

CIT GROUP INC
Form 424B3
April 22, 2008

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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the attached prospectus do not constitute an offer to sell the Preferred Stock or a solicitation of an offer to buy the Preferred Stock in any jurisdiction where the offer or sale is not permitted.

**Subject to Completion
Preliminary Prospectus Supplement dated April 21, 2008**

PROSPECTUS SUPPLEMENT
(To Prospectus dated October 17, 2007)

**Shares of %
Non-Cumulative Perpetual Convertible
Preferred Stock, Series C**

CIT Group Inc. is offering _____ shares of its % Non-Cumulative Perpetual Convertible Preferred Stock, Series C, \$0.01 par value, with a liquidation preference of \$50 per share (the Preferred Stock).

We will pay dividends on the Preferred Stock, when, as, and if declared by our board of directors or a duly authorized committee of our board, quarterly, in arrears, on March 15, June 15, September 15 and December 15 of each year, beginning on June 15, 2008. For each quarterly dividend period from the issue date of the Preferred Stock, we will pay declared dividends at a rate of % per annum. Dividends on the Preferred Stock will not be cumulative.

Each share of the Preferred Stock may be converted at any time, at the option of the holder, into _____ shares of our common stock, \$0.01 par value (the common stock) (which reflects an approximate initial conversion price of \$ _____ per share of common stock, which is a % premium over the public offering price in the concurrent offering of our common stock described below), plus cash in lieu of fractional shares, subject to anti-dilution adjustments. The conversion rate will be adjusted as described herein upon the occurrence of certain other events.

The Preferred Stock is not redeemable by us at any time. On or after April _____, 2015, if the closing price of our common stock exceeds 150% of the then-applicable conversion price for 20 trading days (whether or not consecutive) during any period of 30 consecutive trading days, we may at our option cause some or all of the Preferred Stock to be automatically converted into common stock at the then prevailing conversion rate.

We have applied to list the Preferred Stock on the New York Stock Exchange under the symbol CITPrC . If approved for listing, we expect trading of the Preferred Stock to begin within 30 days after we issue the Preferred Stock.

We are also making a concurrent offering of _____ shares of our common stock, par value \$0.01 per share, (or _____ shares if the underwriters exercise their over-allotment option in full) in a public offering. That offering is being made by a separate prospectus supplement and is not part of the offering to which this prospectus supplement relates.

Investing in the Preferred Stock involves risks. See Risk Factors beginning on page S-7 of this prospectus supplement to read about factors that you should consider before buying the Preferred Stock.

	Per share	Total
Public offering price ⁽¹⁾	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds to us (before expenses) ⁽¹⁾	\$	\$

(1) Plus
 accrued
 dividends,
 if any,
 from April
 , 2008 to
 the date of
 delivery.

We have granted the underwriters an option, exercisable within 30 days from the date of this prospectus supplement, to purchase up to an additional _____ shares of the Preferred Stock at the public offering price less the underwriting discounts and commissions, solely to cover over-allotments, if any.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We will deliver the shares of Preferred Stock in book-entry only form through the facilities of The Depository Trust Company on or about _____, 2008.

JPMorgan Morgan Stanley Lehman Brothers Citi

The date of this prospectus supplement is _____, 2008

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the offering and other matters relating to us and our financial condition. The second part is the attached base prospectus, which gives more general information about securities we may offer from time to time, some of which does not apply to the Preferred Stock we are offering or the common stock into which it is convertible. The information in this prospectus supplement replaces any inconsistent information included in the accompanying prospectus. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. If information in the prospectus supplement differs from information in the accompanying prospectus, you should rely on the information in this prospectus supplement. You should read carefully both this prospectus supplement and the accompanying prospectus, together with additional information described under the heading "Where You Can Find Additional Information" below.

Except as the context otherwise requires, or as otherwise specified or used in this prospectus supplement or the accompanying prospectus, the terms we, our, us, the company, CIT, CIT Group and CIT Group Inc. refer to CIT Group Inc. and its subsidiaries. References in this prospectus supplement to U.S. dollars, U.S. \$ or \$ are to the currency of the United States of America.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the prospectus or any free writing prospectus prepared by CIT. We and the underwriters have not authorized anyone else to provide you with different or additional information. You should not assume that the information contained or incorporated by reference in this prospectus supplement or in the prospectus is accurate as of any date other than the date on the front of that document.

The distribution of this prospectus supplement and the attached prospectus and the offering of the Preferred Stock in certain jurisdictions may be restricted by law. We are not making an offer of the Preferred Stock in any jurisdiction where the offer is not permitted. Persons who come into possession of this prospectus supplement and the attached prospectus should inform themselves about and observe any such restrictions. This prospectus supplement and the attached prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

You should not consider any information in this prospectus supplement or the prospectus to be investment, legal or tax advice. You should consult your own counsel, accountant and other advisors for legal, tax, business, financial and related advice regarding the purchase of the Preferred Stock. We are not making any representation to you regarding the legality of an investment in the Preferred Stock by you under applicable investment or similar laws.

You should read and consider all information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus before making your investment decision.

WHERE YOU CAN FIND MORE INFORMATION

CIT Group Inc. files annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. Our SEC filings are available to the public over the Internet at the SEC's Web site at <http://www.sec.gov>. You may also read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Such information may also be inspected at The New York Stock Exchange, 20 Broad Street, New York, New York 10005. You can also find information about us by visiting our Web site at www.cit.com. We have included our Web site address as an inactive textual reference only. Information on our Web site is not incorporated by reference into, and does not form a part of, this prospectus supplement or the accompanying prospectus.

We are incorporating by reference into this prospectus supplement and the accompanying prospectus the information that CIT Group Inc. files with the SEC, which means that we can disclose important information to you by referring you to those documents that have been filed with the SEC. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus, and information that we file later with the SEC will automatically update and supersede the previously filed information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act, other than any portions of the respective filings that were furnished, under applicable SEC rules, rather than filed, until the completion of this offering.

We incorporate by reference the documents listed below.

our Annual
Report on
Form 10-K
for the year
ended
December
31, 2007;

our
Definitive
Proxy
Statement
filed with the
SEC on
March 25,
2008;

our
Additional
Definitive
Proxy
Statement
filed with the
SEC on
March 26,
2008;

our Current
Reports on
Form 8-K
filed with the
SEC on
January 11,
2008 (other
than Item
2.02),
January 17,
2008,
January 22,
2008,
January 23,
2008,
January 25,
2008,
January 29,
2008,
February 5,
2008,
February 6,
2008
(amendment
to our
Current
Report on
Form 8-K
filed on
January 23,
2008),
February 6,
2008
(amendment
to our
Current
Report on
Form 8-K
filed on
January 29,
2008),
February 12,
2008,
February 14,
2008,
February 21,
2008,
February 26,
2008, March
4, 2008,
March 12,

2008,
March 14,
2008, March
20, 2008,
April 3,
2008,
April 17,
2008 and
April 18,
2008; and

the
description
of our
common
stock
contained in
Form 8-A
filed on June
26, 2002, and
any
amendment
or report
filed under
the Exchange
Act for the
purpose of
updating
such
description.

You may request a copy of these filings at no cost by writing or telephoning us at the following address or phone number:

Glenn A. Votek
Executive Vice President And Treasurer
CIT Group Inc.
1 CIT Drive
Livingston, New Jersey 07039
(973) 740-5000

SUMMARY

The following summary highlights selected information contained elsewhere in this prospectus supplement and in the documents incorporated by reference in this prospectus supplement and does not contain all the information you will need in making your investment decision. You should read carefully this entire prospectus supplement, the attached prospectus and the documents incorporated by reference in this prospectus supplement.

CIT Group Inc.

CIT Group Inc., a Delaware corporation, is a leading global commercial finance company with a focus on providing financing products and services to middle-market companies and serving global vendor relationships. Founded in 1908, we provide financing and leasing capital for companies in a wide variety of industries. We offer vendor, equipment and commercial finance products, factoring, small business lending, structured financing products, and commercial real estate financing, as well as mergers and acquisitions and management advisory services. We previously offered mortgage and student loans to consumers. We have ceased originating new business in both areas, although we continue to own significant home lending and student lending assets. On July 18, 2007, we announced our decision to exit the home lending business and redeploy resources to other businesses. On August 28, 2007, we ceased originating new home lending assets due to disruptions in that market. On April 3, 2008, we ceased originating new student loans due to disruptions in the credit market and changes in the regulatory environment, although we will continue to fund existing commitments of approximately \$200 million.

We have broad access to customers and markets through our diverse businesses. Each business has industry alignment and focuses on specific sectors, products, and markets, with portfolios diversified by client and geography. The majority of our businesses focus on commercial clients with a particular focus on middle-market companies. We serve a wide variety of industries. Our largest industries include transportation, particularly aerospace and rail, and a broad range of manufacturing and retailing. We also serve the wholesaling, healthcare, communications, media and entertainment and various service-related industries. Our SBA preferred lender operations has been recognized as the nation's #1 SBA Lender (based on 7(a) program volume) in each of the last eight years.

Our commercial products include direct loans and leases, operating leases, leveraged and single investor leases, secured revolving lines of credit and term loans, credit and interest rate protection, accounts receivable collection, import and export financing, debtor-in-possession and turnaround financing, acquisition and expansion financing and U.S. government-backed small business loans. Our commercial offerings include both fixed and floating-interest rate products.

We also offer a wide variety of services to our clients, including capital markets structuring and syndication, finance-based insurance, and advisory services in asset finance, balance sheet restructuring, merger and acquisition and commercial real estate analysis.

We generate transactions through direct calling efforts with borrowers, lessees, equipment end-users, vendors, manufacturers and distributors, and through referral sources and other intermediaries. In addition, our business units work together both in referring transactions among units (i.e. cross-selling) and by combining various products and structures to meet our customers' overall financing needs. We also buy and sell participations in and syndications of finance receivables and lines of credit. From time to time, in the normal course of business, we purchase finance receivables on a wholesale basis (commonly called bulk portfolio purchases).

We generate revenue by earning interest income on the loans we hold on our balance sheet, collecting rentals on the equipment we lease and earning fee and other income for the financial services we provide. We also syndicate and sell certain finance receivables and equipment to leverage our origination capabilities, reduce concentrations, manage our balance sheet or improve profitability.

We fund our business in the global capital markets, principally through asset-backed and other secured financing arrangements, commercial paper, unsecured term debt, and broker-originated deposits, although we are not currently accessing the commercial paper and unsecured term debt markets. We rely on these diverse funding sources to maintain liquidity and strive to mitigate interest rate, foreign currency, and other market risks through disciplined matched funding strategies. In addition, our business model is highly dependent on these diverse funding sources, particularly the unsecured debt markets, in order to efficiently fund our business and achieve adequate returns on equity.

Our principal executive offices are located at 505 Fifth Avenue, New York, New York 10017. Our telephone number is (212) 771-0505.

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The Offering

The following information about the Preferred Stock summarizes, and should be read in conjunction with, the information contained elsewhere in this prospectus supplement and in the attached prospectus.

Securities Offered

We are offering _____ shares of our Preferred Stock (or _____ shares if the underwriters' over-allotment option is exercised in full), with each share of Preferred Stock having a liquidation preference of \$50 per share.

We may elect from time to time to issue additional shares of Preferred Stock, without notice to, or consent from, the existing holders of Preferred Stock, and all those additional shares would be deemed to form a single series with the Preferred Stock described by this prospectus supplement and the attached prospectus.

Dividends

We will pay dividends on the Preferred Stock, when, as, and if declared by our board of directors or a duly authorized committee of our board, quarterly, in arrears. For each quarterly dividend period from the issue date of the Preferred Stock, we will pay declared dividends at a rate of % per annum.

Dividends on the Preferred Stock will not be cumulative. Accordingly, if for any reason our board of directors or a duly authorized committee of our board does not declare a dividend on the Preferred Stock for a dividend period prior to the related dividend payment date (as defined below), that dividend will not accrue, and we will have no obligation to pay a dividend for that dividend period on the quarterly dividend payment date or at any time in the future, whether or not our board of directors or a duly authorized committee of our board declares a dividend on the Preferred Stock or any other series of our preferred stock or common stock for any future dividend period. A dividend period is the period from, and including, a dividend payment date to, but excluding, the next dividend payment date, except that the initial dividend period will begin on and include the original issue date of the Preferred Stock.

Subject to the conditions described below, dividends (payable in cash, stock, or otherwise), as may be determined by the board of directors or a duly authorized committee of our board, may be declared and paid on our common stock and any other securities ranking equally with or junior to the Preferred Stock from time to time out of any assets legally available for such payment, and the holders of the Preferred Stock will not be entitled to participate in those dividends.

See Description of the Preferred Stock Dividends for more information about the payment of dividends.

Dividend Payment Dates

Dividends on the Preferred Stock will be payable quarterly, when, as, and if declared by our board of directors or a duly authorized committee of our board, on March 15, June 15, September 15 and December 15 of each year, beginning on June 15, 2008 (each a dividend payment date). If any date on which dividends otherwise would be payable is not a Business Day (as defined below under Description of the Preferred Stock Dividends), then the dividend payment date will be the next succeeding day that is a Business Day, and no interest or other amount will accrue on the dividend so payable for the period from and after that dividend payment date to the date the dividend is paid.

Dividend Stopper

So long as any share of Preferred Stock remains outstanding, (1) no dividend will be declared and paid or set aside for payment and no distribution will be declared and made or set aside for payment on any junior stock (as defined below

under Description of the Preferred Stock Dividends) (other than a dividend payable solely in shares of junior stock)
and (2) no shares of

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junior stock will be repurchased, redeemed, or otherwise acquired for consideration by us, directly or indirectly (other than (a) as a result of a reclassification of junior stock for or into other junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock, (b) repurchases in support of our employee benefit and compensation programs and (c) through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock), during a dividend period, unless, in each case, the full dividends for the most recent dividend payment date on all outstanding shares of the Preferred Stock and parity stock (as defined below under Description of the Preferred Stock Dividends) have been paid or declared and a sum sufficient for the payment of those dividends has been set aside.

Except as provided below, for so long as any share of Preferred Stock remains outstanding, we will not declare, pay, or set aside for payment, dividends on any parity stock for any period unless we have paid in full, or declared and set aside payment in full, in respect of all dividends for the then-current dividend period for all outstanding shares of Preferred Stock. To the extent that we declare dividends on the Preferred Stock and on any parity stock but do not make full payment of such declared dividends, we will allocate the dividend payments on a pro rata basis among the holders of the shares of Preferred Stock and the holders of any parity stock. For purposes of calculating the pro rata allocation of partial dividend payments, we will allocate those payments so that the respective amounts of those payments bear the same ratio to each other as all accrued and unpaid dividends per share on the Preferred Stock and all parity stock bear to each other.

Redemption

The Preferred Stock is not redeemable or subject to any sinking fund, or other similar provisions.

Conversion

Each share of the Preferred Stock may be converted at any time, at the option of the holder, into shares of our common stock (which reflects an approximate initial conversion price of \$ per share of common stock, which is a % premium over the public offering price in the concurrent offering of our common stock), plus cash in lieu of fractional shares, subject to anti-dilution adjustments.

If the conversion date is prior to the record date relating to any declared dividend for the dividend period in which you elect to convert your shares of Preferred Stock, you will not receive any declared dividends for that dividend period. If the conversion date is after the record date relating to any declared dividend and prior to the dividend payment date, you will receive that dividend on the relevant dividend payment date if you were the holder of record on the record date for that dividend. However, if the conversion date is after the record date and prior to the dividend date, whether or not you were the holder of record on the record date prior to the dividend payment date, you must pay to the conversion agent when you convert your shares of Preferred Stock an amount in cash equal to the full dividend actually paid on the dividend payment date for the then-current dividend period on the shares being converted, unless your shares of Preferred Stock are being converted as a result of a conversion at our option, a make-whole acquisition, or a fundamental change, each as described below.

Conversion at Our Option

On or after April , 2015, if the condition set forth in the next sentence is satisfied, we may, at our option, at any time or from time to time, cause some or all of the Preferred Stock to be converted into shares of our common stock at the then-applicable conversion rate. We may exercise our conversion right if, for 20 trading days (whether or not consecutive) during any period of 30 consecutive trading days, the closing price of our common stock exceeds 150% of the then-applicable conversion price of the Preferred Stock. We will provide notice of our election to cause conversion within five trading days of the end of the 30 consecutive trading day period.

Conversion Upon Certain Acquisitions

The following provisions will apply if, prior to the conversion date, one of the following events occur:

- (i) a person or group within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the Exchange Act), other than us, our subsidiaries or our or their employee benefit plans, files a Schedule 13D, Schedule TO or any successor schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect beneficial owner, as defined in Rule 13d-3 under the Exchange Act, of shares of our common stock representing more than 50% of the voting power of our then outstanding common stock entitled to vote generally in the election of directors; or
- (ii) consummation of the consolidation or merger of our company or a similar transaction or any sale, lease, or other transfer in one transaction or a series of related transactions of all or substantially all of our and our subsidiaries consolidated assets, taken as a whole, to any person other than one of our subsidiaries, in each case pursuant to which our common stock will be converted into cash, securities or other property, other than pursuant to a transaction in which the persons that beneficially owned, directly or indirectly, the shares of our voting stock immediately prior to such transaction beneficially own, directly or indirectly, shares of common stock representing a majority of the total voting power of all outstanding classes of common stock of the surviving or transferee person.

These transactions are referred to as make-whole acquisitions, provided however, that a make-whole acquisition will not be deemed to have occurred if at least 90% of the consideration received by holders of our common stock in the transaction or transactions consists of shares of common stock or American Depositary Receipts in respect of common stock that are traded on a U.S. national securities exchange or that will be so traded when issued or exchanged in connection with a make-whole acquisition.

Upon a make-whole acquisition, we will, under certain circumstances, increase the conversion rate in respect of any conversions of the Preferred Stock that occur during the period beginning on the effective date of the make-whole acquisition and ending on the date that is 30 days after the effective date by a number of additional shares of common stock as described below.

The amount of the make-whole adjustment, if any, will be based upon the price per share of our common stock and the effective date of the make-whole acquisition. A description of how the make-whole adjustment will be determined and a table illustrating the make-whole adjustment are set forth under Description of the Preferred Stock Conversion Conversion Upon Certain Acquisitions.

Conversion Upon Fundamental Change

If delisting occurs or in lieu of receiving the make-whole shares, if the reference price (as defined under Description of the Preferred Stock Conversion Conversion Upon Fundamental Change) in connection with a fundamental change (as defined under Description of the Preferred Stock Conversion Conversion Upon Fundamental Change) is less than the applicable conversion price, a holder may elect to convert each share of Preferred Stock during the period beginning on the effective date of the fundamental change and ending on the date that is 30 days after the effective date of the fundamental change at an adjusted conversion price equal to the greater of (1) the reference price and (2) \$, which is equal to 50% of the closing price of our common stock on April , 2008, subject to adjustment. If the reference price is less than \$, holders will receive a maximum of shares of our common stock per share of Preferred Stock, subject to adjustment, which may result in a holder receiving value that is less than the liquidation preference of the Preferred Stock. In lieu of issuing common stock upon conversion in the event of a fundamental change (other than delisting), we may, at our option, make a cash payment equal to the reference price for each share of common stock otherwise issuable upon conversion. See Description of the Preferred Stock Conversion Conversion Upon Fundamental Change.

Reorganization Events

The following provision applies in the event of certain reorganization events, which include, subject to certain exceptions:

- (i) our consolidation or merger with or into another person, in each case pursuant to which our common stock will be converted into cash, securities, or other property of ours or another person;
- (ii) any sale, transfer, lease or conveyance to another person of all or substantially all of our property and assets, in each case pursuant to which our common stock will be converted into cash, securities, or other property; or
- (iii) any statutory exchange of our securities

with another person (other than in connection with a merger or acquisition).

Each share of the Preferred Stock outstanding immediately prior to such reorganization event, without the consent of the holders of the Preferred Stock, will become convertible into the kind and amount of securities, cash, and other property or assets that a holder (that was not the counterparty to the reorganization event or an affiliate of such other party) of a number of shares of our common stock equal to the conversion rate per share of Preferred Stock prior to such reorganization event would have owned or been entitled to receive upon such reorganization event. See

Description of the Preferred Stock Conversion Reorganization Events.

Anti-Dilution Adjustments

The conversion rate may be adjusted in the event of, among other things, (1) stock dividends or distributions, (2) subdivisions, splits, and combinations of our common stock, (3) issuance of stock purchase rights, (4) debt and asset distributions, (5) increases in cash dividends, and (6) tender offers and exchange offers.

Liquidation Rights

In the event of our voluntary or involuntary liquidation, dissolution, or winding up, the holders of the Preferred Stock are entitled to receive out of our assets available for distribution to stockholders, before any distribution of assets is made to holders of our common stock or any of our other stock ranking junior to the Preferred Stock as to such distribution, a liquidating distribution of \$50 per share, plus any declared and unpaid dividends, without accumulation of undeclared dividends. Distributions will be made only to the extent of our assets remaining available after satisfaction of all liabilities to creditors and subject to the rights of holders of any securities ranking senior to the Preferred Stock and pro rata as to the Preferred Stock and any other shares of our stock ranking equally as to such distribution.

Voting Rights

The holders of the Preferred Stock do not have voting rights, except with respect to certain fundamental changes in the terms of the Preferred Stock, in the case of certain dividend arrearages and except as specifically required by Delaware law. For more information about voting rights, see Description of the Preferred Stock Voting Rights.

Ranking

The Preferred Stock will rank, as to payment of dividends and distribution of assets upon our liquidation, dissolution, or winding up, equally with our 6.350% Non-Cumulative Preferred Stock, Series A (the Series A Preferred Stock) and Non-Cumulative Preferred Stock, Series B (the Series B Preferred Stock) and senior to our common stock.

Preemptive Rights

The holders of the Preferred Stock do not have any preemptive rights.

Listing of Preferred Stock

We have applied to list the Preferred Stock on the New York Stock Exchange under the symbol `CITPrC` . If approved for listing, we expect trading in the Preferred Stock to begin within 30 days after we issue the Preferred Stock.

Depository, Transfer Agent, Registrar, Dividend Disbursing Agent, and Conversion Agent

The Depository Trust Company (`DTC`) will serve as the depository for the Preferred Stock. The Bank of New York will serve as transfer agent, registrar, conversion agent and dividend disbursing agent for the Preferred Stock.

Risk Factors

See **Risk Factors** beginning on S-7 of this prospectus supplement for a discussion of factors that you should carefully consider before deciding to invest in the Preferred Stock.

Concurrent Offering

We are making a concurrent offering of shares of our common stock (or shares if the underwriters exercise their over-allotment option in full). We intend to use the net proceeds from this offering, together with the net proceeds from the concurrent common stock offering, for general corporate purposes, including, in the case of net proceeds from the common stock offering, to pay dividends on our existing preferred stock and interest on our junior subordinated notes. The common stock offering will be effected pursuant to a separate prospectus supplement. This prospectus supplement shall not be deemed an offer to sell or a solicitation of an offer to buy any of our common stock. There is no assurance that the common stock offering will be completed or, if completed, that it will be completed in the amount contemplated.

RISK FACTORS

Investing in the Preferred Stock involves a high degree of risk. You should carefully read and consider the following risk factors, in addition to the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before investing in the Preferred Stock offered hereby. If any of the following events actually occurs, our business, results of operations, financial condition, cash flows or prospects could be materially adversely affected, which in turn could adversely affect the trading price of the Preferred Stock and our common stock. You may lose all or part of your original investment.

Risks Related to the Preferred Stock

The Preferred Stock is an equity security and is subordinate to our existing and future indebtedness.

The shares of Preferred Stock are our equity interests and do not constitute indebtedness. This means the shares of Preferred Stock will rank junior to all of our indebtedness and to other non-equity claims on us and our assets available to satisfy claims on us, including claims in our liquidation. Our existing and future indebtedness may restrict payment of dividends on the Preferred Stock.

Additionally, unlike indebtedness, where principal and interest customarily are payable on specified due dates, in the case of preferred stock like the Preferred Stock, (1) dividends are payable only if declared by our board of directors or a duly authorized committee of the board and (2) as a corporation, we are restricted to making dividend payments and redemption payments out of legally available assets. Further, the Preferred Stock places no restrictions on our business or operations or on our ability to incur indebtedness or engage in any transactions, subject only to the limited voting rights referred to below under Risk Factors. Holders of the Preferred Stock will have limited voting rights.

The market price of the Preferred Stock will be directly affected by the market price of our common stock, which may be volatile.

To the extent that a secondary market for the Preferred Stock develops, we believe that the market price of the Preferred Stock will be significantly affected by the market price of our common stock. We cannot predict how the shares of our common stock will trade in the future. This may result in greater volatility in the market price of the Preferred Stock than would be expected for nonconvertible preferred stock. The market price of our common stock will likely fluctuate in response to a number of factors, including the following:

our liquidity risk management, including our ratings, our liquidity plan and potential transactions designed to enhance liquidity;

actual or anticipated quarterly fluctuations in our operating and financial results;

developments
related to
investigations,
proceedings, or
litigation that
involves us;

changes in
financial
estimates and
recommendations
by financial
analysts;

dispositions,
acquisitions, and
financings;

actions of our
common
stockholders,
including sales of
common stock by
stockholders and
our directors and
executive officers;

changes in the
ratings of other of
our securities;

changes in
funding markets,
including
commercial paper,
term debt, bank
deposits and the
asset-backed
securitization
markets;

fluctuations in the
stock price and
operating results
of our
competitors;

regulatory
developments;
and

developments
related to the
financial services
industry.

The market price of our common stock may also be affected by market conditions affecting the stock markets in general, including price and trading fluctuations on the New York Stock Exchange. These conditions may result in (i) volatility in the level of, and fluctuations in, the market prices of stocks generally and, in turn, our common stock and (ii) sales of substantial amounts of our common stock in the market, in each case that could be unrelated or disproportionate to changes in our operating performance.

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These broad market fluctuations may adversely affect the market prices of our common stock, and, in turn, the Preferred Stock.

In addition, we expect that the market price of the Preferred Stock will be influenced by yield and interest rates in the capital markets, our creditworthiness, and the occurrence of events affecting us that do not require an adjustment to the conversion rate.

There may be future sales or other dilution of our equity, which may adversely affect the market price of our common stock or the Preferred Stock.

Except as described under "Underwriting," we are not restricted from issuing additional common stock or preferred stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common stock or preferred stock or any substantially similar securities. The market price of our common stock or preferred stock could decline as a result of sales of a large number of shares of common stock or preferred stock or similar securities in the market after this offering or the perception that such sales could occur.

Each share of Preferred Stock will be convertible at the option of the holder thereof into shares of our common stock, subject to anti-dilution adjustments. The conversion of some or all of the Preferred Stock will dilute the ownership interest of our existing common stockholders. Any sales in the public market of our common stock issuable upon such conversion could adversely affect prevailing market prices of the outstanding shares of our common stock and the Preferred Stock. In addition, the existence of our Preferred Stock may encourage short selling or arbitrage trading activity by market participants because the conversion of our Preferred Stock could depress the price of our equity securities.

The issuance of additional series of our preferred stock could adversely affect holders of our common stock, which may negatively impact your investment.

Our board of directors is authorized to issue additional classes or series of preferred stock without any action on the part of the stockholders. The board of directors also has the power, without stockholder approval, to set the terms of any such classes or series of preferred stock that may be issued, including voting rights, dividend rights, and preferences over the common stock with respect to dividends or upon our liquidation, dissolution, or winding up and other terms. If we issue preferred stock in the future that has a preference over our common stock with respect to the payment of dividends or upon our liquidation, dissolution, or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of holders of our common stock or the market price of our common stock could be adversely affected. As noted above, a decline in the market price of the common stock may negatively impact the market price for the Preferred Stock.

Dividends on the Preferred Stock are non-cumulative.

Dividends on the Preferred Stock are non-cumulative. Consequently, if our board of directors or a duly authorized committee of our board does not authorize and declare a dividend for any dividend period prior to the related dividend payment date, holders of the Preferred Stock would not be entitled to receive a dividend for that dividend period, and the unpaid dividend will cease to accrue and be payable. We will have no obligation to pay dividends accrued for a dividend period after the dividend payment date for that period if our board of directors or a duly authorized committee of the board has not declared a dividend before the related dividend payment date, whether or not dividends on the Preferred Stock or any other series of our preferred stock or our common stock are declared for any future dividend period.

If we are deferring payments on our outstanding junior subordinated notes or any series of parity preferred stock, we will be prohibited from making distributions on or purchasing the Preferred Stock.

Subject to certain exceptions, the terms of our outstanding junior subordinated notes prohibit us from declaring or paying any dividends or distributions on our capital stock, including the Preferred Stock, or redeeming, purchasing, acquiring, or making a liquidation payment on our capital stock, at any time when we have deferred payment of interest on those junior subordinated notes. Further, if (i) our average four quarters fixed charge ratio is less than or equal to 1.10 or (ii) our tangible stockholders' equity is less than 5.5% of our total balance sheet assets plus securitized receivables, we may only declare dividends on our Series A Preferred Stock and Series B Preferred Stock and pay interest on our junior subordinated notes to the extent of the net proceeds we have received from the issuance of our common stock during the 90- days

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prior to the relevant dividend declaration date or the 180 days prior to the relevant interest payment date. Under the terms of the Series A Preferred Stock and Series B Preferred Stock, if we are unable to pay any dividends on the preferred stock of either series, we cannot pay any dividends on any parity preferred stock, which includes the Preferred Stock.

We have not been in compliance with these financial tests for the last three fiscal quarters. To cover dividend payments on our Series A Preferred Stock and Series B Preferred Stock and interest payments on our junior subordinated notes, we sold common stock during the fourth quarter of 2007 and the first quarter of 2008. There can be no assurance that we will achieve compliance with these financial tests or that we will continue to issue common stock to fund future payments of dividends on the Series A Preferred Stock and Series B Preferred Stock or interest on the junior subordinated notes. If we do not achieve compliance and do not issue common stock to fund these dividends and interest, we will not pay dividends on, and may not purchase, the Preferred Stock.

An active trading market for the Preferred Stock does not exist and may not develop.

The Preferred Stock is a new issue of securities with no established trading market. We have applied to list the Preferred Stock on the New York Stock Exchange. If approved for listing, we expect trading of the Preferred Stock to begin within 30 days after we issue the Preferred Stock. Listing of the Preferred Stock on the New York Stock Exchange does not guarantee that a trading market for the Preferred Stock will develop or, if a trading market for the Preferred Stock does develop, the depth or liquidity of that market or the ability of the holders to sell the Preferred Stock.

Holder of the Preferred Stock will have limited voting rights.

Holders of the Preferred Stock have no voting rights with respect to matters that generally require the approval of voting stockholders. Holders of the Preferred Stock will have voting rights only as specifically required by Delaware law and as described below. If dividends on any shares of the Preferred Stock or any other class or series of preferred stock that ranks equally with the Preferred Stock as to payment of dividends and with similar voting rights have not been declared or paid for the equivalent of six or more quarterly dividend periods, whether or not for consecutive dividend periods, holders of the outstanding shares of the Preferred Stock, together with holders of any other series of our preferred stock ranking equally with the Preferred Stock as to payment of dividends and with similar voting rights, will be entitled to vote for the election of two additional directors to our board, subject to the terms and to the limited extent described under Description of the Preferred Stock Voting Rights.

Holder of the Preferred Stock will have no rights as holder of common stock until they acquire the common stock.

Holders of the Preferred Stock will have no rights with respect to the common stock until the conversion date for a conversion of their Preferred Stock, including voting rights (except as required by Delaware law and as described above), rights to respond to tender offers, and rights to receive any dividends or other distributions on our common stock, but your investment in the Preferred Stock may be negatively affected by these events. Upon conversion, you will be entitled to exercise the rights of a holder of common stock only as to matters for which the record date occurs on or after the applicable conversion date, although you will be subject to any changes in the powers, preferences, or special rights of common stock that may occur as a result of any stockholder action taken before the applicable conversion date.

Our ability to pay dividends depends upon the results of operations of our subsidiaries.

We are a holding company that conducts substantially all of our operations through our subsidiaries. As a result, our ability to make dividend payments on the Preferred Stock depends primarily upon the receipt of dividends and other distributions from our subsidiaries.

In addition, our right to participate in any distribution of assets of any of our subsidiaries upon the subsidiary's liquidation or otherwise, and thus your ability as a holder of the Preferred Stock to benefit indirectly from such distribution, will be subject to the prior claims of creditors of that subsidiary, except to the extent that any of our claims as a creditor of such subsidiary may be recognized. As a result, the Preferred Stock effectively will be subordinated to all existing and future liabilities and obligations of our subsidiaries.

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The conversion rate of the Preferred Stock may not be adjusted for all dilutive events that may adversely affect the market price of the Preferred Stock or the common stock issuable upon conversion of the Preferred Stock.

The number of shares of our common stock that you are entitled to receive upon conversion of a share of Preferred Stock is subject to adjustment for certain events arising from increases in dividends or distributions in common stock, subdivisions, splits, and combinations of the common stock, certain issuances of stock purchase rights, debt, or asset distributions, cash distributions, self-tender offers and exchange offers, and certain other actions by us that modify our capital structure. See [Description of the Preferred Stock Conversion Anti-Dilution Adjustments](#). We will not adjust the conversion rate for other events, including our offerings of common stock for cash or in connection with acquisitions. There can be no assurance that an event that adversely affects the value of the Preferred Stock, but does not result in an adjustment to the conversion rate, will not occur. Further, if any of these other events adversely affects the market price of our common stock, it may also adversely affect the market price of the Preferred Stock. In addition, except as described under [Underwriting](#), we are not restricted from offering common stock in the future or engaging in other transactions that may dilute our common stock.

A change in control with respect to us may not constitute a make-whole acquisition or a fundamental change for the purpose of the Preferred Stock.

The Preferred Stock contains no covenants or other provisions to afford protection to you in the event of a change in control with respect to us, except upon the occurrence of a make-whole acquisition or a fundamental change to the extent described under [Description of the Preferred Stock Conversion Conversion Upon Certain Acquisitions](#) and [Description of the Preferred Stock Conversion Conversion Upon Fundamental Change](#), respectively. However, the terms [make-whole acquisition](#) and [fundamental change](#) are limited and may not include every change-in-control event that might cause the market price of the Preferred Stock to decline. As a result, your rights under the Preferred Stock may not preserve the value of the Preferred Stock in the event of a change in control with respect to us. In addition, any change in control with respect to us may negatively affect the liquidity, value or volatility of our common stock, negatively impacting the value of the Preferred Stock.

The delivery of additional make-whole shares in respect of conversions following a make-whole acquisition or adjustment to the conversion rate in respect of conversions following a fundamental change may not adequately compensate you.

If a make-whole acquisition occurs prior to conversion, we will, under certain circumstances, increase the conversion rate in respect of any conversions of the Preferred Stock that occur during the period beginning on the effective date of the make-whole acquisition and ending on the date that is 30 days after the effective date, by a number of additional shares of common stock. The number of make-whole shares, if any, will be based on the stock price and the effective date of the make-whole acquisition. See [Description of the Preferred Stock Conversion Conversion Upon Certain Acquisitions](#). Although the adjustment is designed to compensate you for the lost option value of your Preferred Stock, it is only an approximation of such lost value and may not adequately compensate you for your actual loss.

In addition, if a fundamental change occurs prior to conversion, we will, under certain circumstances, increase the conversion rate in respect of any conversions of the Preferred Stock that occur during the period beginning on the effective date of the fundamental change and ending on the date that is 30 days after the effective date. See [Description of the Preferred Stock Conversion Conversion Upon Fundamental Change](#). However, if the applicable reference price is less than \$, holders will receive a maximum of shares of our common stock per share of Preferred Stock, subject to adjustment, which may result in a holder receiving value that is less than the liquidation preference of the Preferred Stock.

Our obligation to deliver make-whole shares or to adjust the conversion rate in respect of conversions following a fundamental change may be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness, as applied to such payments.

Holders of the Preferred Stock may be unable to use the dividends-received deduction and may not be eligible for the preferential tax rates applicable to qualified dividend income.

Distributions paid to corporate U.S. holders (as defined in Certain U.S. Federal Income Tax Considerations) of the Preferred Stock (or our common stock) may be eligible for the dividends-received deduction, and distributions paid to non-corporate U.S. holders of the Preferred Stock (or our common stock) may be subject to tax at the preferential tax rates applicable to qualified dividend income, if we have current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. Although we presently have accumulated earnings and profits, we may not have sufficient current or accumulated earnings and profits during future fiscal years for the distributions on the Preferred Stock (or our common stock) to qualify as dividends for U.S. federal income tax purposes. If the distributions fail to qualify as dividends, U.S. holders would be unable to use the dividends-received deduction and may not be eligible for the preferential tax rates applicable to qualified dividend income. If any distributions on the Preferred Stock (or our common stock) with respect to any fiscal year are not eligible for the dividends-received deduction or preferential tax rates applicable to qualified dividend income because of insufficient current or accumulated earnings and profits, the market value of the Preferred Stock (or our common stock) may decline.

You may have to pay taxes if we adjust the conversion rate of the Preferred Stock in certain circumstances, even though you would not receive any cash.

We will adjust the conversion rate of the Preferred Stock in certain circumstances, including the payment of certain cash distributions with respect to the common stock. Upon certain adjustments to (or certain failures to make adjustments to) the conversion rate, you may be treated as having received a constructive distribution from us, resulting in taxable income to you for U.S. federal income tax purposes, even though you would not receive any cash in connection with the adjustment to (or failure to adjust) the conversion rate and even though you might not exercise your conversion right. In addition, non-U.S. holders (as defined in Certain U.S. Federal Income Tax Considerations) of the Preferred Stock may, in certain circumstances, be deemed to have received a distribution subject to U.S. federal withholding tax. Please consult your independent tax advisor and read Certain U.S. Federal Income Tax Considerations regarding the U.S. federal income tax consequences of an adjustment to the conversion rate of the Preferred Stock.

Risks Related to Our Business and Industry

Our liquidity or ability to raise debt or equity capital may be limited.

Our business model depends upon access to the debt capital markets to provide sources of liquidity and efficient funding for asset growth. These markets have exhibited heightened volatility and dramatically reduced liquidity. Liquidity in the debt capital markets has become significantly more constrained and interest rates available to us have increased significantly relative to benchmark rates, such as U.S. treasury securities and LIBOR. Recent downgrades in our short and long-term credit ratings have worsened these general conditions and had the practical effect of leaving us without current access to the commercial paper market, a historical source of liquidity for us, and necessitated our recent action to draw down on our bank credit facilities. As a result of these developments, we are not currently accessing the commercial paper and unsecured term debt markets and have shifted our funding sources primarily to asset-backed securities and other secured credit facilities, including both on-balance sheet and off-balance sheet securitizations. For some segments of our business, secured funding is significantly less efficient than unsecured debt facilities. Additional adverse developments in the economy, long-term disruption in the capital markets, deterioration in our business performance or further downgrades in our credit ratings could further limit our access to these markets and increase our cost of capital. If any one of these developments occur, or if we are unable to regain access to the commercial paper or unsecured term debt markets, it would adversely affect our business, operating results and financial condition.

Our ability to satisfy our cash needs may also be constrained by regulatory or contractual restrictions on the manner in which we may use portions of our cash on hand. For example, our total cash position at March 31, 2008 includes cash and short-term investments at our Utah bank and restricted cash largely related to securitization transactions. The cash and investments at our Utah bank are available solely for the bank's funding and investment requirements. The restricted cash related to securitization transactions is available solely for payments to certificate holders. The cash and investments of the bank and the restricted

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cash related to securitization transactions cannot be transferred to or used for the benefit of any other affiliate of ours.

In addition, as part of our business we extend lines of credit, some of which can be drawn by the borrowers at any time. If the borrowers on these lines of credit increase their rate of borrowing either as a result of their business needs or due to a perception that we may be unable to fund these lines of credit in the future, this could degrade our liquidity position substantially which could have a material adverse effect on our business.

Measures designed to enhance our liquidity may be unsuccessful.

We recently announced a number of measures designed to enhance our liquidity position, including substantial asset sales, such as agreeing to sell \$4.6 billion of asset-based loan commitments, of which \$1.4 billion represents funded loans, agreeing to sell \$770 million of aircraft, of which \$300 million closed in the first quarter of 2008, and evaluating strategic alternatives for our \$4 billion rail leasing business. These measures are subject to a number of uncertainties, and there can be no assurance that any or all of them will be undertaken and if undertaken, completed. Further, if any or all of these measures are undertaken, they may not achieve their anticipated benefits. The failure to successfully implement our liquidity-enhancement measures could have a material adverse effect on our business. We may also raise additional equity capital through the sale of common stock, preferred stock, or securities that are convertible into common stock. There are no restrictions on entering into the sale of any such equity securities in either public or private transactions, except that any private transaction involving more than 20% of the shares outstanding will require shareholder approval. The terms of any such equity transactions may subject existing security holders to potential subordination or dilution and may involve a change in governance.

We may be adversely affected by further deterioration in economic conditions that is general or specific to industries, products or geographies.

A recession, prolonged economic weakness or further downturn in the U.S. or global economies or affecting specific industries, geographic locations and/or products, such as the U.S. residential housing market, could make it difficult for us to originate new business, given the resultant reduced demand for consumer or commercial credit. In addition, a downturn in certain industries may result in a reduced demand for the products that we finance in that industry or negatively impact collection and asset recovery efforts.

Credit quality also may be impacted during an economic slowdown or recession as borrowers may fail to meet their debt payment obligations. Adverse economic conditions may also result in declines in collateral values. Accordingly, higher credit and collateral related losses could impact our financial position or operating results.

For example, decreased demand for the products of various manufacturing customers due to a general economic slowdown may adversely affect their ability to repay their loans and leases with us. Similarly, a decrease in the level of airline passenger traffic due to general economic slowdown or a decline in shipping volumes due to a slowdown in particular industries may adversely affect our aerospace or rail businesses.

We may be adversely affected by continued deterioration in market conditions and credit quality in the home lending and related industries.

The U.S. residential market and home lending industry began showing signs of stress in early 2007, with credit conditions deteriorating rapidly in the second quarter of 2007 and continuing into the second half of 2007 and the first quarter of 2008, including increased rates of defaults and foreclosures, stagnating or declining home prices, and declining sales in both the new construction and the resale markets.

These market conditions were reflected in the deterioration of credit metrics of our home lending portfolio and the sharply decreased market liquidity for such portfolios and resulted in higher charge-offs, higher loss reserve provisioning, and significant valuation allowances through the first quarter of 2008. It is likely that further loss reserve

provisioning will be required. These changes in the home lending and home construction industries have also resulted in reduced demand for certain types of railcars that are used to transport building materials, produced higher volatility and reduced demand from investors in the high yield loan markets, generated concerns about credit quality in general, and hampered activity in the syndication market, among other effects.

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We will continue to be adversely affected by conditions in the U.S. residential home lending industry if they continue to deteriorate further. It is also likely that we will be adversely affected if the conditions in the home lending industry negatively impact our other consumer businesses or other parts of our credit portfolio or the U.S. or world economies. Finally, we may be adversely affected if the conditions in the home lending industry result in new or increased regulation of financing and leasing companies in general or with respect to specific products or markets.

Uncertainties related to our business may result in the loss of key customers.

Our business depends on our ability to provide a wide range of quality products to our customers and our ability to attract new customers. If our customers are uncertain as to our ability to continue to provide the same breadth and quality of products, we may be unable to attract new customers and we may experience a loss of customers.

Our reserves for credit losses may prove inadequate or we may be negatively affected by credit risk exposures.

Our business depends on the creditworthiness of our customers. We maintain a consolidated reserve for credit losses on finance receivables that reflects management's judgment of losses inherent in the portfolio. We periodically review our consolidated reserve for adequacy considering economic conditions and trends, collateral values and credit quality indicators, including past charge-off experience and levels of past due loans, past due loan migration trends, and non-performing assets. We cannot be certain that our consolidated reserve for credit losses will be adequate over time to cover credit losses in our portfolio because of adverse changes in the economy or events adversely affecting specific customers, industries or markets. The current economic environment is dynamic and the credit worthiness of our customers and the value of collateral underlying our receivables can change significantly over very short periods of time. Our reserves may not keep pace with changes in the creditworthiness of our customers or collateral values. If the credit quality of our customer base materially decreases, if the risk of a market, industry, or group of customers changes significantly, or if our reserves for credit losses are not adequate, our business, financial condition and results of operations could suffer. For example, credit performance in the home lending industry, and particularly in the sub-prime market, has been declining over the past year. This decline in the home lending industry has been reflected in our home lending portfolio during 2007, resulting in increased charge-offs and significant valuation allowances.

In addition to customer credit risk associated with loans and leases, we are also exposed to other forms of credit risk, including counterparties to our derivative transactions, loan sales, syndications and equipment purchases. These counterparties include other financial institutions, manufacturers and our customers. If our credit underwriting processes or credit risk judgments fail to adequately identify or assess such risks, or if the credit quality of our derivative counterparties, customers, manufacturers, or other parties with which we conduct business materially deteriorates, we may be exposed to credit risk related losses that may negatively impact our financial condition, results of operations or cash flows.

We may be adversely affected by significant changes in interest rates.

Although we generally employ a matched funding approach to managing our interest rate risk, including matching the repricing characteristics of our assets with our liabilities, significant increases in market interest rates or widening of our credit spreads, or the perception that an increase may occur, could adversely affect both our ability to originate new finance receivables and our profitability. Conversely, a decrease in interest rates could result in accelerated prepayments of owned and managed finance receivables.

We may be required to take an impairment charge for goodwill or intangible assets related to acquisitions.

We have acquired certain portions of our business and certain portfolios through acquisitions and bulk purchases. Further, as part of our long-term business strategy, we may continue to pursue acquisitions of other companies or asset portfolios. In connection with prior acquisitions, we have accounted for the portion of the purchase price paid in excess of the book value of the assets acquired as goodwill or intangible assets, and we may be required to account for

similar premiums paid on future acquisitions in the same manner.

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Under the applicable accounting rules, goodwill is not amortized and is carried on our books at its original value, subject to periodic review and evaluation for impairment, which, based on current conditions, we expect to conduct each quarter for the foreseeable future, while intangible assets are amortized over the life of the asset. If, as a result of our periodic review and evaluation of our goodwill and intangible assets for potential impairment, we determine that changes in the business itself, the economic environment including business valuation levels and trends, or the legislative or regulatory environment have adversely affected either the fair value of the business or the fair value of our individual segments, we may be required to take an impairment charge to the extent that the carrying values of our goodwill or intangible assets exceeds the fair value of the business. As a result of our 2007 fourth quarter analysis of goodwill and intangible assets associated with our student lending business, we recorded impairment charges of \$312.7 million. Also, if we sell a business for less than the book value of the assets sold, plus any goodwill or intangible assets attributable to that business, we may be required to take an impairment charge on all or part of the goodwill and intangible assets attributable to that business. If market and economic conditions deteriorate further, this could increase the likelihood that we will need to record additional impairment charges.

Our stock has been trading below our book value and tangible book value per share for two consecutive quarters. While we have a plan to restore our business fundamentals to levels that would support our book value and tangible book value per share, we have no assurance that the plan will be achieved or that the market price of our common stock will increase to such levels in the foreseeable future. In that event, we may be required to take an impairment charge to the extent the carrying value of our goodwill exceeds the fair value of our business.

Businesses or asset portfolios acquired may not perform as expected and we may not be able to achieve adequate consideration for planned dispositions.

As part of our long-term business strategy, we may pursue acquisitions of other companies or asset portfolios as well as dispose of non-strategic businesses or portfolios. Future acquisitions may result in potentially dilutive issuances of equity securities and the incurrence of additional debt, which could have a material adverse effect on our business, financial condition and results of operations. Such acquisitions may involve numerous other risks, including difficulties in integrating the operations, services, products and personnel of the acquired company; the diversion of management's attention from other business concerns; entering markets in which we have little or no direct prior experience; and the potential loss of key employees of the acquired company. In addition, acquired businesses and asset portfolios may have credit-related risks arising from substantially different underwriting standards associated with those businesses or assets.

We recently announced a number of measures designed to enhance our liquidity position, including substantial asset sales, such as agreeing to sell \$4.6 billion of asset-based loan commitments, of which \$1.4 billion represents funded loans, agreeing to sell \$770 million of aircraft, of which \$300 million closed in the first quarter of 2008, and evaluating strategic alternatives for our \$4 billion rail leasing business. There can be no assurance that we will be successful in completing all or any of these transactions or that we will receive adequate consideration for those businesses or assets at the time of the transaction. These transactions, if completed, will shrink our business and it is not currently part of our long-term strategy to replace the volume associated with these businesses. As a result, our future disposition of businesses or asset portfolios could have a material adverse effect on our business, financial condition and results of operations.

Adverse or volatile market conditions may reduce fees and other income.

In 2005, we began pursuing strategies to leverage our expanded asset generation capability and diversify our revenue base to increase other income as a percentage of total revenue. We invested in infrastructure and personnel focused on increasing other income in order to generate higher levels of syndication and participation income, advisory fees, servicing fees and other types of fee income. These revenue streams are dependent on market conditions and, therefore, can be more volatile than interest on loans and rentals on leased equipment. Current market conditions, including lower liquidity levels, have had a direct impact on syndication activity, and have resulted in significantly

lower fee generation. If we are unable to sell or syndicate a transaction after it is originated, this activity will involve the assumption of

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greater underwriting risk than we originally intended and could increase our capital requirements to support our business or expose us to the risk of valuation allowances for assets held for sale. In addition, we also generate significant fee income from our factoring business. If our clients become concerned about our fee income and our ability to provide these services going forward and reduce their amount of business with us, this could further negatively impact our liquidity position and have a material adverse effect on our business.

Continued disruption to the capital markets, our failure to implement these initiatives successfully, or the failure of such initiatives to result in increased asset and revenue levels could adversely affect our financial position and results of operations.

Adverse financial results or other factors may limit our ability to pay dividends.

Our board of directors decides whether we will pay dividends on our common stock. That decision depends upon, among other things, general economic and business conditions, our strategic and operational plans, our financial results and condition, contractual, legal and regulatory restrictions on the payment of dividends by us, our credit ratings, and such other factors as the board of directors may consider to be relevant. If any of these factors are adversely affected it may impact our ability to pay dividends on our common stock. Our board of directors recently reduced the quarterly dividend on our common stock by 60%, to \$0.10 per share, and our board of directors could determine to further reduce or eliminate dividends payable on our common stock in the future.

In addition, the terms of our outstanding 6.350% Non-Cumulative Preferred Stock, Series A, and Non-Cumulative Preferred Stock, Series B, (collectively, the Series A and B Preferred Stock) and junior subordinated notes restrict, and the terms of the Preferred Stock being offered in this offering will restrict, our ability to pay dividends on our common stock if we do not make distributions on our preferred stock and junior subordinated notes. Further, we are prohibited from declaring dividends on our Series A and B Preferred Stock and from paying interest on our junior subordinated notes if we do not meet certain financial tests, provided that the limitation does not apply if we pay such dividends and interest out of net proceeds that we have received from the sale of common stock. We have not been in compliance with these financial tests for the last three fiscal quarters. We sold common stock to cover such dividend and interest payments during the fourth quarter of 2007 and the first quarter of 2008, and we obtained a forward commitment from two investment banks to purchase additional shares, at our option, in the second and third quarters of 2008. Further, approximately \$8 million of the net proceeds of this offering will be used to cover the dividend payments on the Series A and B Preferred Stock for the second quarter of 2008 and approximately \$22.875 million will be used to cover interest payments on our junior subordinated notes in the third quarter of 2008. If we are unable to sell our common stock in the future, and we continue to fail to meet the requisite financial tests, then we will be prohibited from declaring dividends on our preferred stock, paying interest on our junior subordinated notes, or declaring dividends on our common stock. Any additional shares of common stock that we may issue to allow us to pay dividends on our preferred stock and interest on our junior subordinated notes would be dilutive to our common stock, which may adversely affect the value of the Preferred Stock being offered in this offering.

Competition from both traditional competitors and new market entrants may adversely affect our returns, volume and credit quality.

Our markets are highly competitive and are characterized by competitive factors that vary based upon product and geographic region. We have a wide variety of competitors that include captive and independent finance companies, commercial banks and thrift institutions, industrial banks, community banks, leasing companies, hedge funds, insurance companies, mortgage companies, manufacturers and vendors.

Competition from both traditional competitors and new market entrants has intensified due to increasing recognition of the attractiveness of the commercial finance markets. We compete primarily on the basis of pricing, terms and structure. To the extent that our competitors compete aggressively on any combination of those factors, we could lose market share. Should we match competitors terms, it is possible that we could experience margin compression and/or

increased losses.

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We may not be able to realize our entire investment in the equipment we lease.

The realization of equipment values (residual values) at the end of the term of a lease is an important element in the leasing business. At the inception of each lease, we record a residual value for the leased equipment based on our estimate of the future value of the equipment at the expected disposition date. Internal equipment management specialists, as well as external consultants, determine residual values.

A decrease in the market value of leased equipment at a rate greater than the rate we projected, whether due to rapid technological or economic obsolescence, unusual wear and tear on the equipment, excessive use of the equipment, or other factors, would adversely affect the residual values of such equipment. Further, certain equipment residual values, including commercial aerospace residuals, are dependent on the manufacturer's or vendor's warranties, reputation and other factors. In addition, we may not realize the full market value of equipment if we are required to sell it to meet liquidity needs or for other reasons outside of the ordinary course of business. Consequently, there can be no assurance that we will realize our estimated residual values for equipment.

The degree of residual realization risk varies by transaction type. Capital leases bear the least risk because contractual payments cover approximately 90% of the equipment's cost at the inception of the lease. Operating leases have a higher degree of risk because a smaller percentage of the equipment's value is covered by contractual cashflows at lease inception. Leveraged leases bear the highest level of risk as third parties have a priority claim on equipment cashflows.

Investment in and revenues from our foreign operations are subject to the risks and requirements associated with transacting business in foreign countries.

An economic recession or downturn, increased competition, or business disruption associated with the political or regulatory environments in the international markets in which we operate could adversely affect us. In addition, while we generally hedge our translation and transaction exposures, foreign currency exchange rate fluctuations, or the inability to hedge effectively in the future, could have a material adverse effect on our investment in international operations and the level of international revenues that we generate from international asset based financing and leasing. Reported results from our operations in foreign countries may fluctuate from period to period due to exchange rate movements in relation to the U.S. dollar, particularly exchange rate movements in the Canadian dollar, which is our largest non-U.S. exposure. Recent weakness in the U.S. dollar has negatively impacted the U.S. dollar value of our revenues that are paid in other currencies. A further weakening of the U.S. dollar will further negatively impact the U.S. dollar value of our international operations.

U.S. generally accepted accounting principles require that income earned from foreign subsidiaries should be treated as being taxed as if they were distributed to the parent company, unless those funds are permanently reinvested outside the United States. To meet this permanent reinvestment standard, a company must show that there is no foreseeable need for the funds by the parent company and that there is a specific plan for reinvestment of the undistributed earnings of the funds by the subsidiary.

Federal income taxes have not been provided on approximately \$1.2 billion of cumulative earnings of foreign subsidiaries that we have determined to be permanently reinvested. If we sell a foreign business or significant foreign assets, we may not be able to redeploy some or all of the funds generated from a sale outside the United States and would be required to treat the funds as repatriated to us currently for purposes of GAAP. While it is not practicable to estimate the amount of tax that we would have to provide for under GAAP in such an event, the impact on us may be material.

Foreign countries have various compliance requirements for financial statement audits and tax filings, which are required to obtain and maintain licenses to transact business. If we are unable to properly complete and file our statutory audit reports or tax filings, regulators or tax authorities in the applicable jurisdiction may restrict our ability

to do business.

The regulated environment in which we operate may adversely affect us.

Our domestic operations are subject, in certain instances, to supervision and regulation by state and federal authorities, including the Federal Deposit Insurance Corporation, the Utah Department of Financial Institutions, the U.S. Small Business Administration, the FINRA, the SEC and various state insurance regulators, and may be subject to various laws and judicial and administrative decisions imposing various requirements and restrictions. Noncompliance with applicable statutes or regulations could result in the

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suspension or revocation of any license or registration at issue, as well as the imposition of civil fines and criminal penalties.

The financial services industry is heavily regulated in many jurisdictions outside the United States. As a result, growing our international operations may be affected by the varying requirements of these jurisdictions. CIT Bank Limited is licensed as a bank and a broker-dealer and is subject to regulation and examination by the Financial Services Authority of the United Kingdom. We also operate various banking corporations in Brazil, France, Italy, Belgium, Sweden and The Netherlands, and a broker-dealer entity in Canada, each of which is subject to regulation and examination by banking regulators and securities regulators in its home country. Our subsidiary, CIT Bank, a Utah industrial bank, is subject to regulation and examination by the FDIC and the Utah Department of Financial Institutions. Finally, our subsidiary that operates our insurance business, Highlands Insurance Company Limited, is a Barbados company and therefore regulated by Barbados laws and regulations. Given the evolving nature of regulations in many of these jurisdictions, it may be difficult for us to meet these requirements even after we establish operations and receive regulatory approvals. Our inability to remain in compliance with regulatory requirements in a particular jurisdiction could have a material adverse effect on our operations in that market and on our reputation generally.

Regulatory restrictions may limit the amount of our common stock you can own.

Because we own a Utah state-chartered, FDIC-insured industrial bank, in order to acquire 10% or more of our common stock (or securities convertible into 10% or more of our common stock), a purchaser may be required to obtain the prior approval of the FDIC and Utah Commissioner of Financial Institutions. Failure to obtain these prior approvals may subject a purchaser to regulatory sanctions and other measures.

Uncertainties related to our business may cause a loss of employees and may otherwise materially adversely affect our business and operations.

Our future results of operations will depend in part upon our ability to retain existing highly skilled and qualified employees and to attract new employees. Failure to continue to attract and retain such individuals could materially adversely affect our ability to compete. Uncertainties about the future prospects of our business may materially adversely affect our ability to attract and retain key management, technical and other personnel. This inability to retain key personnel could have an adverse effect on our ability to successfully operate our business or to meet our compliance, regulatory, and other reporting requirements.

FORWARD-LOOKING STATEMENTS

This prospectus supplement and the documents incorporated by reference in this prospectus supplement may contain forward-looking statements within the meaning of the Securities Litigation Reform Act of 1995. Forward-looking statements relate to expectations or forecasts of future events. They use words such as anticipate, believe, could, estimate, expect, forecast, target, project, intend, plan, potential and other words and terms of similar connection with a discussion of potential future events, circumstances or future operating or financial performance. You can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. Any forward-looking statements contained in this prospectus supplement and the documents incorporated by reference in this prospectus supplement are subject to unknown risks, uncertainties and contingencies. Forward-looking statements are included, for example, in the discussions about:

our liquidity risk management, including our ratings, our liquidity plan and the potential transactions designed to enhance our liquidity;

our credit risk management;

our asset/liability risk management;

our funding, borrowing costs and net finance revenue;

our capital, leverage and credit ratings;

our operational risks, including success of build-out initiatives,

acquisitions
and
divestitures;

legal risks;

our growth
rates;

our
commitments
to extend
credit or
purchase
equipment;
and

how we may
be affected by
legal
proceedings.

All forward-looking statements involve risks and uncertainties, many of which are beyond our control, which may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. Also, forward-looking statements are based upon management's estimates of fair values and of future costs, using currently available information. Therefore, actual results may differ materially from those expressed or implied in those statements. Factors, in addition to those disclosed in Risk Factors, that could cause such differences include, but are not limited to:

risks of
economic
slowdown,
downturn or
recession;

industry
cycles and
trends;

demographic
trends;

risks inherent
in changes in
market
interest rates
and quality
spreads;

changes in
long-term or

short-term
credit ratings;

funding
opportunities
and borrowing
costs;

changes in
funding
markets,
including
commercial
paper, term
debt, bank
deposits and
the
asset-backed
securitization
markets;

uncertainties
associated
with risk
management,
including
credit,
prepayment,
asset/liability,
interest rate
and currency
risks;

adequacy of
reserves for
credit losses;

risks
associated
with the value
and
recoverability
of leased
equipment and
lease residual
values;

application of
fair value
accounting in
volatile

markets

changes in
laws or
regulations
governing our
business and
operations;

changes in
competitive
factors; and

future
acquisitions
and
dispositions of
businesses or
asset
portfolios.

Any or all of our forward-looking statements here or in other publications may turn out to be wrong, and there are no guarantees about our performance. We do not assume the obligation to update any forward-looking statement for any reason.

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USE OF PROCEEDS

We expect to receive net proceeds from this offering of approximately \$ (or approximately \$ if the underwriters exercise their over-allotment option in full), after expenses and underwriting discounts and commissions. We expect to use the net proceeds from the offering for general corporate purposes.

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SELECTED CONSOLIDATED FINANCIAL INFORMATION OF CIT GROUP INC.

The following tables set out selected consolidated financial information regarding CIT's results of operations and balance sheets. The financial data at December 31, 2007 and December 31, 2006 and for the years ended December 31, 2007, December 31, 2006 and December 31, 2005 were derived from the audited consolidated financial statements of CIT incorporated by reference into this prospectus supplement. The financial data at December 31, 2005, December 31, 2004 and December 31, 2003 and for the years ended December 31, 2004 and December 31, 2003 were derived from audited financial statements that are not incorporated by reference into this prospectus supplement. You should read the selected consolidated financial data below in conjunction with our consolidated financial statements. See "Where You Can Find More Information" in this prospectus supplement.

	At or for the Years Ended December 31,				
	2007	2006	2005	2004	2003
	(\$ in millions, except per share data)				
Results of Operations					
Total net revenue.	\$ 3,600.4	\$ 3,051.4	\$ 2,879.2	\$ 2,438.1	\$ 2,162.4
Provision for credit losses	593.8	222.2	217.0	214.2	387.3
Valuation allowance for receivables held for sale ⁽¹⁾	1,271.4	15.0	106.6	15.7	
Salaries and general operating expenses	1,478.7	1,382.6	1,113.8	1,012.1	888.2
Impairment of goodwill and intangible assets	312.7				
Provision for severance and real estate exit activities	76.8	19.6	25.2		
Loss on early extinguishments of debt	139.3				
Gain on redemption of debt				41.8	50.4
Net income (loss) available to common shareholders	(111.0)	1,015.8	936.4	753.6	566.9
Net income (loss) per common	(0.58)	5.00	4.44	3.50	2.66

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share diluted					
Dividends per common share	1.00	0.80	0.61	0.52	0.48
Balance Sheet Data					
Total finance receivables	\$ 62,536.5	\$ 55,064.9	\$ 44,294.5	\$ 35,048.2	\$ 31,300.2
Reserve for credit losses	831.5	659.3	621.7	617.2	643.7
Finance receivables held for sale	1,606.0	1,793.7	1,620.3	1,640.8	918.3
Operating lease equipment, net	12,610.5	11,017.9	9,635.7	8,290.9	7,615.5
Goodwill and intangible assets, net	1,152.5	1,008.4	1,011.5	596.5	487.7
Total assets	90,248.0	77,485.7	63,386.6	51,111.3	46,342.8
Commercial paper	2,822.3	5,365.0	5,225.0	4,210.9	4,173.9
Deposits	2,745.8	2,399.6	261.9	157.7	48.2
Variable-rate senior notes	19,888.2	19,184.3	15,485.1	11,545.0	9,408.4
Fixed-rate senior notes	29,477.6	29,107.1	22,591.7	21,557.4	19,782.6
Non-recourse, secured borrowings	17,430.3	4,398.5	4,048.8		
Preferred capital securities		250.3	252.0	253.8	255.5
Junior subordinated notes and mandatory convertible debt	1,440.0				
Total stockholders equity	6,960.6	7,751.1	6,962.7	6,055.1	5,394.2

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	At or for the Years Ended December 31,				
	2007	2006	2005	2004	2003
	(\$ in millions, except per share data)				
Selected Data and Ratios					
Profitability					
Net income (loss) as a percentage of average common stockholders equity	(1.6)%	15.0 %	15.1 %	13.2 %	10.9 %
Net finance revenue as a percentage of average earning assets (AEA ²⁾)	2.84 %	3.11 %	3.40 %	3.94 %	3.64 %
Ratio of earnings to fixed charges ⁽³⁾	(4)	1.5 x	1.7 x	2.0 x	1.7 x
Efficiency ratio ⁽⁵⁾	41.1 %	45.3 %	38.7 %	41.5 %	41.1 %
Credit Quality					
60+ days contractual delinquencies	3.43 %	2.40 %	1.71 %	1.73 %	2.16 %
Net credit losses	0.45 %	0.45 %	0.60 %	0.91 %	1.77 %
Reserve for credit losses, excluding specific reserves as a percentage of finance receivables, excluding guaranteed student loans and home lending	1.22 %	1.19 %	1.24 %	1.38 %	1.40 %

Other

Tangible stockholders equity ⁽⁶⁾ to managed assets ⁽⁶⁾	8.8 %	9.4 %	9.8 %	10.7 %	10.4 %
Total managed assets ⁽⁷⁾	\$ 83,231.0	\$ 74,163.2	\$ 62,866.4	\$ 53,470.6	\$ 49,735.6

(1) The 2007 amount is comprised of fair value adjustments relating to the planned exit of CIT's home lending business and the liquidation of its remaining vendor-originated manufactured housing portfolio (\$1,248.9 million) and a write-down of a waste-to-energy plant acquired in a loan work out (\$22.5 million).

(2) AEA means average earning assets, which is the average of finance receivables, operating lease equipment, financing and leasing assets held for sale and certain investments, less credit balances of factoring clients.

- (3) For purposes of determining the ratio of earnings to fixed charges, earnings consist of income before income taxes and fixed charges. Fixed charges consist of interest on indebtedness, minority interest in subsidiary trust holding solely debentures of the Company and one-third of rent expense, which is deemed representative of an interest factor.
- (4) Earnings were insufficient to cover fixed charges by \$305.4 million.
- (5) The efficiency ratio is the percentage of salaries and general operating expenses to total net revenue, excluding the provision for credit losses and valuation allowance.
- (6) Tangible stockholders equity excludes goodwill and other intangible assets. Tangible stockholders equity also excludes certain unrealized losses

relating to
derivative
financial
instruments and
other investments,
as these losses are
not necessarily
indicative of
amounts that will
be realized.

- (7) Managed assets
means assets
previously
securitized and
still managed by
us and include (i)
financing and
leasing assets, (ii)
certain
investments and
(iii) off-balance
sheet finance
receivables.

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DESCRIPTION OF THE PREFERRED STOCK

You should read the following description of the Preferred Stock along with the Description of Capital Stock Preferred Stock beginning on page 18 of the attached prospectus. This description of the Preferred Stock is qualified by the Certificate of Designations relating to the Preferred Stock (Certificate of Designations), and where this description is inconsistent with the description of the Preferred Stock in the Certificate of Designations, the Certificate of Designations will control.

General

Shares of the Preferred Stock represent a single series of our authorized preferred stock. We are offering shares of the Preferred Stock by this prospectus supplement and the attached prospectus. We have granted the underwriters an option, exercisable within 30 days of the date of this prospectus supplement, to purchase up to an additional shares of the Preferred Stock, solely to cover over-allotments, if any. Holders of the Preferred Stock have no preemptive rights. Shares of the Preferred Stock, upon issuance against full payment of the purchase price, will be fully paid and nonassessable.

DTC will be the sole holder of shares of the Preferred Stock. You will be required to exercise your rights in the Preferred Stock through DTC. In this prospectus supplement, references to holders of the Preferred Stock mean those who have shares of the Preferred Stock registered in their own names on the books maintained by the registrar and not indirect holders who own beneficial interests in the Preferred Stock registered in the street name of, or issued in book-entry form through, DTC. You should review the special considerations that apply to indirect holders described in Registration and Settlement Book-Entry System.

On the date of original issuance, the Preferred Stock will rank equally with our Series A Preferred Stock and Series B Preferred Stock as to payment of dividends and distribution of assets upon our liquidation, dissolution, or winding up. The Preferred Stock, together with any other series of our preferred stock, will rank senior to our common stock, and any of our other stock that is expressly made junior to our preferred stock, as to payment of dividends and distribution of assets upon our liquidation, dissolution, or winding up. We may from time to time, without notice to or consent from the holders of the Preferred Stock, create and issue additional shares of preferred stock ranking equally with the Preferred Stock as to dividends and distribution of assets upon our liquidation, dissolution, or winding up.

The Preferred Stock will not be subject to any sinking fund or other obligation to redeem or repurchase the Preferred Stock at the option of the holders. Each share of the Preferred Stock may be converted at any time, at the option of the holder, into shares of our common stock (which reflects an approximate initial conversion price of \$ per share of common stock) plus cash in lieu of fractional shares, subject to anti-dilution adjustments described below.

Dividends

Dividends on shares of the Preferred Stock will not be mandatory. Holders of the Preferred Stock will be entitled to receive, when, as, and if declared by our board of directors or a duly authorized committee of our board, out of our assets legally available under Delaware law for payment, non-cumulative cash dividends at a rate equal to % per annum (the dividend rate).

If declared by our board of directors or a duly authorized committee of our board, we will pay dividends on the Preferred Stock quarterly, in arrears, on March 15, June 15, September 15 and December 15 of each year (each, a dividend payment date), beginning on June 15, 2008. We will pay dividends to the holders of record of shares of the Preferred Stock as they appear on our stock register on the 15th calendar day immediately preceding such dividend payment date or such other record date fixed by our board of directors or a duly authorized committee of the board that is not more than 60 calendar days nor less than 10 calendar days prior to such dividend payment date. If any date on which dividends otherwise would be payable is not a Business Day, then the dividend payment date will be the

next succeeding day that is a Business Day, and no interest or other amount will accrue on the dividend so payable for the period from and after that dividend payment date to the date the dividend is paid. A Business Day means a day other than (1) a Saturday or Sunday, (2) a day on which banks in New York,

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New York are authorized or obligated by law or executive order to remain closed, or (iii) a day on which our principal executive office is closed for business.

Dividends on the Preferred Stock will not be cumulative. If our board of directors or a duly authorized committee of our board does not declare a dividend on the Preferred Stock for any dividend period prior to the related dividend payment date, that dividend will not accrue, and we will have no obligation to pay a dividend for that dividend period on the related dividend payment date or at any future time, whether or not dividends on the Preferred Stock or any other series of our preferred stock or common stock are declared for any future dividend period. A dividend period means the period from, and including, each dividend payment date to, but excluding, the next succeeding dividend payment date, except for the initial dividend period, which will be the period from, and including, April 1, 2008 to, but excluding, the next succeeding dividend payment date.

We are not obligated to and will not pay holders of the Preferred Stock any interest or sum of money in lieu of interest on any dividend not paid on a dividend payment date. We also are not obligated to and will not pay holders of the Preferred Stock any dividend in excess of the dividends on the Preferred Stock that are payable as described above.

Dividends on the Preferred Stock (including any shares purchased pursuant to the underwriters' over-allotment option) will accrue from the original issue date at the dividend rate on the liquidation preference amount of \$50 per share. If we issue additional shares of the Preferred Stock (other than pursuant to the underwriters' over-allotment option), the initial dividend period for those additional shares may commence on and include such date as our board of directors or a duly authorized committee of the board of directors shall determine and publicly disclose. We will calculate dividends on the Preferred Stock on the basis of a 360-day year of twelve 30-day months. Dollar amounts resulting from that calculation will be rounded to the nearest cent, with one-half cent being rounded upward. Dividends on the Preferred Stock will cease to accrue after conversion, as described below.

As used in this prospectus supplement, "junior stock" means our common stock and any other class or series of our stock that ranks junior to the Preferred Stock either or both as to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or as to the distribution of assets on our liquidation, dissolution or winding up, and "parity stock" means any other class or series of our stock that ranks equally with the Preferred Stock either or both as to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or as to the distribution of assets on our liquidation, dissolution or winding up. Parity stock includes our Series A Preferred Stock and Series B Preferred Stock described under "Description of the Preferred Stock - Authorized Classes of Preferred Stock."

Subject to the conditions described above, dividends (payable in cash, stock, or otherwise), as may be determined by our board of directors or a duly authorized committee of our board, may be declared and paid on our common stock and any other stock ranking equally with or junior to the Preferred Stock from time to time out of any assets legally available for such payment, and the holders of the Preferred Stock will not be entitled to participate in those dividends.

Dividend Stopper

So long as any share of Preferred Stock remains outstanding, (1) no dividend will be declared and paid or set aside for payment and no distribution will be declared and made or set aside for payment on any junior stock (other than a dividend payable solely in shares of junior stock) and (2) no shares of junior stock will be repurchased, redeemed, or otherwise acquired for consideration by us, directly or indirectly (other than as (a) a result of a reclassification of junior stock for or into other junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock, (b) repurchases in support of our employee benefit and compensation programs and (c) through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock), during a dividend period, unless, in each case, the full dividends for the most recent dividend payment date on all outstanding shares of the Preferred Stock and parity stock have been paid or declared and a sum sufficient for the payment of those dividends has been set aside.

Except as provided below, for so long as any share of Preferred Stock remains outstanding, we will not declare, pay, or set aside for payment dividends on any parity stock for any period unless we have paid

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in full, or declared and set aside payment in full, in respect of all dividends for the then-current dividend period for all outstanding shares of Preferred Stock. To the extent that we declare dividends on the Preferred Stock and on any parity stock but do not make full payment of such declared dividends, we will allocate the dividend payments on a pro rata basis among the holders of the shares of Preferred Stock and the holders of any parity stock. For purposes of calculating the pro rata allocation of partial dividend payments, we will allocate those payments so that the respective amounts of those payments bear the same ratio to each other as all accrued and unpaid dividends per share on the Preferred Stock and all parity stock bear to each other.

Conversion

Optional Conversion Right

Each share of the Preferred Stock may be converted at any time, at the option of the holder, into shares of our common stock (which reflects an approximate initial conversion price of \$ per share of common stock, or the conversion price , which is a % premium over the public offering price in the concurrent offering of our common stock, plus cash in lieu of fractional shares, subject to the anti-dilution adjustments described below (such rate or adjusted rate, the conversion rate).

In this prospectus supplement, we refer to the conversion rate and the corresponding conversion price in effect at any given time as the applicable conversion rate and the applicable conversion price, respectively. The applicable conversion rate and the applicable conversion price each will be subject to adjustment as described below. The applicable conversion price at any given time will be computed by dividing \$50 by the applicable conversion rate at that time.

If the conversion date is prior to the record date relating to any declared dividend for the dividend period in which you elect to convert your shares of Preferred Stock, you will not receive any declared dividends for that dividend period. If the conversion date is after the record date relating to any declared dividend and prior to the dividend payment date, you will receive that dividend on the relevant dividend payment date if you were the holder of record on the record date for that dividend. However, if the conversion date is after the record date and prior to the dividend payment date, whether or not you were the holder of record on the record date prior to the dividend payment date, you must pay to the conversion agent when you convert your shares of Preferred Stock an amount in cash equal to the full dividend actually paid on the dividend payment date for the then-current dividend period on the shares being converted, unless your shares of Preferred Stock are being converted as a result of a conversion at our option, a make-whole acquisition or a fundamental change, as described below under Conversion Conversion at Our Option, Conversion Conversion Upon Certain Acquisitions and Conversion Conversion Upon Fundamental Change, respectively.

Limitation on Beneficial Ownership

Notwithstanding the foregoing, no holder of the Preferred Stock will be entitled to receive shares of our common stock upon conversion to the extent (but only to the extent) that such receipt would cause such converting holder to become, directly or indirectly, a beneficial owner (within the meaning of Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder) of more than 9.9% of the shares of our common stock outstanding at such time. Any purported delivery of shares of our common stock upon conversion of the Preferred Stock shall be void and have no effect to the extent (but only to the extent) that such delivery would result in the converting holder becoming the beneficial owner of more than 9.9% of the shares of common stock outstanding at such time. If any delivery of shares of our common stock owed to a holder upon conversion of the Preferred Stock is not made, in whole or in part, as a result of this limitation, our obligation to make such delivery shall not be extinguished and we shall deliver such shares as promptly as practicable after any such converting holder gives notice to us that such delivery would not result in it being the beneficial owner of more than 9.9% of the shares of common stock outstanding at such time.

Conversion at Our Option

On or after April 1, 2015, if the condition set forth in the next sentence is satisfied, we may, at our option, at any time or from time to time, cause some or all of the Preferred Stock to be converted into shares of our common stock at the then-applicable conversion rate. We may exercise our conversion right if, for 20 trading days (whether or not consecutive) during any period of 30 consecutive trading days, the closing price of our common stock exceeds 150% of the then-applicable conversion price of the Preferred Stock. We will provide notice of our election to cause conversion within five trading days of the end of the 30 consecutive trading day period.

If less than all of the Preferred Stock is converted, the conversion agent will select shares of Preferred Stock to be converted by lot, or on a pro rata basis or by another method the conversion agent considers fair and appropriate, including any method required by DTC or any successor depository. If the conversion agent selects a portion of your shares of Preferred Stock for partial conversion at our option and you convert a portion of your shares of Preferred Stock at your option, the converted portion will be deemed to be from the portion selected for conversion at our option.

We refer to the closing sale price or, if no closing sale price is reported, the last reported sale price of the shares of our common stock on the New York Stock Exchange as the closing price of the common stock on any determination date. If the common stock is not traded on the New York Stock Exchange on any determination date, the closing price of the common stock on any determination date means the closing sale price as reported in the composite transactions for the principal U.S. national or regional securities exchange on which our common stock is so listed or quoted, or, if no closing price is reported, the last reported sale price on the principal U.S. national or regional securities exchange on which our common stock is so listed or quoted, or if the common stock is not so listed or quoted on a U.S. national or regional securities exchange, the last quoted bid price for the common stock in the over-the-counter market as reported by Pink Sheets LLC or a similar organization, or, if that bid price is not available, the market price of the common stock on that date as determined by a nationally recognized independent investment banking firm retained by us for this purpose.

A trading day for purposes of determining the closing price is a day on which the shares of our common stock:

are not
suspended from
trading on any
national or
regional
securities
exchange or
association or
over-the-counter
market at the
close of
business; and

have traded at
least once on the
national or
regional
securities
exchange or
association or

over-the-counter market that is the primary market for the trading of the common stock.

For purposes of this prospectus supplement, all references to the closing price and last reported sale price of the common stock on the New York Stock Exchange shall be the closing price and last reported sale price as reflected on the website of the New York Stock Exchange (<http://www.nyse.com>) and as reported by Bloomberg Professional Service. However, in the event that there is a discrepancy between the closing sale price as reflected on the website of the New York Stock Exchange and as reported by Bloomberg Professional Service, the closing sale price and last reported sale price on the website of the New York Stock Exchange will govern.

If we elect to cause conversion as described above, we are required to provide notice by first class mail to the holders of record of the shares of Preferred Stock to be converted or issue a press release for publication and make this information available on our website. The conversion date will be a date selected by us (the optional conversion date), and the notice must be mailed, or we must issue the press release, not more than 20 days or less than 10 days prior to the optional conversion date. In addition to any information required by applicable law or regulation, the notice of a conversion at our option or press release will include a statement setting forth, as appropriate:

- (i) the optional conversion date;
- (ii) the aggregate number of shares of Preferred Stock to be converted and, if less than all of the shares of Preferred Stock are to be converted, the percentage of shares of Preferred Stock to be converted; and

(iii) the number of shares of our common stock to be issued upon conversion of each share of Preferred Stock.

Conversion Procedures

Conversion into shares of our common stock will occur on the optional conversion date or any applicable conversion date (as defined below). On the optional conversion date, certificates representing shares of our common stock will be issued and delivered to you or your designee upon presentation and surrender of the certificate evidencing the Preferred Stock to the conversion agent, if shares of the Preferred Stock are held in certificated form, and upon compliance with additional procedures described below. If a holder's interest is a beneficial interest in a global certificate representing the Preferred Stock, a book-entry transfer through DTC will be made by the conversion agent upon compliance with the depositary's procedures for converting a beneficial interest in a global security.

On the date of any conversion at the option of the holders, if a holder's interest is in certificated form, a holder must do each of the following in order to convert:

(i) complete and manually sign the conversion notice provided by the conversion agent, or a facsimile of the conversion notice, and deliver this irrevocable notice to the conversion agent;

(ii) surrender the shares of Preferred Stock to the conversion agent;

(iii) if required, furnish appropriate endorsements and transfer documents;

(iv) if required, pay all transfer or similar taxes; and

(v) if required, pay funds equal to any declared and unpaid dividend payable on the next dividend payment date to which such holder is entitled.

If a holder's interest is a beneficial interest in a global certificate representing Preferred Stock, in order to convert a holder must comply with the last three requirements listed above and comply with the depositary's procedures for converting a beneficial interest in a global security.

The date on which a holder complies with the foregoing procedures is the conversion date.

The conversion agent for the Preferred Stock initially will be the transfer agent. A holder may obtain copies of the required form of the conversion notice from the conversion agent. The conversion agent, on a holder's behalf, will convert the Preferred Stock into shares of our common stock, in accordance with the terms of the notice delivered by us. The conversion agent will make payments of cash for dividends and in lieu of fractional shares and, if shares of our common stock are to be delivered, will deliver a stock certificate or certificates to the holder, or in the case of global certificates, make a book-entry transfer through DTC.

The person or persons entitled to receive the shares of common stock issuable upon conversion of the Preferred Stock will be treated as the record holder(s) of such shares as of the close of business on the applicable conversion date. Prior to the close of business on the applicable conversion date, the shares of common stock issuable upon conversion of the Preferred Stock will not be deemed to be outstanding for any purpose, and you will have no rights with respect to the common stock, including voting rights, rights to respond to tender offers, and rights to receive any dividends or other distributions on the common stock, by virtue of holding the Preferred Stock.

Conversion Upon Certain Acquisitions

General. The following provisions will apply if, prior to the conversion date, one of the following events occur:

(i) a person or group within the meaning of Section 13(d)(3) of the Exchange Act, other than us, our subsidiaries or our or their employee benefit plans, files a Schedule 13D, Schedule TO or any successor schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect beneficial owner, as defined in Rule 13d-3 under the Exchange Act, of shares of our common stock representing more than 50% of the voting power of our then outstanding common stock entitled to vote generally in the election of directors; or

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(ii) consummation of the consolidation or merger of our company or a similar transaction or any sale, lease, or other transfer in one transaction or a series of related transactions of all or substantially all of our and our subsidiaries consolidated assets, taken as a whole, to any person other than one of our subsidiaries, in each case pursuant to which our common stock will be converted into cash, securities or other property, other than pursuant to a transaction in which the persons that beneficially owned, directly or indirectly, the shares of our voting stock immediately prior to such transaction beneficially own, directly or indirectly, shares of common stock representing a majority of the total voting power of all outstanding classes of common stock of the surviving or transferee person.

These transactions are referred to as *make-whole acquisitions* ; provided, however that a make-whole acquisition will not be deemed to have occurred if at least 90% of the consideration received by holders of our common stock in the transaction or transactions consists of shares of common stock or American Depositary Receipts in respect of common stock that are traded on a U.S. national securities exchange or that will be so traded when issued or exchanged in connection with a make-whole acquisition.

The phrase *all or substantially all* of our assets is likely to be interpreted by reference to applicable state law at the relevant time, and will be dependent on the facts and circumstances existing at such time. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer is of *all or substantially all* of our assets.

Upon a make-whole acquisition, we will, under certain circumstances, increase the conversion rate in respect of any conversions of the Preferred Stock that occur during the period (the *make-whole acquisition conversion period*) beginning on the effective date of the make-whole acquisition (the *effective date*) and ending on the date that is 30 days after the effective date, by a number of additional shares of common stock (the *make-whole shares*) as described below.

At least 20 days prior to the anticipated effective date of a make-whole acquisition, we will notify holders of the anticipated effective date of the transaction. The notice will specify the anticipated effective date of the make-whole acquisition and the date by which each holder's make-whole acquisition conversion right must be exercised. We also will provide notice to holders on the effective date of a make-whole acquisition specifying, among other things, the date that is 30 days after the effective date, the number of make-whole shares and the amount of the cash, securities and other consideration receivable by the holder upon conversion. To exercise the make-whole acquisition conversion right, a holder must deliver to the conversion agent, on or before the close of business on the date specified in the notice, the certificate evidencing the holder's shares of the Preferred Stock, if the Preferred Stock is held in certificated form. If a holder's interest is a beneficial interest in a global certificate representing the Preferred Stock, in order to convert a holder must comply with the requirements listed above under *Conversion Conversion Procedures* and comply with the depositary's procedures for converting a beneficial interest in a global security. The date that the holder complies with these requirements is referred to as the *make-whole conversion date*. If a holder does not elect to exercise the make-whole acquisition conversion right, the holder's shares of the Preferred Stock will remain outstanding but the holder will not be eligible to receive make-whole shares.

Make-Whole Shares. The following table sets forth the number of make-whole shares per share of Preferred Stock for each stock price and effective date set forth below:

Effective Date	Stock Price													
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2008														
2009														
2010														
2011														

2012

2013

2014

Thereafter

The number of make-whole shares will be determined by reference to the table above and is based on the effective date and the price per share of our common stock (the stock price) paid in such transaction. If the holders of our shares of common stock receive only cash in the make-whole acquisition, the stock price will be the cash amount paid per share. Otherwise the stock price shall be the average of the closing

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price per share of our common stock on the ten trading days up to but not including the effective date. The stock prices set forth in the first row of the table (i.e., the column headers) will be adjusted as of any date on which the conversion rate of the Preferred Stock is adjusted. The adjusted stock prices will equal the stock prices applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the conversion rate immediately prior to the adjustment giving rise to the stock price adjustment and the denominator of which is the conversion rate as so adjusted. The number of make-whole shares in the table will be subject to adjustment in the same manner as the conversion rate as set forth under Conversion Anti-Dilution Adjustments.

The exact stock price and effective dates may not be set forth in the table, in which case:

if the stock price is between two stock price amounts in the table or the effective date is between two dates in the table, the number of make-whole shares will be determined by straight-line interpolation between the number of make-whole shares set forth for the higher and lower stock price amounts and the two dates, as applicable, based on a 365-day year;

if the stock price is in excess of \$ per share (subject to

adjustment as described above), no make-whole shares will be issued upon conversion of the Preferred Stock; and

if the stock price is less than \$ per share (subject to adjustment as described above), no make-whole shares will be issued upon conversion of the Preferred Stock.

Our obligation to deliver make-whole shares could be considered a penalty, in which case its enforceability would be subject to general principles of reasonableness, as applied to such payments.

Conversion Upon Fundamental Change

If delisting (as defined below) occurs or in lieu of receiving the make-whole shares, if the reference price (as defined below) in connection with a make-whole acquisition is less than the applicable conversion price (each, a fundamental change), a holder may elect to convert each share of Preferred Stock during the period beginning on the effective date of the fundamental change and ending on the date that is 30 days after the effective date of the fundamental change at an adjusted conversion price equal to the greater of (1) the reference price and (2) \$, which is equal to 50% of the closing price of our common stock on April , 2008, subject to adjustment (the base price). The base price will be adjusted as of any date that the conversion rate of the Preferred Stock is adjusted. The adjusted base price will equal the base price applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the conversion rate immediately prior to the adjustment giving rise to the conversion rate adjustment and the denominator of which is the conversion rate as so adjusted. If the reference price is less than the base price, holders will receive a maximum of shares of our common stock per share of Preferred Stock, subject to adjustment, which may result in a holder receiving value that is less than the liquidation preference of the Preferred Stock. In lieu of issuing common stock upon conversion in the event of a fundamental change (other than delisting), we may at our option make a cash payment equal to the reference price for each share of common stock otherwise issuable upon conversion.

Delisting means that our common stock (or other common stock into which the Preferred Stock is then convertible) ceases to be listed or quoted on a national securities exchange in the United States, except as a result of a merger to which we are a party or a tender offer or exchange offer for our common stock or other common stock into which the

Preferred Stock is then convertible.

The reference price is the price per share of common stock paid in the event of a fundamental change. If the holders of our shares of common stock receive only cash in the fundamental change, the reference price will be the cash amount paid per share. Otherwise, the reference price will be the average of the closing price per share of our common stock on the ten trading days up to but not including the effective date of the fundamental change.

To exercise the fundamental change conversion right, a holder must comply with the requirements listed above under Conversion Conversion Procedures on or before the date that is 30 days following the effectiveness of the fundamental change and indicate that it is exercising the fundamental change conversion right. If a holder does not elect to exercise the fundamental change conversion right, such holder will not be eligible to convert such holder's shares at the base price and such holder's shares of the

Preferred Stock will remain outstanding (subject to the holder electing to convert such holder's shares as described above under "Conversion Upon Certain Acquisitions - General").

Reorganization Events

In the event of:

- (i) our consolidation or merger with or into another person in each case pursuant to which our common stock will be converted into cash, securities, or other property of ours or another person;
- (ii) any sale, transfer, lease, or conveyance to another person of all or substantially all of our property and assets, in each case pursuant to which our common stock will be converted into cash, securities, or other property; or
- (iii) any statutory exchange of our securities with another person (other than in connection with a merger or acquisition),

each of which is referred to as a reorganization event, each share of the Preferred Stock outstanding immediately prior to such reorganization event will, without the consent of the holders of the Preferred Stock, become convertible into the kind and amount of securities, cash, and other property or assets that a holder (that was not the counterparty to the reorganization event or an affiliate of such other party) of a number of shares of our common stock equal to the conversion rate per share of Preferred Stock prior to such reorganization event would have owned or been entitled to receive upon such reorganization event. For purposes of the foregoing, the kind and amount of securities, cash, and other property or assets (such securities, cash, and other property or assets, the exchange property) that a holder of our common stock would have owned or been entitled to receive upon a reorganization event, determined based in part upon any form of stockholder election, will be deemed to be (i) the weighted average of the kinds and amounts of exchange property received by the holders of our common stock that affirmatively make such an election or (ii) if no holders of our common stock affirmatively make such an election, the weighted average of the kinds and amount of exchange property actually received by such holders. On each conversion date following a reorganization event, the conversion rate then in effect will be applied to the value on such conversion date of the securities, cash, or other property received per share of common stock, determined as set forth above. In connection with certain reorganization events, holders of the Preferred Stock may have the right to vote as a class, see "Voting Rights."

Anti-Dilution Adjustments

The conversion agent will adjust the conversion rate under the circumstances described below.

(1) *Stock Dividend Distributions.* If we pay dividends or other distributions on the common stock in common stock, then the conversion rate in effect immediately following the record date for such dividend or distribution will be multiplied by the following fraction:

$$\frac{OS_1}{OS_0}$$

Where,

OS₀ = the number of shares of common stock outstanding immediately prior to the record date for such dividend or distribution.

OS1 the sum of the number of shares of common stock outstanding immediately prior to the record date for such
= dividend or distribution plus the total number of shares of our common stock constituting such dividend.

Notwithstanding the foregoing, no adjustment will be made for the issuance of our common stock as a dividend or distribution to all holders of common stock that is made in lieu of quarterly dividends or distributions to such holders, to the extent the value of such dividend or distribution does not exceed the dividend threshold amount defined in clause (5) below. For purposes of this paragraph, the amount of any dividend or distribution will equal the number of shares being issued multiplied by the average VWAP of our common stock over each of the five consecutive trading days prior to the record date for such distribution.

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(2) *Subdivisions, Splits, and Combination of the Common Stock.* If we subdivide, split, or combine shares of our common stock, then the conversion rate in effect immediately following the effective date of such share subdivision, split, or combination will be multiplied by the following fraction:

$$\frac{OS_1}{OS_0}$$

Where,

OS0 = the number of shares of common stock outstanding immediately prior to the effective date of such share subdivision, split, or combination.

OS1 = the number of shares of common stock outstanding immediately after the opening of business on the effective date of such share subdivision, split, or combination.

(3) *Issuance of Stock Purchase Rights.* If we issue to all holders of the shares of our common stock rights or warrants (other than rights or warrants issued pursuant to a dividend reinvestment plan or share purchase plan or other similar plans) entitling them, for a period of up to 60 days from the date of issuance of such rights or warrants, to subscribe for or purchase the shares of our common stock at less than the current market price of the common stock on the date fixed for the determination of stockholders entitled to receive such rights or warrants, then the conversion rate in effect immediately following the close of business on the record date for such distribution will be multiplied by the following fraction:

$$\frac{OS_0 + X}{OS_0 + Y}$$

Where,

OS0 = the number of shares of common stock outstanding at the close of business on the record date for such distribution.

X = the total number of shares of common stock issuable pursuant to such rights or warrants.

Y = the number of shares of common stock equal to the aggregate price payable to exercise such rights or warrants divided by the current market price.

To the extent that such rights or warrants are not exercised prior to their expiration or shares of our common stock are otherwise not delivered pursuant to such rights or warrants upon the exercise of such rights or warrants, the conversion rate shall be readjusted to such conversion rate that would then be in effect had the adjustment made upon the issuance of such rights or warrants been made on the basis of the delivery of only the number of shares of our common stock actually delivered. In determining the aggregate offering price payable for such shares of our common stock, the conversion agent will take into account any consideration received for such rights or warrants and the value of such consideration (if other than cash, to be determined by our board of directors).

(4) *Debt or Asset Distributions.* If we distribute to all holders of shares of our common stock evidences of indebtedness, shares of capital stock (other than common stock) or other securities, or other assets (excluding any dividend or distribution referred to in clauses (1) or (2) above, any rights or warrants referred to in clause (3) above, any dividend or distribution paid exclusively in cash, any consideration payable in connection with a tender or exchange offer made by us or any of our subsidiaries, and any dividend of shares of capital stock of any class or

series, or similar equity interests, of or relating to a subsidiary or other business unit in the case of certain spin-off transactions as described below), then the conversion rate in effect immediately following the close of business on the record date for such distribution will be multiplied by the following fraction:

$$\frac{SP_0}{SP_0 \text{ FMV}}$$

Where,

SP0 = the current market price per share of common stock on the trading day immediately preceding the ex-date.

FMV = the fair market value of the portion of the distribution applicable to one share of common stock on the trading day immediately preceding the ex-date as determined by our board of directors.

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In a spin-off, where we make a distribution to all holders of our shares of common stock consisting of capital stock of any class or series, or similar equity interests of, or relating to, a subsidiary or other business unit, the conversion rate will be adjusted on the fourteenth trading day after the effective date of the distribution by multiplying such conversion rate in effect immediately prior to such fourteenth trading day by the following fraction:

$$\frac{MP_0 + MP_S}{MP_0}$$

Where,

MP₀ = the average of the VWAP of the common stock over each of the first ten trading days commencing on and including the fifth trading day following the effective date of such distribution.

MP_S = the average of the VWAP of the capital stock or equity interests representing the portion of the distribution applicable to one share of common stock over each of the first ten trading days commencing on and including the fifth trading day following the effective date of such distribution, or, if not traded on a national or regional securities exchange or over-the-counter market, the fair market value of the capital stock or equity interests representing the portion of the distribution applicable to one share of our common stock on such date as determined by our board of directors.

(5) *Cash Distributions.* If we make a distribution consisting exclusively of cash to all holders of the common stock, excluding (a) any cash dividend on the common stock to the extent that the aggregate cash dividend per share of the common stock does not exceed \$0.10 in any fiscal quarter (the dividend threshold amount), (b) any cash that is distributed in a reorganization event (as described below) or as part of a spin-off referred to in clause (4) above, (c) any dividend or distribution, in connection with our liquidation, dissolution, or winding up, and (d) any consideration payable in connection with a tender or exchange offer made by us or any of our subsidiaries, then in each event, the conversion rate in effect immediately following the record date for such distribution will be multiplied by the following fraction:

$$\frac{SP_0}{SP_0 - DIV}$$

Where,

SP₀ = the VWAP per share of common stock on the trading day immediately preceding the ex-date.

DIV = the cash amount per share of common stock of the dividend or distribution, as determined pursuant to the following sentences. If an adjustment is required to be made as set forth in this clause as a result of a distribution (a) that is a regularly scheduled quarterly dividend, such adjustment would be based on the amount by which such dividend exceeds the dividend threshold amount or (b) that is not a regularly scheduled quarterly dividend, such adjustment would be based on the full amount of such distribution. The dividend threshold amount is subject to adjustment on an inversely proportional basis any time the conversion rate is adjusted; provided that no adjustment will be made to the dividend threshold amount for any adjustment made to the conversion rate as described under this clause (5).

(6) *Self-Tender Offers and Exchange Offers.* If we or any of our subsidiaries successfully complete a tender or exchange offer for our common stock where the cash and the value of any other consideration included in the payment

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per share of the common stock exceeds the VWAP per share of the common stock on the trading day immediately succeeding the expiration of the tender or exchange offer, then the conversion rate in effect at the close of business on such immediately succeeding trading day will be multiplied by the following fraction:

$$\frac{AC + (SP_0 \times OS_1)}{OS_0 \times SP_0}$$

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Where,

- SP0 = the VWAP per share of common stock on the trading day immediately succeeding the expiration of the tender or exchange offer.
- OS0 = the number of shares of common stock outstanding immediately prior to the expiration of the tender or exchange offer, including any shares validly tendered and not withdrawn (the purchased shares).
- OS1 = the number of shares of common stock outstanding immediately after the expiration of the tender or exchange offer, less any purchased shares.
- AC = the aggregate cash and fair market value of the other consideration payable in the tender or exchange offer, as determined by our board of directors.

In the event that we are, or one of our subsidiaries is, obligated to purchase shares of our common stock pursuant to any such tender offer or exchange offer, but we are, or such subsidiary is, permanently prevented by applicable law from effecting any such purchases, or all such purchases are rescinded, then the conversion rate shall be readjusted to be such conversion rate that would then be in effect if such tender offer or exchange offer had not been made.

(7) Rights Plans. To the extent that we have a rights plan in effect with respect to our common stock on any conversion date, upon conversion of any shares of the Preferred Stock, you will receive, in addition to the shares of our common stock, the rights under the rights plan, unless, prior to such conversion date, the rights have separated from the shares of our common stock, in which case the conversion rate will be adjusted at the time of separation as if we made a distribution to all holders of the common stock as described in clause (4) above, subject to readjustment in the event of the expiration, termination, or redemption of such rights.

In addition, we may make such increases in the conversion rate as we deem advisable in order to avoid or diminish any income tax to holders of the common stock resulting from any dividend or distribution of shares of our common stock (or issuance of rights or warrants to acquire our common stock) or from any event treated as such for income tax purposes or for any other reason.

For a discussion of the tax consequences of a change in the conversion rate, see *Certain U.S. Federal Income Tax Considerations Consequences to U.S. Holders Constructive Distributions* and *Certain U.S. Federal Income Tax Considerations Consequences to Non-U.S. Holders Constructive Distributions* in this prospectus supplement.

Adjustments to the conversion rate will be calculated to the nearest 1/10,000th of a share. No adjustment in the conversion rate will be made unless the adjustment would require an increase or decrease of at least one percent in the conversion rate. If any adjustment is not required to be made because it would not change the conversion rate by at least one percent, then the adjustment will be carried forward and taken into account in any subsequent adjustment; *provided* that on an optional conversion date or the effective date of a make-whole acquisition or a fundamental change, adjustments to the conversion rate will be made with respect to any such adjustment carried forward that has not been taken into account before that date.

No adjustment to the conversion rate will be made if holders may participate in the transaction that would otherwise give rise to such adjustment as a result of holding the Preferred Stock, without having to convert the Preferred Stock, as if they held the full number of shares of common stock into which their shares of the Preferred Stock may then be converted.

The applicable conversion rate will not be adjusted:

- (i) upon the issuance of any shares of common stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on the securities and the investment of additional optional amounts in common stock under any plan;

(ii) upon the issuance of any shares of common stock or rights or warrants to purchase those shares pursuant to any present or future employee, director, or consultant benefit plan or program of or assumed by us or any of our subsidiaries;

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(iii) upon the issuance of any shares of common stock pursuant to any option, warrant, right or exercisable, exchangeable or convertible security outstanding as of the date the shares of Preferred Stock were first issued;

(iv) for a change in the par value or no par value of the common stock; or

(v) for accrued and unpaid dividends on the Preferred Stock.

We will be required, as soon as practicable after the conversion rate is adjusted, to provide or cause to be provided written notice of the adjustment to the holders of shares of the Preferred Stock. We will also be required to deliver a statement setting forth in reasonable detail the method by which the adjustment to the conversion rate was determined and setting forth the revised conversion rate.

The current market price of our common stock on any day, means the average of the VWAP of our common stock over each of the ten consecutive trading days ending on the earlier of the day in question and the day before the ex-date or other specified date with respect to the issuance or distribution requiring such computation, appropriately adjusted to take into account the occurrence during such period of any event described in clauses (1) through (6) above. The term ex-date, when used with respect to any such issuance or distribution, means the first date on which the common stock or other securities trade without the right to receive such issuance or distribution.

VWAP per share of our common stock on any trading day means the per share volume-weighted average price as displayed under the heading Bloomberg VWAP on Bloomberg page CIT UN <equity> AQR (or its equivalent successor if such page is not available) in respect of the period from the open of trading on the relevant trading day until the close of trading on the relevant trading day (or if such volume-weighted average price is unavailable, the market price of one share of our common stock on such trading days determined, using a volume-weighted average method, by a nationally recognized investment banking firm (unaffiliated with us) retained for this purpose by us). For purposes of determining the conversion price, VWAP may refer to a partial trading day.

Liquidation Rights

Upon our voluntary or involuntary liquidation, dissolution or winding up, holders of the Preferred Stock and any parity stock will be entitled to receive, out of our assets available for distribution to stockholders, after satisfaction of liabilities to creditors, if any, and before any distribution of assets is made on our common stock or any of our other shares of stock ranking junior as to such a distribution to the Preferred Stock and any parity stock, a liquidating distribution in the amount of \$50 per share of Preferred Stock plus any declared and unpaid dividends, without the accumulation of any undeclared dividends. After payment of this liquidating distribution, the holders of the Preferred Stock will not be entitled to any further participation in any distribution of our assets.

In any such distribution, if our assets are not sufficient to pay the liquidation preferences in full to all holders of Preferred Stock and all holders of any parity stock, the amounts paid to the holders of Preferred Stock and to the holders of any parity stock will be paid pro rata in accordance with the respective aggregate liquidation preferences of those holders. In any such distribution, the liquidation preference of any holder of preferred stock means the amount payable to such holder in such distribution, including any declared but unpaid dividends (and any unpaid, accrued cumulative dividends in the case of any holder of parity stock on which dividends accrue on a cumulative basis, if any). If the liquidation preference has been paid in full to all holders of Preferred Stock and any holders of parity stock, the holders of our other stock shall be entitled to receive all our remaining assets according to their respective rights and preferences.

For purposes of this section, a merger or consolidation by us with or into any other entity, including a merger or consolidation in which the holders of Preferred Stock receive cash, securities or property for their shares, or the sale, lease or exchange of all or substantially all of our assets will not constitute a liquidation, dissolution or winding up of our affairs.

Our rights and the rights of our creditors and our stockholders, including the holders of Preferred Stock, to participate in the assets of any of our subsidiaries upon that subsidiary's liquidation or recapitalization may be subject to the prior claims of that subsidiary's creditors, except to the extent that we are a creditor with recognized claims against the subsidiary.

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Redemption

The Preferred Stock is not subject to any redemption, sinking fund, or other similar provisions.

Voting Rights

The holders of the Preferred Stock do not have voting rights other than those described below, except as specifically required by Delaware law.

Whenever dividends on any shares of Preferred Stock have not been declared and paid for the equivalent of six or more dividend payments, whether or not for consecutive dividend periods (a nonpayment), the holders of such shares of Preferred Stock, voting together as a single class with holders of any and all other series of voting preferred stock (as defined below) then outstanding, will be entitled to vote for the election of a total of two additional members of our board of directors (the preferred stock directors); *provided* that the election of any such directors will not cause us to violate the corporate governance requirement of the New York Stock Exchange (or any other exchange or automated quotation system on which our securities may be listed or quoted) that requires listed or quoted companies to have a majority of independent directors; and *provided further* that our board of directors shall, at no time, include more than two preferred stock directors. In that event, the number of directors on our board will automatically increase by two, and the new directors will be elected at a special meeting called at the request of the holders of at least 20% of the shares of Preferred Stock or of any other series of voting preferred stock (provided that such request is received at least 90 calendar days before the date fixed for the next annual or special meeting of the stockholders, failing which election shall be held at such next annual or special meeting of stockholders), and at each subsequent annual meeting.

As used in this prospectus supplement, voting preferred stock means any other class or series of our preferred stock ranking equally with the Preferred Stock either as to dividends or the distribution of assets upon liquidation, dissolution or winding up and upon which like voting rights have been conferred and are exercisable. Whether a plurality, majority or other portion of the Preferred Stock and any other voting preferred stock have been voted in favor of any matter shall be determined by reference to the respective liquidation preference amounts of the Preferred Stock and such other voting preferred stock voted.

If and when dividends for at least four consecutive dividend periods following a nonpayment have been paid in full, or declared and a sum sufficient for such payment shall have been set aside (a nonpayment remedy), the holders of Preferred Stock shall immediately and, without any further action by us, be divested of the foregoing voting rights, subject to the reversion of such rights in the event of each subsequent nonpayment. If such voting rights for the holders of Preferred Stock and all other holders of voting preferred stock have terminated, the term of office of each preferred stock director so elected will terminate and the number of directors on our board shall automatically decrease by two. In determining whether dividends have been paid for four dividend periods following a nonpayment, we may take account of any dividend we elect to pay for such a dividend period after the regular dividend payment date for that period has passed.

Any preferred stock director may be removed at any time without cause by the holders of record of a majority of the outstanding Preferred Stock and any other shares of voting preferred stock then outstanding (voting together as a class) when they have the voting rights described above. In the event that a nonpayment shall have occurred and there shall not have been a nonpayment remedy, any vacancy in the office of a preferred stock director (other than prior to the initial election after a nonpayment) may be filled by the written consent of the preferred stock director remaining in office or, if none remains in office, by a vote of the holders of record of a majority of the outstanding shares of Preferred Stock and any other shares of voting preferred stock then outstanding (voting together as a class) when they have the voting rights described above; *provided* that the filling of each vacancy will not cause us to violate the corporate governance requirement of the New York Stock Exchange (or any other exchange or automated quotation system on which our securities may be listed or quoted) that requires listed or quoted companies to have a majority of independent directors. The preferred stock directors will each be entitled to one vote per director on any matter.

So long as any shares of Preferred Stock remain outstanding, we will not, without the affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of Preferred Stock and all other

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series of voting preferred stock entitled to vote thereon, voting together as a single class, given in person or by proxy, either in writing or at a meeting:

amend or alter the provisions of our certificate of incorporation or the Certificate of Designations for the shares of Preferred Stock so as to authorize or create, or increase the authorized amount of, any specific class or series of stock ranking senior to the Preferred Stock with respect to payment of dividends or the distribution of our assets upon our liquidation, dissolution or winding up; or

amend, alter or repeal the provisions of our certificate of incorporation or the Certificate of Designations for the shares of Preferred Stock so as to materially and adversely affect the special rights,

preferences,
privileges and
voting powers
of the shares of
Preferred
Stock, taken as
a whole; or

consummate a
binding share
exchange or
reclassification
involving the
shares of
Preferred Stock
or a merger or
consolidation
of us with
another entity,
unless in each
case (i) shares
of Preferred
Stock remain
outstanding or,
in the case of
any such
merger or
consolidation
with respect to
which we are
not the
surviving or
resulting entity,
are converted
into or
exchanged for
preference
securities of the
surviving or
resulting entity
or its ultimate
parent, and (ii)
such shares of
Preferred Stock
remaining
outstanding or
such preference
securities, as
the case may
be, have such
rights,

preferences,
privileges and
voting powers,
taken as a
whole, as are
not materially
less favorable
to the holders
thereof than the
rights,
preferences,
privileges and
voting powers
of the Preferred
Stock, taken as
a whole,

provided, however, that (1) any increase in the amount of our authorized but unissued shares of preferred stock, (2) any increase in the authorized or issued shares of Preferred Stock and, (3) the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with or junior to the Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon our liquidation, dissolution or winding up, will not be deemed to materially and adversely affect the special rights, preferences, privileges or voting powers of the Preferred Stock.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation described above would materially and adversely affect one or more but not all series of voting preferred stock (including the Preferred Stock for this purpose), then only the series of preferred stock materially and adversely affected and entitled to vote shall vote as a class in lieu of all other series of preferred stock.

Without the consent of the holders of the Preferred Stock, so long as such action does not adversely affect the special rights, preferences, privileges and voting powers of the Preferred Stock, taken as a whole, we may amend, alter, supplement, or repeal any terms of the Preferred Stock for the following purposes:

to cure any
ambiguity, or
to cure,
correct, or
supplement
any provision
contained in
the
Certificate of
Designations
for the
Preferred
Stock that
may be
ambiguous,
defective, or
inconsistent;
or

to make any provision with respect to matters or questions relating to the Preferred Stock that is not inconsistent with the provisions of the Certificate of Designations for the Preferred Stock.

Preemptive Rights

The holders of the Preferred Stock do not have any preemptive rights.

Fractional Shares

No fractional shares of our common stock will be issued to holders of the Preferred Stock upon conversion. In lieu of any fractional shares of common stock otherwise issuable in respect of the aggregate number of shares of the Preferred Stock of any holder that are converted, that holder will be entitled to receive an amount in cash (computed to the nearest cent) equal to the same fraction of the closing price per share of our common stock determined as of the second trading day immediately preceding the effective date of conversion.

If more than one share of the Preferred Stock is surrendered for conversion at one time by or for the same holder, the number of full shares of common stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of Preferred Stock so surrendered.

Common Stock Rights

For a description of the rights of holders of common stock to be delivered upon conversion of the Preferred Stock, see Description of Capital Stock Common Stock in the attached prospectus beginning on page 18.

Miscellaneous

We will at all times reserve and keep available out of the authorized and unissued shares of our common stock or shares held in the treasury by us, solely for issuance upon the conversion of the Preferred Stock, that number of shares of common stock as shall from time to time be issuable upon the conversion of all the Preferred Stock then outstanding. Any shares of the Preferred Stock converted into shares of our common stock or otherwise reacquired by us shall resume the status of authorized and unissued preferred shares, undesignated as to series, and shall be available for subsequent issuance.

Concurrent Offering of Shares of Common Stock

We are making a concurrent offering of shares of our common stock (or shares if the underwriters exercise their over-allotment option in full). We intend to use the net proceeds from this offering, together with the net proceeds from the concurrent common stock offering, for general corporate purposes, including, in the case of net proceeds from the common stock offering, to pay dividends on our Series A and Series B Preferred Stock and interest on our junior subordinated notes. The common stock offering will be effected pursuant to a separate prospectus supplement. This prospectus supplement shall not be deemed an offer to sell or a solicitation of an offer to buy any of our common stock. There is no assurance that the common stock offering will be completed or, if completed, that it will be completed in the amount contemplated.

Outstanding Preferred Stock

Under our Certificate of Incorporation, we have authority to issue up to 100,000,000 shares of preferred stock, \$0.01 par value per share. We may issue preferred stock in one or more series, each with the preferences, designations, limitations, conversion rights, and other rights as we may determine.

As of the date of this prospectus supplement, in addition to the Preferred Stock, we have authorized the following series of our preferred stock:

- (a) 14,000,000 shares of Series A Preferred Stock with a liquidation preference of \$25 per share; and
- (b) 1,500,000 shares of Series B Preferred Stock with a liquidation preference of \$100 per share.

As of the date of this prospectus supplement, the aggregate liquidation preference of all of our outstanding preferred stock is \$500,000,000.

Authorized Classes of Preferred Stock

The following summary of our Series A Preferred Stock and Series B Preferred Stock is qualified in its entirety by reference to the descriptions of those securities contained in our Certificate of Incorporation and the respective certificate of designations for each series.

Preferential Rights

Our Series A Preferred Stock has a liquidation preference of \$25 per share and our Series B Preferred Stock has a liquidation preference of \$100 per share. The Series A Preferred Stock and Series B Preferred Stock rank at least

equally with each other and with any other series of our preferred stock that we may issue, which will include the Preferred Stock (except for any senior series that may be issued with the requisite consent of the holders of Series A Preferred Stock or Series B Preferred Stock, as applicable), and rank senior to our common stock and any other stock that ranks junior to the Series A Preferred Stock or Series B Preferred Stock, as applicable, with respect to the payment of dividends and distributions of assets upon our liquidation, dissolution or winding up. The Series A Preferred Stock and Series B Preferred Stock

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are not convertible into, or exchangeable for, shares of any other class or series of our stock or our other securities. Holders of Series A Preferred Stock and Series B Preferred Stock have no preemptive rights.

Dividends

Holders of Series A Preferred Stock and Series B Preferred Stock are entitled to receive, when, as and if declared by our board of directors or a duly authorized committee of the board, in their sole discretion out of funds legally available for the payment of dividends under the Delaware General Corporation Law and subject to the restrictions set forth below, non-cumulative cash dividends quarterly in arrears on March 15, June 15, September 15 and December 15 of each year. Dividends of Series A Preferred Stock, if declared, will be payable with respect to each dividend period on the liquidation preference amount of \$25 per share at an annual rate of 6.350%. Dividends of Series B Preferred Stock, if declared, will be payable with respect to each dividend period on the liquidation preference amount of \$100 per share at an annual rate of 5.189% through and including September 15, 2010, and after September 15, 2010, at an annual rate of 1.125% plus the highest of the following benchmark rates, which will be determined in advance of each quarter: 3-month LIBOR on the related LIBOR determination date, the 10-year Treasury CMT and the 30-year Treasury CMT.

If (i) our average four quarters fixed charge ratio is less than or equal to 1.10 or (ii) our tangible stockholders' equity is less than 5.5% of our total balance sheet assets plus securitized receivables, we may only declare dividends on our Series A Preferred Stock and Series B Preferred Stock to the extent of the net proceeds we have received from the issuance of our common stock during the 90-days prior to the relevant dividend declaration date.

So long as any Series A Preferred Stock or Series B Preferred Stock remain outstanding for any dividend period, unless the full dividends for the most recent dividend payment date on all outstanding Series A Preferred Stock or Series B Preferred Stock, as applicable, and parity stock have been paid or declared and a sum sufficient for the payment thereof has been set aside for future payment: (1) no dividend shall be declared or paid on our common stock or any other shares of our junior stock; and (2) no common stock or other junior stock shall be purchased, redeemed or otherwise acquired for consideration by us, directly or indirectly (other than (i) as a result of a reclassification of such junior stock for or into other junior stock or the exchange or conversion of one share of such junior stock for or into another share of junior stock; (ii) repurchases in support of our employee benefit and compensation programs; (iii) repurchases pursuant to our previously announced accelerated stock buyback program; and (iv) through the use of the proceeds of a substantially contemporaneous sale of junior stock).

When dividends are declared by our board of directors or a duly authorized committee of the board, in its sole discretion, and are not paid or duly provided for in full on any dividend payment date (or, parity stock dividend payment date, as the case may be) upon Series A Preferred Stock or Series B Preferred Stock, as applicable, or any shares of parity stock, including the Preferred Stock, all dividends declared upon Series A Preferred Stock or Series B Preferred Stock, as applicable, and all such parity stock and payable on such dividend payment date (or, parity stock dividend payment date, as the case may be) shall be declared pro rata so that the respective amounts of such dividends shall bear the same ratio to each other as all accrued but unpaid dividends per Series A Preferred Stock or Series B Preferred Stock, as applicable, and all parity stock payable on such dividend payment date (or, parity stock dividend payment date, as the case may be) bear to each other.

For purposes of this section Authorized Classes of Preferred Stock, the term junior stock means any class or series of our stock that ranks junior to the Series A Preferred Stock or Series B Preferred Stock, as applicable, either as to the payment of dividends or as to the distribution of our assets upon any liquidation, dissolution or winding up of CIT Group Inc. Junior stock includes our common stock. The term parity stock means any other class or series of our preferred stock that ranks equally with the Series A Preferred Stock or Series B Preferred Stock, as applicable, in the payment of dividends and in the distribution of our assets on any liquidation, dissolution or winding up of CIT Group Inc.

Voting Rights

Holders of Series A Preferred Stock and Series B Preferred Stock have voting rights substantially the same as those of the holders of the Preferred Stock. See *Voting Rights*.

Distributions

In the event that we voluntarily or involuntarily liquidate, dissolve or wind up our affairs, holders of Series A Preferred Stock and Series B Preferred Stock and any parity stock are entitled to receive out of our assets available for distribution to stockholders, after satisfaction of liabilities to creditors, if any, and before any distribution of assets is made on our common stock or any of our other shares of stock ranking junior as to such a distribution to Series A Preferred Stock and Series B Preferred Stock, as applicable, and any parity stock, a liquidating distribution in the amount of \$25 per Series A Preferred Stock and \$100 per Series B Preferred Stock, as applicable, plus any declared and unpaid dividends, without the accumulation of any undeclared dividends. Holders of the Series A Preferred Stock and Series B Preferred Stock will not be entitled to any other amounts from us after they have received their full liquidation preference.

Redemption

Our Series A Preferred Stock is not redeemable prior to September 15, 2010. On and after that date, Series A Preferred Stock will be redeemable at any time, at our option, in whole or in part, at a redemption price equal to \$25 per Series A Preferred Stock, plus declared and unpaid dividends, without the accumulation of any undeclared dividends.

Our Series B Preferred Stock is not redeemable prior to September 15, 2010. On and after that date, Series B Preferred Stock will be redeemable at any time, at our option, in whole or in part, at a redemption price equal to \$100 per Series B Preferred Stock, plus declared and unpaid dividends, without the accumulation of any undeclared dividends.

Additional Classes or Series of Stock

We will have the right to create and issue additional classes or series of stock ranking senior to, equally with, or junior to the Preferred Stock as to dividends and distribution of assets upon our liquidation, dissolution, or winding up without the consent of the holders of the Preferred Stock.

Depository, Transfer Agent, Registrar, Dividend Disbursing Agent, and Conversion Agent

DTC will serve as the depository for the Preferred Stock. The Bank of New York will serve as transfer agent, registrar, conversion agent and dividend disbursing agent for the Preferred Stock.

REGISTRATION AND SETTLEMENT

Book-Entry System

The Preferred Stock will be issued in book-entry only form through the facilities of The Depository Trust Company, or DTC. This means that we will not issue actual stock certificates to each holder of Preferred Stock, except in limited circumstances. Instead, the Preferred Stock will be in the form of a single global stock certificate deposited with and held in the name of DTC, or its nominee. In order to own a beneficial interest in a stock certificate, you must be an organization that participates in DTC or have an account with an organization that participates in DTC.

Except as described in the attached prospectus, owners of beneficial interests in the global stock certificates will not be entitled to have Preferred Stock registered in their names, will not receive or be entitled to receive physical delivery of the Preferred Stock in definitive form, and will not be considered the owners or holders of Preferred Stock under our Certificate of Incorporation, including for purposes of receiving any reports or notices delivered by us. Accordingly, each person owning a beneficial interest in the Preferred Stock must rely on the procedures of DTC and, if that person is not a participant, on the procedures of the participant through which that person owns its beneficial interest, in order to exercise any rights of a holder of Preferred Stock.

If we discontinue the book-entry only form system of registration, we will replace the global stock certificate with stock certificates in certificated form registered in the names of the beneficial owners.

Procedures for conversion on the conversion date will be governed by arrangements among the depository, participants, and persons that may hold beneficial interests through participants designed to permit the settlement without the physical movement of certificates. Payments, transfers, deliveries, exchanges, and other matters relating to beneficial interests in global security certificates may be subject to various policies and procedures adopted by the depository from time to time.

Same Day Settlement

As long as the Preferred Stock is represented by a global stock certificate registered in the name of DTC, or its nominee, the Preferred Stock will trade in the DTC Same-Day Funds Settlement System. DTC requires secondary market trading activity in the Preferred Stock to settle in immediately available funds. This requirement may affect trading activity in the Preferred Stock.

Payment of Dividends

We will pay dividends, if any, on the Preferred Stock in book-entry form to the dividend disbursing agent. In turn, the dividend disbursing agent will deliver the dividends to DTC in accordance with the arrangements then in place between the dividend disbursing agent and DTC. Generally, DTC will be responsible for crediting the dividend payments it receives from the dividend disbursing agent to the accounts of DTC participants, and each participant will be responsible for disbursing the dividend payment for which it is credited to the holders that it represents. As long as the Preferred Stock is represented by a global stock certificate, we will make all dividend payments in immediately available funds.

In the event Preferred Stock is issued in certificated form, dividends generally will be paid by check mailed to the holders of the Preferred Stock on the applicable record date at the address appearing on the security register.

All transfers and deliveries of common stock will be made to the depository or its nominee.

Notices

Any notices required to be delivered to you will be given to DTC for communication to its participants.

If the Preferred Stock is issued in certificated form, notices also will be given by mail to the addresses of the holders as they appear on the security register.

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CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a summary of the material U.S. federal income tax consequences relating to the purchase, ownership, disposition and conversion of the Preferred Stock the adjustment of the conversion rate of the Preferred Stock. This summary is intended to supplement, and should be read in combination with, the general discussion of U.S. federal income tax consequences set forth under "Certain U.S. Federal Income Tax Considerations" in the attached Prospectus. This summary is based upon provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), applicable Treasury regulations, administrative rulings of the U.S. Internal Revenue Service ("IRS"), and judicial decisions, all as in effect as of the date hereof, and any of which is subject to change (possibly on a retroactive basis) or different interpretation, which may result in U.S. federal income tax consequences different from those discussed below. This summary deals only with beneficial owners that hold the Preferred Stock as a capital asset (generally, property held for investment purposes). This summary does not address all aspects of U.S. federal income taxation and does not deal with all tax consequences that may be relevant to holders in light of their personal circumstances or particular situations, such as:

tax consequences to holders who may be subject to special tax treatment, including dealers in securities, financial institutions, regulated investment companies, real estate investment trusts, tax-exempt entities, insurance companies, or traders in securities that elect to use a mark-to-market method of accounting for their securities;

tax consequences to persons holding the Preferred Stock or common stock

as a part of a
hedging,
integrated,
conversion or
constructive
sale transaction
or a straddle;

tax
consequences to
U.S. holders (as
defined below)
of the Preferred
Stock or
common stock
whose
functional
currency is not
the U.S. dollar;

tax
consequences to
S corporations,
partnerships or
other
pass-through
entities or
investors who
hold the
Preferred Stock
or common
stock through
such entities;