

AMERICAN EXPRESS CO
Form S-3ASR
October 30, 2009

Registration No. 333-

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

FORM S-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

American Express Company
(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of incorporation or organization)
200 Vesey Street,
New York, New York 10285
(212) 640-2000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

13-4922250
(I.R.S. Employer Identification Number)
LOUISE M. PARENT, Esq.
Executive Vice President and General Counsel
American Express Company
200 Vesey Street
New York, New York 10285
(212) 640-2000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

DAVID S. CARROLL, Esq.
Senior Counsel
American Express Company
200 Vesey Street
New York, New York 10285
(212) 640-2000

LESLIE N. SILVERMAN, Esq.
CRAIG B. BROD, Esq.
KIMBERLY B. BLACKLOW, Esq.
Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, New York 10006
(212) 225-2000

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement, as determined in light of market conditions.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box.

Edgar Filing: AMERICAN EXPRESS CO - Form S-3ASR

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. £

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. £

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act of 1933, check the following box. S

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities pursuant to Rule 413(b) under the Securities Act of 1933, check the following box. £

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer	S		Accelerated filer	£
Non-accelerated filer	£	(Do not check if a smaller reporting company)	Smaller reporting company	£

CALCULATION OF REGISTRATION FEE

Title of each class of Securities to be Registered	Amount to be Registered/ Proposed Maximum Offering Price per Unit/ Proposed Maximum Aggregate Offering Price/ Amount of Registration Fee
Debt Securities	
Preferred Shares, par value \$1.66 ² / ₃ per share (1)	(2)(3)
Depository Shares	
Common Shares, par value \$0.20 per share (1)	
Warrants	

- (1) An indeterminate number of preferred shares and common shares may be issued from time to time upon exercise, conversion or exchange of other securities.

- (2) An indeterminate aggregate initial offering price and number of the securities of each identified class is being registered and may from time to time be offered at indeterminate prices. Separate consideration may or may not be received for securities that are issuable on exercise, conversion or exchange of other securities.

- (3) In accordance with Rules 456(b) and 457(r) under the Securities Act of 1933, as amended, the Registrant is

deferring
payment of the
entire
registration
fee. In
connection
with the
securities
offered hereby,
the Registrant
will pay
pay-as-you-go
registration
fees in
accordance
with Rule
456(b).

PROSPECTUS

American Express Company
Debt Securities
Preferred Shares
Depository Shares
Common Shares
Warrants

American Express Company may offer from time to time in one or more series:

unsecured
debt
securities,

preferred
shares, par
value
\$1.66²/₃ per
share,

depository
shares,

common
shares, par
value \$0.20
per share,

warrants to
purchase
debt
securities,
preferred
shares,
common
shares or
equity
securities
issued by
one of our
affiliated or
unaffiliated
corporations
or other
entity,

currency
warrants
entitling the
holder to
receive the
cash value in
U.S. dollars
of the right
to purchase
or the right
to sell
foreign
currencies or
composite
currencies or

warrants
relating to
other items
or indices.

We may offer any combination of these securities at prices and on terms to be determined at or prior to the time of sale.

We may offer and sell securities to or through one or more underwriters, dealers and agents, or directly to purchasers. The names and compensation of any underwriters or agents involved in the sale of securities will be described in a supplement to this prospectus.

We will provide the specific terms of any offering in a supplement to this prospectus. This prospectus may not be used to consummate a sale of these securities unless accompanied by a supplement to this prospectus.

Our common stock is listed on the New York Stock Exchange under the symbol AXP.

You should carefully consider the information under Risk Factors beginning on page 2 of this prospectus as well as the risk factors contained in other documents incorporated by reference into this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is October 30, 2009.

TABLE OF CONTENTS**Prospectus**

	Page
About this Prospectus	i
<u>Where You Can Find More Information</u>	ii
<u>Incorporation of Certain Documents by Reference</u>	ii
<u>Forward-Looking Statements</u>	iii
<u>The Company</u>	1
<u>Risk Factors</u>	2
<u>Ratio of Earnings to Fixed Charges</u>	7
<u>Use of Proceeds</u>	8
<u>Description of Debt Securities</u>	9
<u>Description of Preferred Shares</u>	29
<u>Description of Depositary Shares</u>	31
<u>Description of Common Shares</u>	32
<u>Description of Securities Warrants</u>	34
<u>Description of Currency Warrants</u>	35
<u>Description of Other Warrants</u>	36
<u>ERISA Considerations</u>	37
<u>Certain U.S. Federal Income Tax Consequences</u>	39
<u>Plan of Distribution</u>	47
<u>Legal Matters</u>	49
<u>Experts</u>	49

You should rely only on the information contained or incorporated by reference in this prospectus or in a prospectus supplement. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus or any prospectus supplement is accurate as of any date other than the date of the document containing the information.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3, to which we refer as the registration statement, filed with the Securities and Exchange Commission, to which we refer as the SEC, under the Securities Act of 1933, as amended, to which we refer as the Securities Act, using a shelf registration process. Under this process, we may sell from time to time any combination of the securities described in this prospectus.

This prospectus describes the general terms of these securities and the general manner in which we will offer the securities. Each time these securities are sold, this prospectus will be accompanied by a prospectus supplement that describes the specific terms of these securities and the specific manner in which they may be offered. You should read the prospectus supplement and this prospectus, along with the documents incorporated by reference and described under the headings **INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE** and **WHERE YOU CAN FIND MORE INFORMATION**, before making your investment decision.

References in this prospectus to the Company, American Express, we, us and our are to American Express Com

We have filed or incorporated by reference exhibits to the registration statement of which this prospectus forms a part. You should read the exhibits carefully for provisions that may be important to you.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports and other information with the SEC. Our SEC filings are available to the public from the SEC's Website at <http://www.sec.gov>. You may also read and copy any document we file, including the registration statement, at the SEC's public reference facilities at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the operation of the public reference room.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information that we incorporate by reference is considered to be part of this prospectus.

Any reports filed by us with the SEC after the date of this prospectus and before the date that the offering of the securities by means of this prospectus is terminated will automatically update and, where applicable, supersede any information contained in this prospectus or incorporated by reference in this prospectus. This means that you must look at all of the SEC filings that we incorporate by reference to determine if any of the statements in this prospectus or in any documents previously incorporated by reference have been modified or superseded. We incorporate by reference into this prospectus the following documents filed with the SEC (other than, in each case, documents or information deemed furnished and not filed in accordance with the SEC rules, including pursuant to Item 2.02 or Item 7.01 of Form 8-K, and no such information shall be deemed specifically incorporated by reference hereby or in any accompanying prospectus supplement):

Annual
Report on
Form 10-K
for the year
ended
December
31, 2008.

Quarterly
Report on
Form 10-Q
for the
quarter
ended
March 31,
2009.

Quarterly
Report on
Form 10-Q
for the
quarter
ended June
30, 2009.

Quarterly
Report on
Form 10-Q
for the
quarter
ended
September
30, 2009.

Current
Reports on
Form 8-K
filed on
January 9,
2009, May
19, 2009
(2), June 5,
2009, June
17, 2009,
July 29,
2009 and
October 6,
2009.

All
documents
filed by us
under
Sections
13(a),
13(c), 14 or
15(d) of the
Securities
Exchange
Act of
1934, as
amended,
on or after
the date of
this
prospectus
and before
the date
that the
offering of
the
securities
by means
of this
prospectus
is

terminated.

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

American Express Company
200 Vesey Street
New York, New York 10285
Attention: Secretary
(212) 640-2000

FORWARD-LOOKING STATEMENTS

We have made various statements in this prospectus that may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may also be made in our documents incorporated or deemed to be incorporated by reference in this prospectus, in our press releases, in reports filed with the SEC and in other documents. In addition, from time to time, we, through our management, may make oral forward-looking statements. Forward-looking statements are subject to risks and uncertainties, including those identified in the documents that are or will be incorporated by reference into this prospectus, which could cause actual results to differ materially from such statements. The words believe, expect, anticipate, optimistic, intend, aim, will, may, should, could, would, likely and similar expressions are intended to identify forward-looking statements. We caution you that any risk factors described in this prospectus, in any prospectus supplement or in any documents incorporated by reference herein are not exclusive. There may also be other risks that we are unable to predict at this time that may cause actual results to differ materially from those in forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. We undertake no obligation to update publicly or revise any forward-looking statements.

Information concerning important factors that could cause actual events or results to be materially different from the forward looking statements can be found in the Risk Factors section of this prospectus as well as in the documents that are or will be incorporated by reference into this prospectus. Although we believe the expectations reflected in our forward-looking statements are based upon reasonable assumptions, it is not possible to foresee or identify all factors that could have a material and negative impact on our future performance. The forward-looking statements included or incorporated by reference in this prospectus are made on the basis of management's assumptions and analyses, as of the time the statements are made, in light of their experience and perception of historical conditions, expected future developments and other factors believed to be appropriate under the circumstances.

Except as otherwise required by the federal securities laws, we disclaim any obligations or undertaking to publicly release any updates or revisions to any forward-looking statement contained or incorporated by reference in this prospectus to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

THE COMPANY

We, together with our consolidated subsidiaries, are a leading global payments and travel company. Our principal products and services are charge and credit payment card products and travel-related services offered to consumers and businesses around the world. We and our principal operating subsidiary, American Express Travel Related Services Company, Inc., each became a bank holding company, and each elected to be treated as a financial holding company, under the Bank Holding Company Act of 1956, subject to the supervision and examination by the Board of Governors of the Federal Reserve System, or the Federal Reserve, on November 14, 2008.

Our reportable operating segments are comprised of two customer-focused groups the Global Consumer Group and the Global Business-to-Business Group.

Global Consumer Group

The Global Consumer Group offers a range of products and services, including charge and credit card products for consumers and small businesses worldwide (primarily through our U.S. bank subsidiaries and affiliates), consumer travel services and stored value products such as Travelers Cheques and other prepaid products.

Global Business-to-Business Group

The Global Business-to-Business Group provides, among other products and services, business travel, corporate cards and other expense-management products and services, network services for our network partners, and merchant acquisition and merchant processing, point-of-sale, servicing and settlement and marketing products and services for merchants.

In certain countries we have granted licenses to partially-owned affiliates and unaffiliated entities to offer some of these products and services.

A key asset of our network is the American Express brand, which is one of the world's most highly recognized and respected brands.

The Company's products and services are sold globally to diverse customer groups, including consumers, small businesses, middle-market companies and large corporations. These products and services are sold through various channels including direct mail, on-line applications, targeted sales forces, and direct response advertising.

Our general-purpose card network, card-issuing and merchant-acquiring and processing businesses are global in scope. We are a world leader in providing charge and credit cards to consumers, small businesses and large corporations. These cards include cards issued by American Express as well as cards issued by third-party banks and other institutions that are accepted on the American Express network (collectively, Cards). Our Cards permit our cardmembers, or Cardmembers, to charge purchases of goods and services in most countries around the world at the millions of merchants that accept Cards bearing our logo. As of September 30, 2009, we had a total of 88.4 million Cards-in-force worldwide (including Cards issued by third parties). For the nine months ended September 30, 2009, our worldwide billed business (spending on American Express® Cards, including Cards issued by third parties) was \$447.2 billion.

Our executive offices are located at 200 Vesey Street, New York, New York 10285 (telephone number: 212-640-2000).

RISK FACTORS

The following risk factors may be applicable to certain types of securities that may be issued by us. Descriptions of the securities are contained below under Description of Debt Securities, Description of Preferred Shares and Description of Common Shares, as well as in the accompanying prospectus supplement for each type of security we issue. Before making an investing decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus, including the risk factors relating to us included in our periodic or current reports and incorporated herein by reference.

The Price of Our Common Shares May Fluctuate Significantly, and This May Make It Difficult for You to Resell the Common Shares You Own At Times or At Prices You Find Attractive.

The trading price of our common shares may fluctuate widely as a result of a number of factors, many of which are outside our control. In addition, the stock market is subject to fluctuations in share prices and trading volumes that affect the market prices of the shares of many companies. These broad market fluctuations have adversely affected and may continue to adversely affect the market price of our common shares. Among the factors that could affect our stock price are:

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

changes in
revenue or
earnings estimates
or publication of
research reports
and
recommendations
by financial
analysts or actions
taken by rating
agencies with
respect to our
securities or those
of other financial
institutions;

failure to meet
analysts' revenue
or earnings
estimates;

speculation in the
press or
investment
community

generally or relating to our reputation or the financial services industry;

strategic actions by us or our competitors, such as acquisitions or restructurings;

actions by institutional shareholders;

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

future sales of our equity or equity-related securities;

changes in the frequency or amount of dividends or share repurchases;

proposed or adopted regulatory changes or developments;

anticipated or pending investigations, proceedings, or litigation that involve or affect us;

domestic and international economic factors unrelated to our

performance; or

general market
conditions and, in
particular,
developments
related to market
conditions for the
financial services
industry.

A significant decline in our stock price could result in substantial losses for individual shareholders and could lead to costly and disruptive securities litigation.

There May Be Sales or Other Dilution of Our Equity, Which May Adversely Affect the Market Price of Our Common Shares.

Except as described in the accompanying prospectus supplement, we are not restricted from issuing additional common shares or preferred shares, including securities that are convertible into or exchangeable for, or that represent the right to receive, common shares or preferred shares. The issuance of additional common shares or convertible securities will dilute the ownership interest of our existing common shareholders. The market price of our common shares could decline as a result of sales by us or others of a large block of our common shares, preferred shares or similar securities in the market, or the perception that such sales could occur.

You May Not Receive Dividends on Common Shares.

Holders of our common shares are only entitled to receive such dividends as our Board of Directors may declare out of funds legally available for such payments. Furthermore, holders of our common shares are subject to the prior dividend rights of holders of our preferred shares or the depositary shares

representing such preferred shares then outstanding. Although historically we have declared cash dividends on our common shares, we are not required to do so and may reduce or eliminate dividends on our common shares in the future. Additionally, we are limited in our ability to pay dividends by our regulators who could prohibit a dividend that would be considered an unsafe or unsound banking practice. For example, it is the policy of the Federal Reserve that bank holding companies should generally pay dividends on common shares only out of earnings, and only if prospective earnings retention is consistent with the organization's expected future needs, asset quality, and financial condition. For more information on bank holding company dividend restrictions, please see "Financial Review Share Repurchases and Dividends" on page 34 and Note 13 on page 96 of our 2008 Annual Report to Shareholders, which information is incorporated herein by reference.

Common Shares Are Equity and Are Subordinate to Our Existing and Future Indebtedness and Preferred Shares.

Our common shares are equity interests and do not constitute indebtedness. As such, our common shares will rank junior to all of our indebtedness and to other non-equity claims against us and our assets available to satisfy claims against us, including in our liquidation. Additionally, holders of our common shares are subject to the prior dividend and liquidation rights of holders of any outstanding preferred shares or the depositary shares representing such preferred shares then outstanding. Our Board of Directors is authorized to issue additional classes or series of preferred shares without any action on the part of the holders of our common shares.

If We Are Deferring Payments on Our Outstanding Subordinated Notes or Are In Default Under the Indentures Governing those Securities, We Will Be Prohibited From Making Distributions on our Common Shares.

The terms of our outstanding subordinated notes prohibit us from declaring or paying any dividends or distributions on our capital stock, including our common shares, or purchasing, acquiring, or making a liquidation payment on such stock, if we are aware of any event that would be an event of default under the indenture governing those subordinated notes or at any time when we have deferred payment of interest on those subordinated notes.

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 our common shares depends primarily upon the receipt of dividends and other distributions from our subsidiaries. In addition, if, in the opinion of the applicable regulatory authority, a bank under its jurisdiction is engaged in or is about to engage in an unsafe or unsound practice, such authority may require, after notice and hearing, that such bank cease and desist from such practice. Depending on the financial condition of our banking subsidiaries, the applicable regulatory authority might deem us to be engaged in an unsafe or unsound practice if our banking subsidiaries were to pay dividends.

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 the ability of holders of our common shares 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, our common shares effectively will be subordinated to all existing and future liabilities and obligations of our subsidiaries.

Anti-Takeover Provisions Could Negatively Impact Our Stockholders.

Provisions of our certificate of incorporation and bylaws could make it more difficult for a third party to acquire control of us or have the effect of discouraging a third party from attempting to acquire control of us. For example, our certificate of incorporation authorizes our Board of Directors to issue preferred shares, which could be issued as a defensive measure in response to a takeover proposal. These provisions could make it more difficult for a third party to acquire us even if an acquisition might be in the best interest of our stockholders.

Changes in Exchange Rates and Exchange Controls Could Result in a Substantial Loss to You

An investment in debt securities that are denominated in, or the payment of which is determined with reference to, a specified currency other than U.S. dollars entails significant risks that are not associated with a similar investment in a security denominated in U.S. dollars. Similarly, an investment in an indexed debt security, on which all or part of any payment due is based on a currency other than U.S. dollars, has significant risks that are not associated with a similar investment in non-indexed debt securities. Such risks include, without limitation:

the possibility of significant market changes in rates of exchange between U.S. dollars and the specified currency;

the possibility of significant changes in rates of exchange between U.S. dollars and the specified currency resulting from official redenominations or revaluation of such specified currency; and

the possibility of the imposition or modification of foreign exchange controls with respect to the specified currency.

Such risks generally depend on factors over which we have no control, such as:

economic events;

political events; and

the supply of and

demand for
the relevant
currencies.

In recent years, rates of exchange between U.S. dollars and certain foreign currencies in which our notes may be denominated, and between these foreign currencies and other foreign currencies, have been highly volatile, and this volatility may continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations in the rate that may occur during the term of any debt security. Depreciation against the U.S. dollar of a foreign currency or foreign currency units in which a debt security is denominated would result in a decrease in the effective yield of such debt security below its coupon rate, and in certain circumstances could result in a loss to the investor on a U.S. dollar basis.

Governments have from time to time imposed, and may in the future impose, exchange controls that could affect exchange rates as well as the availability of a foreign currency for making payments on a debt security denominated in such currency. We can give no assurances that exchange controls will not restrict or prohibit payments of principal, premium or interest in any currency or currency unit. Similarly, in the case of indexed notes and depending on the specific terms of the notes, fluctuations of the relevant underlying currencies could result in no return or in a substantial loss to the investor.

Even if there are no actual exchange controls, it is possible that on an interest payment date or at maturity for any particular debt security, the foreign currency for such debt security would not be available to us to make payments of interest and principal then due. In that event, we will make such payments in U.S. dollars. You should consult your own financial and legal advisors as to the risks of an investment in notes denominated in a currency other than U.S. dollars. See [The Unavailability of Currencies Could Result in a Substantial Loss to You](#) below.

The information set forth in this prospectus is directed to prospective purchasers of debt securities who are United States residents. We disclaim any responsibility to advise prospective purchasers who are residents of countries other than the United States regarding any matters that may affect the purchase or holding of, or receipt of payments of principal, premium or interest on, debt securities. Such persons should consult their own counsel and advisors with regard to such matters. Prospectus supplements relating to debt securities having a specified currency other than U.S. dollars will contain information concerning historical exchange rates for such specified currency, a description of the currency and any exchange controls as of the date of the accompanying prospectus supplement affecting such currency.

The Unavailability of Currencies Could Result in a Substantial Loss to You

Except as we specify in the accompanying prospectus supplement, if payment on a debt security is required to be made in a specified currency other than U.S. dollars and such currency is:

unavailable
due to the
imposition of
exchange
controls or
other
circumstances
beyond our
control;

no longer used
by the
government of

the country
issuing such
currency; or

no longer
used for the
settlement of
transactions
by public
institutions
of, or within,
the
international
banking
community;

then all payments with respect to the debt security shall be made in U.S. dollars until such currency is again available or so used. The amount so payable on any date in such foreign currency shall be converted into U.S. dollars at a rate determined on the basis of the most recently available market exchange rate or as otherwise determined in good faith by us if the foregoing is impracticable. Any payment in respect of such debt security made under such circumstances in U.S. dollars will not constitute an event of default under the indenture under which such debt security will have been issued.

If the official unit of any component currency is altered by way of combination or subdivision, the number of units of that currency as a component shall be divided or multiplied in the same proportion. If two or more component currencies are consolidated into a single currency, the amounts of those currencies as components shall be replaced by an amount in such single currency equal to the sum of the amounts of the consolidated component currencies expressed in such single currency. If any component currency is divided into two or more currencies, the amount of that original component currency as a component shall be replaced by the amounts of such two or more currencies having an aggregate value on the date of division equal to the amount of the former component currency immediately before such division.

The debt securities will not provide for any adjustment to any amount payable as a result of:

any change in
the value of the
specified
currency of
those debt
securities
relative to any
other currency
due solely to
fluctuations in
exchange rates;
or

any
redenomination
of any
component
currency of any
composite
currency, unless
that composite

currency is
itself officially
redenominated.

Currently, there are limited facilities in the United States for conversion of U.S. dollars into foreign currencies, and vice versa. In addition, banks do not generally offer non-U.S. dollar-denominated checking or savings account facilities in the United States. Accordingly, payments on debt securities made in a currency other than U.S. dollars will be made from an account at a bank located outside the United States, unless otherwise specified in the accompanying prospectus supplement.

Judgments in a Foreign Currency Could Result in a Substantial Loss to You

The debt securities will be governed by and construed in accordance with the laws of the State of New York. Courts in the United States customarily have not rendered judgments for money damages denominated in any currency other than U.S. dollars. A 1987 amendment to the Judiciary Law of New York State provides, however, that an action based on an obligation denominated in a currency other than U.S. dollars will be rendered in the foreign currency of the underlying obligation. If a debt security is denominated in a specified currency other than U.S. dollars, any judgment under New York law will be rendered in the foreign currency of the underlying obligation and converted into U.S. dollars at a rate of exchange prevailing on the date of entry of the judgment or decree.

Changes in the Value of Underlying Assets of Indexed Debt Securities Could Result in a Substantial Loss to You

An investment in indexed debt securities may have significant risks that are not associated with a similar investment in a debt instrument that:

has a fixed
principal
amount;

is denominated
in U.S. dollars;
and

bears interest
at either a
fixed rate or a
floating rate
based on
nationally or
internationally
published
interest rate
references.

The risks of a particular indexed debt security will depend on the terms of that indexed debt security. Such risks may include, but are not limited to, the possibility of significant changes in the prices of:

the
underlying
assets;

another
objective

price; and

economic
or other
measures
making up
the
relevant
index.

Underlying assets could include:

currencies;

commodities;

securities
(individual or
baskets); and

indices.

The risks associated with a particular indexed debt security generally depend on factors over which we have no control and which cannot readily be foreseen. These risks include:

economic
events;

political
events; and

the supply
of, and
demand
for, the
underlying
assets.

In recent years, currency exchange rates and prices for various underlying assets have been highly volatile. Such volatility may continue in the future. Fluctuations in rates or prices that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur during the term of any indexed debt security.

In considering whether to purchase indexed debt securities, you should be aware that the calculation of amounts payable on indexed debt securities may involve reference to prices that are published solely by third parties or entities that are not regulated by the laws of the United States.

The risk of loss as a result of linking of principal or interest payments on indexed debt securities to an index and to the underlying assets can be substantial. You should consult your own financial and legal advisors as to the risks of an investment in indexed debt securities.

The Return on Indexed Notes May Be Below the Return on Similar Standard Debt Securities

Depending on the terms of an indexed note, as specified in the accompanying prospectus supplement, you may not receive any interest payments or receive only very low interest payments on such indexed note. Similarly, depending on the terms of an indexed note, you may receive at maturity a principal payment that is equal to, less than, or only marginally greater than your initial investment in the notes. As a result, the overall return on such indexed note may be less than the amount you would have earned by investing in a standard debt security that bears interest at a prevailing market fixed or floating rate.

An Indexed Note May Be Linked to Volatile Underlying Assets, Which May Adversely Affect Your Investment

Some underlying assets are highly volatile, which means that their value may increase or decrease significantly over a short period of time. It is impossible to predict the future performance of underlying assets based on historical

performance. The amount of principal or interest that can be expected to become payable on an indexed note may vary substantially from time to time. Because the amounts payable with respect to an indexed note are generally calculated based on the price, value or level of the relevant underlying assets on a specified date or over a limited period of time, volatility in the underlying assets increases the risk that the return on the indexed note may be adversely affected by a fluctuation in the level of the relevant underlying assets.

The volatility of underlying assets may be affected by financial, political, military or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of an indexed note.

If You Purchase an Indexed Note, You Will Have No Rights with Respect to any Underlying Assets to which Such Indexed Note is Linked

Investing in an indexed note will not make you a holder of any of the underlying assets or any of their components. As a result, you will not have any voting rights, any right to receive dividends or other distributions or any other rights with respect to any of the underlying assets or any of their components.

RATIO OF EARNINGS TO FIXED CHARGES

The following table shows our historical ratios of earnings to fixed charges for the periods indicated:

	Nine Months Ended September 30,		Year Ended December 31,			
	2009	2008	2007	2006	2005	2004
Ratio of Earnings to Fixed Charges	2.09	1.96	2.24	2.54	2.55	2.77

In computing the ratio of earnings to fixed charges, earnings consist of pretax income from continuing operations, interest expense and other adjustments. Interest expense includes interest expense related to the cardmember lending activities, international banking operations, and charge card and other activities in our consolidated statements of income included in the documents incorporated by reference into this prospectus. Interest expense does not include interest on liabilities recorded in accordance with GAAP governing unrecognized tax benefits. Our policy is to classify such interest in income tax provision in the consolidated statements of income.

For purposes of computing earnings, other adjustments included adding the amortization of capitalized interest, the net loss of affiliates accounted for under the equity method whose debt is not guaranteed by the Company, the non-controlling interest in the earnings of majority-owned subsidiaries with fixed charges, and the interest component of rental expense, and subtracting undistributed net income of affiliates accounted for under the equity method.

Fixed charges consist of interest expense and other adjustments, including capitalized interest costs and the interest component of rental expense.

USE OF PROCEEDS

Except as may be otherwise set forth in the prospectus supplement accompanying this prospectus, we will use the net proceeds we receive from sales of these securities for general corporate purposes.

DESCRIPTION OF DEBT SECURITIES

The debt securities covered by this prospectus will be our direct unsecured obligations. The debt securities will be either senior debt securities that rank on an equal basis with all of our other senior unsecured and unsubordinated debt, or subordinated debt securities that rank junior to all of our senior unsecured debt.

The following description briefly sets forth certain general terms and provisions of the debt securities. The prospectus supplement for a particular series of debt securities will describe the particular terms of the debt securities we offer and the extent to which these general provisions may apply to that particular series of debt securities.

We will issue our senior debt securities under a senior debt indenture, dated as of August 1, 2007, between us and the Bank of New York Mellon (formerly known as The Bank of New York), as trustee. We will issue our subordinated debt securities under a subordinated debt indenture, dated as of August 1, 2007, between us and the Bank of New York Mellon (formerly known as The Bank of New York), as trustee. The senior debt indenture and the subordinated debt indenture are sometimes referred to in this prospectus individually as an indenture and collectively as the indentures. When we refer to the indentures in this prospectus, we mean the indentures as they have been supplemented.

The indentures, together with a form of supplemental indenture, have been filed with the SEC as exhibits to the registration statement of which this prospectus forms a part.

The following summaries of certain provisions of the indentures are not complete and are qualified in their entirety by reference to the indentures. You should read the indentures for further information. If we make no distinction in the following summaries between the senior debt securities and the subordinated debt securities or between the indentures, such summaries refer to any debt securities and either indenture. Any reference to particular sections or defined terms of the applicable indenture in any statement under this heading qualifies the entire statement and incorporates by reference the applicable definition into that statement.

Provisions Applicable to Both Senior and Subordinated Debt Securities

Issuances in Series

The indentures allow us to issue debt securities from time to time under either indenture without limitation as to amount. We may issue the debt securities in one or more series with the same or different terms. We need not issue all debt securities of the same series at the same time. All debt securities of the same series need not bear interest at the same rate or mature on the same date. Each indenture permits the appointment of a different trustee for each series of debt securities. If there is at any time more than one trustee under the indentures, the term trustee means each such trustee and will apply to each such trustee only with respect to those series of debt securities for which it is serving as trustee.

We may sell debt securities at a substantial discount below their stated principal amount that bear no interest or below market rates of interest. The accompanying prospectus supplement will describe the material federal income tax consequences and special investment considerations applicable to any such series of debt securities.

Unless otherwise specified for the debt securities denominated in a currency other than U.S. dollars or as otherwise specified in an accompanying prospectus supplement, we will issue debt securities only in fully registered form in denominations of \$1,000 and integral multiples thereof in excess of that amount. The debt securities will be denominated in U.S. dollars and payments of principal of and premium, if any, and interest on the debt securities will be made in U.S. dollars unless we provide otherwise in an accompanying prospectus supplement. If any of the debt securities are to be denominated in a foreign currency or currency unit, or if the principal of and premium, if any, and any interest on any of the debt securities is to be payable at your option or at our option in a currency, including a

currency unit, other than that in which such debt securities are denominated, we will provide additional information pertaining to such debt securities in an accompanying prospectus supplement.

The prospectus supplement relating to any series of debt securities being offered will contain the specific terms relating to the offering. These terms will include some or all of the following (to the extent not otherwise described in this prospectus):

the
designation,
aggregate
principal
amount and
authorized
denominations
of the debt
securities;

the percentage
of the principal
amount at
which we will
sell the debt
securities and
whether the
debt securities
will be original
issue discount
securities for
U.S. federal
income tax
purposes;

the maturity
date or the
method for
determining
the maturity
date;

the terms for
exchange, if
any, of the debt
securities;

the interest rate
or rates, if any,
or the method
for computing
such rate or
rates;

the interest
payment dates
or the method

for
determining
such dates;

if other than
U.S. dollars,
the currency or
currencies in
which debt
securities may
be
denominated
and purchased
and the
currency or
currencies
(including
composite
currencies) in
which
principal,
premium, if
any, and any
interest may be
payable;

if the currency
for which debt
securities may
be purchased
or in which
principal,
premium, if
any, and any
interest may be
payable is at
the election of
us or the
purchaser, the
manner in
which such an
election may
be made and
the terms of
such election;

if other than
denominations
of \$1,000 and
integral
multiples

thereof in excess of that amount, the denominations in which the debt securities shall be issuable;

if other than cash, the type and amount of securities or other property, or the method by which such amount shall be determined, in which principal, premium, if any, and any interest may be payable at the election of us or the purchaser;

any mandatory or optional sinking fund, redemption or other similar terms;

any index or other method used to determine the amount of principal, premium, if any, and interest, if any, on the debt securities;

whether the debt securities are to be issued as individual

certificates to
each holder or
in the form of
global
certificates
held by a
depository on
behalf of
holders;

information
describing any
book-entry
features;

if a trustee
other than The
Bank of New
York Mellon is
named for the
debt securities,
the name and
corporate trust
office of such
trustee;

any material
federal income
tax
consequences;

any material
provisions of
the indentures
that do not
apply to the
debt securities;
and

any other
specific terms
of the debt
securities.

Interest and Interest Rates

Each debt security will bear interest from its date of issue or from the most recent date to which interest on that series of debt securities has been paid or duly provided for, at the annual rate or at a rate determined according to an interest rate formula, stated in the debt security and in an accompanying prospectus supplement, until the principal of the debt security is paid or made available for payment. We will pay interest, if any, on each interest payment date and at maturity or upon redemption or repayment, if any. Interest payment date means the date on which payments of interest on a debt security (other than payments on maturity) are to be made. Maturity means the date on which the principal

of a debt security becomes due and payable, whether at the stated maturity or by declaration of acceleration or otherwise. Stated maturity means the date specified in a debt security as the date on which principal of the debt security is due and payable. Any debt security that has a specified currency of pounds sterling will mature in compliance with the regulations the Bank of England may promulgate from time to time.

We will pay interest to the person in whose name a debt security is registered at the close of business on the regular record date next preceding the applicable interest payment date. Regular record date means the date on which a debt security must be held in order for the holder to receive an interest payment on

the next interest payment date. However, we will pay interest at maturity or upon redemption or repayment to the person to whom we pay the principal. The first payment of interest on any debt security originally issued between a regular record date