

Edgar Filing: TRANSACTION SYSTEMS ARCHITECTS INC - Form S-8

TRANSACTION SYSTEMS ARCHITECTS INC

Form S-8

February 28, 2002

As filed with the Securities and Exchange Commission on February 28, 2002.

Registration No. 333-_____

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

TRANSACTION SYSTEMS ARCHITECTS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

47-0772104
(I.R.S. Employer
Identification No.)

224 South 108th Avenue
Omaha, Nebraska 68154
(Address of principal executive offices, including zip code)

Transaction Systems Architects, Inc.
2002 Non-Employee Director Stock Option Plan
(Full title of the plan)

David P. Stokes, Esq.
General Counsel and Secretary
Transaction Systems Architects, Inc.

224 South 108th Avenue
Omaha, Nebraska 68514
(402) 334-5101

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

with a copy to:

Albert G. McGrath, Jr.
Baker & McKenzie
2300 Trammell Crow Center
2001 Ross Avenue
Dallas, Texas 75201

CALCULATION OF REGISTRATION FEE

Edgar Filing: TRANSACTION SYSTEMS ARCHITECTS INC - Form S-8

Title of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per share (2)	Proposed maximum aggregate offering price (2)
Class A Common Stock, par value \$.005 per share	250,000	\$10.05	\$2,512,500

- (1) Pursuant to Rule 416 promulgated under the Securities Act of 1933, as amended (the "Securities Act"), there are also being registered such additional shares of Class A Common Stock of Transaction Systems Architects, Inc. (the "Company"), par value \$.005 per share (the "Common Stock"), as may become issuable pursuant to the anti-dilution provisions of the Transaction Systems Architects, Inc. 2002 Non-Employee Director Stock Option Plan (the "2002 Stock Option Plan").
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) and (h) promulgated under the Securities Act and is based upon the average of the high and low sale prices of the Common Stock on February 26, 2002, as reported on the National Association of Securities Dealers Automated Quotations system.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Item 1. Plan Information

Not filed with this registration statement (this "Registration Statement").

Item 2. Registrant Information and Employee Plan Annual Information

Not filed with this Registration Statement.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference

The Company hereby incorporates by reference in this Registration Statement the documents listed in (a) through (c) below, which it has previously filed with the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, prior to the filing of a post-effective amendment to this Registration Statement that indicates that all shares of Common Stock offered hereunder have been sold or that deregisters all shares of Common Stock then remaining unsold, shall be deemed to be incorporated herein by reference and to be a part hereof from the date of filing of such documents.

(a) The Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2001, filed with the Commission on February 12, 2002.

(b) The Company's Annual Report on Form 10-K for the fiscal year ended

Edgar Filing: TRANSACTION SYSTEMS ARCHITECTS INC - Form S-8

September 30, 2001, filed with the Commission on December 27, 2001.

(c) The description of the Company's Class A Common Stock contained in the Company's Registration Statement on Form 8-A (File No. 000-25346), filed with the Commission on January 9, 1995, including any amendments or reports that the Company files for the purpose of updating this description.

Item 4. Description of Securities

Not Applicable.

Item 5. Interest of Named Experts and Counsel

Not Applicable.

Item 6. Indemnification of Directors and Officers

Pursuant to Section 145 of the General Corporation Law of the State of Delaware (the "Delaware Code"), the Company generally has the power to indemnify its present and former directors, officers, employees and agents against expenses, judgments, fines and amounts paid in settlement incurred by them in connection with any suit (other than a suit by or in the right of the Company) to which they are, or are threatened to be made, a party by reason of their serving in such positions, or by reason of their serving at the Company's request in such positions for another corporation, partnership, joint venture, trust or other enterprise, so long as they acted in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of the Company, and with respect to any criminal action, they had no reasonable cause to believe their conduct was unlawful. Section 145 of the Delaware Code further provides that in connection with the defense or settlement of any action by or in the right of the corporation, a Delaware corporation may indemnify its present and former directors, officers, employees and agents against expenses actually and reasonably incurred by them if, in connection with the matters in issue, they acted in good faith, in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification may be made with respect to any claim, issue or matter as to which such person has been adjudged liable to the corporation unless the Court of Chancery or the court in which such action or suit was brought approves such indemnification. The statute also expressly provides that the power to indemnify authorized thereby is not exclusive of any rights granted under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise.

As permitted by the Delaware Code, the Amended and Restated Certificate of Incorporation, as amended, of the Company (the "Certificate of Incorporation") provides for the indemnification of directors and officers, subject to certain limitations. The Certificate of Incorporation expressly provides for the indemnification of a director or officer made a party, or threatened to be made a party, to any proceeding by reason of the fact that he or she is a director or officer of the Company. Pursuant to the Certificate of Incorporation, the Company has the power to purchase and maintain insurance for its present and former directors, officers, employees and agents. Such a policy is currently in effect. The above discussion of the Certificate of Incorporation and of Section 145 of the Delaware Code is not intended to be exhaustive and is qualified in its entirety by such Certificate of Incorporation and the Delaware Code.

The Amended and Restated Bylaws, as amended, of the Company (the "Bylaws") provide that the Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was or has agreed to become a director, officer,

Edgar Filing: TRANSACTION SYSTEMS ARCHITECTS INC - Form S-8

employee or agent of the Company, or is or was serving or has agreed to serve at the request of the Company as a director, officer, employee or agent of another constituent corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against costs, charges, expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with such action, suit or proceeding and any appeal therefrom, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not meet the standards of conduct set forth above. The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that he is or was or has agreed to become a director, officer, employee or agent of the Company, or is or was serving or has agreed to serve at the request of the Company as a director, officer, employee or agent of another constituent corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against costs, charges and expenses (including attorneys' fees) actually and reasonably incurred by him or on his behalf in connection with the defense or settlement of such action or suit and any appeal therefrom, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence or wanton misconduct in the performance of his duty to the Company unless and only to the extent that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of such liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such costs, charges and expenses which the Court of Chancery or such other court shall deem proper. To the extent that a director, officer, employee or agent of the Company has been successful on the merits or otherwise, including, without limitation, the dismissal of an action without prejudice, in defense of any action, suit or proceeding referred described herein, or in the defense of any claim, issue or matter therein, he shall be indemnified against all costs, charges and expenses (including attorneys' fees) actually and reasonably incurred by him or on his behalf.

Item 7. Exemption from Registration Claimed

Not Applicable.

Item 8. Exhibits

The following are filed as exhibits to this Registration Statement:

Exhibit No.	Description
-------------	-------------

- | | |
|--------|--|
| 4.1(1) | Transaction Systems Architects, Inc. 2002 Non-Employee Director Stock Option Plan |
| 4.2(2) | Form of Common Stock Certificate |
| 4.3(2) | Amended and Restated Certificate of Incorporation of the Company, and amendments thereto |
| 4.4(3) | Amended and Restated Bylaws of the Company, and first amendment thereto |

Edgar Filing: TRANSACTION SYSTEMS ARCHITECTS INC - Form S-8

5.1(1) Opinion of Baker & McKenzie

23.1(1) Consent of Arthur Andersen LLP

23.2(1) Consent of Baker & McKenzie (included in Exhibit 5.1)

24.1(1) Power of Attorney (included on the signature page of this Registration Statement)

(1) Filed herewith.

(2) Incorporated by reference to Exhibit 3.01 of the Company's Registration Statement (File No. 33-88292) on Form S-1.

(3) Incorporated by reference to Exhibit 3.02 of the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1999.

Item 9. Undertakings

(a) The undersigned Company hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

(iii) To include 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;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the Registration Statement is on Form S-3 or Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Company pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference 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.

Edgar Filing: TRANSACTION SYSTEMS ARCHITECTS INC - Form S-8

(b) The undersigned Company hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Company'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.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the 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 Company of expenses incurred or paid by a director, officer or controlling person of the Company 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 Company 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.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Company certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Omaha, State of Nebraska, on February 27, 2002.

TRANSACTION SYSTEMS ARCHITECTS, INC.

By: _____
Dwight G. Hanson,
Chief Financial Officer, Treasurer and
Senior Vice President

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Dwight G. Hanson his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution for him and his name, place and stead, in any and all capacities, to sign any or all amendments (including pre- or post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Commission, and hereby grants to such attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the

Edgar Filing: TRANSACTION SYSTEMS ARCHITECTS INC - Form S-8

date indicated.

Signature	Title	Date
_____ Gregory D. Derkacht	President, Chief Executive Officer and Director	February 2
_____ Gregory J. Duman	Chairman of the Board and Director	February 2
_____ Larry G. Fendley	Interim Chief Operating Officer and Director	February 2
_____ Dwight G. Hanson	Chief Financial Officer, Treasurer and Senior Vice President	February 2
_____ Edward C. Fuxa	Chief Accounting Officer, Vice President and Controller	February 2
_____ Jim D. Kever	Director	February 2
_____ Roger K. Alexander	Director	February 2

EXHIBIT INDEX

Exhibit No.	Description
4.1(1)	Transaction Systems Architects, Inc. 2002 Non-Employee Director Stock Option Plan
4.2(2)	Form of Common Stock Certificate
4.3(2)	Amended and Restated Certificate of Incorporation of the Company, and amendments thereto
4.4(3)	Amended and Restated Bylaws of the Company, and first amendment thereto
5.1(1)	Opinion of Baker & McKenzie
23.1(1)	Consent of Arthur Andersen LLP
23.2(1)	Consent of Baker & McKenzie (included in Exhibit 5.1)
24.1(1)	Power of Attorney (included on the signature page of this Registration Statement)

(1)	Filed herewith.
(2)	Incorporated by reference to Exhibit 3.01 of the Company's Registration Statement (File No. 33-88292) on Form S-1.
(3)	Incorporated by reference to Exhibit 3.02 of the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1999.

EXHIBIT 4.1

TRANSACTION SYSTEMS ARCHITECTS, INC.
2002 NON-EMPLOYEE DIRECTOR STOCK OPTION PLAN

1. Approval of the Plan. Subject to approval of the Transaction Systems Architects, Inc. 2002 Non-Employee Director Stock Option Plan by the stockholders of the Company at the next Annual Meeting of Stockholders (presently scheduled to take place on February 19, 2002), the Board approved the Plan in January 2002.

2. Purpose of the Plan. The purpose of the Transaction Systems Architects, Inc. 2002 Non-Employee Director Stock Option Plan is to promote the long-term growth of the Company by increasing the proprietary interest of Non-Employee Directors in the Company and to retain highly qualified and capable Non-Employee Directors.

3. Definitions. Unless the context clearly indicates otherwise, the following terms shall have the following meanings:

"Board" shall mean the Board of Directors of the Company.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Company" shall mean Transaction Systems Architects, Inc.

"Disability" shall mean permanent and total disability as defined in Section 22(e)(3) of the Code.

"Duman" and "Alexander" shall mean Mr. Gregory J. Duman and Roger K. Alexander, respectively, each presently a nominee for election to the Board as a Non-Employee Director.

"Employee" shall mean an employee of either the Company or any subsidiary thereof.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Fair Market Value" shall mean the closing bid price on the date in question, as such price is reported by the National Association of Securities Dealers on the NASDAQ National Market or any successor system for a share of Class A Common Stock of the Company.

"Option" shall mean an option to purchase Shares granted under this Plan.

"First Option Grant Date" shall mean March 4, 2002.

"Optionee" shall mean a Non-Employee Director of the Company to whom an Option has been granted under this Plan.

"Non-Employee Director" shall mean a director of the Company who is not an employee of the Company or any subsidiary of the Company at the time any option is granted hereunder. For so long as an individual continues to serve without interruption as either a Non-Employee Director or an Employee subsequent to his/her receipt of an option hereunder, said person shall for purposes of those options previously granted hereunder continue to be considered a

Edgar Filing: TRANSACTION SYSTEMS ARCHITECTS INC - Form S-8

Non-Employee Director.

"Plan" shall mean the Transaction Systems Architects, Inc. 2002 Non-Employee Director Stock Option Plan, as amended from time to time.

"Shares" shall mean shares of the Class A Common Stock of the Company.

"Stock Option Agreement" shall mean a written agreement between a Non-Employee Director and the Company evidencing an Option in such form as the Board shall approve.

4. Administration of the Plan. The Plan shall be administered by the Board. The Board shall be authorized to interpret the Plan and may, from time to time, adopt, amend and rescind such rules, regulations and procedures as it may deem advisable to implement and administer the Plan. The interpretation and construction by the Board of any provision of the Plan, any Option granted hereunder or any agreement evidencing any such Option shall be final, conclusive and binding upon all parties.

All expenses and liabilities incurred by the Board in the administration of the Plan shall be borne by the Company. The Board may employ attorneys, consultants, accountants or other persons in connection with the administration of the Plan. The Company, and its officers and directors, shall be entitled to rely upon the advice, opinions or valuations of any such persons. No member of the Board shall be liable for any action, determination or interpretation taken or made in good faith with respect to the Plan or any Option granted hereunder.

The Board shall have full power and authority to interpret and construe the Plan and adopt such rules and regulations as it shall deem necessary and advisable to implement and administer the Plan. All such interpretations, rules and regulations shall be conclusive and binding on all parties.

5. Life of Option Grants. Notwithstanding and term or conditions to the contrary stated herein, no Option granted under the Plan shall be exercisable, in whole or in part, after 10 years from the date of grant.

6. Specific Option Grants. Provided and to the extent that each of them is duly elected at the next Annual Meeting of Stockholders (presently scheduled to be held on February 19, 2002) to serve as a member of the Board, on the First Option Grant Date the following grants of Options shall be made:

- (i) Duman shall be granted an Option to purchase 20,000 Shares; and
- (ii) Alexander shall be granted an Option to purchase 16,000 Shares.

7. Other Option Grants. Beginning on the day after the next Annual Meeting of Stockholders (presently scheduled to be held on February 19, 2002), any individual who is for the first time either duly appointed by the Board or elected by the Stockholders as a Non-Employee Director shall on the date of either such appointment or election be granted an Option to purchase 20,000 Shares. Beginning with the Annual Meeting of Stockholders to be held in 2003, each Non-Employee Director who is a duly elected member of the Board upon the conclusion of that or any subsequent Annual Meeting of Stockholders and who has previously served as a Non-Employee Director shall be granted an Option to purchase 4,000 shares on the date of such Annual Meeting of Stockholders.

8. Option Agreement. Each Option granted under the Plan shall be evidenced by a Stock Option Agreement. No person shall have any rights under any Option granted under the Plan unless and until the Company and the person to whom such Option shall have been granted shall have executed and delivered a written Option Agreement. Exclusive of the Exercise Price, date of grant, and

Edgar Filing: TRANSACTION SYSTEMS ARCHITECTS INC - Form S-8

the time of exercise, the terms and conditions of each Option Agreement shall be determined by the Board.

9. Shares Subject to the Plan. Subject to adjustment as provided in Section 14, the aggregate number of Shares which may be issued or delivered upon the exercise of Options shall not exceed 250,000 Shares. The Shares that may be subject to Options may be either authorized and unissued shares or shares reacquired at any time and now or hereafter held as treasury stock, as the Board may determine.

10. Non-Transferability of Options. Options shall not be transferable otherwise than by will or the laws of descent and distribution, and during an Optionee's lifetime an Option shall be exercisable only by the Optionee.

11. Non-Qualified Options. Each Option issued hereunder shall not constitute nor be treated as an "incentive stock option" as defined in Section 422 of the Code or an option described in Section 423(b) of the Code: each Option will be a "non-qualified stock option" for federal income tax purposes.

12. Exercise Price. The Option exercise price per share under each Option shall be equal to 100% of the Fair Market Value per Share subject to the Option on the Option Grant Date.

13. Exercise of Options. An Option may not be exercised during the first year after the Option Grant Date. After the first anniversary of the Option Grant Date, it may be exercised as to not more than 33 1/3% of the Shares available for purchase under the Option and, after each of the second and third anniversaries of the Option Grant Date, it may be exercised as to not more than an additional 33 1/3% of such shares plus any shares as to which the Option might theretofore have been exercisable but shall not have been exercised. No option shall be exercised later than ten years after the Option Grant Date.

Except as provided in this Section 13, all Options granted to a Non-Employee Director shall automatically be forfeited by such person at the time such person shall cease to be a Non-Employee Director, provided, however that an Optionee may exercise then-vested options within 30 days after termination unless said termination of results from an act of (a) fraud or intentional misrepresentation or (b) embezzlement, misappropriation or conversion of assets or opportunities of the Company or any direct or indirect majority-owned subsidiary of the Company, by such Non-Employee Director. The determination of whether termination resulted from such act shall be made by the Board, whose determination shall be conclusive. If service by the Optionee as a Non-Employee Director terminates by reason of Disability, the unexercised portion of any Option held by such Optionee at that time may be exercised within one year after the date on which the Optionee ceased to serve as a Non-Employee Director, but no later than the date the Option expires, and to the extent that the Optionee could have otherwise exercised such Option if it had been completely exercisable. To the extent that the Optionee is not entitled to exercise the Option on such date, or if the Optionee does not exercise it within the time specified, such Option shall terminate. The Board shall have the authority to determine the date an Optionee ceases to serve as a Non-Employee Director by reason of his Disability. If an Optionee dies while serving as a Non-Employee Director of the Company (or dies within a period of 30 days after termination of his service as a Non-Employee Director for any reason other than Disability or within a period of one year after termination of his service as a Non-Employee Director by reason of Disability), the unexercised portion of any Option held by such Optionee at the time of his death may be exercised within one year after the date of such Optionee's death, but no later than the date the Option expires, and to the extent that the Optionee could have otherwise exercised such Option if it had been completely exercisable. Such Option may be exercised by the executor or administrator of the Optionee's estate or by any person or persons who shall have acquired the Option directly from the Optionee

Edgar Filing: TRANSACTION SYSTEMS ARCHITECTS INC - Form S-8

by bequest or inheritance. To the extent that the Option is not entitled to be exercised on such date or if the Option is not exercised within the time specified, such Option shall terminate.

An Option may not be exercised for a fraction of a Share. An Option shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Stock Option Agreement by the Optionee entitled to exercise the Option and full payment for the Shares with respect to which the Option is exercised has been received by the Company. Payment for the Shares upon exercise of an Option shall be made in cash, by certified check, or by any other method of payment that may be permitted under applicable law and authorized by the Board. Each exercise of an Option shall reduce, by an equal number, the total number of Shares that may thereafter be purchased under such Option.

14. Adjustments. In the event that the outstanding Shares shall be increased or decreased or changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation, effected without the receipt of consideration by the Company, through reorganization, merger or consolidation, recapitalization, reclassification, stock split, reverse stock split, split-up, combination or exchange of shares or declaration of any dividends payable in Shares, the Board shall appropriately adjust, subject to any required action by the stockholders of the Company, (i) the number of Shares (and the Option exercise price per share) subject to the unexercised portion of any outstanding Option (to the nearest possible full share), and (ii) the number of Shares for which Options may be granted under the Plan, as set forth in Section 9 hereof, and such adjustments shall be final, conclusive and binding for all purposes of the Plan. Except as expressly provided herein, no issuance by the Company of shares of stock of any class shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to an Option.

Notwithstanding the foregoing, in the event of (i) any offer or proposal to holders of the Company's Shares relating to the acquisition of their Shares, including, without limitation, through purchase, merger or otherwise, or (ii) any transaction generally relating to the acquisition of substantially all of the assets or business of the Company, or (iii) the dissolution or liquidation of the Company, the Board may make such adjustment as it deems equitable in respect of outstanding Options (and in respect of the Shares for which Options may be granted under the Plan), including, without limitation, the revision, acceleration, cancellation, or termination of any outstanding Options, or the change, conversion or exchange of the Shares under outstanding Options (and of the Shares for which Options may be granted under the Plan) into or for securities or other property of another corporation. Any such adjustments by the Board shall be final, conclusive and binding for all purposes of the Plan.

15. Amendment of the Plan. The Board may amend the Plan from time to time as it deems desirable in its sole discretion without approval of the stockholders of the Company, except to the extent stockholder approval is required by Rule 16b-3 of the Exchange Act, applicable NASDAQ National Market or stock exchange rules, applicable Code provisions, or other applicable laws or regulations.

16. Termination of the Plan. The Board may terminate the Plan at any time in its sole discretion. No Option may be granted hereunder after termination of the Plan. The termination or amendment of the Plan shall not alter or impair any rights or obligations under any Option previously granted under the Plan in any material adverse way without the affected Optionee's consent.

17. Modification, Extension and Renewal of Options. Within the limitations of the Plan and subject to Section 11, the Board may modify, extend

Edgar Filing: TRANSACTION SYSTEMS ARCHITECTS INC - Form S-8

or renew outstanding Options or accept the cancellation of outstanding Options for the granting of new Options in substitution therefor. Notwithstanding the preceding sentence, except for any adjustment described in Section 14, (i) no modification of an Option shall, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted under the Plan in any material adverse way without the affected Optionee's consent, and (ii) the exercise price of outstanding Options may not be altered, amended or modified.

18. Governing Law. The Plan and all Stock Option Agreements executed in connection with the Plan shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of laws principles.

19. Successors. This Plan is binding on and will inure to the benefit of any successor to the Company, whether by way of merger, consolidation, purchase, or otherwise.

20. Severability. If any provision of the Plan or any Stock Option Agreement shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions of the Plan or Stock Option Agreement, and the Plan and each Stock Option Agreement shall each be construed and enforced as if the invalid provisions had never been set forth therein.

21. Plan Provisions Control. The terms of the Plan govern all Options granted under the Plan, and in no event will the Board have the power to grant any Option under the Plan that is contrary to any of the provisions of the Plan. In the event any provision of any Option granted under the Plan shall conflict with any term in the Plan, the term in the Plan shall control.

22. Headings. The headings used in the Plan are for convenience only, do not constitute a part of the Plan, and shall not be deemed to limit, characterize, or affect in any way any provisions of the Plan, and all provisions of the Plan shall be construed as if no captions had been used in the Plan.

23. Rights as Stockholder. No person shall have any right as a stockholder of the Company with respect to any Shares which are subject to an Option unless and until such person becomes a stockholder of record with respect to such Shares.

EXHIBIT 5.1

BAKER & MCKENZIE
Attorneys at Law

2300 Trammell Crow Center
2001 Ross Avenue
Dallas, Texas 75201

February 27, 2002

Board of Directors
Transaction Systems Architects, Inc.
224 South 108th Avenue
Omaha, Nebraska 68154

Edgar Filing: TRANSACTION SYSTEMS ARCHITECTS INC - Form S-8

Re: Transaction Systems Architects, Inc. (the "Company")

Gentlemen:

The Company has filed with the Securities and Exchange Commission (the "Commission") a registration statement (the "Registration Statement") on Form S-8 under the Securities Act of 1933, as amended (the "Act"). The Registration Statement covers (a) 250,000 shares of Class A Common Stock, par value \$.005 per share, of the Company (the "Common Stock"), which shares shall be issued pursuant to the Transaction Systems Architects, Inc. 2002 Non-Employee Stock Option Plan (the "2002 Stock Option Plan"), and (b) such additional shares of Common Stock as may become issuable pursuant to the anti-dilution provisions of the 2002 Stock Option Plan (such shares collectively referred to as the "Securities").

We have acted as counsel to the Company in connection with the preparation and filing of the Registration Statement. In rendering this opinion we have examined such corporate records, documents and instruments of the Company and such certificates of public officials, have received such representations from officers of the Company, and have reviewed such questions of law as in our judgment are necessary, relevant or appropriate to enable us to render the opinion expressed below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all corporate records, documents and instruments submitted to us as originals, the conformity to original documents of all documents submitted to us as conformed, certified or photostatic copies thereof, and the authenticity of the originals of such conformed, certified or photostatic copies.

Based upon such examination and review and upon representations made to us by officers of the Company, we are of the opinion that upon issuance and delivery of the Securities in accordance with the applicable terms and conditions of the 2002 Stock Option Plan and upon receipt by the Company of the full consideration for the Securities as determined pursuant to the 2002 Stock Option Plan, the Securities will be legally issued, fully paid and nonassessable.

This firm consents to the filing of this opinion as an exhibit to the Registration Statement. In giving such consent, we do not admit that we come within the category of persons whose consent is required by Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

Baker & McKenzie

EXHIBIT 23.1

Consent of independent public accountants

As independent public accountants, we hereby consent to the incorporation by

Edgar Filing: TRANSACTION SYSTEMS ARCHITECTS INC - Form S-8

reference in this Registration Statement on Form S-8 of our report dated October 26, 2001, included in Transaction Systems Architects, Inc.'s Annual Report on Form 10-K for the fiscal year ended September 30, 2001, and to all references to our firm included in this Registration Statement.

Arthur Andersen LLP

Omaha, Nebraska,
February 27, 2002