 0.6	$25.1	$45.3	$ 1
Provision for deferred income taxes	$7.5	$ (0.2)	$7.3	$25.6	$ (

2016 Immaterial Error Correction

Prior to the issuance of the Company's 2016 financial statements, the Company's management determined that there was an the historical presentation of the foreign exchange revenue on a net basis. As a result, in 2016, fee and other revenue and Fe commissions expense for the years ended 2015 and 2014 were restated from the amounts previously reported to correct the foreign exchange revenue from a net presentation to a gross presentation in our Consolidated Statements of Operations. The increase in previously reported Fee and other revenue and Fee and other commissions expense. This correction had no impa Consolidated Balance Sheets, Consolidated Statements of Comprehensive Income (Loss), Consolidated Statements of Cash Consolidated Statements of Stockholders' Deficit. For

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the effects of the correction on the Company's financial statements, refer to the Consolidated Financial Statements and Not
Annual Report on Form 10-K for the year ended December 31, 2016.

Note 16 — Quarterly Financial Data (Unaudited)

The following tables are the summation of quarterly (loss) earnings per common share and may not equate to the calculatio
as quarterly calculations are performed on a discrete basis. The quarterly financial information for 2016 has been immateri
applicable. See Note 15 — Immaterial Error Correction for more information on the restatement.

2017 Fiscal Quarters:

(Amounts in millions, except per share data)	First	Second	Third	Fourth[1]
Total revenue	$386.1	$410.0	$397.8	$408.2
Total operating expenses	364.0	390.2	374.5	464.7
Operating income	22.1	19.8	23.3	(56.5)
Total other expenses, net	10.8	11.2	11.6	11.7
Income (loss) before income taxes	$11.3	$8.6	$11.7	$(68.2)
Net income (loss)	$8.8	$6.2	$7.7	$(52.5)
Earnings (loss) per common share				
Basic	$0.14	$0.10	$0.12	$(0.83)
Diluted	$0.13	$0.09	$0.12	$(0.83)

(1) In the fourth quarter of 2017, total operating expenses was impacted by an
$85.0 million accrual related to the DPA.

2016 Fiscal Quarters:

(Amounts in millions, except per share data)	First			Second			Third			Fourth
	As Previously Reported	Correction	As Corrected	As Previously Reported	Correction	As Corrected	As Previously Reported	Correction	As Corrected	As Previous Reporte
Total revenue	$387.1	$ —	$ 387.1	$414.3	$ —	$ 414.3	$412.8	$ —	$ 412.8	$416.2
Total operating expenses	364.0	0.1	364.1	398.1	0.2	398.3	386.6	0.1	386.7	393.3
Operating income (loss)	23.1	(0.1)	23.0	16.2	(0.2)	16.0	26.2	(0.1)	26.1	22.9
Total other expenses, net	11.3	—	11.3	11.2	—	11.2	11.3	—	11.3	11.5
(Loss) income before income taxes	$11.8	$ (0.1)	$ 11.7	$5.0	$ (0.2)	$ 4.8	$14.9	$ (0.1)	$ 14.8	$11.4
Net (loss) income	$(4.2)	$ (0.1)	$ (4.3)	$3.1	$ (0.1)	$ 3.0	$10.2	$ (0.1)	$ 10.1	$7.2
(Loss) earnings per common share										
Basic	$(0.07)	$ —	$ (0.07)	$0.05	$ —	$ 0.05	$0.16	$ —	$ 0.16	$0.12
Diluted	$(0.07)	$ —	$ (0.07)	$0.05	$ —	$ 0.05	$0.15	$ —	$ 0.15	$0.11

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Note 17 — Condensed Consolidating Financial Statements

In the event the Company offers debt securities pursuant to an effective registration statement on Form S-3, these debt secu
guaranteed by certain of its subsidiaries. Accordingly, the Company is providing condensed consolidating financial informa
with Securities and Exchange Commission Regulation S-X Rule 3-10, Financial Statements of Guarantors and Issuers of G
Securities Registered or Being Registered. If the Company issues debt securities, the following 100 percent directly or indir
subsidiaries could fully and unconditionally guarantee the debt securities on a joint and several basis: MoneyGram Paymen
Worldwide, Inc.; MoneyGram Payment Systems, Inc.; and MoneyGram of New York LLC (collectively, the "Guarantors")
The following information represents Condensed Consolidating Balance Sheets as of December 31, 2017 and 2016, along v
Consolidating Statements of Operations and Statements of Cash Flows for the years ended December 31, 2017, 2016 and 2
condensed consolidating financial information presents financial information in separate columns for MoneyGram Internati
Parent-only basis carrying its investment in subsidiaries under the equity method; Guarantors on a combined basis, carrying
subsidiaries that are not expected to guarantee the debt (collectively, the "Non-Guarantors") under the equity method; Non-
combined basis; and eliminating entries. The eliminating entries primarily reflect intercompany transactions, such as accou
payable, fee revenue and commissions expense and the elimination of equity investments and income in subsidiaries.

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MONEYGRAM INTERNATIONAL, INC.
CONDENSED CONSOLIDATING BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2017

(Amounts in millions)	Parent	Subsidiary Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$1.7	$ 9.6	$ 178.7	$—	$ 190.0
Settlement assets	—	3,491.4	265.5	—	3,756.9
Property and equipment, net	—	199.1	15.8	—	214.9
Goodwill	—	315.4	126.8	—	442.2
Other assets	49.5	110.3	200.9	(192.2)	168.5
Equity investments in subsidiaries	813.8	132.4	—	(946.2)	—
Intercompany receivables	—	546.9	—	(546.9)	—
Total assets	$865.0	$ 4,805.1	$ 787.7	$ (1,685.3)	$ 4,772.5
LIABILITIES AND STOCKHOLDERS’ (DEFICIT) EQUITY					
Payment service obligations	$—	$ 3,491.4	$ 265.5	$—	$ 3,756.9
Debt, net	908.1	—	—	—	908.1
Pension and other postretirement benefits	—	97.3	—	—	97.3
Accounts payable and other liabilities	—	402.6	50.9	(198.0)	255.5
Intercompany liabilities	208.0	—	338.9	(546.9)	—
Total liabilities	1,116.1	3,991.3	655.3	(744.9)	5,017.8
Total stockholders’ (deficit) equity	(251.1)	813.8	132.4	(940.4)	(245.3)
Total liabilities and stockholders’ (deficit) equity	$865.0	$ 4,805.1	$ 787.7	$ (1,685.3)	$ 4,772.5

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MONEYGRAM INTERNATIONAL, INC.
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

(Amounts in millions)	Parent	Subsidiary Guarantors	Non-Guarantors	Eliminations	Consolidated
REVENUE					
Fee and other revenue	$—	$ 1,293.3	$ 700.6	$ (433.0)	$ 1,560.9
Investment revenue	—	40.2	1.0	—	41.2
Total revenue	—	1,333.5	701.6	(433.0)	1,602.1
EXPENSES					
Fee and other commissions expense	—	556.6	454.6	(247.7)	763.5
Investment commissions expense	—	8.7	—	—	8.7
Total commissions expense	—	565.3	454.6	(247.7)	772.2
Compensation and benefits	—	178.4	99.3	—	277.7
Transaction and operations support	1.7	494.8	88.2	(182.4)	402.3
Occupancy, equipment and supplies	—	50.0	16.1	—	66.1
Depreciation and amortization	—	66.6	28.6	(20.1)	75.1
Total operating expenses	1.7	1,355.1	686.8	(450.2)	1,593.4
OPERATING (LOSS) INCOME	(1.7)	(21.6)	14.8	17.2	8.7
Other expenses					
Interest expense	45.3	—	—	—	45.3
Other	—	(11.4)	—	11.4	—
Total other expenses	45.3	(11.4)	—	11.4	45.3
(Loss) income before income taxes	(47.0)	(10.2)	14.8	5.8	(36.6)
Income tax (benefit) expense	(16.3)	5.5	4.0	—	(6.8)
(Loss) income after income taxes	(30.7)	(15.7)	10.8	5.8	(29.8)
Equity income in subsidiaries	(4.9)	10.8	—	(5.9)	—
NET INCOME	(35.6)	(4.9)	10.8	(0.1)	(29.8)
TOTAL OTHER COMPREHENSIVE (LOSS) INCOME	(6.7)	(6.9)	24.7	(18.0)	(6.9)
COMPREHENSIVE (LOSS) INCOME	$(42.3)	$(11.8)	$ 35.5	$ (18.1)	$ (36.7)

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MONEYGRAM INTERNATIONAL, INC.
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

(Amounts in millions)	Parent	Subsidiary Guarantors	Non-Guarantors	Eliminations	Con
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$(43.8)	$ 449.3	$ (273.0)	$ —	$ 1
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchases of property and equipment	—	(76.7)	(6.9)	—	(83.
Intercompany investments	—	(40.0)	356.7	(316.7)	—
Dividend from subsidiary guarantors	52.0	—	—	(52.0)	—
Capital contributions to non-guarantors	—	(33.5)	—	33.5	—
Net cash provided by (used in) investing activities	52.0	(150.2)	349.8	(335.2)	(83.
CASH FLOWS FROM FINANCING ACTIVITIES:					
Principal payments on debt	(9.8)	—	—	—	(9.8
Proceeds from exercise of stock options and other	1.7	—	—	—	1.7
Dividend to parent	—	(52.0)	—	52.0	—
Intercompany financings	1.6	(358.3)	40.0	316.7	—
Payments to tax authorities for stock-based compensation	—	(8.0)	—	—	(8.0
Capital contributions from subsidiary guarantors	—	—	33.5	(33.5)	—
Net cash (used in) provided by financing activities	(6.5)	(418.3)	73.5	335.2	(16.
NET CHANGE IN CASH AND CASH EQUIVALENTS	1.7	(119.2)	150.3	—	32.8
CASH AND CASH EQUIVALENTS—Beginning of year	—	128.8	28.4	—	157
CASH AND CASH EQUIVALENTS—End of year	$1.7	$ 9.6	$ 178.7	$ —	$ 1

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MONEYGRAM INTERNATIONAL, INC.
CONDENSED CONSOLIDATING BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2016

(Amounts in millions)	Parent	Subsidiary Guarantors	Non-Guarantors	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$—	$ 128.8	$ 28.4	$ —	$ 157.2
Settlement assets	—	3,504.7	129.6	—	3,634.3
Property and equipment, net	—	184.3	16.7	—	201.0
Goodwill	—	315.3	126.9	—	442.2
Other assets	36.0	146.0	39.4	(58.7)	162.7
Equity investments in subsidiaries	879.1	232.3	—	(1,111.4)	—
Intercompany receivables	—	155.1	51.3	(206.4)	—
Total assets	$915.1	$ 4,666.5	$ 392.3	$ (1,376.5)	$ 4,597.4
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY					
Payment service obligations	$—	$ 3,525.4	$ 108.9	$ —	$ 3,634.3
Debt, net	915.2	—	—	—	915.2
Pension and other postretirement benefits	—	99.0	—	—	99.0
Accounts payable and other liabilities	1.9	170.2	51.1	(58.7)	164.5
Intercompany liabilities	206.4	—	—	(206.4)	—
Total liabilities	1,123.5	3,794.6	160.0	(265.1)	4,813.0
Total stockholders' (deficit) equity	(208.4)	871.9	232.3	(1,111.4)	(215.6)
Total liabilities and stockholders' (deficit) equity	$915.1	$ 4,666.5	$ 392.3	$ (1,376.5)	$ 4,597.4

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MONEYGRAM INTERNATIONAL, INC.
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FOR THE YEAR ENDED DECEMBER 31, 2016

(Amounts in millions)	Parent	Subsidiary Guarantors	Non-Guarantors	Eliminations	Consolidated
REVENUE					
Fee and other revenue	$—	$ 1,569.7	$ 417.9	$ (375.2)	$ 1,612.4
Investment revenue	—	18.0	—	—	18.0
Total revenue	—	1,587.7	417.9	(375.2)	1,630.4
EXPENSES					
Fee and other commissions expense	—	770.7	219.7	(197.3)	793.1
Investment commissions expense	—	2.5	—	—	2.5
Total commissions expense	—	773.2	219.7	(197.3)	795.6
Compensation and benefits	—	196.6	99.1	—	295.7
Transaction and operations support	2.0	427.3	58.1	(177.9)	309.5
Occupancy, equipment and supplies	—	45.7	16.2	—	61.9
Depreciation and amortization	—	67.4	12.5	—	79.9
Total operating expenses	2.0	1,510.2	405.6	(375.2)	1,542.6
OPERATING (LOSS) INCOME	(2.0)	77.5	12.3	—	87.8
Other expenses					
Interest expense	45.0	—	—	—	45.0
Debt extinguishment costs	0.3	—	—	—	0.3
Total other expenses	45.3	—	—	—	45.3
(Loss) income before income taxes	(47.3)	77.5	12.3	—	42.5
Income tax (benefit) expense	(16.5)	46.2	(3.1)	—	26.6
(Loss) income after income taxes	(30.8)	31.3	15.4	—	15.9
Equity income in subsidiaries	47.1	15.4	—	(62.5)	—
NET INCOME	16.3	46.7	15.4	(62.5)	15.9
TOTAL OTHER COMPREHENSIVE LOSS	(5.3)	(5.3)	(34.3)	39.6	(5.3)
COMPREHENSIVE INCOME (LOSS)	$ 11.0	$ 41.4	$ (18.9)	$ (22.9)	$ 10.6

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MONEYGRAM INTERNATIONAL, INC.
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

(Amounts in millions)	Parent	Subsidiary Guarantors	Non-Guarantors	Eliminations	Con
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$(43.4)	$ 142.7	$ 21.6	$ —	$ 1
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchases of property and equipment	—	(74.0)	(8.8)	—	(82.
Intercompany investments	—	(12.6)	(58.7)	71.3	—
Dividend from subsidiary guarantors	70.7	—	—	(70.7)	—
Capital contributions to non-guarantors	—	(0.1)	—	0.1	—
Net cash provided by (used in) investing activities	70.7	(86.7)	(67.5)	0.7	(82.
CASH FLOWS FROM FINANCING ACTIVITIES:					
Principal payments on debt	(30.3)	—	—	—	(30.
Stock repurchases	(11.7)	—	—	—	(11.
Dividend to parent	—	(70.7)	—	70.7	—
Intercompany financings	12.6	58.7	—	(71.3)	—
Contingent consideration payment	—	(0.7)	—	—	(0.7
Payments to tax authorities for stock-based compensation	—	(2.7)	—	—	(2.7
Capital contributions from subsidiary guarantors	—	—	0.1	(0.1)	—
Net cash (used in) provided by financing activities	(29.4)	(15.4)	0.1	(0.7)	(45.
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2.1)	40.6	(45.8)	—	(7.3
CASH AND CASH EQUIVALENTS—Beginning of year	2.1	88.2	74.2	—	164
CASH AND CASH EQUIVALENTS—End of year	$—	$ 128.8	$ 28.4	$ —	$ 1

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MONEYGRAM INTERNATIONAL, INC.
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE YEAR ENDED DECEMBER 31, 2015

(Amounts in millions)	Parent	Subsidiary Guarantors	Non-Guarantors	Eliminations	Consolidated
REVENUE					
Fee and other revenue	$—	$ 1,492.1	$ 419.8	$ (384.9)	$ 1,527.0
Investment revenue	—	12.0	0.1	—	12.1
Total revenue	—	1,504.1	419.9	(384.9)	1,539.1
EXPENSES					
Fee and other commissions expense	—	737.2	225.9	(203.3)	759.8
Investment commissions expense	—	0.8	—	—	0.8
Total commissions expense	—	738.0	225.9	(203.3)	760.6
Compensation and benefits	—	213.0	97.4	—	310.4
Transaction and operations support	1.4	451.3	53.8	(181.7)	324.8
Occupancy, equipment and supplies	—	54.7	18.1	(10.5)	62.3
Depreciation and amortization	—	53.5	12.6	—	66.1
Total operating expenses	1.4	1,510.5	407.8	(395.5)	1,524.2
OPERATING (LOSS) INCOME	(1.4)	(6.4)	12.1	10.6	14.9
Other expenses (income)					
Interest expense	45.3	—	—	—	45.3
Other income	—	—	(10.6)	10.6	—
Total other expenses (income), net	45.3	—	(10.6)	10.6	45.3
(Loss) income before income taxes	(46.7)	(6.4)	22.7	—	(30.4)
Income tax (benefit) expense	(16.4)	55.8	7.9	—	47.3
(Loss) income after income taxes	(30.3)	(62.2)	14.8	—	(77.7)
Equity (loss) income in subsidiaries	(46.6)	14.8	—	31.8	—
NET (LOSS) INCOME	(76.9)	(47.4)	14.8	31.8	(77.7)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	18.8	12.2	(20.4)	8.2	18.8
COMPREHENSIVE LOSS	$(58.1)	$ (35.2)	$ (5.6)	$ 40.0	$ (58.9)

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MONEYGRAM INTERNATIONAL, INC.
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

(Amounts in millions)	Parent	Subsidiary Guarantors	Non-Guarantors	Eliminations	Con
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$(65.7)	$ 150.1	$ (50.3)	$ —	$ 3
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchases of property and equipment	—	(96.5)	(13.4)	—	(109
Proceeds from disposal of assets	—	0.4	—	—	0.4
Intercompany investments	28.3	21.0	—	(49.3)	—
Dividend from subsidiary guarantors	47.6	—	—	(47.6)	—
Capital contributions to non-guarantors	—	(2.4)	—	2.4	—
Net cash provided by (used in) by investing activities	75.9	(77.5)	(13.4)	(94.5)	(109
CASH FLOWS FROM FINANCING ACTIVITIES:					
Principle payments on debt	(9.8)	—	—	—	(9.8
Stock repurchases	(0.4)	—	—	—	(0.4
Intercompany financings	—	(28.3)	(21.0)	49.3	—
Dividend to parent	—	(47.6)	—	47.6	—
Payments to tax authorities for stock-based compensation	—	(0.5)	—	—	(0.5
Capital contributions from subsidiary guarantors	—	—	2.4	(2.4)	—
Net cash used in financing activities	(10.2)	(76.4)	(18.6)	94.5	(10.
NET CHANGE IN CASH AND CASH EQUIVALENTS	—	(3.8)	(82.3)	—	(86.
CASH AND CASH EQUIVALENTS—Beginning of year	2.1	92.0	156.5	—	250
CASH AND CASH EQUIVALENTS—End of year	$2.1	$ 88.2	$ 74.2	$ —	$ 1