

HERITAGE COMMERCE CORP

Form S-8

June 08, 2009

As Filed with the Securities And Exchange Commission on June 8, 2009

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-8

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

HERITAGE COMMERCE CORP

(Exact Name Of Registrant As Specified In Its Charter)

California

(State or other jurisdiction of incorporation or organization)

77-0469558

(I.R.S. Employer Identification No.)

**150 Almaden Boulevard
San Jose, California 95113**

(Address of Registrant's Principal Executive Offices) (Zip Code)

RESTRICTED STOCK AGREEMENT

(Full title of the plan)

Lawrence D. McGovern

Executive Vice President

Chief Financial Officer

150 Almaden Boulevard

San Jose, California 95113

(408) 947-6900

(Name, address and telephone number of agent for service)

With a copy to:

Mark A. Bonenfant, Esq.

Buchalter Nemer

A Professional Corporation

1000 Wilshire Boulevard, Suite 1500

Los Angeles, California 90017

(213) 891-0700

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

CALCULATION OF REGISTRATION FEE

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Title of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Share (2)	Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee (3)
Common Stock, no par value	51,000	\$ 5.275	\$ 269,025	\$ 15.02

- (1) Pursuant to Rule 416(a), this Registration Statement also covers additional securities that may be offered under the Restricted Stock Agreement, as a result of stock splits, stock dividends or similar transactions.
- (2) Estimated solely for the purpose of determining the registration fee.
- (3) Calculated pursuant to Rule 457(c) and Rule 457(h) based upon the average of the high and low sales prices of the Common Stock as reported on the Nasdaq Global Select Market on June 3, 2009, which was \$5.275.

HERITAGE COMMERCE CORP

This Registration Statement on Form S-8 is being filed by Heritage Commerce Corp, a California corporation (the Corporation or the Registrant) to register 51,000 shares of common stock, no par value (the Common Stock) which may be acquired pursuant to a Restricted Stock Agreement dated March 17, 2005 entered into between Registrant and one of its executive officers (the Plan).

**PART I
INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS**

Item 1. Plan Information.*

Item 2. Registrant Information and Employee Plan Annual Information.*

* Information Required by Part I of Form S-8. The document(s) setting forth the information specified in Part I of this Form S-8 will be sent or given to participants in the Plan as specified by Rule 428(b)(1) of the Securities Act of 1933, as amended (the Securities Act). These documents and the documents incorporated by reference into this Form S-8 pursuant to Item 3 of Part II of this Registration Statement, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act and are on file at Registrant s principal executive offices and available, without charge, upon written request to: Heritage Commerce Corp, Corporate Secretary, 150 Almaden Boulevard, San Jose, California 95113.

**PART II
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT**

Item 3. Incorporation of Documents by Reference.

The following documents of the Registrant heretofore filed with the Securities and Exchange Commission (the Commission) are hereby incorporated in this Registration Statement by reference:

- (1) The Registrant s Annual Report on Form 10-K for the fiscal year ended December 31, 2008;
- (2) The Registrant s Quarterly Report on Form 10-Q for the three months ended March 31, 2009;

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- (3) The Registrant's Current Report on Form 8-K filed with the Commission on January 2, 2009;
- (4) The Registrant's Current Report on Form 8-K filed with the Commission on January 29, 2009;
- (5) The Registrant's Current Report on Form 8-K filed with the Commission on February 27, 2009;
- (6) The Registrant's Current Report on Form 8-K filed with the Commission on March 18, 2009;
- (7) The Registrant's Current Report on Form 8-K filed with the Commission on March 27, 2009;
- (8) The Registrant's Current Report on Form 8-K filed with the Commission on April 10, 2009;
- (9) The Registrant's Current Report on Form 8-K filed with the Commission on April 16, 2009;
- (10) The Registrant's Current Report on Form 8-K filed with the Commission on May 1, 2009;
- (11) The Registrant's Current Report on Form 8-K filed with the Commission on May 5, 2009;
- (12) The Registrant's Current Report on Form 8-K filed with the Commission on June 2, 2009; and

(13) The description of the Common Stock set forth in the Registrant's Registration Statement on Form 8-A filed with the Commission on March 5, 1998, together with any amendment or report filed with the Commission for the purpose of updating such description.

All reports and other documents subsequently filed by the Registrant pursuant to Sections 13(a) and (c), 14 and 15(d) of the Exchange Act prior to the filing of a post-effective amendment which indicates that all securities offered hereunder have been sold or which deregisters all such securities then remaining unsold shall be deemed to be incorporated by reference in this Registration Statement and to be a part hereof from the respective dates of filing of such reports and documents.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such earlier statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. Description of Securities.

Not Applicable.

Item 5. Interests of Named Experts and Counsel.

Not Applicable.

Item 6. Indemnification of Directors and Officers.

Section 317 of the California General Corporation Law permits indemnification of directors, officers and employees of corporations under certain conditions and subject to certain limitations. Article V of the Articles of Incorporation of the Company contains provisions limiting the monetary liability of directors for breaches of the duty of care. Article VII of the Articles of Incorporation of the Company contains provisions that authorize the Registrant to indemnify its directors, officers and employees to the fullest extent permitted, and in excess of that authorized, under Section 317. Section 12 of the Company's By-Laws provides for the indemnification of directors and officers to the fullest extent permitted by law.

The Company also maintains insurance policies which insure its officers and directors against certain liabilities.

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The foregoing summaries are necessarily subject to the complete text of the statute and the Articles and the By-Laws referred to above and are qualified in their entirety by reference thereto.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

Unless otherwise indicated below as being incorporated by reference to another filing of the Corporation with the Commission, each of the following exhibits is filed herewith:

Exhibit Number	Description of Exhibit
4.1	Heritage Commerce Corp Amended and Restated Articles of Incorporation (incorporated by reference to the Registrant's Annual Report on Form 10-K filed with the Commission on March 16, 2009).
4.2	Heritage Commerce Corp By-Laws (incorporated by reference to the Registrant's

Exhibit Number	Description of Exhibit
	Annual Report on Form 10-K filed with the Commission on March 16, 2009).
5.1	Opinion of Counsel as to the legality of securities being registered
23.1	Consent of Independent Registered Public Accounting Firm
24.1	Consent of Counsel (included in Exhibit 5.1)
99.1	Restricted Stock Agreement between Heritage Commerce Corp and Walter T. Kaczmarek dated March 17, 2005 (incorporated by reference to Registrant's Annual Report on Form 10-K filed with the Commission on March 16, 2009).

Item 9. Undertakings.

The undersigned Registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement that includes any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.
- (2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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Lawrence D. McGovern

Executive Vice President and Chief Financial Officer (Principal
Financial and Accounting Officer)

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Robert Moles Director

Humphrey Polanen Director

/s/Charles Toeniskoetter
Charles Toeniskoetter Director

Ranson Webster Director

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EXHIBIT INDEX

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Banks and Brokers May Call Collect: (212) 750-5833

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SOLICITATION OF PROXIES

Except as set forth below, ACI will not pay any fees or commissions to any broker, dealer, commercial bank, trust company or other nominee for the solicitation of proxies in connection with this solicitation.

Proxies will be solicited by mail, telephone, facsimile, telegraph, the internet, e-mail, newspapers and other publications of general distribution and in person. Directors and officers of ACI listed on Schedule I hereto may assist in the solicitation of proxies without any additional remuneration (except as otherwise set forth in this proxy statement).

ACI has retained Innisfree M&A Incorporated (Innisfree) for solicitation and advisory services in connection with solicitations relating to the Special Meeting, for which Innisfree may receive a fee of up to \$250,000 for these services, in addition to reimbursing Innisfree for its reasonable out-of-pocket expenses. ACI agreed to indemnify Innisfree against certain liabilities and expenses, including reasonable legal fees and related charges. Innisfree will solicit proxies for the Special Meeting from individuals, brokers, banks, bank nominees and other institutional holders. The entire expense of soliciting proxies for the Special Meeting by or on behalf of ACI is being borne by ACI.

If you have any questions concerning this proxy statement or the procedures to be followed to execute and deliver a proxy, please contact Innisfree at the address or phone number specified above.

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FORWARD-LOOKING STATEMENTS

This preliminary proxy statement contains forward-looking statements based on current expectations that involve a number of risks and uncertainties. All opinions, forecasts, projections, future plans or other statements other than statements of historical fact, are forward-looking statements and include words or phrases such as believes, will, expects, would and words and phrases of similar impact. The forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

We can give no assurance that such expectations will prove to have been correct. Actual results could differ materially as a result of a variety of risks and uncertainties, many of which are outside of the control of management. These risks and uncertainties include, but are not limited to the following: (1) that a transaction with S1 may not be completed on a timely basis or on favorable terms; (2) negative effects on our business or S1's business resulting from the pendency of the merger proposals; (3) that we may not achieve the synergies and other expected benefits of a merger with S1 within the expected time or in the amounts we anticipate; (4) that we may not be able to promptly and effectively integrate the merged businesses after closing; and (5) that our committed financing may not be available. Other factors that could materially affect our business and actual results of operations are discussed in our most recent 10-K as well as other filings with the SEC available at www.sec.gov. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to publicly update or revise any of them in light of new information, future events or otherwise.

OTHER INFORMATION

The information concerning S1 and the Proposed Fundtech Merger contained herein (including Schedule II) has been taken from, or is based upon, publicly available documents on file with the SEC and other publicly available information. Although ACI has no knowledge that would indicate that statements relating to S1 or the Fundtech Merger Agreement contained in this proxy statement, in reliance upon publicly available information, are inaccurate or incomplete, to date it has not had access to the books and records of S1, was not involved in the preparation of such information and statements and is not in a position to verify any such information or statements. See Schedule II for information regarding persons who beneficially own more than 5% of the S1 Shares and the ownership of the S1 Shares by the directors and officers of S1.

Pursuant to Rule 14a-5 promulgated under the Securities Exchange Act of 1934, as amended, reference is made to S1's preliminary proxy statement for information concerning the Fundtech Merger Agreement, the Proposed Fundtech Merger, financial information regarding Fundtech, S1 and the proposed combination of Fundtech and S1, the proposals to be voted upon at the Special Meeting, other information concerning S1's management, the procedures for submitting proposals for consideration at the next annual meeting of S1 stockholders and certain other matters regarding S1 and the Special Meeting.

Although ACI believes that the ACI Merger Proposal would provide S1 stockholders with a premium for their S1 Shares, because the ACI Merger Proposal provides for the issuance of ACI Shares, the value of the stock portion of the ACI Merger Proposal to S1 stockholders will

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vary over time based on relative changes in the market prices of the ACI Shares and the S1 Shares, which could result in a smaller premium or no premium. The equity capital markets have been highly volatile since July 26, 2011 and market prices for ACI Shares and S1 Shares have fluctuated and can be expected to continue to fluctuate. S1 stockholders are urged to obtain current trading price information prior to deciding how to vote.

THIS PROXY STATEMENT RELATES SOLELY TO THE SOLICITATION OF PROXIES WITH RESPECT TO THE PROPOSED FUNDTECH MERGER AND IS NOT A SOLICITATION OF PROXIES WITH RESPECT TO THE ACI MERGER PROPOSAL OR AN OFFER TO SELL ACI SHARES.

WE URGE YOU NOT TO RETURN ANY PROXY CARD YOU RECEIVE FROM S1 EVEN AS A PROTEST VOTE AGAINST THE PROPOSED FUNDTECH MERGER. EVEN IF YOU PREVIOUSLY HAVE SUBMITTED A PROXY CARD FURNISHED BY S1, IT IS NOT TOO LATE TO CHANGE YOUR VOTE BY INTERNET OR TELEPHONE OR SIMPLY BY SIGNING, DATING AND RETURNING THE ENCLOSED **BLUE** PROXY CARD. WE URGE YOU TO VOTE BY INTERNET OR TELEPHONE OR BY SIGNING, DATING AND RETURNING THE ENCLOSED **BLUE** PROXY CARD TO US TODAY.

WHETHER OR NOT YOU INTEND TO ATTEND THE SPECIAL MEETING, YOUR PROMPT ACTION IS IMPORTANT. MAKE YOUR VIEWS CLEAR TO THE S1 BOARD BY VOTING AGAINST THE FUNDTECH MERGER PROPOSALS BY INTERNET OR TELEPHONE OR BY SIGNING, DATING AND RETURNING THE ENCLOSED **BLUE** PROXY CARD TODAY. A VOTE AGAINST THE FUNDTECH MERGER PROPOSALS WILL NOT OBLIGATE YOU TO VOTE FOR THE ACI MERGER PROPOSAL. HOWEVER, IF THE PROPOSED FUNDTECH MERGER OCCURS, THE ACI MERGER PROPOSAL WILL BE WITHDRAWN.

YOUR VOTE IS IMPORTANT, NO MATTER HOW MANY OR HOW FEW SHARES YOU OWN.

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IMPORTANT VOTING INFORMATION

1. If your S1 Shares are held in your own name, please submit your proxy to us TODAY by following the instructions on the enclosed **BLUE** proxy card by Internet or telephone, or by signing, dating and returning the enclosed **BLUE** proxy card to ACI Worldwide, Inc., c/o Innisfree M&A Incorporated, in the postage-paid envelope provided.

2. If your S1 Shares are held in street-name, only your broker or bank can vote your S1 Shares and only upon receipt of your specific instructions. If your S1 Shares are held in street-name, deliver the enclosed **BLUE** voting instruction form to your broker or bank or contact the person responsible for your account to vote on your behalf and to ensure that a **BLUE** proxy card is submitted on your behalf. If your broker or bank or contact person responsible for your account provides for voting instructions to be delivered to them by Internet or telephone, instructions will be included on the enclosed **BLUE** voting instruction form. We urge you to confirm in writing your instructions to the person responsible for your account and to provide a copy of those instructions to ACI Worldwide, Inc., c/o Innisfree M&A Incorporated, 501 Madison Avenue, 20th Floor, New York, New York 10022, so that ACI will be aware of all instructions given and can attempt to ensure that such instructions are followed.

3. Do not sign or return any proxy card you may receive from S1. If you have already submitted a proxy card, you have every right to change your vote use the **BLUE** proxy card to vote by Internet or telephone or simply sign, date and return the **BLUE** proxy card. Only your latest dated proxy will be counted.

4. Only S1 stockholders of record on [], [], 2011 are entitled to vote at the Special Meeting. We urge each stockholder to ensure that the holder of record of his, her or its S1 Share(s) signs, dates, and returns the enclosed **BLUE** proxy card as soon as possible.

If you have any questions or require any assistance in voting your S1 Shares, please contact:

**501 Madison Avenue, 20th Floor
New York, New York 10022**

**Stockholders May Call Toll Free: (888) 750-5834
Banks and Brokers May Call Collect: (212) 750-5833**

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SCHEDULE I
INFORMATION CONCERNING DIRECTORS AND OFFICERS OF ACI WHO ARE
PARTICIPANTS AND INTERESTS OF PARTICIPANTS

Directors and Officers of ACI Who are Participants

The following table sets forth the name of each director and officer of ACI who is a participant in the solicitation. Unless otherwise indicated, the current business address of each person is 120 Broadway, Suite 3350, New York, New York 10271 and the current business telephone number is (646) 348-6700. Each such person is a U.S. citizen. Each occupation set forth opposite an individual's name refers to employment with ACI.

Name	Present Position with ACI or Other Principal Occupation or Employment
Philip G. Heasley	President and Chief Executive Officer of ACI and Director
Scott W. Behrens	Executive Vice President, Chief Financial Officer and Chief Accounting Officer
Craig A. Maki	Executive Vice President, Treasurer and Chief Corporate Development Officer
Dennis P. Byrnes	Executive Vice President, Chief Administrative Officer, General Counsel and Secretary
David N. Morem	Senior Vice President, Global Business Operations
Charles H. Linberg	Vice President and Chief Technology Officer
Name	Present Position with ACI or Other Principal Occupation or Employment
Alfred R. Berkeley, III	Director; chairman of Pipeline Financial Group; CEO of Pipeline Financial Group until March 2010
John D. Curtis	Director; Senior Vice President, General Counsel and Corporate Secretary of The Warranty Group

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Name	Present Position with ACI or Other Principal Occupation or Employment
James C. McGroddy	Director; self-employed consultant
Harlan F. Seymour	Director; sole owner of HFS, LLC
John M. Shay, Jr.	Director; President and owner of Fairway Consulting LLC
John E. Stokely	Director; President of JES, Inc.
Jan H. Suwinski	Director; professor of Business Operations at the Samuel Curtis Johnson Graduate School of Management at Cornell University

Interests of Participants and Other Potential Participants

No individual listed above has a substantial interest, direct or indirect, by security holdings or otherwise, in the matters to be acted upon pursuant to the Proxy Statement.

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SCHEDULE II
SECURITY OWNERSHIP OF S1 PRINCIPAL
STOCKHOLDERS AND MANAGEMENT

The following tables are reprinted from S1's Definitive Proxy Statement filed with the SEC on April 8, 2011.

Principal Stockholders of S1

The following table presents information regarding the beneficial ownership of S1 Shares as of March 31, 2011 by each person who was known by S1 to be the beneficial owner of more than 5% of the outstanding S1 Shares. At March 31, 2011, the applicable percentages were based on 53,391,860 S1 Shares outstanding excluding shares of restricted stock.

Name and Address of Beneficial Owner	Number of Common Shares and Nature of Beneficial Ownership (1)	Percent of Common Stock Outstanding
Wellington Management Company, LLP 280 Congress Street Boston, MA 02210	4,550,260 ²	8.5%
ValueAct SmallCap Master Fund, L.P. and related persons 435 Pacific Avenue Fourth Floor San Francisco, CA 94133	3,988,921 ³	7.5%
Cramer Rosenthal McGlynn, LLC 520 Madison Ave New York, NY 10022	3,978,508 ⁴	7.5%
FMR LLC 82 Devonshire Street Boston, Massachusetts 02109	3,485,500 ⁵	6.5%
BlackRock, Inc 40 East 52nd Street New York, NY 10022	3,364,459 ⁶	6.3%

(1) In accordance with Rule 13d-3 under the Exchange Act, a person is deemed to be the beneficial owner, for purposes of this table, of any shares of common stock if that person has or shares voting power or investment power over the security, or has the right to acquire beneficial ownership at any time within 60 days from March 31, 2011. For this table, voting power includes the power to vote or direct the voting of shares and investment

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power includes the power to dispose or direct the disposition of shares.

- (2) According to Schedule 13G/A filed with the SEC on February 14, 2011, Wellington Management Company, LLP in its capacity as investment adviser, reported that it has shared voting power of 2,233,360 shares and shared dispositive power of 4,550,260 shares which are held of record by its clients.
- (3) According to Schedule 13D/A filed with the SEC on September 17, 2010, ValueAct SmallCap Master Fund, L.P., VA SmallCap Partners, LLC, ValueAct SmallCap Management, L.P., ValueAct SmallCap Management, LLC and David Lockwood, the managing member, principal owner and controlling person of VA SmallCap Partners, LLC and ValueAct SmallCap Management, LLC each reported shared voting power and shared dispositive power of 3,998,921 shares.
- (4) According to Schedule 13G/A filed with the SEC on February 1, 2011, Cramer Rosenthal McGlynn LLC, in its capacity as investment adviser, reported that it has sole voting power of 3,872,508 shares and sole dispositive power of 3,978,508 shares.
- (5) According to Schedule 13G filed with the SEC on February 14, 2011, FMR LLC, in its capacity as investment adviser, and Edward C. Johnson 3d each reported sole voting power of 392,400 shares and sole dispositive power of 3,485,500 shares.

The following table presents information known to S1 regarding the beneficial ownership of its common stock as of March 31, 2011 by each of its directors and Named Executive Officers (NEOs) and by all of its directors, NEOs and other executive officers as a group. As of March 31, 2011, the applicable percentages were based on 53,391,860 S1 Shares outstanding adjusted for restricted stock and stock options as required by rules promulgated by the SEC. All information as to beneficial ownership was provided to S1 by the directors, NEOs and other executive officers, and unless otherwise indicated, each of the directors, NEOs and other executive officers had sole voting and investment power over all of the shares they beneficially own.

Name	Number			Percent of Common Stock Outstanding
	of Shares Owned (1)	Restricted Stock and Right to Acquire ⁽²⁾	Beneficial Ownership Total ⁽³⁾	
Directors				
John W. Spiegel	42,040 ⁽⁴⁾	122,500	164,540	*
Ram Gupta	19,500	67,500	87,000	*
M. Douglas Ivester	212,000	137,500	349,500	*
Thomas P. Johnson, Jr.	42,000	67,500	109,500	*
Gregory J. Owens	19,500	132,500	152,000	*
Edward Terino	16,500	52,500	69,000	*
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Name	Number			Percent of Common Stock Outstanding
	of Shares Owned (1)	Restricted Stock and Right to Acquire ⁽²⁾	Beneficial Ownership Total ⁽³⁾	
<i>Named Executive Officers</i>				
Johann Dreyer	158,230	1,171,856	1,330,086	2.4
Paul M. Parrish	46,674	102,883	149,557	*
Jan Kruger	20,076	250,779	270,855	*
Pierre Naude	14,337	238,414	252,751	*
Francois van Shoor	19,307	180,377	199,684	*
All directors and executive officers as a group	624,553	2,714,686	3,339,239	6.0

(*) Less than one percent

- (1) Excludes shares that may be acquired through the exercise of stock options and the vesting of restricted stock after March 31, 2011.
- (2) Represents shares of common stock that can be acquired upon exercise of options within 60 days from March 31, 2011 and all unvested shares of restricted stock as of March 31, 2011. The holders of unvested shares of restricted stock have sole voting power, but not investment power, with respect to such shares.
- (3) In accordance with Rule 13d-3 under the Exchange Act, a person is deemed to be the beneficial owner, for purposes of this table, of any shares of common stock if that person has or shares voting power or investment power over the security, or has the right to acquire beneficial ownership at any time within 60 days from March 31, 2011. For this table, voting power includes the power to vote or direct the voting of shares and investment power includes the power to dispose or direct the disposition of shares.
- (4) Includes 41,840 shares held in a revocable trust which Mr. Spiegel has shared voting and investment powers with his wife and 200 shares owned directly by Mr. Spiegel's wife, over which he has shared voting and investment power.

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IMPORTANT

If your S1 Shares are held in your own name, please use the **BLUE** proxy card to vote by Internet or telephone or sign, date and return the enclosed **BLUE** proxy card today. If your S1 Shares are held in street-name, only your broker or bank can vote your shares and only upon receipt of your specific instructions. Please return the enclosed **BLUE** voting instruction form to your broker or bank and contact the person responsible for your account to ensure that a **BLUE** proxy card is voted on your behalf. If your broker or bank provides for voting instructions to be delivered to them by Internet or telephone, instructions will be included on the enclosed **BLUE** voting instruction form.

We urge you not to sign any proxy card you may receive from S1, even as a protest vote against the Proposed Fundtech Merger.

If you have any questions or require any assistance in voting your S1 Shares, please contact:

501 Madison Avenue, 20th Floor
New York, New York 10022
Stockholders May Call Toll Free: (888) 750-5834
Banks and Brokers May Call Collect: (212) 750-5833

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PRELIMINARY SUBJECT TO COMPLETION, DATED AUGUST 12, 2011 YOUR VOTE IS IMPORTANT Please take a moment now to vote your shares of S1 Common Stock for the upcoming Special Meeting of S1 Stockholders. **YOU CAN VOTE TODAY IN ONE OF THREE WAYS:** 1. **Vote by Telephone** Please call toll-free in the U.S. or Canada at , on a touch-tone telephone. If outside the U.S. or Canada, call]. Please follow the simple instructions. You will be required to provide the unique control number printed below. **OR 2. Vote by Internet** Please access <https://www.proxyvotenow.com/sone>, and follow the simple instructions. Please note you must type an s after http. You will be required to provide the unique control number printed below. You may vote by telephone or Internet 24 hours a day, 7 days a week. Your telephone or Internet vote authorizes the named proxies to vote your shares in the same manner as if you had completed, signed, dated and returned a BLUE proxy card. **OR 3. Vote by Mail** If you do not wish to vote by telephone or over the Internet, please complete, sign, date and return this BLUE proxy card in the postage-paid envelope provided, or mail to: ACI Worldwide, Inc., c/o Innisfree M&A Incorporated, P.O. Box 5155, FDR Station, New York, New York 10150-5155. **TO VOTE BY MAIL, PLEASE DETACH PROXY CARD HERE AND COMPLETE, SIGN, DATE AND RETURN IN THE POSTAGE-PAID ENVELOPE PROVIDED ACI STRONGLY RECOMMENDS A VOTE**

AGAINST EACH OF THE FOLLOWING PROPOSALS AGAINST ABSTAIN FOR 1. To approve the issuance of S1 common stock in connection with the transactions contemplated by the Agreement and Plan of Merger and Reorganization, dated June 26, 2011, by and among S1 Corporation, Finland Holdings (2011) Ltd. and Fundtech Ltd. 2. Subject to the consummation of the merger, to approve the adoption of a certificate of amendment to the certificate of incorporation of S1 Corporation. 3. To amend the S1 Corporation 2003 Stock Incentive Plan, as Amended and Restated Effective February 26, 2008, to increase the number of shares of S1 common stock available for issuance thereunder. 4. To approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to S1 Corporation's named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable. 5. To approve adjournments or postponements of the special meeting, if necessary, to permit the further solicitation of proxies in favor of the foregoing proposals. , 2011 Date Signature of Stockholders Signatures of Stockholders (if) Title(s) **NOTE:** Please sign exactly as your name or names appear hereon. If shares are held jointly, both stockholders should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by president or authorized officer. If a partnership, please sign in partnership name by an authorized person.

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PLEASE VOTE TODAY! SEE REVERSE SIDE FOR THREE EASY WAYS TO VOTE TODAY. TO VOTE BY MAIL, PLEASE DETACH PROXY CARD HERE AND COMPLETE, SIGN, DATE AND RETURN IN THE POSTAGE-PAID ENVELOPE PROVIDED THIS PROXY IS SOLICITED BY ACI WORLDWIDE, INC. IN OPPOSITION TO THE SOLICITATION BY THE BOARD OF DIRECTORS OF S1 CORPORATION FOR THE S1 SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON , 2011 BLUE PROXY The undersigned, a holder of common stock (the S1 Shares) of S1 (S1), held of record on , 2011, acknowledges receipt of the Proxy Statement of ACI Worldwide, Inc., dated , 2011, and hereby appoints and each of them, with full power of substitution, proxies for the undersigned to vote as directed herein all shares of S1 common stock which the undersigned would be entitled to vote at the Special Meeting, scheduled to be held on, 2011 at, at, and any adjournment or postponement thereof. EXCEPT AS PROVIDED HEREIN THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE SPECIFICATIONS MADE. IF NO SPECIFICATIONS ARE MADE AND YOU HAVE SIGNED THIS PROXY CARD, THIS PROXY WILL BE VOTED (A) AGAINST EACH OF THE FOREGOING PROPOSALS, AND (B) IN THE DISCRETION OF THE NAMED PROXIES UPON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE SPECIAL MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF THAT ADVERSELY AFFECTS THE INTERESTS OF ACI WORLDWIDE, INC., AS DETERMINED BY ACI IN ITS SOLE DISCRETION. THIS PROXY WILL REVOKE (OR BE USED BY THE PROXIES TO REVOKE) ANY PRIOR PROXY DELIVERED IN CONNECTION WITH THE PROPOSALS LISTED TO THE EXTENT THAT IT IS VOTED AT THE SPECIAL MEETING AS STIPULATED ABOVE. YOUR VOTE IS VERY IMPORTANT PLEASE COMPLETE, SIGN, DATE AND RETURN THIS PROXY CARD IN THE ENCLOSED ENVELOPE. (continued and to be signed and dated on reverse]