1 800 FLOWERS COM INC
Form 3
February 10, 2014

# FORM 3

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

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## INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Â Leap Arnold P
(Last) (First) (Middle)

ONE OLD COUNTRY ROAD,Â SUITE 500
(Street)

CARLE PLACE,Â NYÂ 11514
(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)
12/13/2013

3. Issuer Name **and** Ticker or Trading Symbol
1 800 FLOWERS COM INC [FLWS]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chief Information Officer

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

### Table I - Non-Derivative Securities Beneficially Owned

| 1.Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|---|---|---|
| Class A Common Stock | 0 | D | Â |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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### Table II - Derivative Securities Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)<br>Title | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|---|---|---|---|---|

| Date Exercisable | Expiration Date | Amount or Number of Shares | or Indirect (I) (Instr. 5) |
|---|---|---|---|

# Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| Leap Arnold P<br>ONE OLD COUNTRY ROAD<br>SUITE 500<br>CARLE PLACE,Â NYÂ 11514 | Â | Â | Â Chief Information Officer | Â |

# Signatures

| | |
|---|---|
| /s/Arnold P. Leap | 02/10/2014 |
| **Signature of Reporting Person | Date |

# Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. nbsp; The International segment consists of Canada Consumer, Europe and Latin America. Canada Consumer's products and services are similar to our USCIS offerings, while Europe and Latin America are made up of varying mixes of product lines that are in our USCIS, North America Commercial Solutions and North America Personal Solutions reportable segments.

The TALX segment consists of The Work Number® and Tax and Talent Management business units. The Work Number revenue is transaction-based and is derived primarily from verification of employment and income data of employees in the U.S. reported to us by employers. Tax and Talent Management revenues are derived from our provision of certain human resources business process outsourcing services that include both transaction- and subscription-based product offerings. These services assist our customers with the administration of unemployment claims and employer-based tax credits and the assessment of new hires.

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North America Personal Solutions revenue is both transaction- and subscription-based and is derived from the sale of credit monitoring and identity theft protection products, which we deliver to consumers through the mail and electronically via the internet.

North America Commercial Solutions revenue is principally transaction-based and is derived from the sale of business information, credit scores and portfolio analytics that enable customers to utilize our reports to make financial, marketing and purchasing decisions related to businesses.

***Geographic Information.*** We currently operate in the following countries: Argentina, Brazil, Canada, Chile, Costa Rica, Ecuador, El Salvador, Honduras, Peru, Portugal, the Republic of Ireland, Spain, the U.K., Uruguay, and the U.S. Our operations in Costa Rica and the Republic of Ireland focus on data processing and customer support activities. We also own an equity interest in a consumer credit information company located in Russia.

***Key Performance Indicators.*** Management focuses on a variety of key indicators to monitor operating and financial performance. These performance indicators include measurements of operating revenue, change in operating revenue, operating income, operating margin, net income, diluted earnings per share, cash provided by operating activities and capital expenditures. The key performance indicators for the three months ended March 31, 2009 and 2008, were as follows:

| | Key Performance Indicators | | | |
|---|---|---|---|---|
| | Three Months Ended March 31, | | | |
| | | **2009** | | **2008** |
| | (Dollars in millions, except per share data) | | | |
| Operating revenue | **$** | **452.9** | $ | 503.1 |
| Operating revenue change | | **-10%** | | 24% |
| Operating income | **$** | **102.7** | $ | 126.2 |
| Operating margin | | **22.7%** | | 25.1% |
| Net income attributable to Equifax | **$** | **54.4** | $ | 65.7 |
| Diluted earnings per share | **$** | **0.43** | $ | 0.50 |
| Cash provided by operating activities | **$** | **44.5** | $ | 76.5 |
| Capital expenditures | **$** | **15.0** | $ | 30.0 |

***Operational Highlights.*** In addition to the Key Performance Indicators above, the following were some operational highlights during the first quarter of 2009:

Revenue declined 4% when compared to the first quarter of 2008 due to continued weakness in the U.S. economy, and foreign currency translation accounted for the remaining decline of 6%.

During the first quarter of 2009, we took further steps to reduce operating expenses and recorded an $8.4 million restructuring charge, related to reductions in headcount.

During the first quarter of 2009, we repurchased 0.4 million of our common shares on the open market for $9.1 million.

**Business Environment and Company Strategy**

Given slowing global economic growth and the challenging business environment, we continue to focus on our initiatives to reduce and manage our expenses, while trying to maintain operating margins, earnings performance and cash flows from operations. Also, we continue to realign our resources to pursue key strategic objectives, including new product innovation and international expansion.

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**RESULTS OF OPERATIONS THREE MONTHS ENDED MARCH 31, 2009 AND 2008**

**Consolidated Financial Results**

***Operating Revenue***

| Consolidated Operating Revenue | Three Months Ended March 31, 2009 | 2008 | Change $ | % |
|---|---|---|---|---|
| | (Dollars in millions) | | | |
| U.S. Consumer Information Solutions | **$ 210.0** | $ 233.2 | **$ (23.2)** | **-10%** |
| International | **100.8** | 129.9 | **(29.1)** | **-22%** |
| TALX | **87.9** | 79.6 | **8.3** | **10%** |
| North America Personal Solutions | **38.4** | 43.1 | **(4.7)** | **-11%** |
| North America Commercial Solutions | **15.8** | 17.3 | **(1.5)** | **-8%** |
| Consolidated operating revenue | **$ 452.9** | $ 503.1 | **$ (50.2)** | **-10%** |

Revenue decreased 10% when compared to the first quarter of 2008, of which $28.1 million, or 6%, was due to the unfavorable effect of foreign exchange rates. The remaining decrease was primarily due to continued weakness in the U.S., U.K. and Canadian economies, which is significantly impacting demand for our consumer credit services in these markets when compared to 2008, partially offset by strength in our TALX segment, Mortgage Solutions and Latin America businesses. For additional information about revenue fluctuations by segment, see "Segment Financial Results" below.

***Operating Expenses***

| Consolidated Operating Expenses | Three Months Ended March 31, 2009 | 2008 | Change $ | % |
|---|---|---|---|---|
| | (Dollars in millions) | | | |
| Consolidated cost of services | **$ 189.0** | $ 206.2 | **$ (17.2)** | **-8%** |
| Consolidated selling, general and administrative expenses | **123.0** | 132.8 | **(9.8)** | **-7%** |
| Consolidated depreciation and amortization expense | **38.2** | 37.9 | **0.3** | **1%** |
| Consolidated operating expenses | **$ 350.2** | $ 376.9 | **$ (26.7)** | **-7%** |

Cost of services decreased $11.6 million due to the impact of foreign currency translation. The remaining decrease was due to lower personnel costs resulting from our third quarter 2008 and first quarter 2009 headcount reductions and lower technology outsourcing costs resulting from a renegotiated contract with a large vendor. These decreases were partially offset by increased production costs related to growth in our Latin America and Mortgage Solutions businesses. We reclassified $3.4 million of selling, general and administrative expense in the prior year to cost of services to conform to the current period presentation.

Selling, general and administrative expense decreased $6.8 million as a result of foreign currency translation and $9.4 million due to reduced personnel costs including salaries and incentives. These decreases were partially offset by an $8.4 million restructuring charge recorded during the first quarter of 2009 primarily related to headcount reductions.

Depreciation and amortization expense was flat when compared to 2008.

For additional information about the charges and fees related to our restructuring activity, see Note 7 of the Notes to the Consolidated Financial Statements in this Form 10-Q.

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***Operating Income and Operating Margin***

| Consolidated Operating Income | Three Months Ended March 31, 2009 | 2008 | Change $ | % |
|---|---|---|---|---|
| | (Dollars in millions) | | | |
| Consolidated operating revenue | **$ 452.9** | $ 503.1 | **$ (50.2)** | **-10%** |
| Consolidated operating expenses | **(350.2)** | (376.9) | **26.7** | **-7%** |
| Consolidated operating income | **$ 102.7** | $ 126.2 | **$ (23.5)** | **-19%** |
| Consolidated operating margin | **22.7%** | 25.1% | | **-2.4% pts** |

Consolidated operating income declined $23.5 million, or 19%, when compared to the same period of 2008. Of this $23.5 million decline, $8.3 million is attributed to the unfavorable impact of foreign exchange rates and $8.4 million to the recognition of the restructuring charge during the 2009 period with no similar charge reflected in 2008. The remaining decline is primarily due to the decline in revenue of four of our five segments mentioned above which was offset by reduced operating expenses resulting from headcount reductions, reduced incentive costs and lower technology outsourcing costs.

***Other Expense, Net***

| Consolidated Other Expense, Net | Three Months Ended March 31, 2009 | 2008 | Change $ | % |
|---|---|---|---|---|
| | (Dollars in millions) | | | |
| Consolidated interest expense | **$ 14.3** | $ 19.7 | **$ (5.4)** | **-27%** |
| Consolidated other income, net | **(2.4)** | (0.3) | **(2.1)** | **694%** |
| Consolidated other expense, net | **$ 11.9** | $ 19.4 | **$ (7.5)** | **-39%** |
| Average cost of debt | **4.7%** | 5.1% | | |
| Total consolidated debt, net | **$ 1,230.0** | $ 1,387.1 | **$ (157.1)** | **-11%** |

The decrease in other expense, net, was primarily due to a reduced level of debt during the first quarter of 2009 as well as a lower cost of debt, when compared to the prior year. Other income, net, in 2009 includes a $1.1 million gain on our repurchase of $7.5 million principal amount of our ten-year senior notes due 2017 and a $1.3 million gain related to a litigation settlement.

***Income Taxes***

| Consolidated Provision for Income Taxes | Three Months Ended March 31, 2009 | 2008 | Change $ | % |
|---|---|---|---|---|
| | (Dollars in millions) | | | |
| Consolidated provision for income taxes | **$ 34.7** | $ 39.4 | **$ (4.7)** | **-12%** |
| Effective income tax rate | **38.2%** | 36.9% | | |

The increase in our effective income tax rate was primarily due to a discrete item recorded in the first quarter of 2009 related to the effect of a change in California state income taxes on our deferred tax liabilities.

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***Net Income***

| Consolidated Net Income | Three Months Ended March 31, 2009 | 2008 | Change $ | % |
|---|---|---|---|---|
| | (In millions, except per share amounts) | | | |
| Consolidated net income | **$ 56.1** | $ 67.4 | **$ (11.3)** | **-17%** |
| Net income attributable to noncontrolling interests | **$ (1.7)** | $ (1.7) | **$** | **-4%** |
| Net income attributable to Equifax | **$ 54.4** | $ 65.7 | **$ (11.3)** | **-17%** |
| Diluted earnings per common share | **$ 0.43** | $ 0.50 | **$ (0.07)** | **-14%** |
| Weighted-average shares used in computing diluted earnings per share | **127.4** | 132.1 | | |

The decrease in our net income was a function of lower operating income in four of our five businesses, the recognition of a $5.4 million, net of tax, restructuring charge in the first quarter of 2009 and a higher effective tax rate in 2009, partially offset by increased income from our TALX segment and lower interest expense.

**Segment Financial Results**

**USCIS**

| U.S. Consumer Information Solutions | Three Months Ended March 31, 2009 | 2008 | Change $ | % |
|---|---|---|---|---|
| | (Dollars in millions) | | | |
| Operating revenue: | | | | |
| Online Consumer Information Solutions (OCIS) | **$ 137.2** | $ 156.9 | **$ (19.7)** | **-13%** |
| Mortgage Solutions | **25.4** | 17.5 | **7.9** | **45%** |
| Credit Marketing Services | **27.3** | 35.4 | **(8.1)** | **-23%** |
| Direct Marketing Services | **20.1** | 23.4 | **(3.3)** | **-14%** |
| Total operating revenue | **$ 210.0** | $ 233.2 | **$ (23.2)** | **-10%** |
| % of consolidated revenue | **46%** | 46% | | |
| Total operating income | **$ 75.5** | $ 90.1 | **$ (14.6)** | **-16%** |
| Operating margin | **36.0%** | 38.6% | | **-2.6% pts** |

The decreases in revenue and operating margin were mainly due to continued weakness in the U.S. credit and retail economy, offset by growth in the Mortgage Solutions business due to increased settlement services and mortgage refinancing activity during the first quarter 2009.

***OCIS***

Revenue declined primarily due to a 15% reduction of online credit decision transaction volume as consumer lending activity was lower than a year ago. The decline in volume was partially offset by a 2% increase in average revenue per transaction. This increase was attributable to higher reseller volume related to heightened mortgage refinancing activity in the first quarter of 2009, billed at a higher average price per transaction.

***Mortgage Solutions***

The 45% increase in revenue over the prior year is due to increased activity associated with growth in demand for our settlement services products of $5.1 million and higher volume of mortgage credit reporting related to increased refinance activity.

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***Credit Marketing Services***

Revenue declined primarily due to lower revenue associated with new account acquisition services as financial institutions have scaled back significantly on new marketing and extension of credit. Revenue from portfolio management services, used by financial institutions to manage their existing portfolios of consumer relationships, was down 3% compared to a year ago.

***Direct Marketing Services***

Revenue declined primarily due to reduced mailing volumes for existing customers reflecting the slowdown in retail sales and the marketing campaigns of many retailers, as well as changes to a contract with a large marketing services reseller.

***USCIS Operating Margin***

Operating margin decreased mainly due to revenue declines described above in our OCIS, Credit Marketing Services and Direct Marketing Services businesses. With a high portion of costs fixed rather than variable in the short term, our operating expenses generally do not decline at the same rate as our revenue. The overall decline in revenue was partially offset by lower people costs due to headcount reductions and process efficiencies; lower technology outsourcing costs; and lower data acquisition and royalty costs due to decreases in volume. Recognizing the continuing impact in 2009 of current economic conditions, management has taken and is continuing to take steps to streamline operations and increase efficiency in order to minimize the potential negative effect on operating margins of any continued decreases in revenue.

**International**

| International | Three Months Ended March 31, 2009 | 2008 | Change $ | % |
|---|---|---|---|---|
| | (Dollars in millions) | | | |
| Operating revenue: | | | | |
| Europe | **$ 33.1** | $ 47.7 | **$ (14.6)** | **-31%** |
| Latin America | **45.9** | 53.2 | **(7.3)** | **-14%** |
| Canada Consumer | **21.8** | 29.0 | **(7.2)** | **-25%** |
| Total operating revenue | **$ 100.8** | $ 129.9 | **$ (29.1)** | **-22%** |
| % of consolidated revenue | **22%** | 26% | | |
| Total operating income | **$ 28.9** | $ 39.6 | **$ (10.7)** | **-27%** |
| Operating margin | **28.7%** | 30.5% | | **-1.8% pts** |

Revenue decreased primarily due to the negative impact of foreign currency translation and weakness in the U.K. and Canadian businesses, partially offset by growth in our Latin America business. When compared to the prior year, local currency fluctuation against the U.S. dollar negatively impacted our first quarter 2009 International revenue by $26.9 million, or 20%. Revenue was down 2% in local currency over the first quarter of 2008.

***Europe***

The decline in revenue was primarily due to the unfavorable foreign currency impact of $10.7 million, or 23%, as well as decreased volume in the U.K. caused by weakness in the U.K. economy affecting customer demand. The U.K. decline was partially offset by higher volumes and new customers for our online services and new collections products in Spain and Portugal. In local currency, revenue declined 8%.

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***Latin America***

Revenue declined over the prior year due to the negative impact of foreign currency. Local currency fluctuation against the U.S. dollar unfavorably impacted Latin America revenue by $11.1 million, or 21%. In local currency, revenue grew 7%. Revenue growth was primarily due to higher volumes related to our online solutions, enabling technologies and marketing products. Local currency growth, when compared to the first quarter of 2009, was also impacted by acquisitions of several small businesses in Latin America during the second and third quarters of 2008.

***Canada Consumer***

The revenue decline was primarily due to the negative impact of local currency fluctuation against the U.S. dollar of $5.1 million, or 18%. Revenue in local currency declined 7%. The decline in local currency was due to lower volumes related to our online solutions, analytical services and marketing products due to lower customer volume attributed to economic weakness in Canada.

***International Operating Margin***

Operating margin decreased due to revenue declines in the U.K. and Canada discussed above, partially offset by growth in Latin America, Spain and Portugal. Operating expenses were flat, in local currency, when compared to the prior year.

**TALX**

| | Three Months Ended March 31, | | Change | |
|---|---|---|---|---|
| **TALX** | **2009** | **2008** | **$** | **%** |
| | (Dollars in millions) | | | |
| Operating revenue: | | | | |
| The Work Number | **$ 40.6** | $ 36.3 | **$ 4.3** | **12%** |
| Tax and Talent Management Services | **47.3** | 43.3 | **4.0** | **9%** |
| Total operating revenue | **$ 87.9** | $ 79.6 | **$ 8.3** | **10%** |
| % of consolidated revenue | **20%** | 16% | | |
| Total operating income | **$ 18.8** | $ 12.7 | **$ 6.1** | **48%** |
| Operating margin | **21.5%** | 16.0% | | **5.5% pts** |

***The Work Number***

Revenue increased 12% due to increased volume of verifications of consumer employment from government service agencies, who use our services to approve benefits under government programs to consumers, and mortgage customers, who have increased their usage of our services related to higher mortgage refinancing activity during the first quarter of 2009. Revenue generated from The Work Number business unit is generally higher in the first quarter of each year due primarily to the provision of Form W-2 preparation services which occur during that quarter.

***Tax and Talent Management Services***

Revenue increased 9% due to solid growth in our Tax Management Services business driven primarily by increased unemployment compensation claims activity due to record levels of unemployment in the U.S. This increase was partially offset by a decline in our Talent Management Services business due to reduced volume from the Transportation Security Administration and other large customers as hiring activity remains slow.

***TALX Operating Margin***

The increase in operating margin is due to continued revenue growth, while operating expenses grow at a slower rate due to the leveraging of certain fixed operational and overhead costs and certain operating process efficiencies.

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**North America Personal Solutions**

| North America Personal Solutions | Three Months Ended March 31, 2009 | 2008 | Change $ | % |
|---|---|---|---|---|
| | (Dollars in millions) | | | |
| Total operating revenue | **$ 38.4** | $ 43.1 | **$ (4.7)** | **-11%** |
| % of consolidated revenue | **9%** | 9% | | |
| Total operating income | **$ 6.0** | $ 11.1 | **$ (5.1)** | **-46%** |
| Operating margin | **15.5%** | 25.7% | | **-10.2% pts** |

Revenue decreased $4.7 million, or 11%, from the prior year. Direct to consumer, Equifax-branded subscription service revenue was up 7% from the prior year, as increased first quarter new sales and higher average revenue per subscription, reflecting additional features in the Equifax offering, more than offset increased attrition as a result of the weaker economy. However, this growth was more than offset by lower transaction sales, as a result of lower levels of new consumer credit activity, and lower corporate data breach revenues. Operating margin declined in the quarter, as reductions in cost of sales, in line with lower revenues, were offset by increased advertising expenses, as the Company initiated a television advertising program which is expected to help increase direct subscription sales.

**North America Commercial Solutions**

| North America Commercial Solutions | Three Months Ended March 31, 2009 | 2008 | Change $ | % |
|---|---|---|---|---|
| | (Dollars in millions) | | | |
| Total operating revenue | **$ 15.8** | $ 17.3 | **$ (1.5)** | **-8%** |
| % of consolidated revenue | **3%** | 3% | | |
| Total operating income | **$ 2.3** | $ 2.6 | **$ (0.3)** | **-13%** |
| Operating margin | **14.4%** | 15.3% | | **-0.9% pts** |

Revenue declined by $1.3 million, or 7%, due to the unfavorable impact of changes in the U.S. Canadian foreign exchange rate. In constant currency, revenue declined by $0.2 million, or 1%, due to mid-single digit percentage declines in the U.S. and Canadian risk service revenues attributed to weakness in the U.S. and Canadian economies, partially offset by increased revenue from our data management products. Online transaction volume for U.S. commercial credit information products was down 19% from the first quarter of 2008, due to a slowdown in loan origination to small businesses. The decrease in operating margin was mainly due to the decrease in revenue, partially offset by reduced operating expenses due to lower personnel costs.

**General Corporate Expense**

| General Corporate Expense | Three Months Ended March 31, 2009 | 2008 | Change $ | % |
|---|---|---|---|---|
| | (Dollars in millions) | | | |
| General corporate expense | **$ 28.8** | $ 29.9 | **$ (1.1)** | **-4%** |

Our general corporate expenses are costs that are incurred at the corporate level and include those expenses impacted by corporate direction, such as shared services, administrative, legal, restructuring and equity compensation costs. General corporate expenses decreased primarily as a result of reduced incentive and equity compensation costs, legal and professional fees and technology outsourcing charges, substantially offset by an $8.4 million restructuring charge recorded during the first quarter of 2009 primarily related to headcount reductions.

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**LIQUIDITY AND FINANCIAL CONDITION**

Management assesses liquidity in terms of our ability to generate cash to fund operating, investing and financing activities. We continue to generate substantial cash from operating activities and remain in a strong financial position, with resources available for reinvestment in existing businesses, strategic acquisitions and managing our capital structure to meet short- and long-term objectives.

**Sources and Uses of Cash**

Funds generated by operating activities and our credit facilities continue to be our most significant sources of liquidity. We believe that funds generated from expected results of operations and our credit facilities will be sufficient to finance our anticipated working capital and other cash requirements (such as capital expenditures, interest payments, potential pension funding contributions, dividend payments and stock repurchases, if any) for the foreseeable future. Despite the capital markets turmoil that emerged in late 2008, which had an adverse impact on our ability to utilize commercial paper as a source of funds, we continue to have access to short-term liquidity through our Senior Credit Facility. Market conditions have improved and we have returned to utilization of our commercial paper program since year end; however, if conditions were to deteriorate, we are able to rely on our Senior Credit Facility, which does not mature until July 2011. At March 31, 2009, we had $428.7 million available to borrow on our Senior Credit Facility. Based on information available to us, we have no indication that the financial institutions included in our Senior Credit Facility would be unable to fulfill their commitments as of the filing date of this Form 10-Q. Additionally, our Senior Credit Facility does not include a provision under which lenders could refuse to allow us to borrow under this facility in the event of a material adverse change in our financial condition, as long as we are in compliance with the covenants in the agreement.

If the capital and credit markets continue to experience volatility and the availability of funds becomes more limited, we could incur increased costs associated with issuing commercial paper and/or other debt instruments. In addition, it is possible that our ability to access the capital and credit markets may be limited by these or other factors at a time when we would like, or need, to do so, which could have an impact on our ability to react to changing economic and business conditions. See further discussion of our borrowings and credit facility availability below.

The following table summarizes our cash flows for the three months ended March 31, 2009 and 2008:

| | Three Months Ended March 31, | | Change 2009 vs. 2008 | |
|---|---|---|---|---|
| **Net cash provided by (used in):** | **2009** | **2008** | **$** | **%** |
| | (Dollars in millions) | | | |
| Operating activities | **$ 44.5** | $ 76.5 | **$ (32.0)** | **-42%** |
| Investing activities | **$ (14.0)** | $ (36.0) | **$ 22.0** | **nm** |
| Financing activities | **$ (27.7)** | $ (37.7) | **$ 10.0** | **nm** |

nm not meaningful

***Operating Activities***

The decrease in operating cash flow was primarily driven by $11.3 million lower net income described above, a $15.0 million pension payment in 2009 with no similar payment made in 2008 and increased uses of cash related to current liabilities based on the timing of income tax payments.

*Fund Transfer Limitations.* The ability of certain of our subsidiaries and associated companies to transfer funds to us is limited, in some cases, by certain restrictions imposed by foreign governments;

these restrictions do not, individually or in the aggregate, materially limit our ability to service our indebtedness, meet our current obligations or pay dividends.

***Investing Activities***

**Capital Expenditures**

| Net cash used in: | Three Months Ended March 31, 2009 | Three Months Ended March 31, 2008 | Change 2009 vs. 2008 |
|---|---|---|---|
| | (In millions) | | |
| Capital expenditures | **$ 15.0** | $ 30.0 | **$ (15.0)** |

Our capital expenditures are used for developing, enhancing and deploying new and existing software in support of our expanding product set, replacing or adding equipment, updating systems for regulatory compliance, the licensing of software applications and investing in system reliability, security and disaster recovery enhancements. Capital expenditures in 2008 were higher than 2009 due to improvements made to our Atlanta, Georgia, data center. We expect capital expenditures in 2009 to be less than 2008 as data center improvements are substantially complete.

On February 27, 2009, we notified the lessor of our headquarters building in Atlanta, Georgia, that we intend to exercise our purchase option in accordance with the lease terms. By making this notification, we have committed to purchase the building for $29.0 million on February 26, 2010. The exercise of our purchase option created a new lease obligation which is required to be accounted for as a capital lease. We have recorded the building and the related obligation on our Consolidated Balance Sheets at March 31, 2009. For additional information regarding our headquarters building lease, see Note 4 of the Notes to the Consolidated Financial Statements in this Form 10-Q.

***Financing Activities***

**Borrowings and Credit Facility Availability**

| Net cash provided by (used in): | Three Months Ended March 31, 2009 | Three Months Ended March 31, 2008 | Change 2009 vs. 2008 |
|---|---|---|---|
| | (In millions) | | |
| Net short-term borrowings (repayments) | **$ 260.1** | $ (199.5) | **$ 459.6** |
| Net (repayments) borrowings under long-term revolving credit facilities | **$ (270.0)** | $ 200.0 | **$ (470.0)** |
| Proceeds from issuance of long-term debt | **$** | $ 2.1 | **$ (2.1)** |
| Payments on long-term debt | **$ (6.4)** | $ (2.9) | **$ (3.5)** |

***Credit Facility Availability***

We have an $850.0 million five-year unsecured revolving credit facility, as amended (which we refer to as the Senior Credit Facility), with a group of banks. The Senior Credit Facility, which terminates in July 2011, permits borrowings up to $850.0 million.

Our $850.0 million commercial paper program has been established to allow for borrowing through the private placement of commercial paper notes. Maturities of commercial paper can range from overnight to 397 days. The commercial paper program is supported by our Senior Credit Facility and, pursuant to our existing Board of Directors authorization, the total amount of commercial paper which may be issued is reduced by the amount of any outstanding borrowings under our Senior Credit Facility.

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We have a 364-day revolving credit agreement with a Canadian financial institution which permits us to borrow up to C$40.0 million (denominated in Canadian dollars). The Canadian Credit Facility terminates in June 2009.

At March 31, 2009, $150.0 million was outstanding under the Senior Credit Facility, which is included in long-term debt on our Consolidated Balance Sheet; $20.1 million was outstanding under our short-term Canadian Credit Facility; and $271.3 million in commercial paper notes was outstanding. The weighted-average interest rate on these borrowings, all with maturities less than 90 days, was 1.2% per annum. At March 31, 2009, a total of $440.8 million was available under our committed credit facilities.

At March 31, 2009, approximately 64% of our debt was fixed-rate debt and 36% was variable-rate debt. Our variable-rate debt, consisting of commercial paper notes and borrowings under our credit facilities, generally bears interest based on a specified margin plus a base rate (LIBOR) or on commercial paper rates. The interest rates reset periodically, depending on the terms of the respective financing arrangements. At March 31, 2009, interest rates on our variable-rate debt ranged from 0.9% to 1.8%.

***Borrowing and Repayment Activity***

Net short-term (repayments) borrowings primarily represents activity under our commercial paper program, as well as activity under our Canadian short-term revolving credit agreement. Net borrowings under long-term revolving credit facilities relates to activity on our Senior Credit Facility. We alternate borrowing against our Senior Credit Facility and commercial paper program, when available, to optimize the cost of borrowing.

The increase in net short-term borrowings (repayments) primarily reflects the issuance of $268.3 million of commercial paper notes since December 31, 2008, offset by the repayment of $5.7 million on our Canadian Credit Facility. The increase in net (repayments) borrowings under long-term revolving credit facilities represents the repayment of borrowings outstanding at December 31, 2008, under our Senior Credit Facility as we increased our use of commercial paper for funding our capital needs. During the first quarter of 2009, we purchased $7.5 million principal amount of our ten-year senior notes due 2017 for $6.3 million.

*Debt Covenants.* A downgrade in our credit ratings (as described below under the heading "Credit Ratings") would increase the cost of borrowings under our commercial paper program and credit facilities, and could limit, or in the case of a significant downgrade, preclude our ability to issue commercial paper. Our outstanding indentures and comparable instruments also contain customary covenants including for example limits on the incurrence of secured debt and sale/leaseback transactions. In addition, our Senior Credit Facility and Canadian Credit Facility each require us to maintain a maximum leverage ratio of not more than 3.5. Our leverage ratio was 2.01 at March 31, 2009. None of these covenants are considered restrictive to our operations and, as of March 31, 2009, we were in compliance with all of our debt covenants.

We do not have any credit rating triggers that would accelerate the maturity of a material amount of our outstanding debt; however, our 6.3% Senior Notes due 2017 and 7.0% Senior Notes due 2037 (together, the "Senior Notes") contain change of control provisions. If we experience a change of control or publicly announce our intention to effect a change of control and the rating on the Senior Notes is lowered by each of Standard & Poor's, or S&P, and Moody's Investors Service, or Moody's, below an investment grade rating within 60 days of such change of control or notice thereof, we will be required to offer to repurchase the Senior Notes at a price equal to 101% of the aggregate principal amount of the Senior Notes plus accrued and unpaid interest.

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For additional information about our debt, including the terms of our financing arrangements, basis for variable interest rates and debt covenants, see Note 4 of the Notes to Consolidated Financial Statements in our 2008 Form 10-K.

*Credit Ratings.* Credit ratings reflect an independent agency's judgment on the likelihood that a borrower will repay a debt obligation at maturity. The ratings reflect many considerations, such as the nature of the borrower's industry and its competitive position, the size of the company, its liquidity and access to capital and the sensitivity of a company's cash flows to changes in the economy. The two largest rating agencies, S&P and Moody's, use alphanumeric codes to designate their ratings. The highest quality rating for long-term credit obligations is AAA and Aaa for S&P and Moody's, respectively. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency.

Long-term ratings of BBB- and Baa3 or better by S&P and Moody's, respectively, reflect ratings on debt obligations that fall within a band of credit quality considered to be "investment grade". Currently, the long-term ratings for our obligations are BBB+ and Baa1, have a stable outlook and are consistent with the ratings and outlooks which existed at December 31, 2008. A downgrade in our credit rating would increase the cost of borrowings under our commercial paper program and credit facilities, and could limit, or in the case of a significant downgrade, preclude our ability to issue commercial paper. If our credit ratings were to decline to lower levels, we could experience increases in the interest cost for any new debt. In addition, the market's demand for, and thus our ability to readily issue, new debt could become further influenced by the economic and credit market environment.

**Equity Transactions**

| Net cash provided by (used in): | Three Months Ended March 31, 2009 | 2008 | Change 2009 vs. 2008 |
|---|---|---|---|
| | (In millions) | | |
| Treasury stock repurchases | **$ (9.1)** | $ (37.0) | **$ 27.9** |
| Dividends paid to Equifax shareholders | **$ (5.0)** | $ (5.2) | **$ 0.2** |
| Dividends paid to noncontrolling interests | **$ (0.4)** | $ (1.4) | **$ 1.0** |
| Proceeds from exercise of stock options | **$ 3.4** | $ 5.6 | **$ (2.2)** |
| Excess tax benefits from stock-based compensation plans | **$ 0.2** | $ 0.8 | **$ (0.6)** |

Sources and uses of cash related to equity during the three months ended March 31, 2009 and 2008 were as follows:

Under share repurchase programs authorized by our Board of Directors, we purchased 0.4 million and 1.1 million common shares on the open market during the three months ended March 31, 2009 and 2008, respectively, for $9.1 million and $37.0 million, respectively, at an average price per common share of $22.87 and $34.76, respectively. At March 31, 2009, the Company had approximately $149.1 million remaining for stock repurchases under the existing Board authorization.

Our dividends per share were $0.04 per share for both periods presented. We paid cash dividends of $5.0 million and $5.2 million for the first quarters of 2009 and 2008, respectively.

We received cash of $3.4 million and $5.6 million during the first quarters of 2009 and 2008, respectively, from the exercise of stock options.

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**Contractual Obligations, Commercial Commitments and Other Contingencies**

Our contractual obligations have changed from those reported in our 2008 Form 10-K due to our February 2009 decision and notification that we will exercise an option to purchase our headquarters building in 2010 for $29.0 million, as noted above under "Investing Activities  Capital Expenditures".

For additional information about certain obligations and contingencies, including those related to Computer Sciences Corporation and our headquarters building lease, see Note 4 of the Notes to Consolidated Financial Statements in this Form 10-Q.

**Off-Balance Sheet Arrangements**

There have been no material changes with respect to our off-balance sheet arrangements from those presented in our 2008 Form 10-K other than the capital lease of our headquarters building in Atlanta, Georgia, referenced above.

**Related Party Transactions**

We engage in various transactions and arrangements with related parties. We believe the terms of the transactions and arrangements do not differ from those that would have been negotiated with an independent party. For additional information about our related parties and associated transactions, see Note 11 of the Notes to Consolidated Financial Statements in our 2008 Form 10-K.

**Benefit Plans**

At December 31, 2008, our U.S. Retirement Income Plan, or USRIP, and the Equifax Inc. Pension Plan, or EIPP, met or exceeded ERISA's minimum funding requirements. In January 2009, we made a contribution of $15.0 million to the EIPP. In the future, we expect to make minimum funding contributions as required and may make discretionary contributions, depending on certain circumstances, including market conditions and our liquidity needs. We believe additional funding contributions, if any, would not prevent us from continuing to meet our liquidity needs, which are primarily funded from cash flows generated by operating activities, available cash and cash equivalents, and our committed credit facilities.

For our non-U.S., tax-qualified retirement plans, we fund an amount sufficient to meet minimum funding requirements but no more than allowed as a tax deduction pursuant to applicable tax regulations. For our non-qualified supplementary retirement plans, we fund the benefits as they are paid to retired participants, but accrue the associated expense and liabilities in accordance with GAAP.

For additional information about our benefit plans, see Note 9 of the Notes to Consolidated Financial Statements in our 2008 Form 10-K.

**Seasonality**

We experience seasonality in certain of our revenue streams. Revenue generated from The Work Number business unit within the TALX operating segment is generally higher in the first quarter due primarily to the provision of Form W-2 preparation services which occur in the first quarter each year. Revenue from our OCIS and Mortgage Reporting Solutions business units tends to increase in periods of the year in which our customers have higher volumes of credit granting decisions, most commonly during the second and third quarters.

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**RECENT ACCOUNTING PRONOUNCEMENTS**

For information about new accounting pronouncements and the potential impact on our Consolidated Financial Statements, see Note 1 of the Notes to Consolidated Financial Statements in this Form 10-Q and Note 1 of the Notes to Consolidated Financial Statements in our 2008 Form 10-K.

**APPLICATION OF CRITICAL ACCOUNTING POLICIES**

The preparation of financial statements in conformity with GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in our Consolidated Financial Statements and the Notes to Consolidated Financial Statements. We believe the most complex and sensitive judgments, because of their significance to the Consolidated Financial Statements, result primarily from the need to make estimates and assumptions about the effects of matters that are inherently uncertain. The "Application of Critical Accounting Policies and Estimates" section in the MD&A and Note 1 of the Notes to Consolidated Financial Statements in our 2008 Form 10-K describe the significant accounting estimates and policies used in the preparation of our Consolidated Financial Statements. Although we believe that our estimates, assumptions and judgments are reasonable, they are based upon information available at the time. Actual results may differ significantly from these estimates under different assumptions, judgments or conditions.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

For information regarding our exposure to certain market risks, see "Quantitative and Qualitative Disclosures about Market Risk," in Part II, Item 7A of our 2008 Form 10-K. There were no material changes to our market risk exposure during the three months ended March 31, 2009.

**ITEM 4. CONTROLS AND PROCEDURES**

As of the end of the period covered by this report, an evaluation was carried out by the Company's management, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective as of the end of the period covered by this report. In addition, no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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## PART II. OTHER INFORMATION

## ITEM 1. LEGAL PROCEEDINGS

Equifax, certain of its subsidiaries, and other persons have been named as parties in various legal actions and administrative proceedings arising in connection with the operation of Equifax's businesses. In most cases, plaintiffs seek unspecified damages and other relief. These actions include the following:

***California Bankruptcy Litigation.*** As previously reported, in consolidated actions filed in the U.S. District Court for the Central District of California, captioned Terri N. White, et al. v. Equifax Information Services LLC, Jose Hernandez v. Equifax Information Services LLC, Kathryn L. Pike v. Equifax Information Services LLC, and Jose L. Acosta, Jr., et al. v. Trans Union LLC, et al., plaintiffs asserted that Equifax violated federal and state law (the FCRA, the California Credit Reporting Act and the California Unfair Competition Law) by failing to follow reasonable procedures to determine whether credit accounts are discharged in bankruptcy, including the method for updating the status of an account following a bankruptcy discharge. Plaintiffs seek unspecified damages and injunctive relief. On August 20, 2008, the District Court approved a Settlement Agreement and Release providing for certain changes in the procedures used by defendants to record discharges in bankruptcy on consumer credit files. That settlement resolved claims for injunctive relief, but not plaintiffs' claims for damages. The parties have also reached an agreement to settle plaintiffs' damage claims against the defendants, subject to approval of the District Court. The District Court will hold a preliminary approval hearing on the proposed settlement on May 11, 2009.

***Harris Litigation.*** In an action filed June 15, 2006 in the U.S. District Court for the District of South Carolina, captioned William A. Harris, Sr., et al. v. Equifax Information Services LLC, et al., plaintiffs asserted that Equifax, Experian and TransUnion violated the Fair Credit Reporting Act by reporting tradeline information from Capital One that did not contain credit limit information. On May 30, 2008, the District Court denied plaintiffs' motion for certification of a nationwide class action, but certified a class consisting of certain consumers residing in five southeastern states. On September 3, 2008, the District Court denied defendants' petition for permission to appeal the class certification. The regional class seeks nominal and statutory damages and attorneys' fees. On March 2, 2009, the defendants filed motions for summary judgment and, on March 9, 2009, the District Court approved an order staying the proceedings with the exception of discovery necessary for the plaintiffs to respond to defendant's motions for summary judgment and briefing on such motions. If defendants' motions for summary judgment are denied, plaintiffs have agreed to support a petition for an immediate appeal.

***Gillespie Litigation.*** In an action filed January 10, 2005 in the U.S. District Court for the Northern District of Illinois, captioned Heather Gillespie, et al. v. Equifax Information Services LLC, plaintiffs asserted on behalf of themselves and all similarly situated individuals that Equifax violated the Fair Credit Reporting Act by failing to clearly and accurately disclose the date of first delinquency in consumer credit file disclosures. On March 9, 2006, the District Court granted Equifax's motion for summary judgment on all claims, and denied plaintiffs' motion for class certification as moot. Plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Seventh Circuit, which in May 2007, reversed the grant of summary judgment in favor of Equifax and remanded the case to the District Court for further proceedings. On October 15, 2008, the District Court granted plaintiffs' motion for certification of a class action consisting of certain consumers who resided in New Jersey or North Carolina during the class period. On December 1, 2008, the District Court denied Equifax's motion to file an immediate appeal of the District Court's denial of Equifax's motion for summary judgment and review of the class action order. The class seeks statutory and punitive damages and attorneys' fees. Discovery is ongoing.

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***Other.*** Equifax has been named as a defendant in various other legal actions, including administrative claims, class actions and other litigation arising in connection with our business. Some of the legal actions include claims for substantial compensatory or punitive damages or claims for indeterminate amounts of damages. We believe we have strong defenses to, and where appropriate, will vigorously contest, many of these matters. Given the number of these matters, some are likely to result in adverse judgments, penalties, injunctions, fines or other relief. However, we do not believe that these litigation matters will be individually material to our financial condition or results of operations. We may explore potential settlements before a case is taken through trial because of the uncertainty and risks inherent in the litigation process.

For information regarding contingent tax claims raised by the Canada Revenue Agency, and our accounting for legal contingencies, see Note 4 of the Notes to Consolidated Financial Statements in this Form 10-Q.

## ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A. "Risk Factors" in our 2008 Form 10-K, which could materially affect our business, financial condition or future results. The risks described in this report and in our 2008 Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table contains information with respect to purchases made by or on behalf of Equifax or any "affiliated purchaser" (as defined in Rule 10b-18(a) (3) under the Securities Exchange Act of 1934), of our common stock during our first quarter ended March 31, 2009:

| Period | Total Number of Shares Purchased(1) | Average Price Paid Per Share(2) | Total Number of Shares Purchased as Part of Publicly-Announced Plans or Programs | Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs(3) |
|---|---|---|---|---|
| December 31, 2008 | | | | $ 158,234,930 |
| January 1 - January 31, 2009 | 13,684 | $ | | $ 158,234,930 |
| February 1 - February 28, 2009 | 821,828 | $ 22.87 | 400,000 | $ 149,086,930 |
| March 1 - March 31, 2009 | | $ | | $ 149,086,930 |
| Total | 835,512 | $ | 400,000 | $ 149,086,930 |

(1) The total number of shares purchased includes: (a) shares purchased pursuant to our publicly-announced share repurchase program, or Program; and (b) shares surrendered, or deemed surrendered, in satisfaction of the exercise price and/or to satisfy tax withholding obligations in connection with the exercise of employee stock options, totaling 13,684 shares for the month of January 2009, 421,828 shares for the month of February 2009, and zero shares for the month of March 2009.

(2) Average price paid per share for shares purchased as part of our Program (includes brokerage commissions).

(3) At March 31, 2009, the amount authorized for future share repurchases under the Program was $149.1 million.

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**Dividend and Share Repurchase Restrictions**

Our Senior Credit Facility, as amended, restricts our ability to pay cash dividends on our capital stock or repurchase capital stock if default or event of default exists or would result, according to the terms of the agreement.

**ITEM 6. EXHIBITS**

The following is a complete list of exhibits included as part of this report. A list of those documents filed with this report is set forth on the Index to Exhibits appearing elsewhere in this report and is incorporated by reference herein:

| Exhibit No. | Description |
|---|---|
| 31.1 | Rule 13a-14(a) Certification of Chief Executive Officer. |
| 31.2 | Rule 13a-14(a) Certification of Chief Financial Officer. |
| 32.1 | Section 1350 Certification of Chief Executive Officer. |
| 32.2 | Section 1350 Certification of Chief Financial Officer. |

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**EQUIFAX INC.**
(Registrant)

Date: April 28, 2009 By: /s/ RICHARD F. SMITH

Richard F. Smith
*Chairman and Chief Executive Officer*
*(Principal Executive Officer)*

Date: April 28, 2009 /s/ LEE ADREAN

Lee Adrean
*Corporate Vice President and*
*Chief Financial Officer*
*(Principal Financial Officer)*

Date: April 28, 2009 /s/ NUALA M. KING

Nuala M. King
*Senior Vice President and Corporate*
*Controller*
*(Principal Accounting Officer)*

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**INDEX TO EXHIBITS**

The following documents are being filed with this Report.

| Exhibit No. | Description |
|---|---|
| 31.1 | Rule 13a-14(a) Certification of Chief Executive Officer. |
| 31.2 | Rule 13a-14(a) Certification of Chief Financial Officer. |
| 32.1 | Section 1350 Certification of Chief Executive Officer. |
| 32.2 | Section 1350 Certification of Chief Financial Officer. |