

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

CHARLES ROSEN, On Behalf of Himself and All Others Similarly Situated,	:	Civil Action No.
	:	
Plaintiff,	:	<u>CLASS ACTION</u>
	:	
vs.	:	COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS
	:	
	:	
THE BISYS GROUP, INC., LYNN J. MANGUM, RUSSELL P. FRADIN, JAMES L. FOX and KEVIN DELL,	:	
	:	
Defendants.	x	<u>DEMAND FOR JURY TRIAL</u>

INTRODUCTION

1. This is an action on behalf of purchasers of The BISYS Group, Inc. (“BISYS” or the “Company”) publicly traded securities during the period from October 23, 2000 to May 17, 2004 (the “Class Period”). BISYS supports more than 20,000 financial institutions and corporate clients with products and services. The Investment Services group provides an array of investment services, including mutual fund, hedge fund, private equity fund, and retirement plan services. The Insurance and Education Services group provides an overall solution for life insurance and commercial property/casualty insurance distribution, as well as financial services education and licensing automation.

2. During the Class Period, defendants caused BISYS’s shares to trade at artificially inflated levels through the issuance of false and misleading financial statements. As a result of this

inflation, BISYS was able to raise \$250 million in a convertible note offering while the individual defendants were able to reap more than \$25 million in insider trading proceeds.

3. On May 17, 2004, the Company issued a press release entitled “BISYS Provides Update on Fiscal Third Quarter Results – Delays Filing of Third Quarter Form 10-Q; Will Restate Results of Certain Prior Periods; Reaffirms Guidance for Fourth Fiscal Quarter.” The release stated in part:

BISYS, a leading provider of business process outsourcing solutions for the financial services sector, today provided an update on its previously reported results of operations for the quarter ended March 31, 2004.

Based upon a continuing review and analysis of commissions receivable in its Life Insurance division, BISYS has determined that the previously reported adjustment of \$24.7 million (\$15.5 million net of tax) to commissions receivable in its Life Insurance division will be increased to approximately \$70 million to \$80 million (approximately \$44 million to \$50 million net of tax).

BISYS has also determined that the adjustment requires a restatement of its financial results for each of the fiscal years ended June 30, 2003, 2002 and 2001, as well as its interim results for fiscal 2004, to reflect the impact of the adjustment on each of the periods presented. The Company intends to file its Form 10-Q for the quarterly period ended March 31, 2004, as soon as practicable.

According to Jim Fox, BISYS’ executive vice president and CFO, “*The adjustment to commissions receivable in our Life Insurance division is larger than we had previously anticipated, and after further analysis requires that we restate our previously reported results to appropriately reflect the impact of the adjustment on prior periods. We look forward to presenting our restated historical financial results as soon as practicable, and expect the substantial majority of the final adjustment, including the \$24.7 million previously reported in our third fiscal quarter of 2004, to relate to fiscal years prior to 2003.*” [Emphasis added.]

4. The stock dropped below \$13 per share on this news.

JURISDICTION AND VENUE

5. The claims asserted arise under §§ 10(b) and 20(a) of the Securities Exchange Act of 1934 (“1934 Act”). Jurisdiction is conferred by § 27 of the 1934 Act. Venue is proper pursuant to

§ 27 of the 1934 Act as defendant BISYS and/or the individual defendants conduct business in and the wrongful conduct took place in this District.

THE PARTIES

6. Plaintiff Charles Rosen purchased BISYS publicly traded securities as detailed in the attached Certification and was damaged thereby.

7. Defendant BISYS supports more than 20,000 financial institutions and corporate clients with products and services. The Investment Services group provides an array of investment services, including mutual fund, hedge fund, private equity fund and retirement plan services. The Insurance and Education Services group provides an overall solution for life insurance and commercial property/casualty insurance distribution, as well as financial services education and licensing automation.

8. (a) Defendant Lynn J. Mangum (“Mangum”) was Chairman of the Board of the Company. Mangum assisted in the preparation of the false financial statements and repeated the contents therein to the market. During the Class Period, defendant Mangum sold 840,000 BISYS shares for proceeds of \$20.8 million.

(b) Defendant Russell P. Fradin (“Fradin”) was President, CEO and a director of the Company. Fradin assisted in the preparation of the false financial statements and repeated the contents therein to the market.

(c) Defendant James L. Fox (“Fox”) was CFO and Executive Vice President of the Company. Fox assisted in the preparation of the false financial statements and repeated the contents therein to the market.

(d) Defendant Kevin Dell (“Dell”) was Executive Vice President, General Counsel and Secretary of the Company. Dell assisted in the preparation of the false financial

statements and repeated the contents therein to the market. During the Class Period, defendant Dell sold 200,716 BISYS shares for proceeds of \$4.4 million.

9. Defendants Mangum, Fradin, Fox and Dell are the “Individual Defendants.” They are liable for the false statements pleaded in ¶¶ 14-34, as those statements were “group-published” information.

BACKGROUND

10. BISYS supports more than 20,000 financial institutions and corporate clients with products and services. The Investment Services group provides an array of investment services, including mutual fund, hedge fund, private equity fund and retirement plan services. The Insurance and Education Services group provides an overall solution for life insurance and commercial property/casualty insurance distribution, as well as financial services education and licensing automation.

11. On January 24, 2000, the Company issued a press release entitled “BISYS Reports Fiscal Second Quarter EPS of \$0.53, Record Revenues Up 23%.” The press release stated in part:

The BISYS Group, Inc., reported results today for the fiscal second quarter ended December 31, 1999.

For the fiscal second quarter, BISYS reported net income of \$14,926,000 or \$0.53 per diluted share as compared to \$12,209,000 or \$0.44 per diluted share for the comparable fiscal 1999 quarter. Revenues for the period increased to \$138,044,000 or 23% from \$111,958,000 over the same period last year.

For the six months, BISYS reported net income of \$27,209,000 or \$0.96 per diluted share compared to net income of \$3,010,000 or \$0.11 per diluted share for the six months ended December 31, 1998. Results for the first six months of fiscal 1999 included a one-time write-off of \$19.2 million, or \$0.70 per diluted share, net of tax, for acquired in-process research and development and other merger-related charges associated with the purchase of Greenway Corporation. Excluding one-time charges, net income for the six months ended December 31, 1998, would have been \$22,252,000, or \$0.81 per diluted share. BISYS’ six months revenues grew to \$270,357,000, up 26% over fiscal 1999 six months revenues of \$213,882,000.

12. On April 19, 2000, the Company issued a press release entitled “BISYS Reports Record Fiscal Third Quarter; EPS of \$0.70, Revenues Up 20%.” The press release stated in part:

The BISYS Group, Inc., reported results today for the fiscal third quarter ended March 31, 2000.

For the fiscal third quarter, BISYS reported net income of \$19,987,000 or \$0.70 per diluted share, as compared to \$16,400,000 or \$0.58 per diluted share for the comparable fiscal 1999 quarter. Revenues for the period increased to \$145,657,000, up 20% from revenues of \$121,302,000 for the same period last year.

For the nine months, BISYS reported net income of \$47,196,000 or \$1.66 per diluted share compared to net income of \$19,410,000 or \$0.70 per diluted share for the nine months ended March 31, 1999. Results for the first nine months of fiscal 1999 included a one-time write-off of \$19,240,000, or \$0.69 per diluted share, net of tax, for acquired in-process research and development and other merger-related charges associated with the purchase of Greenway Corporation. Excluding one-time charges, net income for the nine months ended March 31, 1999, would have been \$38,650,000, or \$1.39 per diluted share. BISYS’ nine months revenues grew to \$416,014,000, up 24% over fiscal 1999 nine month revenues of \$335,184,000.

13. On July 31, 2000, the Company issued a press release entitled “BISYS® Reports Record Fiscal Fourth Quarter EPS of \$0.80 - Up 21%; Completes Ascensus Acquisition.” The press release stated in part:

The BISYS Group, Inc. reported results today for the fiscal fourth quarter and fiscal year ended June 30, 2000.

For the fiscal fourth quarter, BISYS reported net income of \$23,008,000 or \$0.80 per diluted share as compared to \$18,706,000 or \$0.66 per diluted share for the comparable fiscal 1999 quarter. Results for the quarter included a one-time net gain totaling \$315,000, net of tax, or \$0.01 per diluted share, primarily from the divestitures of two divisions, Research Services and Networking Services, during the quarter. Revenues for the period increased to \$155,387,000, up 13% from \$137,492,000 in the same period last year.

For the fiscal year ended June 30, 2000, BISYS reported net income of \$70,204,000 or \$2.46 per diluted share compared to net income of \$38,116,000 or \$1.36 per diluted share in the prior fiscal year. Fiscal year 1999 net income would have been \$57,356,000, or \$2.05 per diluted share, exclusive of a one-time write-off of \$19,240,000, or \$0.69 per diluted share, net of tax, for acquired in-process research and development and other merger-related charges associated with the purchase of Greenway Corporation. Revenues in fiscal year 2000 grew to \$571,401,000, up 21% from \$472,676,000 in fiscal year 1999.

**FALSE AND MISLEADING STATEMENTS
ISSUED DURING THE CLASS PERIOD**

14. On October 23, 2000, the Company issued a press release entitled “BISYS® Reports First Quarter Results; Record Revenues Up 22% EPS in Line With Consensus.” The press release stated in part:

The BISYS Group, Inc. reported results today for the fiscal first quarter ended September 30, 2000.

All per share amounts have been adjusted to reflect the results of a 2-for-1 stock split effected in the form of a dividend, payable on October 20, 2000, to stockholders of record as of October 6, 2000.

For the fiscal first quarter, BISYS reported net income of \$12,912,000 or \$0.22 per diluted share, as compared to net income of \$12,283,000 or \$0.22 per diluted share for the comparable fiscal 2000 quarter. Revenues for the fiscal first quarter increased to \$161,441,000, up 22% from \$132,313,000 in the same period last year.

Results for the first quarter of fiscal 2001 included a one-time write-off of \$2.6 million or \$0.045 per share, net of tax, directly related to the acquisitions of Pictorial and Ascensus. Excluding one-time charges, fiscal 2001 first quarter net earnings and earnings per diluted share would have been \$15,480,000 or \$0.27 per diluted share, an increase in EPS of 22% over the same period last year.

15. On January 22, 2001, the Company issued a press release entitled “BISYS Reports Fiscal Second Quarter EPS of \$0.32, Record Revenues Up 22%.” The press release stated in part:

The BISYS Group, Inc. reported results today for the fiscal second quarter ended December 31, 2000.

All per share amounts have been adjusted to reflect the results of a 2-for-1 stock split effected in the form of a dividend, payable on October 20, 2000, to stockholders of record as of October 6, 2000.

For the fiscal second quarter, BISYS reported net income of \$18,902,000 or \$0.32 per diluted share, as compared to \$14,926,000 or \$0.26 per diluted share for the comparable fiscal 2000 quarter. Revenues for the period increased to \$168,303,000, up 22% from \$138,044,000 for the same period last year.

For the six months, BISYS reported net income of \$31,814,000 or \$0.54 per diluted share compared to net income of \$27,209,000 or \$0.48 per diluted share for the six months ended December 31, 1999. Results for the six months of fiscal 2001 included a one-time write-off of \$2.6 million, or \$0.04 per diluted share, net of tax,

directly related to the acquisitions of Pictorial and Ascensus. Excluding one-time charges, net income for the six months ended December 31, 2000, would have been \$34,382,000, or \$0.58 per diluted share, an increase in EPS of 21% over the same period last year. BISYS' six months revenues grew to \$329,744,000, up 22% over fiscal 2000 six months revenue of \$270,357,000.

16. On March 7, 2001, the Company issued a press release entitled "BISYS® Agrees to Sell \$250 Million in Convertible Notes." The press release stated in part:

Following up on its offering announcement of March 6, 2001, The BISYS Group, Inc. announced today that it has agreed to sell \$250 million principal amount of 4% convertible subordinated notes due 2006. Each \$1,000 principal amount of notes will be convertible into 14.9729 shares of BISYS common stock, for a conversion price of \$66.7875 per share. The initial purchasers of these notes will have a 30-day option to purchase up to an additional \$50 million principal amount of notes. The notes will not be redeemable prior to March 2004. The proceeds will be used to repay all outstanding borrowings under BISYS' credit facilities and for general corporate purposes, which may include acquisitions. The offering is scheduled to close on March 13, 2001.

This offering is being made only to qualified institutional buyers and to certain persons in offshore transactions. The notes have not been registered under the United States' or any state's securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

17. On April 19, 2001, the Company issued a press release entitled "BISYS® Reports Record Fiscal Third Quarter Results; EPS of \$0.41, Revenues up 22%." The press release stated in part:

The BISYS Group, Inc., reported record revenues, record earnings, and record earnings per share today for the fiscal third quarter ended March 31, 2001.

For the fiscal third quarter, BISYS reported net income of \$24,655,000 or \$0.41 per diluted share, as compared to \$19,987,000 or \$0.35 per diluted share for the comparable fiscal 2000 quarter. Revenues for the period increased to \$177,359,000, up 22% from revenues of \$145,657,000 for the same period last year.

For the nine months, BISYS reported net income of \$56,469,000 or \$0.94 per diluted share, compared to net income of \$47,196,000 or \$0.83 per diluted share for the nine months ended March 31, 2000. Results for the first nine months of fiscal 2001 included a one-time write-off of \$2.6 million or \$0.04 per diluted share, net of tax, directly related to the acquisitions of Pictorial, Inc. and Ascensus Insurance Services. Excluding one-time charges, net income for the nine months ended March

31, 2001, would have been \$59,037,000 or \$0.98 per diluted share. BISYS' nine-month revenues grew to \$507,103,000, up 22% over fiscal 2000 nine month revenues of \$416,014,000.

According to Lynn Mangum, BISYS' chairman and CEO, "We are extremely pleased with our fiscal third quarter. We generated record revenues, record earnings, and record cash flow during a generally unfavorable economic environment. This performance demonstrates the strength of BISYS' businesses in providing essential core services for financial institutions."

18. On July 30, 2001, the Company issued a press release entitled "BISYS Reports Record Fiscal Fourth Quarter Results – Revenue Increases 25% to \$194.7 Million; EPS Rises 20% to \$0.47." The press release stated in part:

The BISYS Group, Inc., a leading provider of outsourcing services to the financial services sector, today reported record results for the fiscal fourth quarter and fiscal year ended June 30, 2001.

For the fiscal fourth quarter ended June 30, 2001, revenue increased 25% to \$194.7 million compared to \$155.4 million in the same period last year.

Net income rose 25% to \$28.7 million, or \$0.47 per diluted share compared to \$23.0 million, or \$0.40 per diluted share for the comparable fiscal 2000 quarter. Excluding the impact of the one-time gain in the fiscal 2000 fourth quarter, earnings per diluted share in the current quarter grew 20%.

"Our performance reflects our success in integrating recent acquisitions to complement our core strengths," commented Lynn Mangum, Chairman and Chief Executive Officer. "As a result, we are well positioned to provide a wide spectrum of non-discretionary core services to the financial services sector. We are very excited about the coming year and expect to continue to generate strong internal growth complemented by focused acquisitions."

19. On October 1, 2001, the Company issued a press release entitled "BISYS® Reaffirms Fiscal 2002 EPS Guidance; Revenue and EPS Growth to Exceed 20%." The press release stated in part:

BISYS, a leading provider of outsourcing services to the financial services sector, announced today that it remains comfortable with Wall Street consensus earnings estimates for its first fiscal quarter ending September 30, 2001.

Lynn Mangum, Chairman and CEO commented, "Through the strength of our business model, especially our high recurring revenue base, coupled with reduced

discretionary spending and lower variable costs, we expect to continue delivering our stated 20% EPS growth. However, as a result in large part to market conditions in the investment community as well as the September 11th tragedy, we anticipate a moderate and temporary slowdown in our internal revenue growth. Internal revenue growth for the September quarter should approximate 11.0% with total reported revenue growth including acquisitions totaling approximately 22%.”

In addition, the Company has fine-tuned the previously announced non-recurring charge that will be taken in the first fiscal quarter ended September 30, 2001, to \$0.06 per share, net of tax. This non-recurring charge is due primarily to integration activities related to the Company's acquisitions of Universal Pensions, (UPI) and Boston Institutional Group (BIG) which were completed in the June 2001 quarter. Excluding the impact of this non-recurring charge, the Company currently anticipates reporting earnings per share of approximately \$0.37 per share.

20. On October 23, 2001, the Company issued a press release entitled “BISYS Reports First Quarter Results; EPS in Line With Consensus; Revenues Up 22%; Pro Forma EPS Up 23%.”

The press release stated in part:

The BISYS Group, Inc., a leading provider of outsourcing services to the financial services sector, reported results today for the fiscal first quarter ended September 30, 2001.

For the fiscal first quarter, BISYS reported pro forma net income of \$22.9 million as compared to pro forma net income of \$17.4 million for the same period in fiscal 2001. Pro forma amounts exclude restructuring charges and goodwill amortization. Pro forma earnings per diluted share increased 23% to \$0.37 from \$0.30, and revenues for the fiscal first quarter increased to \$196.5 million, up 22% from \$161.4 million in the same period last year.

Actual results for the fiscal first quarters of 2002 and 2001 include restructuring charges of \$4.0 million or \$0.06 per diluted share net of tax and \$2.6 million or \$0.04 per diluted share net of tax, respectively, related to the integration, consolidation, and relocation of certain business operations, primarily as a result of acquisition activity. Reported net income was \$18.9 million or \$0.31 per diluted share for the fiscal 2002 first quarter as compared to \$12.9 million or \$0.22 per diluted share for the comparable fiscal 2001 quarter.

The Company has adopted FAS 142, “Goodwill and Other Intangible Assets,” effective July 1, 2001. FAS 142 requires that an intangible asset be amortized over its useful life and that goodwill not be amortized but evaluated for impairment. Accordingly, results for the fiscal first quarter ended September 30, 2001 do not include any goodwill amortization.

21. On January 22, 2002, the Company issued a press release entitled “BISYS® Reports Second Quarter Results; Revenues Increase 25% to Record \$210 Million; EPS In Line With Consensus.” The press release stated in part:

The BISYS Group, Inc., a leading provider of outsourcing services to the financial services sector, reported results today for the fiscal second quarter ended December 31, 2001.

For the fiscal second quarter, BISYS reported net income of \$26.4 million or \$0.43 per diluted share as compared to net income of \$18.9 million or \$0.32 per diluted share for the same period in fiscal 2001. Excluding goodwill amortization, pro forma net income for the quarter ended December 31, 2000 was \$20.8 million or \$0.35 per diluted share. On a pro forma basis, diluted earnings per share increased 23% for the fiscal second quarter ended December 31, 2001 as compared to the same period last year. Revenues for the fiscal second quarter increased to \$209.9 million, up 25% from \$168.3 million in the same period last year.

Effective July 1, 2001, the Company adopted FAS 142, “Goodwill and Other Intangible Assets.” FAS 142 requires that an intangible asset be amortized over its useful life and that goodwill not be amortized but evaluated for impairment. Accordingly, results for the fiscal second quarter and fiscal six months ended December 31, 2001 do not include any goodwill amortization.

“Our three divisions met the growth targets that we outlined in our previous quarter and we achieved margin expansion across the board,” said Lynn Mangum, Chairman and Chief Executive Officer. “Insurance and Education Services again recorded the highest growth in revenues and margins and Information Services continued its steady growth. Investment Services, which was most impacted by the market downturn, has begun to regain sales momentum. We remain very excited about the business opportunities before us.” [Emphasis added.]

22. On April 17, 2002, the Company issued a press release entitled “BISYS® Reports Third Quarter Results - Revenues Up 24% to Record \$221 Million; EPS in Line With Consensus.” The press release stated in part:

The BISYS Group, Inc., a leading provider of business process outsourcing solutions to the financial services sector, today reported results for its fiscal third quarter ended March 31, 2002.

All per share amounts have been adjusted to reflect the results of a 2-for-1 stock split effected in the form of a dividend, payable on February 22, 2002 to stockholders of record as of February 8, 2002.

For the fiscal third quarter, BISYS reported net income of \$33.2 million or \$0.27 per diluted share, as compared to net income of \$24.7 million or \$0.20 per diluted share for the same period in fiscal 2001. Excluding goodwill amortization, pro forma net income for the quarter ended March 31, 2001 was \$26.7 million or \$0.22 per diluted share. On a pro forma basis, diluted earnings per share increased 23% for the fiscal third quarter ended March 31, 2002, as compared to the same period last year. Revenues for the fiscal third quarter increased to \$220.5 million, up 24% from \$177.4 million in the same period last year.

Effective July 1, 2001, the Company had early adopted FAS 142, "Goodwill and Other Intangible Assets." FAS 142 requires that an intangible asset be amortized over its useful life and that goodwill not be amortized but evaluated for impairment. Accordingly, results for the fiscal third quarter and fiscal nine months ended March 31, 2002 do not include any goodwill amortization.

23. On July 30, 2002, the Company issued a press release entitled "BISYS® Reports Record Fiscal Fourth Quarter Results – Revenue Increases 23 Percent to \$239 Million – Record EPS of \$0.30." The press release stated in part:

The BISYS Group, Inc., a leading national provider of business process outsourcing solutions for the financial services sector, today reported results for the fiscal fourth quarter and fiscal year ended June 30, 2002.

For the fiscal fourth quarter, BISYS reported net income of \$37.3 million or \$0.30 per diluted share, as compared to net income of \$28.7 million or \$0.23 per diluted share for the same period in fiscal 2001. Excluding goodwill amortization, pro forma net income for the quarter ended June 30, 2001 was \$30.9 million or \$0.25 per diluted share. On a pro forma basis, diluted earnings per share increased 20 percent for the fiscal fourth quarter ended June 30, 2002, as compared to the same period last year. Revenue for the fiscal fourth quarter increased to \$238.7 million, up 23 percent from \$194.7 million in the same period last year.

BISYS reported net income of \$115.9 million or \$0.94 per diluted share for the year ended June 30, 2002, as compared to net income of \$85.1 million or \$0.71 per diluted share for the year ended June 30, 2001. Actual results for the year ended June 30, 2002 and 2001 include restructuring charges of \$4.0 million or \$0.03 per diluted share net of tax, and \$2.6 million or \$0.02 per diluted share net of tax, respectively, related to the integration, consolidation, and relocation of certain business operations, primarily as a result of acquisition activity. Excluding restructuring charges and goodwill amortization, pro forma net income for the year ended June 30, 2002 was \$119.8 million or \$0.97 per diluted share, as compared to pro forma net income of \$95.8 million or \$0.79 per diluted share for the same period last year, an increase in EPS of 23 percent. BISYS' annual revenue increased to \$865.7 million, up 23 percent over fiscal 2001 revenue of \$701.8 million.

According to Lynn Mangum, BISYS' chairman and chief executive officer, "We are extremely pleased with the strategic and financial results of our fourth quarter and fiscal year 2002, which marks the 13th consecutive year that BISYS has generated record revenue and record operating earnings." [Emphasis added.]

24. On September 24, 2002, the Company issued a press release entitled "BISYS® Revises Earnings Guidance for September 2002 Quarter And Announces New \$100 Million Stock Buy Back Program." The press release stated in part:

The BISYS Group, Inc., a leading provider of business process outsourcing solutions for the financial services sector, today revised earnings guidance for its current September 30 fiscal quarter.

For the fiscal first quarter ending September 30, BISYS anticipates reporting earnings per diluted share of \$0.20 before restructuring charges as compared to \$0.19 per diluted share for the same period in fiscal 2002, up 5 percent.

In addition, BISYS has finalized the calculation of its previously announced restructuring charge. This charge will be \$0.06 per share, net of tax.

Finally, The BISYS Group, Inc. also announced that its Board of Directors has authorized a new stock buy-back program of up to \$100 million of its outstanding stock. Purchases will occur from time-to-time in the open market to offset the possible dilutive effect of shares to be issued under employee benefit plans, for possible use in future acquisitions and for other general corporate purposes. This new program supersedes the share purchase program previously authorized by the Board of Directors. Under the former program, BISYS has purchased 4,254,000 shares of its common stock at a total purchase price of approximately \$70 million.

25. On October 21, 2002, the Company issued a press release entitled "BISYS® Reports Fiscal First Quarter Results - Revenue Increases 16 Percent to \$227 Million." The press release stated in part:

BISYS, a leading global provider of business process outsourcing solutions for the financial services sector, today reported the results of its fiscal first quarter, ended September 30, 2002.

For the fiscal first quarter, BISYS reported net income of \$16.8 million or \$0.14 per diluted share, as compared to net income of \$18.9 million or \$0.15 per diluted share for the same period in fiscal 2002. Actual results for the fiscal first quarters of 2003 and 2002 include restructuring charges of \$7.5 million or \$0.06 per diluted share net of tax, and \$4.0 million or \$0.03 per diluted share net of tax,

respectively, related to the integration, consolidation, and relocation of certain business operations, primarily as a result of acquisition activity.

Excluding restructuring charges, pro forma net income was \$24.3 million or \$0.20 per diluted share for the fiscal 2003 first quarter, as compared to \$22.9 million or \$0.19 per diluted share for the comparable fiscal 2002 quarter.

Revenue for the fiscal first quarter 2003 increased to \$227.3 million, up 16 percent from \$196.5 million in the same period last year.

26. On January 22, 2003, the Company issued a press release entitled “Revenue Increases 11 Percent to \$233 Million, EPS Increases 9 Percent, Record Cash from Operations Generated.”

The press release stated in part:

BISYS, a leading global provider of business process outsourcing solutions for the financial services sector, today reported the results of its fiscal second quarter, ended December 31, 2002.

For the fiscal second quarter, BISYS reported net income of \$28.7 million or \$0.24 per diluted share, an increase of 9 percent from net income of \$26.4 million or \$0.22 per diluted share for the same period in fiscal 2002. Revenue for the quarter was \$233.1 million, an increase of 11 percent from \$209.9 million in the same period last year. Cash from operations for the quarter reached a record-high of more than \$45 million.

BISYS reported net income of \$45.5 million or \$0.37 per diluted share for the six months ended December 31, 2002, as compared to net income of \$45.4 million or \$0.37 per diluted share for the six months ended December 31, 2001. Actual results for the six months ended December 31, 2002 and 2001 include restructuring charges of \$7.5 million or \$0.06 per diluted share net of tax, and \$4.0 million or \$0.03 per diluted share net of tax, respectively, related to the integration, consolidation, and relocation of certain business operations, primarily as a result of acquisition activity. Excluding restructuring charges, pro forma net income for the six months ended December 31, 2002 was \$53.1 million or \$0.44 per diluted share, as compared to pro forma net income of \$49.3 million or \$0.40 per diluted share for the same period last year, an increase in pro forma EPS of 10 percent. BISYS' six months revenue increased to \$460.5 million, up 13 percent over fiscal 2002 six months revenue of \$406.4 million.

According to Dennis Sheehan, president and chief executive officer of BISYS, “Despite the challenges we faced from the continued sluggishness of the financial markets, we were able to generate modest internal revenue growth, and through expense management, deliver our targeted earnings per share.” [Emphasis added.]

27. On April 8, 2003, the Company issued a press release entitled “BISYS® Updates Earnings Guidance for March and June 2003 Quarter.” The press release stated in part:

The BISYS Group, Inc., a leading provider of business process outsourcing solutions for the financial services sector, today updated its earnings guidance for its current March and June fiscal quarters.

For the fiscal quarter ending March 31, BISYS anticipates reporting earnings per diluted share of \$0.27, one cent lower than its previous guidance, and equal to that reported for the same period in fiscal 2002.

This reduction is due primarily to lower than anticipated insurance production in BISYS’ “high-end” insurance business during the latter part of the March quarter, as well as continued softness in the education services market. Investment Services, Information Services, and BISYS’ core insurance business all generally performed according to expectations.

Dennis Sheehan, president and CEO, commented, “The overall modest internal growth that BISYS has experienced during the last several quarters continued during the March quarter and is expected to continue into our June quarter as well. Based upon current projections, we anticipate modest, sequential earnings growth for our fourth fiscal quarter, ending June 30, with earnings per diluted share ranging from \$0.28 to \$0.30.” [Emphasis added.]

28. On April 22, 2003, the Company issued a press release entitled “BISYS Reports Fiscal Third Quarter Results – Revenue Increases 11 Percent to Record \$245 Million; Record Cash from Operations Generated.” The release stated in part:

The BISYS Group, Inc., a leading provider of business process outsourcing solutions for the financial services sector, today reported the results of its fiscal third quarter ended March 31, 2003.

For the fiscal third quarter, BISYS reported net income of \$32.5 million or \$0.27 per diluted share, as compared to net income of \$33.2 million or \$0.27 per diluted share for the same period in fiscal 2002. Revenue for the quarter was \$244.8 million, an increase of 11 percent from \$220.5 million in the same period last year. Cash from operations for the quarter reached a record-high of more than \$56 million.

BISYS reported net income of \$78.0 million or \$0.64 per diluted share for the nine months ended March 31, 2003 as compared to net income of \$78.6 million or \$0.64 per diluted share for the nine months ended March 31, 2002. Actual results for the nine months ended March 31, 2003 and 2002 include restructuring charges of \$7.5 million or \$0.06 per diluted share net of tax, and \$4.0 million or \$0.03 per diluted share net of tax, respectively, related to the integration, consolidation, and

relocation of certain business operations, primarily as a result of acquisition activity. Excluding restructuring charges, pro forma net income for the nine months ended March 31, 2003 was \$85.6 million or \$0.70 per diluted share as compared to pro forma net income of \$82.6 million or \$0.67 per diluted share for the same period last year, an increase in EPS of 4.5 percent. BISYS' nine months revenue increased to \$705.2 million, up 12 percent over fiscal 2002 nine months revenue of \$627.0 million.

The Company has included the previous pro forma information concerning restructuring charges to assist investors in analyzing BISYS' results of operations. The Company has chosen to provide this information to investors to enable them to perform meaningful comparisons of past, present, and future operating results, and as a means to emphasize the results of core ongoing operations.

29. On July 29, 2003, the Company issued a press release entitled “BISYS Reports Fiscal Fourth Quarter Results – Revenue Increases to Record \$253 Million – Record Cash from Operations of \$61 Million.” The press release stated in part:

BISYS, a leading provider of business process outsourcing solutions for the financial services sector, today reported the results for its fiscal fourth quarter and the fiscal year ended June 30, 2003.

For the fiscal fourth quarter, BISYS reported net income of \$33.8 million or \$0.28 per diluted share, as compared to net income of \$37.3 million or \$0.30 per diluted share for the same period in fiscal 2002. Revenue for the quarter was \$253.2 million, an increase of six percent from \$238.7 million in the same period last year. Cash from operations for the quarter reached a record of \$61.3 million.

BISYS reported net income of \$111.8 million or \$0.92 per diluted share for the year ended June 30, 2003, as compared to net income of \$115.9 million or \$0.94 per diluted share for the year ended June 30, 2002. Actual results for the year ended June 30, 2003 and 2002 include restructuring charges of \$7.5 million or \$0.06 per diluted share net of tax, and \$4.0 million or \$0.03 per diluted share net of tax, respectively, related to the integration, consolidation, and relocation of certain business operations, primarily as a result of acquisition activity. Excluding restructuring charges, pro forma net income for the year ended June 30, 2003 was \$119.4 million or \$0.98 per diluted share, as compared to pro forma net income of \$119.8 million or \$0.97 per diluted share for the same period last year. BISYS' annual revenue increased to \$958.4 million, up 11 percent over fiscal 2002 annual revenue of \$865.7 million. Cash from operations for fiscal year 2003 was \$179.8 million, an increase of \$50.9 million, or 39 percent, over the previous year.

The company has included the above pro forma information concerning restructuring charges to assist investors in analyzing BISYS' results of operations. The company has elected to provide this information to enable investors to perform

meaningful comparisons of past, present, and future operating results, and as a means to emphasize the results of core, ongoing operations.

30. On September 24, 2003, the Company issued a press release entitled “BISYS Updates Earnings Guidance for September 2003 Quarter and June 2004 Fiscal Year; Schedules Conference Call for Thursday, September 25.” The press release stated in part:

The BISYS Group, Inc. , a leading provider of business process outsourcing solutions for the financial services sector, today updated its earnings guidance for its current September quarter and its fiscal year ending June 30, 2004.

For the fiscal quarter ending September 30, BISYS anticipates reporting earnings per diluted share of \$0.15, before restructuring and other charges, which is seven cents per share lower than its previous guidance and five cents per share lower than that reported for its September 2002 quarter.

This reduction in anticipated earnings is due primarily to lower than anticipated revenue from its life insurance business, and to a lesser extent continued softness in its education services division, and some delay in new client installations in its retirement services business.

The Company also announced that, absent an improvement in general market conditions that accelerates the internal growth of its life insurance and education services revenues and/or an acceleration of new business signings in its Investment Services group, earnings per diluted share for its fiscal year ending June 30, 2004, before restructuring charges, is likely to be in the range of \$0.80 to \$0.85. [Emphasis added.]

31. On October 21, 2003, the Company issued a press released entitled “BISYS Reports Fiscal First Quarter Results – Revenue Increases Four Percent to \$237 Million.” The press release stated in part:

BISYS, a leading provider of business process outsourcing solutions for the financial services sector, today reported the results of its fiscal first quarter ended September 30, 2003.

For the fiscal first quarter, BISYS reported net income of \$4.8 million or \$0.04 per diluted share, as compared to net income of \$16.8 million or \$0.14 per diluted share for the same period in fiscal 2003. Actual results for the fiscal first quarter of 2004 include restructuring, impairment, and other charges of \$0.11 per diluted share or \$13.1 million, including a net tax charge of \$0.5 million, primarily related to the integration, consolidation, and reorganization of certain business operations, particularly in the Company's European Fund Services division and the

Insurance and Education Services group. Actual results for the fiscal first quarter of 2003 include restructuring charges of \$0.06 per diluted share or \$7.5 million, net of a tax benefit of \$4.5 million, related to the integration, consolidation, and relocation of certain business operations, primarily as a result of acquisition activity.

Excluding restructuring, impairment, and other charges, pro forma net income was \$17.9 million or \$0.15 per diluted share for the fiscal 2004 first quarter, as compared to \$24.3 million or \$0.20 per diluted share for the comparable fiscal 2003 quarter.

Revenue for the fiscal first quarter 2004 increased to \$237.4 million, up four percent from \$227.3 million in the same period last year.

32. On January 21, 2004, the Company issued a press release entitled “BISYS Reports Fiscal Second Quarter Results – Revenue Increases 13 Percent to Record \$263 Million – Internal Revenue Growth Improves Across All Business Groups – Net Cash Provided by Operating Activities Increases 29 Percent to \$58.8 Million.” The press release stated in part:

BISYS, a leading provider of business process outsourcing solutions for the financial services sector, today reported the results of its fiscal second quarter ended December 31, 2003.

For the fiscal second quarter, BISYS reported net income of \$20.0 million or \$0.17 per diluted share, as compared to net income of \$28.7 million or \$0.24 per diluted share for the same period in fiscal 2003. Actual results for the fiscal second quarter of 2004 include restructuring charges of \$1.4 million or \$0.01 per diluted share net of tax, primarily related to the implementation of the reorganization plan for certain business operations as announced in September 2003. Excluding restructuring charges, pro forma net income was \$21.4 million or \$0.18 per diluted share for the fiscal 2004 second quarter, in line with analysts' consensus expectations.

Revenue for the quarter was \$263.3 million, an increase of 13 percent from \$233.1 million in the same period last year. Net cash provided by operating activities was \$58.8 million, an increase of more than 29 percent from \$45.4 million in the same period last year.

BISYS reported net income of \$24.9 million or \$0.21 per diluted share for the six months ended December 31, 2003, as compared to net income of \$45.5 million or \$0.37 per diluted share for the six months ended December 31, 2002. Actual results for the six months ended December 31, 2003 include restructuring, impairment, and other charges of \$14.5 million or \$0.12 per diluted share net of tax, primarily related to the integration, consolidation, and reorganization of certain business operations, particularly in the Company's European Fund Services division and the Insurance and Education Services group. Actual results for the six months ended December 31,

2002 include restructuring charges of \$7.5 million or \$0.06 per diluted share net of tax, related to the integration, consolidation, and relocation of certain business operations, primarily as a result of acquisition activity.

33. On January 28, 2004, the Company issued a press release entitled “BISYS Generates Near-Record New Client Sales Of Bank Outsourcing Services in FY'04 Second Quarter – Seven Banks Nationwide Select BISYS to Provide Outsourced Information Processing Services.” The release stated in part:

BISYS, a leading provider of business process outsourcing solutions for the financial services sector, today announced near-record new client sales of its bank outsourcing services during its quarter ended December 31, 2003. A total of seven banks located throughout the United States selected BISYS to provide enterprise-wide information processing outsourcing services and technology. These financial institutions, which collectively process with five different BISYS competitors, will leverage BISYS' relational database core processing platform and a variety of its integrated ancillary products to improve their operational efficiencies and customer service.

The new bank clients include a Michigan-based billion dollar holding company that is chartering a bank, an Ohio-based \$600 million community bank, and market-leading financial institutions in California, Kentucky, Massachusetts, and New Jersey. Each of these new clients ultimately selected BISYS based on the superior technology provided by its relational core processing platform, its extensive suite of integrated ancillary products, and its reputation for excellent client service and support. Each client will initially incorporate a variety of BISYS' ancillary solutions, including Internet and telephone banking and data warehousing solutions.

According to Bill Neville, president of BISYS Information Services, “BISYS’ focus on technology and service is the foundation for our growth. Our outstanding sales success during the quarter strengthens BISYS' position as a market leader in bank outsourcing services, and the momentum these sales establish support our ongoing commitment to research, product development, and marketing in order to continually enhance our product offering and our competitive position. Being selected as the outsourcer-of-choice by these diverse banks after extensive competitive evaluations demonstrates the flexibility of our solutions and our commitment to delivering high-quality services to our clients. As the banking industry evolves and consumer demands for personalized service increase, we will continue to provide the innovative products and services our clients need to better serve their customers. Our fundamental goal is to maintain our position as an industry leader, to encourage technological innovation within BISYS, and to continue forging strategic alliances with technology companies developing solutions that complement BISYS’ industry-leading platforms.”

Michael Langenkamp, executive vice president of new business for BISYS Banking Solutions, said, "Our relational core processing solution was a key to our success during this past quarter. The banking industry's demand for innovative products and services that successfully leverage advancing technology requires us to provide a flexible processing solution with broad capabilities. BISYS' comprehensive outsourcing solutions enable our bank clients to maximize their customer relationships with enhanced service levels, easy data access and comprehensive views of each customer relationship, the ability to tailor their product offerings based on customer-specific needs, and the sophisticated capabilities to conduct direct marketing campaigns and efficiently manage sales leads and service requests."

34. On April 22, 2004, the Company issued a press release entitled "BISYS Reports Fiscal Third Quarter Results – Revenue Increases 11 Percent to Record \$272 Million." The release stated in part:

BISYS, a leading provider of business process outsourcing solutions for the financial services sector, today reported the results of its fiscal third quarter ended March 31, 2004.

For the fiscal third quarter, BISYS reported net income of \$3.2 million or \$0.03 per diluted share, as compared to net income of \$32.5 million or \$0.27 per diluted share for the same period in fiscal 2003. Revenue for the quarter was \$272.3 million, an increase of 11.2 percent from \$244.8 million in the same period last year.

Actual results for the third quarter of fiscal 2004 include an additional provision in the Life Insurance division of \$15.5 million or \$0.13 per diluted share net of tax for a change in estimated losses in the commissions receivable portfolio and restructuring, impairment and other charges of \$6.8 million or \$0.06 per diluted share net of tax, primarily for the integration, consolidation, and reorganization of certain business operations, particularly in the Company's European Fund Services division and the Insurance and Education Services group. Included in the aforementioned \$6.8 million charge is \$3.1 million net of tax, for estimated additional contractual obligations in the Life Insurance division. Excluding the additional loss provision and the restructuring, impairment and other charges, pro forma net income was \$25.5 million or \$0.21 per diluted share for the third quarter of fiscal 2004.

According to Russ Fradin, BISYS' president and CEO, "During our fiscal third quarter, we generated solid internal revenue growth of five percent compared to the year ago period and strong cash flow. Our largest business group, Investment Services, experienced strong revenue growth compared to the year ago period, and improved operating earnings on a sequential basis compared to our second fiscal quarter ended December 31, 2003. Our Information Services group grew both revenue and operating earnings compared to the year ago period. While

our Insurance and Education Services group has underperformed, principally because of the performance of our Life Insurance Services division, we are taking the actions necessary to position the division for future growth, and we expect our Life Insurance results to improve in fiscal year 2005. For the company in total, we believe that our strong revenue growth and consistent cash flows demonstrate the fundamental strength of our business, and that our sound strategic positioning will provide opportunities for future growth” [Emphasis added.]

35. On May 17, 2004, the Company issued a press release entitled “BISYS Provides Update on Fiscal Third Quarter Results – Delays Filing of Third Quarter Form 10-Q; Will Restate Results of Certain Prior Periods; Reaffirms Guidance for Fourth Fiscal Quarter.” The release stated in part:

BISYS, a leading provider of business process outsourcing solutions for the financial services sector, today provided an update on its previously reported results of operations for the quarter ended March 31, 2004.

Based upon a continuing review and analysis of commissions receivable in its Life Insurance division, BISYS has determined that the previously reported adjustment of \$24.7 million (\$15.5 million net of tax) to commissions receivable in its Life Insurance division will be increased to approximately \$70 million to \$80 million (approximately \$44 million to \$50 million net of tax).

BISYS has also determined that the adjustment requires a restatement of its financial results for each of the fiscal years ended June 30, 2003, 2002 and 2001, as well as its interim results for fiscal 2004, to reflect the impact of the adjustment on each of the periods presented. The Company intends to file its Form 10-Q for the quarterly period ended March 31, 2004, as soon as practicable.

According to Jim Fox, BISYS' executive vice president and CFO, “*The adjustment to commissions receivable in our Life Insurance division is larger than we had previously anticipated, and after further analysis requires that we restate our previously reported results to appropriately reflect the impact of the adjustment on prior periods. We look forward to presenting our restated historical financial results as soon as practicable, and expect the substantial majority of the final adjustment, including the \$24.7 million previously reported in our third fiscal quarter of 2004, to relate to fiscal years prior to 2003.*” [Emphasis added.]

BISYS'S FALSE FINANCIAL REPORTING DURING THE CLASS PERIOD

36. In order to inflate the prices of BISYS securities defendants caused the Company to falsely report its results for FY 2001-2004 through improper valuation of its receivables.

37. The FY 2001-2004 results were included in Form 10-Q and 10-Ks filed with the SEC. The results were also included in press releases disseminated to the public.

38. BISYS has now admitted that it inappropriately recorded transactions included in its FY 2001-2004 results, and will restate those results to remove some \$70-\$80 million in improperly valued assets such that its FY 2001-2004 financial statements were not a fair presentation of BISYS's results and were presented in violation of Generally Accepted Accounting Principles ("GAAP") and SEC rules.

39. GAAP are those principles recognized by the accounting profession as the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. SEC Regulation S-X (17 C.F.R. §210.4-01(a)(1)) states that financial statements filed with the SEC which are not prepared in compliance with GAAP are presumed to be misleading and inaccurate, despite footnote or other disclosure. Regulation S-X requires that interim financial statements must also comply with GAAP, with the exception that interim financial statements need not include disclosure which would be duplicative of disclosures accompanying annual financial statements. 17 C.F.R. §210.10-01(a).

40. Ultimately, on May 17, 2004, BISYS announced that its FY 2001-2004 results would be restated to writedown the value of the Company's commission receivables.

41. The fact that BISYS will restate its financial statements for FY 2001-2004 is an admission that the financial statements originally issued were false and that the overstatement of revenues and income was material. Pursuant to GAAP, as set forth in Accounting Principles Board Opinion ("APB") No. 20, the type of restatement announced by BISYS was to correct for material errors in its previously issued financial statements. *See* APB No. 20, ¶¶ 7-13. The restatement of past financial statements is a disfavored method of recognizing an accounting change as it dilutes

confidence by investors in the financial statements, it makes it difficult to compare financial statements and it is often difficult, if not impossible, to generate the numbers when restatement occurs. *See* APB No. 20, ¶ 14. Thus, GAAP provides that financial statements should only be restated in limited circumstances, *i.e.*, when there is a change in the reporting entity, there is a change in accounting principles used or to correct an error in previously issued financial statements. BISYS's restatement will not be due to a change in reporting entity or a change in accounting principle, but rather to errors in previously issued financial statements. Thus, the restatement will be an admission by BISYS that its previously issued financial results and its public statements regarding those results were false.

42. Due to these accounting improprieties, the Company presented its financial results and statements in a manner which violated GAAP, including the following fundamental accounting principles:

(a) The principle that interim financial reporting should be based upon the same accounting principles and practices used to prepare annual financial statements was violated (APB No. 28, ¶ 10);

(b) The principle that financial reporting should provide information that is useful to present and potential investors and creditors and other users in making rational investment, credit and similar decisions was violated (FASB Statement of Concepts No. 1, ¶ 34);

(c) The principle that financial reporting should provide information about the economic resources of an enterprise, the claims to those resources, and effects of transactions, events and circumstances that change resources and claims to those resources was violated (FASB Statement of Concepts No. 1, ¶ 40);

(d) The principle that financial reporting should provide information about how management of an enterprise has discharged its stewardship responsibility to owners (stockholders) for the use of enterprise resources entrusted to it was violated. To the extent that management offers securities of the enterprise to the public, it voluntarily accepts wider responsibilities for accountability to prospective investors and to the public in general (FASB Statement of Concepts No. 1, ¶ 50);

(e) The principle that financial reporting should provide information about an enterprise's financial performance during a period was violated. Investors and creditors often use information about the past to help in assessing the prospects of an enterprise. Thus, although investment and credit decisions reflect investors' expectations about future enterprise performance, those expectations are commonly based at least partly on evaluations of past enterprise performance (FASB Statement of Concepts No. 1, ¶ 42);

(f) The principle that financial reporting should be reliable in that it represents what it purports to represent was violated. That information should be reliable as well as relevant is a notion that is central to accounting (FASB Statement of Concepts No. 2, ¶¶ 58-59);

(g) The principle of completeness, which means that nothing is left out of the information that may be necessary to insure that it validly represents underlying events and conditions was violated (FASB Statement of Concepts No. 2, ¶ 79); and

(h) The principle that conservatism be used as a prudent reaction to uncertainty to try to ensure that uncertainties and risks inherent in business situations are adequately considered was violated. The best way to avoid injury to investors is to try to ensure that what is reported represents what it purports to represent (FASB Statement of Concepts No. 2, ¶¶ 95, 97).

43. Further, the undisclosed adverse information concealed by defendants during the Class Period is the type of information which, because of SEC regulations, regulations of the national stock exchanges and customary business practice, is expected by investors and securities analysts to be disclosed and is known by corporate officials and their legal and financial advisors to be the type of information which is expected to be and must be disclosed.

FIRST CLAIM FOR RELIEF

For Violation of §10(b) of the 1934 Act and Rule 10b-5 Against All Defendants

44. Plaintiff incorporates ¶¶ 1-43 by reference.

45. During the Class Period, defendants disseminated or approved the false statements specified above, which they knew or recklessly disregarded were materially false and misleading in that they contained material misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

46. Defendants violated § 10(b) of the 1934 Act and Rule 10b-5 in that they:

(a) Employed devices, schemes, and artifices to defraud;

(b) Made untrue statements of material facts or omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made not misleading; or

(c) Engaged in acts, practices, and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of BISYS publicly traded securities during the Class Period.

47. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for BISYS publicly traded securities. Plaintiff and

the Class would not have purchased BISYS publicly traded securities at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by defendants' misleading statements.

48. As a direct and proximate result of these defendants' wrongful conduct, plaintiff and the other members of the Class suffered damages in connection with their purchases of BISYS publicly traded securities during the Class Period.

SECOND CLAIM FOR RELIEF

For Violation of §20(a) of the 1934 Act Against All Defendants

49. Plaintiff incorporates ¶¶ 1-48 by reference.

50. The executive officers of BISYS prepared, or were responsible for preparing, the Company's press releases and SEC filings. The Individual Defendants controlled other employees of BISYS. BISYS controlled the Individual Defendants and each of its officers, executives and all of its employees. By reason of such conduct, defendants are liable pursuant to § 20(a) of the 1934 Act.

CLASS ACTION ALLEGATIONS

51. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all persons who purchased BISYS publicly traded securities (the "Class") on the open market during the Class Period. Excluded from the Class are defendants, directors and officers of BISYS and their families and affiliates.

52. The members of the Class are so numerous that joinder of all members is impracticable. The disposition of their claims in a class action will provide substantial benefits to the parties and the Court. During the Class Period BISYS had more than 120 million shares of stock outstanding, owned by thousands of persons.

53. There is a well-defined community of interest in the questions of law and fact involved in this case. Questions of law and fact common to the members of the Class which predominate over questions which may affect individual Class members include:

- (a) Whether the 1934 Act was violated by defendants;
- (b) Whether defendants omitted and/or misrepresented material facts;
- (c) Whether defendants' statements omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading; and
- (d) Whether defendants knew or recklessly disregarded that their statements were false and misleading.

PRAYER

WHEREFORE, plaintiff prays for judgment as follows: declaring this action to be a proper class action; awarding damages, including interest; awarding reasonable costs, including attorneys' fees; and such other relief as the Court may deem proper.

JURY DEMAND

Plaintiff demands a trial by jury.

DATED: May 19, 2004

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