HEALTHEQUITY INC
Form 424B5
September 23, 2015

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Registration No.: 333-206850

PROSPECTUS SUPPLEMENT
(To Prospectus dated September 9, 2015)

3,000,000 Shares

Common Stock

The selling stockholders are offering 3,000,000 shares of HealthEquity, Inc. common stock in this offering. We will not receive any proceeds from the sale of the shares to be offered by the selling stockholders. Our common stock is listed on the NASDAQ Global Select Market under the symbol "HQY." The last reported sale price of our common stock on the NASDAQ Global Select Market on September 18, 2015 was $30.88 per share.

We currently qualify as an "emerging growth company," as that term is defined in the Jumpstart Our Business Startups Act.

	Per Share	Total
Public offering price	$ 29.50	$ 88,500,000
Underwriting discounts and commissions(1)	$ 0.34	$ 1,020,000
Proceeds to selling stockholders	$ 29.16	$ 87,480,000

(1) See "Underwriting" for a description of compensation payable to the underwriters.

Investing in our common stock involves risks. For a description of these risks, see "Risk Factors" beginning on page S-4 of this prospectus supplement.

The selling stockholders have granted the underwriter a 30-day option to purchase up to an additional 450,000 shares of common stock from the selling stockholders at the public offering price, less the underwriting discounts and commissions. We will not receive any proceeds from the sale of any additional shares by the selling stockholders.

None of the Securities and Exchange Commission, any state securities commission or any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriter expects to deliver the shares on or about September 25, 2015.

Wells Fargo Securities

Prospectus dated September 21, 2015.

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Prospectus Supplement

Prospectus

Neither we, the selling stockholders, nor the underwriter have authorized anyone to provide you with information that is different from the information contained in, or incorporated by reference in, this prospectus supplement and the accompanying prospectus. If anyone provides you with different or inconsistent information, you should not rely on it. The selling stockholders are not, and the underwriter is not, making an offer to sell the securities in any jurisdiction where the offer or sale is not permitted or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. You should not assume that the information in this prospectus supplement, the accompanying prospectus or any document incorporated by reference is accurate or complete as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information. You should not consider any information in this prospectus supplement or the accompanying prospectus to be investment, legal or tax advice. You should consult your own counsel, accountants and

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other advisers for legal, tax, business, financial and related advice regarding the purchase of the common stock offered by this prospectus supplement. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

The terms "we," "our" and similar terms used in this prospectus supplement and the accompanying prospectus refer to HealthEquity, Inc. only, and not to its subsidiaries, unless the context requires otherwise.

Unless otherwise indicated, the information in this prospectus supplement assumes the underwriter does not exercise its option to purchase up to an additional 450,000 shares of our common stock from the selling stockholders.

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INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the information incorporated by reference in this prospectus supplement and the accompanying prospectus include forward-looking statements that involve risks and uncertainties. These forward-looking statements include, without limitation, statements regarding our industry, business strategy, plans, goals and expectations concerning our market position, product expansion, future operations, margins, profitability, future efficiencies, capital expenditures, liquidity and capital resources and other financial and operating information. When used in this discussion, the words "may," "believes," "intends," "seeks," "anticipates," "plans," "estimates," "expects," "should," "assumes," "continues," "could," "will," "future" and the negative of these or similar terms and phrases are intended to identify forward-looking statements in this prospectus supplement, the accompanying prospectus and the information incorporated by reference in this prospectus supplement and the accompanying prospectus.

Forward-looking statements reflect our current expectations regarding future events, results or outcomes. These expectations may or may not be realized. Although we believe the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to have been correct. Some of these expectations may be based upon assumptions, data or judgments that prove to be incorrect. Actual events, results and outcomes may differ materially from our expectations due to a variety of known and unknown risks, uncertainties and other factors. Although it is not possible to identify all of these risks and factors, they include, among others, the following:

- our expectations regarding our operating revenue, expenses, effective tax rates and other results of operations;
- our anticipated capital expenditures and our estimates regarding our capital requirements;
- our ability to stay abreast of new or modified laws and regulations that currently apply or become applicable to our business;
- the growth rates of the markets in which we compete;
- competitive pressures related to the fees that we charge;
- our ability to consummate acquisitions and, if consummated, whether they will meet expectations;
- our reliance on key members of executive management and our ability to identify, recruit and retain skilled personnel;
- management compensation and the methodology for its determination;
- our ability to promote our brand;
- disturbance to our information technology systems;
- our ability to protect our intellectual property rights;
- unavailability of capital;

general economic conditions;

risk of future legal proceedings; and

other risks and factors listed under "Risk Factors" and elsewhere in this prospectus supplement, the accompanying prospectus and the information incorporated by reference in this prospectus supplement and the accompanying prospectus.

In light of these risks, uncertainties and other factors, the forward-looking statements contained in this prospectus supplement, the accompanying prospectus and the information incorporated by reference in this prospectus supplement and the accompanying prospectus might not prove to be accurate and you should not place undue reliance upon them. All forward-looking statements speak only as of the date made and we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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THE COMPANY

We are a leader and an innovator in the high growth category of technology-enabled services platforms that empower consumers to make healthcare saving and spending decisions. Our platform provides an ecosystem where consumers can access their tax-advantaged healthcare savings, compare treatment options and pricing, evaluate and pay healthcare bills, receive personalized benefit and clinical information, earn wellness incentives, and make educated investment choices to grow their tax-advantaged healthcare savings. We can integrate with any health plan or banking institution to be the independent and trusted partner that enables consumers as they seek to manage, save and spend their healthcare dollars. We believe the secular shift to greater consumer responsibility for healthcare costs will require a significant portion of the approximately 175 million under-age 65 consumers with private health insurance in the United States to use a platform such as ours.

The core of our ecosystem is the health savings account, or HSA, a financial account through which consumers spend and save long term for healthcare on a tax-advantaged basis. We are the integrated HSA platform for 20 of the 50 largest health plans in the country, a number of which are among 28 Blue Cross and Blue Shield health plans in 26 states, and more than 27,000 employer clients, including industry leaders such as Adobe Systems, American Express Company, Dow Corning Corporation, eBay, Inc., Google, Inc., Intermountain Healthcare, and Kohl's Corporation. Our customers include individuals, employers of all sizes and health plans. We refer to our individual customers as our members, our health plan customers as our Health Plan Partners and our employer customers with more than 1,000 employees as our Employer Partners. Our Health Plan Partners and Employer Partners collectively constitute our Network Partners. Through our existing Network Partners, we have the potential to reach over 60 million consumers, representing approximately 34% of the under-age 65 privately insured population in the United States.

We have a successful history of acquiring complementary assets and businesses that strengthen our platform and we expect to continue this growth strategy and are regularly engaged in evaluating and negotiating acquisition opportunities. We have developed an internal capability to source, evaluate and integrate acquisitions that has created value for shareholders. We believe the nature of our competitive landscape provides a significant acquisition opportunity. Many of our competitors view their HSA businesses as non-core functions. We believe they will look to divest their HSA assets and, in certain cases, be limited from making acquisitions due to depository capital requirements. Consistent with this growth strategy, we are currently party to a non-binding letter of intent with respect to the acquisition of certain HSAs and are negotiating similar preliminary commitments with various other parties. The completion of these acquisitions is subject to various conditions, including the negotiation and execution of definitive documentation, the completion of due diligence by the parties and the approval of our board of directors. As a result of the foregoing uncertainties, there can be no assurance in any case that a definitive agreement will be executed or that, if it is, a transaction will be completed.

HealthEquity, Inc. was incorporated as a Delaware corporation on September 18, 2002. Our principal business office is located at 15 W. Scenic Pointe Dr., Ste. 100, Draper, Utah 84020. Our website address is www.healthequity.com. We do not incorporate the information contained on, or accessible through, our corporate website into this prospectus supplement, the accompanying prospectus and the information incorporated by reference in this prospectus supplement and the accompanying prospectus, and such information should not be considered to be part of this prospectus supplement, the accompanying prospectus and the information incorporated by reference in this prospectus supplement and the accompanying prospectus.

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THE OFFERING

Common stock offered by the selling stockholders	3,000,000 shares
Option to purchase additional shares	The selling stockholders have granted the underwriter a 30-day option to purchase up to an additional 450,000 shares of our common stock from the selling stockholders.
Use of proceeds	The principal purposes of this offering are to facilitate an orderly distribution of shares for the selling stockholders and to increase our public float. We will not receive any proceeds from the sale of shares of common stock by the selling stockholders. See "Use of Proceeds."
NASDAQ Global Select Market trading symbol	"HQY"
Risk factors	See "Risk Factors" for a discussion of the factors you should carefully consider before deciding whether to invest in our common stock.

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RISK FACTORS

Investing in our common stock involves risk. These risks are described below, under "Risk Factors" in Item 1A of Part I of our annual report on Form 10-K for the fiscal year ended January 31, 2015, which is incorporated by reference in this prospectus supplement and the accompanying prospectus, and in the other documents we file with the Securities and Exchange Commission, or SEC, from time to time. See "Where You Can Find More Information" in the accompanying prospectus. Before making a decision to invest in our common stock, you should carefully consider these risks, as well as other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus.

Risks Related to Our Common Stock and this Offering

We will continue to incur increased costs and demands upon management as a result of complying with the laws and regulations that affect public companies, which could materially adversely affect our results of operations, financial condition, business and prospects.

We will remain an emerging growth company only until January 31, 2016, at which point we will be a large accelerated filer and become subject to the requirements of Section 404 and other provisions of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act.

As a public company and particularly after we cease to be an emerging growth company, we will continue to incur significant legal, accounting and other expenses, including costs associated with public company reporting and corporate governance requirements. These requirements include compliance with Section 404 and other provisions of the Sarbanes-Oxley Act, as well as rules implemented by the SEC and the NASDAQ Stock Market, or NASDAQ. We expect that compliance with these rules and regulations will substantially increase our legal and financial compliance costs and will make some activities more time-consuming and costly.

The increased costs may decrease our net income or increase our net loss, and may require us to reduce costs in other areas of our business or increase the prices of our products or services. Additionally, if these requirements divert our management's attention from other business concerns, they could have a material adverse effect on our results of operations, financial condition, business and prospects.

If we are unable to implement and maintain effective internal controls over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be adversely affected.

As a public company, we are required to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls. A material weakness is a deficiency, or a combination of deficiencies, in financial reporting such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. Section 404 of Sarbanes-Oxley requires that we evaluate and determine the effectiveness of our internal controls over financial reporting and, beginning with our second annual report following our initial public offering, which will be for our year ending January 31, 2016, provide a management report on internal controls over financial reporting. Sarbanes-Oxley also requires that our management report on internal controls over financial reporting be attested to by our independent registered public accounting firm, to the extent we are no longer an emerging growth company. We do not expect to have our independent registered public accounting firm attest to our management report on internal controls over financial reporting for so long as we are an emerging growth company.

In connection with our preparation for our initial public offering, we concluded that there was a material weakness in our financial reporting that caused the restatement of our previously issued financial statements as of and for the year ended January 31, 2013. The material weakness we identified comprised our lack of sufficient expertise to appropriately address and timely account for complex,

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non-routine transactions in accordance with GAAP. The evidence of this material weakness related primarily to the measurement and classification of our redeemable convertible preferred stock and warrants issued in connection with our redeemable convertible preferred stock. During the year ended January 31, 2014, we added personnel to our accounting staff with appropriate levels of experience to remediate the aforementioned material weakness and further developed our accounting policies and financial reporting procedures. As of January 31, 2015, we determined that the material weakness had been remediated as a result of the action taken and the resulting improvements in our internal controls over financial reporting.

If we have a material weakness in our internal controls over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated. If we identify material weaknesses in our internal controls over financial reporting, if we are unable to comply with the requirements of Section 404 of Sarbanes-Oxley in a timely manner, if we are unable to assert that our internal controls over financial reporting are effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be adversely affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

The market price of our common stock may be volatile.

The stock market in general has been highly volatile. As a result, the market price and trading volume for our common stock may also be highly volatile, and investors in our common stock may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. Factors that could cause the market price of our common stock to fluctuate significantly include:

- our operating and financial performance and prospects and the performance of other similar companies;
- our quarterly or annual earnings or those of other companies in our industry;
- conditions that impact demand for our products and services;
- the public's reaction to our press releases, financial guidance and other public announcements, and filings with the SEC;
- changes in earnings estimates or recommendations by securities or research analysts who track our common stock;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- changes in government and other regulations;
- changes in accounting standards, policies, guidance, interpretations or principles;
- arrival and departure of key personnel;
- sales of common stock by us, our investors or members of our management team; and

changes in general market, economic and political conditions in the U.S. and global economies or financial markets, including those resulting from natural disasters, telecommunications failure, cyber attack, civil unrest in various parts of the world, acts of war, terrorist attacks or other catastrophic events.

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Any of these factors may result in large and sudden changes in the trading volume and market price of our common stock and may prevent you from being able to sell your shares at or above the price you paid for your shares of our common stock. Following periods of volatility in the market price of a company's securities, stockholders often file securities class-action lawsuits against such company. Our involvement in a class-action lawsuit could divert our senior management's attention and, if adversely determined, could have a material and adverse effect on our business, financial condition and results of operations.

Our principal stockholder owns a significant percentage of our shares and will be able to exert significant control over matters subject to stockholder approval.

As of September 2, 2015, our principal stockholder, Berkley Capital Investors, L.P., or Berkley, owned approximately 24.9% of our outstanding voting shares (before giving effect to this offering). Therefore, Berkley may have the ability to influence us through its ownership position. Berkley may be able to determine all matters requiring stockholder approval. For example, it may be able to control elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our common shares that you may feel are in your best interest as one of our stockholders. In addition, our certificate of incorporation and bylaws do not permit cumulative voting in the election of directors. The absence of cumulative voting makes it more difficult for a minority stockholder to gain a seat on our board of directors to influence our board's decision regarding a takeover.

If securities or industry analysts do not publish research or publish misleading or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the securities or industry analysts that covers us downgrades our shares or publishes misleading or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our shares could decrease, which could cause our stock price or trading volume to decline.

We do not intend to pay regular cash dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have no current plans to declare and pay any cash dividends for the foreseeable future. We currently intend to retain all our future earnings, if any, to fund our growth. Therefore, you are not likely to receive any dividends on your common stock for the foreseeable future and the success of an investment in our common stock will depend upon any future appreciation in its value. There is no guarantee that our common stock will appreciate in value or even maintain the price at which our stockholders have purchased their shares.

Future offerings of debt or equity securities, which may rank senior to our common stock, may adversely affect the market price of our common stock.

If we decide to issue debt securities in the future, which would rank senior to shares of our common stock, it is likely that they will be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, any equity securities or convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges more favorable than those of our common stock and may result in dilution to owners of our common stock. We and, indirectly, our stockholders will bear the cost of issuing and servicing such securities. Because our decision to issue debt or equity securities in any future offering will depend on market conditions

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and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of our common stock will bear the risk of our future offerings reducing the market price of our common stock and diluting the value of their share holdings in us.

Provisions in our charter documents and under Delaware law could discourage a takeover that stockholders may consider favorable.

Certain provisions in our governing documents could make a merger, tender offer or proxy contest involving us difficult, even if such events would be beneficial to the interests of our stockholders. These provisions include the inability of our stockholders to act by written consent and certain advance notice procedures with respect to stockholder proposals and nominations for candidates for the election of directors. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law which, subject to certain exceptions, prohibits stockholders owning in excess of 15% of our outstanding voting stock from merging or combining with us. Accordingly, our board of directors could rely upon these or other provisions in our governing documents and Delaware law to prevent or delay a transaction involving a change in control of our company, even if doing so would benefit our stockholders.

Our certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a claim for breach of a fiduciary duty owed by any of our directors and officers to us or our stockholders, any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws, or any action asserting a claim governed by the internal affairs doctrine. The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition.

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USE OF PROCEEDS

The principal purposes of this offering are to facilitate an orderly distribution of shares for the selling stockholders and to increase our public float. We will not receive any proceeds from the sale of shares of common stock by the selling stockholders.

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SELLING STOCKHOLDERS

The following table sets forth the number of shares of common stock owned by the selling stockholders prior to this offering, the percentage of common stock owned by the selling stockholders prior to this offering, the number of shares of common stock to be offered for sale by the selling stockholders in this offering, the number of shares of common stock to be owned by the selling stockholders after completion of this offering and the percentage of common stock to be owned by the selling stockholders after the completion of this offering. We have prepared the table based on information given to us by, or on behalf of, the selling stockholders on or before September 18, 2015. The percentage of common stock beneficially owned by the selling stockholders set forth in the table is based on 57,222,296 shares of our common stock issued and outstanding as of September 2, 2015.

	Shares Beneficially Owned Before the Offering			Shares Beneficially Owned After the Offering Assuming the Underwriter's Option is Not Exercised		Shares Beneficially Owned After the Offering Assuming the Underwriter's Option is Exercised in Full	
Name	Number	Percent	Number of Shares Being Sold*	Number	Percent	Number	Percent
Berkley Capital Investors, L.P.(1)	14,269,150	24.9%	2,000,000	12,269,150	21.4%	11,969,150	20.9%
Financial Partners Fund I, L.P.(2)	2,826,468	4.9%	1,000,000	1,826,468	3.2%	1,676,468	2.9%

* Does not include the underwriter's option to purchase additional shares.

(1) Berkley Capital, LLC is the general partner of Berkley Capital Investors, L.P. ("Berkley Capital"). Frank T. Medici is President of Berkley Capital, LLC and as such holds the sole voting and dispositive power over the shares held by Berkley Capital. Mr. Medici disclaims beneficial ownership of the shares held by Berkley Capital. The address of Berkley Capital is 600 Brickell Avenue, 39th Floor, Miami, FL 33131.

(2) Napier Park Global Capital GP LLC ("GPLLC") is the general partner of Financial Partners Fund I, L.P. ("FPF"). GPLLC has delegated to Manu Rana, Steve Piaker and Daniel Kittredge the sole voting and dispositive power over the shares held by FPF. The address of FPF is 280 Park Avenue, 3rd Floor, New York, NY 10017.

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COMMON STOCK PRICE RANGE AND DIVIDENDS

Our common stock is listed on the NASDAQ Global Select Market under the symbol "HQY". The following table sets forth for the periods indicated the high and low sales prices per share of our common stock as reported by NASDAQ:

	High	Low
For the fiscal year ended January 31, 2015		
Second Quarter (from July 31, 2014)	$ 20.00	$ 17.04
Third Quarter	$ 22.84	$ 16.11
Fourth Quarter	$ 27.74	$ 19.26
For the fiscal year ending January 31, 2016		
First Quarter	$ 27.89	$ 18.88
Second Quarter	$ 34.56	$ 24.52
Third Quarter (through September 18, 2015)	$ 34.38	$ 24.73

On September 18, 2015, the last reported sale price of our common stock on the NASDAQ Global Select Market was $30.88 per share. As of September 2, 2015, we had 56 holders of record of our common stock. The actual number of stockholders is greater than this number of record holders, and includes stockholders who are beneficial owners, but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

We do not currently intend to pay cash dividends on our common stock and do not anticipate paying any dividends on our common stock in the foreseeable future. Any future determinations relating to our dividend policies will be made at the discretion of our board of directors and will depend on conditions then existing, including our financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant.

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DESCRIPTION OF COMMON STOCK

As of September 2, 2015, there were 57,222,296 shares of our common stock issued and outstanding. See "Description of Securities Common Stock" in the accompanying prospectus for a summary description of our common stock.

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

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CERTAIN U.S. FEDERAL INCOME TAX AND ESTATE TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following is a summary of material U.S. federal income tax and estate tax consequences to non-U.S. holders relating to the ownership and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Internal Revenue Code, or the Code, Treasury regulations promulgated thereunder, administrative rulings and judicial decisions, all as in effect on the date hereof. These authorities may be changed, possibly retroactively, so as to result in U.S. federal income or estate tax consequences different from those set forth below. We have not sought any ruling from the Internal Revenue Service, or IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions.

This summary also does not address the tax considerations arising under the laws of any non-U.S., state or local jurisdiction, or under U.S. federal gift and estate tax laws, except to the limited extent below. In addition, this discussion does not address tax considerations applicable to a non-U.S. holder's particular circumstances or to non-U.S. holders that may be subject to special tax rules, including, without limitation:

- banks, insurance companies or other financial institutions;
- persons subject to the alternative minimum tax or the tax on net investment income;
- tax-exempt organizations;
- controlled foreign corporations, passive foreign investment companies and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities treated as pass-through entities for U.S. federal income tax purposes;
- dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- persons that own, or are deemed to own, more than five percent of our common stock, except to the extent specifically set forth below;
- real estate investment trusts or regulated investment companies;
- certain former citizens or long-term residents of the U.S.;
- persons who hold our common stock as part of a straddle, hedge, conversion, constructive sale, or other integrated security transaction; or
- persons who do not hold our common stock as a capital asset (within the meaning of Section 1221 of the Code).

If a partnership or entity treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner generally will depend on the status of the partner and upon the activities of the partnership. Accordingly, partnerships that hold our

common stock, and partners in such partnerships, should consult their tax advisors.

You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences of the purchase, ownership and disposition of our common stock arising under the U.S. federal estate or gift tax rules or under the laws of any state, local, non-U.S. or other taxing jurisdiction or under any applicable tax treaty.

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Non-U.S. Holder Defined

For purposes of this discussion, a non-U.S. holder is a beneficial owner of shares of our common stock that is not, for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state or political subdivision thereof, or the District of Columbia;
- a partnership;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust (x) whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (y) which has made election to be treated as a U.S. person.

Distributions

If we make a distribution of cash or other property (other than certain pro rata distributions of our common stock) in respect of our common stock, the distribution will be treated as a dividend to the extent it is paid from our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). If the amount of a distribution exceeds our current and accumulated earnings and profits, such excess first will be treated as a tax-free return of capital to the extent of the non-U.S. holder's adjusted tax basis in our common stock, and thereafter will be treated as capital gain. Subject to the discussions of the Foreign Account Tax Compliance Act, or FATCA, and backup withholding below, distributions treated as dividends on our common stock held by a non-U.S. holder generally will be subject to U.S. federal withholding tax at a rate of 30%, or at a lower rate if provided by an applicable income tax treaty and the non-U.S. holder has provided the documentation required to claim benefits under such treaty. Generally, to claim the benefits of an income tax treaty, a non-U.S. holder will be required to provide a properly executed IRS Form W-8BEN or W-8BEN-E, as applicable.

If, however, a dividend is effectively connected with the conduct of a trade or business in the United States by the non-U.S. holder (and, if an applicable tax treaty so provides, is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States), the dividend will not be subject to the 30% U.S. federal withholding tax (provided the non-U.S. holder has provided the appropriate documentation, generally an IRS Form W-8ECI, to the withholding agent), but the non-U.S. holder generally will be subject to U.S. federal income tax in respect of the dividend on a net income basis, at graduated rates, in substantially the same manner as U.S. persons. Dividends received by a non-U.S. holder that is a corporation for U.S. federal income tax purposes and which are effectively connected with the conduct of a U.S. trade or business may also be subject to a branch profits tax at the rate of 30% (or a lower rate if provided by an applicable tax treaty).

A non-U.S. holder that is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim for a refund together with the required information with the IRS.

Gain on Disposition of Common Stock

Subject to the discussions of FATCA and backup withholding below, a non-U.S. holder generally will not be subject to U.S. federal income or withholding tax on any gain realized on the sale or other disposition of our common stock unless:

- such non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of such sale or disposition, and certain other conditions are met;

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such gain is effectively connected with the conduct by the non-U.S. holder of a trade or business in the United States (and, if an applicable tax treaty so provides, is attributable to a permanent establishment or a fixed base maintained by the non-U.S. holder in the United States); or

our common stock constitutes a U.S. real property interest by reason of our status as a "United States real property holding corporation" for U.S. federal income tax purposes, or a USRPHC, at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period for our common stock.

A non-U.S. holder that is an individual and who is present in the United States for 183 days or more in the taxable year of such sale or disposition, if certain other conditions are met, will be subject to tax at a gross rate of 30% on the amount by which such non-U.S. holder's taxable capital gains allocable to U.S. sources, including gain from the sale or other disposition of our common stock, exceed capital losses allocable to U.S. sources, except as otherwise provided in an applicable income tax treaty.

Gain realized by a non-U.S. holder that is effectively connected with such non-U.S. holder's conduct of a trade or business in the U.S. generally will be subject to U.S. federal income tax on a net income basis, and at graduated rates, in substantially the same manner as a U.S. person (except as provided by an applicable tax treaty). In addition, if such non-U.S. holder is a corporation for U.S. federal income tax purposes, it may also be subject to a branch profits tax at the rate of 30% (or a lower rate if provided by an applicable tax treaty).

Generally, a corporation is a USRPHC if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (all as determined for U.S. federal income tax purposes). We do not expect to be treated as a USRPHC as of the date hereof; however, there can be no assurances that we are not now or will not become in the future a USRPHC. If, however, we were a USRPHC during the applicable testing period, as long as our common stock is regularly traded on an established securities market, our common stock will be treated as a U.S. real property interest only for a non-U.S. holder who actually or constructively holds (at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period) more than 5% of such regularly traded stock. Please note, though, that we can provide no assurance that our common stock will remain regularly traded.

Federal Estate Tax

Our common stock beneficially owned by an individual who is not a citizen or resident of the United States (as defined for U.S. federal estate tax purposes) at the time of death will generally be includable in the decedent's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Foreign Account Tax Compliance Act

Pursuant to FATCA, a 30% withholding tax will be imposed on dividends paid with respect to our common stock and, after December 31, 2018, on proceeds from the sale or other disposition of our common stock to "foreign financial institutions" (including non-U.S. investment funds) or "non-financial foreign entities" (each as defined in the Code and Treasury Regulations), unless they meet the information reporting requirements of FATCA. To avoid withholding, a foreign financial institution will need to enter into an agreement with the IRS that states that it will provide the IRS certain information, including the names, addresses and taxpayer identification numbers of direct and indirect U.S. account holders, comply with due diligence procedures with respect to the identification of U.S. accounts, report to the IRS certain information with respect to U.S. accounts maintained, agree to withhold tax on certain payments made to non-compliant foreign financial institutions or to account holders who fail to provide the required information, and determine certain other information as to its account holders. An intergovernmental agreement between the United States and an applicable foreign country, or future United

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States Treasury Regulations, may modify these requirements. A non-financial foreign entity will need to provide either the name, address and taxpayer identification number of each substantial U.S. owner, or certifications of no substantial U.S. ownership to avoid withholding, unless certain exceptions apply. You should consult your own tax advisors regarding FATCA and its effect on you.

Backup Withholding and Information Reporting

Generally, we must report annually to the IRS the amount of dividends paid to a non-U.S. holder, the non-U.S. holder's name and address, and the amount of tax withheld, if any. A similar report is sent to the non-U.S. holder. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in the non-U.S. holder country of residence.

Payments of dividends or of proceeds on the disposition of stock made to a non-U.S. holder may be subject to information reporting and backup withholding unless the non-U.S. holder establishes an exemption, for example by properly certifying the non-U.S. holder's status on a Form W-8BEN or W-8BEN-E or another appropriate version of IRS Form W-8. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that the non-U.S. holder is a U.S. person.

Backup withholding is not an additional tax; rather, the U.S. income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

The preceding discussion of U.S. federal tax considerations is for general information only. It is not tax advice. Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state and local and non-U.S. tax consequences of purchasing, holding and disposing of our common stock, including the consequences of any proposed change in applicable laws.

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UNDERWRITING

Wells Fargo Securities, LLC is acting as the underwriter in connection with this offering. Subject to the terms and conditions of the underwriting agreement, the underwriter has agreed to purchase from the selling stockholders an aggregate of 3,000,000 shares of common stock at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus supplement.

The underwriter has agreed to purchase all of the shares of common stock sold under the underwriting agreement if it purchases any of these shares. The underwriting agreement provides that the obligations of the underwriter to purchase the shares included in this offering are subject to approval of legal matters by counsel and to other conditions.

The selling stockholders have granted the underwriter a 30-day option to purchase up to an additional 450,000 shares of common stock from the selling stockholders at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus supplement.

In connection with this offering, the underwriter or securities dealers may distribute prospectus supplements and the accompanying prospectus electronically.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriter to the selling stockholders per share of common stock. The underwriting fee is $0.34 per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters, assuming both no exercise and full exercise of the underwriter's option to purchase additional shares.

	Without Exercise of Option to Purchase Additional Shares	With Full Exercise of Option to Purchase Additional Shares
Per share	$ 0.34	$ 0.34
Total	$ 1,020,000	$ 1,173,000

We have agreed that we will not (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act of 1933, as amended, or the Securities Act, relating to, any shares of our common stock or securities convertible into or exercisable or exchangeable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, or (2) enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of any shares of common stock or any such other securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of shares of common stock or such other securities, in cash or otherwise, without the prior written consent of Wells Fargo Securities, LLC for a period of 75 days after the date of this prospectus supplement, other than the shares of our common stock to be sold hereunder and any shares of our common stock issued upon the exercise or vesting of awards granted under our stock-based compensation plans.

Certain of our directors and executive officers and the selling stockholders have entered into lock-up agreements with the underwriter prior to the commencement of this offering pursuant to which each of these persons or entities, with limited exceptions, for a period of 75 days after the date of this prospectus supplement, may not, without the prior written consent of Wells Fargo Securities, LLC, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or

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exchangeable for our common stock (including, without limitation, common stock or such other securities which may be deemed to be beneficially owned by such directors, executive officers, or other securityholders in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant), or publicly disclose the intention to make any offer, sale, pledge or disposition, (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common stock or such other securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash or otherwise, other than the shares of our common stock to be sold pursuant to this prospectus, or (3) make any demand for or exercise any right with respect to the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock.

Our shares of common stock are listed on the NASDAQ Global Select Market under the symbol "HQY."

The expenses of this offering are estimated to be approximately $160,000 and are payable by us. We have agreed to reimburse the underwriter for up to $25,000 for expenses relating to the clearance of this offering with the Financial Industry Regulatory Authority, Inc.

Until the distribution of the shares offered hereby is completed, SEC rules may limit the underwriter and selling group members from bidding for or purchasing our shares of common stock. However, the underwriter may engage in transactions that stabilize the price of our common stock, such as bids or purchases that peg, fix or maintain the price of the common stock.

In connection with this offering, the underwriter may engage in stabilizing transactions, which involve making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of our shares of common stock. Short sales involve the sale by the underwriter, at the time of the offering, of a greater number of shares of common stock it is are required to purchase in the offering. Short sales may be "naked short sales," which are short positions in excess of that amount. The underwriter must close out any naked short position by purchasing shares of common stock in the open market. A naked short position is more likely to be created if the underwriter is concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Similar to other purchase transactions, the purchases by the underwriter to cover short positions may have the effect of raising or maintaining the market price of common stock preventing or retarding a decline in the market price of our common stock. The underwriter has advised us that, pursuant to Regulation M of the Securities Act, it may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. As a result, the price of our common stock may be higher than it would otherwise be in the absence of these transactions. If these activities are commenced, they may be discontinued at any time.

Neither we nor the underwriter makes any representation or prediction as to the direction or magnitude of any effect the transactions described above may have on the price of our common stock. In addition, neither we nor the underwriter makes any representation that the underwriter will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

In addition, in connection with this offering the underwriter may engage in passive market making transactions in our common stock on the NASDAQ Global Select Market prior to the pricing and completion of this offering. Passive market making consists of displaying bids on the NASDAQ Global Select Market no higher than the bid prices of independent market makers and making purchases at prices no higher than these independent bids and effected in response to order flow. Net purchases by a passive market maker on each day are generally limited to a specified percentage of the passive market maker's average daily trading volume in the common stock during a specified period and must be

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discontinued when such limit is reached. Passive market making may cause the price of our common stock to be higher than the price that otherwise would exist in the open market in the absence of these transactions. If passive market making is commenced, it may be discontinued at any time.

We and the selling stockholders have agreed to indemnify the underwriter against certain liabilities, including liabilities under the Securities Act.

The underwriter and its affiliates have provided in the past to us and our affiliates and may provide from time to time in the future, certain commercial banking, financial advisory, investment banking and other services in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. The underwriter also acted as an underwriter in connection with the underwritten public offering of shares of our common stock in May 2015. In addition, from time to time, the underwriter and its affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans.

Selling restrictions

General

Other than in the United States, no action has been taken by us or the underwriter that would permit a public offering of the securities offered by this prospectus supplement in any jurisdiction where action for that purpose is required. The securities offered by this prospectus supplement may not be offered or sold, directly or indirectly, nor may this prospectus supplement or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus supplement comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus supplement. This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus supplement in any jurisdiction in which such an offer or a solicitation is unlawful.

Notice To Prospective Investors In The United Kingdom

This document is only being distributed to and is only directed at (1) persons who are outside the United Kingdom or (2) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (3) high net worth entities, and other persons to whom it may lawfully be communicated, falling with Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Notice To Prospective Investors In The European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), from and including the date on which the European Union Prospectus Directive (the "EU Prospectus Directive") was implemented in that Relevant Member State (the "Relevant Implementation Date") an offer of securities described in this prospectus supplement may not be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the EU Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of

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securities described in this prospectus supplement may be made to the public in that Relevant Member State at any time:

- to any legal entity which is a qualified investor as defined under the EU Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive); or
- in any other circumstances falling within Article 3(2) of the EU Prospectus Directive, provided that no such offer of securities described in this prospectus supplement shall result in a requirement for the publication by us of a prospectus pursuant to Article 3 of the EU Prospectus Directive.

For the purposes of this provision, the expression an "offer of securities to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State. The expression "EU Prospectus Directive" means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice To Prospective Investors In Switzerland

This document does not constitute a prospectus within the meaning of Art. 652a of the Swiss Code of Obligations. The shares of common stock may not be sold directly or indirectly in or into Switzerland except in a manner which will not result in a public offering within the meaning of the Swiss Code of Obligations. Neither this document nor any other offering materials relating to the shares of common stock may be distributed, published or otherwise made available in Switzerland except in a manner which will not constitute a public offer of the shares of common stock in Switzerland.

Notice To Prospective Investors In Ireland

This prospectus supplement and any other material in relation to the shares described herein is only being distributed in Ireland:

- in circumstances which do not require the publication of a prospectus pursuant to Article 3(2) of Directive 2003/71/EC as amended by Directive 2010/73/EC;
- in compliance with the provisions of the Irish Companies Acts 1963-2009; and
- in compliance with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No. 60 of 2007) (as amended), and in accordance with any codes or rules of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland with respect to anything done by them in relation to the shares.

Notice To Prospective Investors In Australia

This document has not been lodged with the Australian Securities & Investments Commission and does not constitute an offer except to the following categories of exempt persons:

- "sophisticated investors" under section 708(8)(a) or (b) of the Corporations Act 2001 (Cth) of Australia ("Corporations Act");

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"sophisticated investors" under section 708(8)(c) or (d) of the Corporations Act who have provided an accountant's certificate to us which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before any offer has been made; and

"professional investors" within the meaning of section 708(11)(a) or (b) of the Corporations Act.

By purchasing shares of common stock, you warrant and agree that:

you are an exempt investor under one of the above categories; and

you will not offer any shares of common stock issued or sold to you pursuant to this document for sale in Australia within 12 months of those shares being issued or sold unless any such sale offer is exempt from the requirement to issue a disclosure document under sections 708 or 708A of the Corporations Act.

Notice To Prospective Investors In Hong Kong

The contents of this prospectus supplement have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this prospectus supplement, you should obtain independent professional advice. Please note that (i) our securities may not be offered or sold in Hong Kong, by means of this prospectus or any document other than to "professional investors" within the meaning of Part I of Schedule 1 of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) (SFO) and any rules made thereunder, or in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong) (CO) or which do not constitute an offer or invitation to the public for the purpose of the CO or the SFO, and (ii) no advertisement, invitation or document relating to our securities may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere) which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made thereunder.

Notice To Prospective Investors In Japan

Our securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and our securities will not be offered or sold, directly or indirectly, in Japan, or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan, or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice To Prospective Investors In Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our securities may not be circulated or distributed, nor may our securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with

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the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where our securities are subscribed or purchased under Section 275 by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired our securities pursuant to an offer made under Section 275 except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law; or

(4) as specified in Section 276(7) of the SFA.

Notice To Prospective Investors In France

Neither this prospectus supplement, the accompanying prospectus nor any other offering material relating to the shares described in this prospectus supplement or the accompanying prospectus has been submitted to the clearance procedures of the Autorité des Marchés Financiers or of the competent authority of another member state of the European Economic Area and notified to the Autorité des Marchés Financiers. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus supplement, the accompanying prospectus nor any other offering material relating to the shares has been or will be:

released, issued, distributed or caused to be released, issued or distributed to the public in France; or

used in connection with any offer for subscription or sale of the shares to the public in France.

Such offers, sales and distributions will be made in France only:

to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restraint d'investisseurs*), in each case investing for their own account, all as defined in, and in accordance with articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier;

to investment services providers authorized to engage in portfolio management on behalf of third parties; or

in a transaction that, in accordance with article L.411-2-II-1°-or-2°-or 3° of the French Code monétaire et financier and article 211-2 of the General Regulations (*Règlement Général*) of the Autorité des Marchés Financiers , does not constitute a public offer (*appel public à l'épargne*).

The shares may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French Code monétaire et financier.

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Notice To Prospective Investors In the Dubai International Financial Centre

This prospectus supplement relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus supplement is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for the prospectus supplement. The shares to which this prospectus supplement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus supplement you should consult an authorized financial advisor.

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LEGAL MATTERS

The validity of the common stock offered hereby will be passed upon by Willkie Farr & Gallagher LLP, New York, New York. Certain legal matters in connection with this offering will be passed upon for the underwriter by Cooley LLP, San Diego, California.

EXPERTS

The consolidated financial statements incorporated in this prospectus supplement by reference to the Annual Report on Form 10-K for the year ended January 31, 2015 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to "incorporate by reference" the information that we file with them. This allows us to disclose important information to you by referring to those filed documents. Any information referred to in this way is considered part of this prospectus supplement, and any information that we file with the SEC after the date of this prospectus supplement will automatically update and supersede this information.

We are incorporating by reference the documents listed below, and all documents that we file after the date of this prospectus supplement with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 prior to the termination of the offering of securities covered by this prospectus supplement:

- Our Annual Report on Form 10-K for the year ended January 31, 2015;
- Our Quarterly Reports on Form 10-Q for the quarters ended April 30, 2015 filed with the SEC on June 11, 2015 and for the quarter ended July 31, 2015 filed with the SEC on September 10, 2015;
- Our Current Reports on Form 8-K filed with the SEC on May 20, 2015, June 26, 2015 and September 2, 2015; and
- The description of our common stock contained in our registration statement on Form 8-A (File No. 001-36568) filed with the SEC on July 25, 2014, including any amendment or report filed for the purpose of updating such description.

Unless we specifically state otherwise, none of the information furnished under Item 2.02 or Item 7.01 in our Current Reports on Form 8-K is, or will be, incorporated by reference in this prospectus supplement.

We will provide to each person, including any beneficial owner, to whom this prospectus supplement and accompanying prospectus have been delivered, free of charge, upon oral or written request copies of any documents that we have incorporated by reference into this prospectus supplement and accompanying prospectus. You can obtain copies through our Investor Relations website at ir.healthequity.com or by contacting our Executive Vice President, General Counsel and Secretary, at: HealthEquity, Inc., 15 W. Scenic Pointe Dr., Ste. 100, Draper, UT 84020; (801) 727-1000.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document that we file at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site at www.sec.gov, from which interested persons can electronically access our SEC filings, including the registration statement and the exhibits and schedules thereto.

PROSPECTUS

Common Stock
Preferred Stock
Debt Securities
Warrants
Units

From time to time with this prospectus, we may offer an indeterminate amount of common stock, preferred stock, debt securities and warrants or any combination thereof separately or in units, and certain selling stockholders named in this prospectus may offer up to 18,492,903 shares of common stock. The warrants may be convertible into or exercisable or exchangeable for common stock or preferred stock, the preferred stock may be convertible into or exchangeable for common stock and the debt securities may be convertible into or exchangeable for common stock or preferred stock. We provide more information about how we or the selling stockholders may elect to sell our securities in the section titled "Plan of Distribution" in this prospectus. Specific terms of these securities and offerings will be provided in supplements to this prospectus to the extent required by law. Before you invest, you should carefully read this prospectus and any prospectus supplement, together with the documents we incorporate by reference.

Our common stock is listed on the NASDAQ Global Select Market under the symbol "HQY." On September 8, 2015, the last reported sale price of our common stock was $30.53 per share.

We currently qualify as an "emerging growth company," as that term is defined in the Jumpstart Our Business Startups Act.

INVESTING IN OUR SECURITIES INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD CAREFULLY REVIEW THE RISKS AND UNCERTAINTIES REFERENCED UNDER THE HEADING "RISK FACTORS" IN THIS PROSPECTUS AS WELL AS THOSE IN ANY SIMILAR SECTION CONTAINED IN THE APPLICABLE PROSPECTUS SUPPLEMENT AND ANY RELATED FREE WRITING PROSPECTUS, AND IN THE OTHER DOCUMENTS THAT ARE INCORPORATED BY REFERENCE INTO THIS PROSPECTUS OR THE APPLICABLE PROSPECTUS SUPPLEMENT.

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 September 9, 2015

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This prospectus is part of an automatic registration statement that we filed with the SEC as a "well-known seasoned issuer" as defined in Rule 405 under the Securities Act of 1933, as amended, or the Securities Act, utilizing a "shelf" registration process for the delayed offering and sale of securities pursuant to Rule 415 under the Securities Act. Under this shelf registration process, we and the selling stockholders may offer and sell, from time to time, any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we and/or the selling stockholders may offer. If required by applicable law, each time we or one or more selling stockholders sell securities under this prospectus, we will provide a prospectus supplement that will contain specific information about the terms of that offering. We may also add, update or change in a prospectus supplement any information contained in this prospectus. To the extent any statement made in a prospectus supplement or a document incorporated by reference herein after the date hereof is inconsistent with the statements made in this prospectus, the statements made in this prospectus will be deemed modified or superseded by those made in the prospectus supplement or the incorporated document. You should read both this prospectus and any prospectus supplement together with additional information incorporated herein and therein described under the heading "Where You Can Find More Information" before you make any investment decision.

Neither we nor any selling stockholder have authorized anyone to provide you with information in addition to or different from that contained in this prospectus, any applicable prospectus supplement and any related free writing prospectus. We take no responsibility for, and can provide no assurances as to the reliability of, any information not contained in this prospectus, any applicable prospectus supplement or any related free writing prospectus that we or a selling stockholder may authorize to be provided to you. This prospectus is an offer to sell only the securities offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. You should assume that the information in this prospectus, any applicable prospectus supplement or any related free writing prospectus is accurate only as of the date on the front of the document (unless the information specifically indicates that another date applies) and that any information incorporated by reference is accurate only as of the date of the document incorporated by reference, regardless of the time of delivery of this prospectus, any applicable prospectus supplement or any related free writing prospectus, or any sale of a security.

The terms "we," "our" and similar terms used in the descriptions of securities contained in this prospectus refer to HealthEquity, Inc. only, and not to its subsidiaries, unless the context requires otherwise, and the term "securities" refers collectively to our common stock, preferred stock, warrants to purchase common stock or preferred stock, debt securities, units or any combination of the foregoing securities.

THE COMPANY

We are a leader and an innovator in the high growth category of technology-enabled services platforms that empower consumers to make healthcare saving and spending decisions. Our platform provides an ecosystem where consumers can access their tax-advantaged healthcare savings, compare treatment options and pricing, evaluate and pay healthcare bills, receive personalized benefit and clinical information, earn wellness incentives, and make educated investment choices to grow their tax-advantaged healthcare savings. We can integrate with any health plan or banking institution to be the independent and trusted partner that enables consumers as they seek to manage, save and spend their healthcare dollars. We believe the secular shift to greater consumer responsibility for healthcare costs will require a significant portion of the approximately 175 million under-age 65 consumers with private health insurance in the United States to use a platform such as ours.

The core of our ecosystem is the health savings account, or HSA, a financial account through which consumers spend and save long term for healthcare on a tax-advantaged basis. We are the integrated HSA platform for 20 of the 50 largest health plans in the country, a number of which are among 28 Blue Cross and Blue Shield health plans in 26 states, and more than 27,000 employer clients, including industry leaders such as Adobe Systems, American Express Company, Dow Corning Corporation, eBay, Inc., Google, Inc., Intermountain Healthcare, and Kohl's Corporation. Our customers include individuals, employers of all sizes and health plans. We refer to our individual customers as our members, our health plan customers as our Health Plan Partners and our employer customers with more than 1,000 employees as our Employer Partners. Our Health Plan Partners and Employer Partners collectively constitute our Network Partners. Through our existing Network Partners, we have the potential to reach over 60 million consumers, representing approximately 34% of the under-age 65 privately insured population in the United States.

HealthEquity, Inc. was incorporated as a Delaware corporation on September 18, 2002. Our principal business office is located at 15 W. Scenic Pointe Dr., Ste. 100, Draper, Utah 84020. Our website address is www.healthequity.com. We do not incorporate the information contained on, or accessible through, our corporate website into this prospectus, and such information should not be considered to be part of this prospectus.

RISK FACTORS

Investment in our securities involves a high degree of risk. You should consider carefully the risks and uncertainties described under the heading "Risk Factors" in any applicable prospectus supplement, our Annual Report on Form 10-K for the year ended January 31, 2015 and our other filings with the Securities and Exchange Commission, or SEC, pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, or the Exchange Act, which are incorporated herein by reference, before you decide whether to purchase any of our securities. These risks could materially adversely affect our business, financial condition, results of operations and cash flows, and you may lose part or all of your investment. For more information, see the section of this prospectus titled "Where You Can Find More Information."

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, any prospectus supplement and the information incorporated by reference in this prospectus include forward-looking statements that involve risks and uncertainties. These forward-looking statements include, without limitation, statements regarding our industry, business strategy, plans, goals and expectations concerning our market position, product expansion, future operations, margins, profitability, future efficiencies, capital expenditures, liquidity and capital resources and other financial and operating information. When used in this discussion, the words "may," "believes," "intends," "seeks," "anticipates," "plans," "estimates," "expects," "should," "assumes," "continues," "could," "will," "future" and the negative of these or similar terms and phrases are intended to identify forward-looking statements in this prospectus and the information incorporated by reference in this prospectus.

Forward-looking statements reflect our current expectations regarding future events, results or outcomes. These expectations may or may not be realized. Although we believe the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to have been correct. Some of these expectations may be based upon assumptions, data or judgments that prove to be incorrect. Actual events, results and outcomes may differ materially from our expectations due to a variety of known and unknown risks, uncertainties and other factors. Although it is not possible to identify all of these risks and factors, they include, among others, the following:

our expectations regarding our operating revenue, expenses, effective tax rates and other results of operations;

our anticipated capital expenditures and our estimates regarding our capital requirements;

our ability to stay abreast of new or modified laws and regulations that currently apply or become applicable to our business;

the growth rates of the markets in which we compete;

competitive pressures related to the fees that we charge;

our reliance on key members of executive management and our ability to identify, recruit and retain skilled personnel;

management compensation and the methodology for its determination;

our ability to promote our brand;

disturbance to our information technology systems;

our ability to protect our intellectual property rights;

unavailability of capital;

general economic conditions;

risk of future legal proceedings; and

other risks and factors listed under "Risk Factors" and elsewhere in this prospectus and the information incorporated by reference in this prospectus.

In light of these risks, uncertainties and other factors, the forward-looking statements contained in this prospectus, any prospectus supplement and the information incorporated by reference in this prospectus might not prove to be accurate and you should not place undue reliance upon them. All forward-looking statements speak only as of the date made and we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

USE OF PROCEEDS

We intend to use the net proceeds we receive from the sale of securities by us as set forth in the applicable prospectus supplement. We will not receive any proceeds from the sale of securities by any selling stockholder.

RATIO OF EARNINGS TO FIXED CHARGES

Our ratio of earnings to fixed charges for recently completed fiscal years and any required interim periods will be specified in a prospectus supplement or in a document that we file with the SEC and incorporate by reference in the future.

DESCRIPTION OF SECURITIES

Common Stock

Subject to any preferential rights of any preferred stock created by our board of directors, each outstanding share of our common stock is entitled to such dividends as our board of directors may declare from time to time out of funds that we can legally use to pay dividends. The holders of common stock possess exclusive voting rights, except to the extent our board of directors specifies voting power with respect to any preferred stock that is issued.

Each holder of our common stock is entitled to one vote for each share of common stock and does not have any right to cumulate votes in the election of directors. In the event of liquidation, dissolution or winding-up of the Company, holders of our common stock will be entitled to receive on a pro-rata basis any assets remaining after provision for payment of creditors and after payment of any liquidation preferences to holders of preferred stock, if any.

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

Our common stock is listed on the NASDAQ Global Select Market under the symbol "HQY". All shares of our common stock currently issued and outstanding are fully paid and non-assessable. Shares of our common stock offered by a prospectus supplement, upon issuance against full consideration, will be fully paid and non-assessable.

Preferred Stock

The particular terms of any series of preferred stock will be set forth in the prospectus supplement relating to the offering.

The rights, preferences, privileges and restrictions, including dividend rights, voting rights, terms of redemption, retirement and sinking fund provisions and liquidation preferences, if any, of the preferred stock of each series will be fixed or designated pursuant to a certificate of designation adopted by our board of directors or a duly authorized committee of our board of directors. The terms, if any, on which shares of any series of preferred stock are convertible or exchangeable into common stock will also be set forth in the prospectus supplement relating to the offering. These terms may include provisions for conversion or exchange, either mandatory, at the option of the holder, or at our option, in which case the number of shares of common stock to be received by the holders of preferred stock would be calculated as of a time and in the manner stated in the applicable prospectus supplement. The description of the terms of a particular series of preferred stock that will be set forth in the applicable prospectus supplement does not purport to be complete and is qualified in its entirety by reference to the certificate of designation relating to the series.

Debt Securities

We may issue debt securities from time to time, in one or more series. The paragraphs below describe the general terms and provisions of the debt securities we may offer under this prospectus. When we offer to sell a particular series of debt securities, we will describe the specific terms of the securities in a supplement to this prospectus, including any additional covenants or changes to existing covenants relating to such series. The prospectus supplement also will indicate whether the general terms and provisions described in this prospectus apply to a particular series of debt securities.

If we issue debt securities at a discount from their principal amount, then, for purposes of calculating the aggregate initial offering price of the offered securities issued under this prospectus, we will include only the initial offering price of the debt securities and not the principal amount of the debt securities.

We have summarized below the material provisions of the indenture that will govern debt securities that we may issue, or indicated which material provisions will be described in the related prospectus supplement. The prospectus supplement relating to any particular securities offered will describe the specific terms of the securities, which may be in addition to or different from the general terms summarized in this prospectus. We have included the form of the indenture as an exhibit to our registration statement of which this prospectus is a part, and it is incorporated into this prospectus by reference. Because the summary in this prospectus and in any applicable prospectus supplement does not contain all of the information that you may find useful, you should read the documents relating to the securities that are described in this prospectus or in any applicable prospectus supplement. These documents will be filed as an exhibit to the registration statement of which this prospectus forms a part or will be incorporated by reference from another report that we file with the SEC. Please read "Where You Can Find More Information" in this prospectus to find out how you can obtain a copy of those documents. References to an "indenture" are references to the indenture, as supplemented, under which a particular series of debt securities is issued. As used under this caption, the term "debt securities" includes the debt securities being offered by this prospectus and all other debt securities issued by us under the indenture.

General

The indenture:

- does not limit the amount of debt securities that we may issue;
- allows us to issue debt securities in one or more series;
- does not require us to issue all of the debt securities of a series at the same time; and
- allows us to reopen a series to issue additional debt securities without the consent of the holders of the debt securities of such series.

The prospectus supplement for each offering of debt securities will provide the following terms, where applicable:

- the title of the debt securities and whether they are senior, senior subordinated or subordinated debt securities;
- the aggregate principal amount of the debt securities being offered and any limit on their aggregate principal amount, and, if the series is to be issued at a discount from its face amount, the method of computing the accretion of such discount;
- the price at which the debt securities will be issued, expressed as a percentage of the principal and, if other than the full principal amount thereof, the portion of the principal amount thereof payable upon declaration of acceleration of the maturity thereof or, if applicable, the portion of

the principal amount of such debt securities that is convertible into common stock or preferred stock or the method by which any such portion shall be determined;

if convertible, the terms on which such debt securities are convertible, including the initial conversion price or rate or the method of calculation, how and when the conversion price or exchange ratio may be adjusted, whether conversion or exchange is mandatory, at the option of the holder or at our option, the conversion or exchange period, and any other provision in relation thereto, and any applicable limitations on the ownership or transferability of common stock or preferred stock received on conversion;

the date or dates, or the method for determining the date or dates, on which the principal of the debt securities will be payable;

the fixed or variable interest rate or rates of the debt securities, or the method by which the interest rate or rates is determined;

the date or dates, or the method for determining the date or dates, from which interest will accrue;

the dates on which interest will be payable;

the record dates for interest payment dates, or the method by which we will determine those dates;

the persons to whom interest will be payable;

the basis upon which interest will be calculated if other than that of a 360-day year of twelve 30-day months;

any collateral securing the performance of our obligations under the debt securities;

the place or places where the principal of, premium, if any, and interest on, the debt securities will be payable;

where the debt securities may be surrendered for registration of transfer or conversion or exchange;

where notices or demands to or upon us in respect of the debt securities and the applicable indenture may be served;

any provisions regarding our right to redeem or purchase debt securities or the right of holders to require us to redeem or purchase debt securities;

any right or obligation we have to redeem, repay or purchase the debt securities pursuant to any sinking fund or analogous provision;

the currency or currencies (including any composite currency) in which the debt securities are denominated and payable if other than United States dollars, and the currency or currencies (including any composite currency) in which principal, premium, if any, and interest, if any, will be payable, and if such payments may be made in a currency other than that in which the debt securities are denominated, the manner for determining such payments, including the time and manner of determining the exchange rate between the currency in which such securities are denominated and the currency in which

such securities or any of them may be paid, and any additions to, modifications of or deletions from the terms of the debt securities to provide for or to facilitate the issuance of debt securities denominated or payable in a currency other than U.S. dollars;

whether the amount of payments of principal of, premium, if any, or interest on, the debt securities may be determined according to an index, formula or other method and how such amounts will be determined;

whether the debt securities will be in registered form, bearer form or both, and the terms of these forms;

whether the debt securities will be issued in whole or in part in the form of a global security and, if applicable, the identity of the depositary for such global security;

any provision for electronic issuance of the debt securities or issuance of the debt securities in uncertificated form;

whether and upon what terms the debt securities of such series may be defeased or discharged, if different from the provisions set forth in the indenture for the series to which the supplemental indenture or authorizing resolution relates;

any provisions granting special rights to holders of securities upon the occurrence of such events as specified in the applicable prospectus supplement;

any deletions from, modifications of, or additions to our events of default or covenants or other provisions set forth in the indenture for the series to which the supplemental indenture or authorizing resolution relates; and

any other material terms of the debt securities, which may be different from the terms set forth in this prospectus.

Events of Default

Unless the applicable prospectus supplement states otherwise, when we refer to "events of default" as defined in the indenture with respect to any series of debt securities, we mean:

our failure to pay interest on any debt security of such series when the same becomes due and payable and the continuance of any such failure for a period of 30 days;

our failure to pay the principal or premium of any debt security of such series when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;

our failure or the failure of any restricted subsidiary to comply with any of its agreements or covenants in, or provisions of, the debt securities of such series or the indenture (as they relate thereto) and such failure continues for a period of 60 days after our receipt of notice of the default from the trustee or from the holders of at least 25 percent in aggregate principal amount of the then outstanding debt securities of that series (except in the case of a default with respect to the provisions of the indenture regarding the consolidation, merger, sale, lease, conveyance or other disposition of all or substantially all of the assets of us (or any other provision specified in the applicable supplemental indenture or authorizing resolution), which will constitute an event of default with notice but without passage of time); or

certain events of bankruptcy, insolvency or reorganization occur with respect to the Company or any restricted subsidiary of the Company that is a significant subsidiary (as defined in the indenture).

If an event of default occurs and is continuing with respect to debt securities of any series outstanding, then the trustee or the holders of 25% or more in principal amount of the outstanding debt securities of that series will have the right to declare the principal amount of all the debt securities of that series to be due and payable immediately. However, the holders of at least a majority in principal amount of outstanding debt securities of such series may rescind and annul such

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declaration and its consequences, except an acceleration due to nonpayment of principal or interest on such series, if the rescission would not conflict with any judgment or decree and if all existing events of default with respect to such series have been cured or waived.

The indenture also provides that the holders of at least a majority in principal amount of the outstanding debt securities of any series, by notice to the trustee, may, on behalf of all holders, waive any existing default and its consequences with respect to such series of debt securities, other than any event of default in payment of principal or interest.

The indenture will require the trustee to give notice to the holders of debt securities within 90 days after the trustee obtains knowledge of a default that has occurred and is continuing. However, the trustee may withhold notice to the holders of any series of debt securities of any default, except a default in payment of principal or interest, if any, with respect to such series of debt securities, if the trustee considers it in the interest of the holders of such series of debt securities to do so.

The holders of a majority of the outstanding principal amount of the debt securities of any series will have the right to direct the time, method and place of conducting any proceedings for any remedy available to the trustee with respect to such series, subject to limitations specified in the indenture.

Modification, Amendment, Supplement and Waiver

Without notice to or the consent of any holder of any debt security, we and the trustee may modify, amend or supplement the indenture or the debt securities of a series:

to cure any ambiguity, omission, defect or inconsistency;

to comply with the provisions of the indenture regarding the consolidation, merger, sale, lease, conveyance or other disposition of all or substantially all of our assets;

to provide that specific provisions of the indenture shall not apply to a series of debt securities not previously issued or to make a change to specific provisions of the indenture that only applies to any series of debt securities not previously issued or to additional debt securities of a series not previously issued;

to create a series and establish its terms;

to provide for uncertificated debt securities in addition to or in place of certificated debt securities;

to release a guarantor in respect of any series which, in accordance with the terms of the indenture applicable to such series, ceases to be liable in respect of its guarantee;

to add a guarantor subsidiary in respect of any series of debt securities;

to secure any series of debt securities;

to add to the covenants of the Company for the benefit of the holders or surrender any right or power conferred upon the Company;

to appoint a successor trustee with respect to the securities;

to comply with requirements of the SEC in order to effect or maintain the qualification of the indenture under the Trust Indenture Act;

to make any change that does not adversely affect the rights of holders; or

to conform the provisions of the indenture to the final offering document in respect of any series of debt securities.

The indenture will provide that we and the trustee may modify, amend, supplement or waive any provision of the debt securities of a series or of the indenture relating to such series with the written consent of the holders of at least a majority in principal amount of the outstanding debt securities of such series. However, without the consent of each holder of a debt security the terms of which are directly modified, amended, supplemented or waived, a modification, amendment, supplement or waiver may not:

- reduce the amount of debt securities of such series whose holders must consent to a modification, amendment, supplement or waiver;
- reduce the rate of or extend the time for payment of interest, including defaulted interest;
- reduce the principal of or extend the fixed maturity of any debt security or alter the provisions with respect to redemptions or mandatory offers to repurchase debt securities of a series in a manner adverse to holders;
- make any change that adversely affects any right of a holder to convert or exchange any debt security into or for shares of our common stock or other securities, cash or other property in accordance with the terms of such security;
- modify the ranking or priority of the debt securities of the relevant series;
- release any guarantor of any series from any of its obligations under its guarantee or the indenture otherwise than in accordance with the terms of the indenture;
- make any change to any provision of the indenture relating to the waiver of existing defaults, the rights of holders to receive payment of principal and interest on the debt securities, or to the provisions regarding amending or supplementing the indenture or the debt securities of a particular series with the written consent of the holders of such series, except to increase the percentage required for modification or waiver or to provide for consent of each affected holder of debt securities of such series;
- waive a continuing default or event of default in the payment of principal of or interest on the debt securities; or
- make any debt security payable at a place or in money other than that stated in the debt security, or impair the right of any holder of a debt security to bring suit as permitted by the indenture.

The holders of a majority in aggregate principal amount of the outstanding debt securities of such series may, on behalf of all holders of debt securities of that series, waive any existing default under, or compliance with, any provision of the debt securities of a particular series or of the indenture relating to a particular series of debt securities, other than any event of default in payment of interest or principal.

Defeasance

The indenture will permit us to terminate all our respective obligations under the indenture as they relate to any particular series of debt securities, other than the obligation to pay interest, if any, on and the principal of the debt securities of such series and certain other obligations, at any time by:

- depositing in trust with the trustee, under an irrevocable trust agreement, money or government obligations in an amount sufficient to pay interest, if any, on and the principal of the debt securities of such series to their maturity or redemption; and
- complying with other conditions, including delivery to the trustee of an opinion of counsel to the effect that holders will not recognize income, gain or loss for federal income tax purposes as a

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result of our exercise of such right and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case otherwise.

The indenture will also permit us to terminate all of our respective obligations under the indenture as they relate to any particular series of debt securities, including the obligations to pay interest, if any, on and the principal of the debt securities of such series and certain other obligations, at any time by:

depositing in trust with the trustee, under an irrevocable trust agreement, money or government obligations in an amount sufficient to pay interest, if any, on and the principal of the debt securities of such series to their maturity or redemption; and

complying with other conditions, including delivery to the trustee of an opinion of counsel to the effect that (A) we have received from, or there has been published by, the Internal Revenue Service a ruling, or (B) since the date such series of debt securities were originally issued, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall state that, holders will not recognize income, gain or loss for federal income tax purposes as a result of our exercise of such right and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case otherwise.

In addition, the indenture will permit us to terminate substantially all our respective obligations under the indenture as they relate to a particular series of debt securities by depositing with the trustee money or government obligations sufficient to pay all principal of and interest on such series at its maturity or redemption date if the debt securities of such series will become due and payable at maturity within one year or are to be called for redemption within one year of the deposit.

Transfer and Exchange

A holder will be able to transfer or exchange debt securities only in accordance with the indenture. The registrar may require a holder, among other things, to furnish appropriate endorsements and transfer documents, and to pay any taxes and fees required by law or permitted by the indenture.

Concerning the Trustee

The indenture will contain limitations on the rights of the trustee, should it become our creditor, to obtain payment of claims in specified cases or to realize on property received in respect of any such claim as security or otherwise. The indenture will permit the trustee to engage in other transactions; however, if the trustee acquires any conflicting interest, it must eliminate such conflict or resign.

No Recourse Against Others

The indenture will provide that there is no recourse under any obligation, covenant or agreement in the applicable indenture or with respect to any debt security against any of our or our successor's past, present or future stockholders, employees, officers or directors.

Governing Law

The laws of the State of New York will govern the indenture and the debt securities.

Warrants

We may issue warrants for the purchase of common stock, preferred stock and/or debt securities in one or more series, from time to time. We may issue warrants independently or together with common stock, preferred stock and/or debt securities, and the warrants may be attached to or separate from those securities.

If we issue warrants, they will be evidenced by warrant agreements or warrant certificates issued under one or more warrant agreements, which are contracts between us and an agent for the holders of the warrants. We urge you to read the prospectus supplement and any free writing prospectus related to any series of warrants we may offer, as well as the complete warrant agreement and warrant certificate that contain the terms of the warrants. If we issue warrants, forms of warrant agreements and warrant certificates relating to warrants for the purchase of common stock, preferred stock and debt securities will be incorporated by reference into the registration statement of which this prospectus is a part from reports we would subsequently file with the SEC.

Units

We may issue units consisting of any combination of the other types of securities offered under this prospectus in one or more series. We may evidence each series of units by unit certificates that we will issue under a separate agreement. We may enter into unit agreements with a unit agent. Each unit agent will be a bank or trust company that we select. We will indicate the name and address of the unit agent in the applicable prospectus supplement relating to a particular series of units.

The following description, together with the additional information included in any applicable prospectus supplement, summarizes the general features of the units that we may offer under this prospectus. You should read any prospectus supplement and any free writing prospectus that we may authorize to be provided to you related to the series of units being offered, as well as the complete unit agreements that contain the terms of the units. Specific unit agreements will contain additional important terms and provisions and we will file as an exhibit to the registration statement of which this prospectus is a part, or will incorporate by reference from another report that we file with the SEC, the form of each unit agreement relating to units offered under this prospectus.

If we offer any units, certain terms of that series of units will be described in the applicable prospectus supplement or related free writing prospectus, including, without limitation, the following, as applicable:

the title of the series of units;

identification and description of the separate constituent securities comprising the units;

the price or prices at which the units will be issued;

the date, if any, on and after which the constituent securities comprising the units will be separately transferable;

a discussion of certain United States federal income tax considerations applicable to the units; and

any other terms of the units and their constituent securities.

SELLING STOCKHOLDERS

The following table provides the name of each selling stockholder and the number of shares of our common stock offered by each selling stockholder under this prospectus. Each selling stockholder listed below has previously been granted registration rights with respect to the shares offered pursuant to that Amended and Restated Registration Rights Agreement, dated as of August 11, 2011, among the Company and the investors listed on Schedule I thereto. The shares offered by this prospectus may be offered from time to time by the selling stockholders listed below. The selling stockholders are not obligated to sell any of the shares of common stock offered by this prospectus. The selling stockholders reserve the right to accept or reject, in whole or in part, any proposed sale of shares. The selling stockholders may also offer and sell less than the number of shares indicated. The selling stockholders are not making any representation that any shares covered by this prospectus will or will not be offered for sale.

Information with respect to beneficial ownership is based on our records, information filed with the SEC or the most recent information furnished to us by each selling stockholder. Beneficial ownership has been determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power and investment power with respect to those securities. Unless otherwise indicated by footnote, and subject to applicable community property laws, to our knowledge, the persons and entities named in the table have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

	Shares Beneficially Owned Before the Offering		Number of Shares Being Sold	Shares Beneficially Owned After the Offering(1)	
Name	**Number (#)**	**Percent(2)**		**Number (#)**	**Percent(2)**
Berkley Capital Investors, L.P.(3)	14,269,150	24.9%	14,269,150		0
Financial Partners Fund I, L.P.(4)	2,826,468	4.9%	2,826,468		0
Stephen D. Neeleman, M.D.(5)	1,747,285	3.0%	1,397,285	350,000	*

* Denotes ownership of less than 1% of the outstanding shares of common stock.

(1) Assumes that all of the shares of common stock registered by the selling stockholders have been sold.

(2) Based on 57,222,296 shares of our common stock issued and outstanding as of September 2, 2015.

(3) Berkley Capital, LLC is the general partner of Berkley Capital Investors, L.P. ("Berkley Capital"). Frank T. Medici is President of Berkley Capital, LLC and as such holds the sole voting and dispositive power over the shares held by Berkley Capital. Mr. Medici disclaims beneficial ownership of the shares held by Berkley Capital. The address of Berkley Capital is 600 Brickell Avenue, 39th Floor, Miami, FL 33131

(4) Napier Park Global Capital GP LLC ("GPLLC") is the general partner of Financial Partners Fund I, L.P. ("FPF"). GPLLC has delegated to Manu Rana, Steve Piaker and Daniel Kittredge the sole voting and dispositive power over the shares held by FPF. The address of FPF is 280 Park Avenue, 3rd Floor, New York, NY 10017.

(5) Consists of (i) 878,814 shares held of record by Stephen D. Neeleman, M.D., (ii) 350,000 shares issuable upon exercise of outstanding options exercisable within 60 days of September 2, 2015, (iii) 68,471 shares held of record by Christine Neeleman, Dr. Neeleman's wife, and (iv) 450,000 shares held of record by Neeleman Family Holdings LLC, a Utah limited liability company ("Family Holdings"). Dr. Neeleman is the manager of Family Holdings and as such holds sole voting and dispositive power over the shares held of record by Family Holdings. Dr. Neeleman disclaims beneficial ownership of the shares held by Family Holdings except to the extent of his pecuniary interest therein.

PLAN OF DISTRIBUTION

We and any selling stockholder (including any selling stockholder's transferees, assignees or other successors-in-interest) may sell the securities offered under this prospectus in any one or more of the following ways from time to time:

- through agents;
- to or through underwriters;
- through brokers or dealers;
- through a block trade in which the broker or dealer engaged to handle the block trade will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;
- directly to one or more purchasers, including through a specific bidding, auction or other process;
- through a combination of any of these methods of sale; or
- any other method permitted by applicable law.

The securities may be sold in one or more transactions at:

- fixed prices;
- prevailing market prices at the time of sale;
- prices related to the prevailing market prices;
- varying prices determined at the time of sale; or
- negotiated prices.

These sales may be effected in transactions:

- on any national securities exchange or quotation service on which our common stock may be listed or quoted at the time of sale, including the NASDAQ Stock Market;
- in the over-the-counter market;
- otherwise than on such exchanges or services or in the over-the-counter market;

through the writing of options, whether the options are listed on an options exchange or otherwise (including the issuance by the selling stockholders of derivative securities);

through the settlement of short sales; or

through a combination of the foregoing.

These transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as agent on both sides of the trade.

If required by applicable law, we will describe in a prospectus supplement the particular terms of the offering of the securities, including the following:

the names of any agents, underwriters, brokers or dealers;

the purchase price of the securities and the net proceeds from the sale;

any underwriting discounts and other items constituting underwriters' compensation;

any public offering price and any discounts or concessions allowed or reallowed or paid to dealers;

any securities exchanges on which the shares of common stock may be listed; and

any other information we think is material.

In addition, any selling stockholder may sell securities covered by this prospectus in private transactions or under Rule 144 of the Securities Act rather than pursuant to this prospectus.

We and the selling stockholders may sell securities from time to time through agents. We will name any agent involved in the offer or sale of such securities and will list commissions payable to these agents in a prospectus supplement, if required. These agents will be acting on a best efforts basis to solicit purchases for the period of their appointment, unless we state otherwise in any required prospectus supplement.

In connection with the sale of securities covered by this prospectus, broker-dealers may receive commissions or other compensation from us or the selling stockholders in the form of commissions, discounts or concessions. Broker-dealers may also receive compensation from purchasers of the securities for whom they act as agents or to whom they sell as principals or both. Compensation as to a particular broker-dealer may be in excess of customary commissions or in amounts to be negotiated. In connection with any underwritten offering, underwriters may receive compensation in the form of discounts, concessions or commissions from us, a selling stockholder or from purchasers of the securities for whom they act as agents. Underwriters may sell the securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agents. Any underwriters, broker-dealers, agents or other persons acting on our behalf or on behalf of any selling stockholders that participate in a distribution of securities may be deemed to be "underwriters" within the meaning of the Securities Act, and any profit on the sale of the securities by them and any discounts, commissions or concessions received by any of those underwriters, broker-dealers, agents or other persons may be deemed to be underwriting discounts and commissions under the Securities Act.

The aggregate amount of compensation in the form of underwriting discounts, concessions or fees and any profit on the resale of shares by the selling stockholders that may be deemed to be underwriting compensation pursuant to Financial Industry Regulatory, Inc. Rule 5110 will not exceed 8% of the gross proceeds of the offering to the selling stockholders.

In connection with the distribution of the common stock covered by this prospectus or otherwise, the selling stockholders may enter into hedging transactions with broker-dealers or other financial institutions. In connection with such transactions, broker-dealers or other financial institutions may engage in short sales of our securities in the course of hedging the positions they assume with a selling stockholder. A selling stockholder may also sell shares of common stock short and deliver the shares of common stock offered by this prospectus to close out short positions. A selling stockholder may also enter into options or other transactions with broker-dealers or other financial institutions that require the delivery to such broker-dealer or other financial institution of shares of common stock offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus, as supplemented or amended to reflect such transaction. A selling stockholder may also from time to time pledge our securities pursuant to the margin provisions of customer agreements with a broker or other agreements with lenders. Upon a default, the broker or lender may offer and sell such pledged shares from time to time pursuant to this prospectus, as supplemented or amended to reflect such transaction.

Underwriters, agents, brokers or dealers may be entitled, pursuant to relevant agreements entered into with us, to indemnification by us or a selling stockholder against certain civil liabilities, including liabilities under the Securities Act that may arise from any untrue statement or alleged untrue

statement of a material fact, or any omission or alleged omission to state a material fact in this prospectus, any supplement or amendment hereto, or in the registration statement of which this prospectus forms a part, or to contribution with respect to payments which the underwriters, agents, brokers or dealers may be required to make.

The selling stockholders and any other person participating in such distribution will be subject to the applicable provisions of the Exchange Act and the rules and regulations thereunder, including, without limitation, Regulation M, which may limit the timing of purchases and sales of any of the shares by the selling stockholders and any other participating person. Regulation M may also restrict the ability of any person engaged in the distribution of the shares to engage in market-making activities with respect to the shares. All of the foregoing may affect the marketability of the shares and the ability of any person or entity to engage in market-making activities with respect to the shares.

There can be no assurance that any selling stockholder will sell any or all of the securities registered pursuant to the registration statement of which this prospectus is a part.

LEGAL MATTERS

Unless otherwise specified in a prospectus supplement accompanying this prospectus, Willkie Farr & Gallagher LLP will pass upon the validity of the securities offered hereby. If any legal matters relating to offerings made in connection with this prospectus are passed upon by other counsel for underwriters, dealers or agents, such counsel will be named in the prospectus supplement relating to any such offering.

EXPERTS

The consolidated financial statements incorporated in this Prospectus by reference to the Annual Report on Form 10-K for the year ended January 31, 2015 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to "incorporate by reference" the information that we file with them. This allows us to disclose important information to you by referring to those filed documents. Any information referred to in this way is considered part of this prospectus, and any information that we file with the SEC after the date of this prospectus will automatically update and supersede this information.

We are incorporating by reference the documents listed below, and all documents that we file after the date of this prospectus with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 prior to the termination of the offering of securities covered by this prospectus:

Our Annual Report on Form 10-K for the year ended January 31, 2015;

Our Quarterly Report on Form 10-Q for the quarter ended April 30, 2015, filed with the SEC on June 11, 2015;

Our Current Reports on Form 8-K filed with the SEC on May 20, 2015, June 26, 2015 and September 2, 2015; and

The description of our common stock contained in our registration statement on Form 8-A (File No. 001-36568) filed with the SEC on July 25, 2014, including any amendment or report filed for the purpose of updating such description.

Unless we specifically state otherwise, none of the information furnished under Item 2.02 or Item 7.01 in our Current Reports on Form 8-K is, or will be, incorporated by reference in this prospectus.

We will provide to each person, including any beneficial owner, to whom a prospectus has been delivered, free of charge, upon oral or written request copies of any documents that we have incorporated by reference into this prospectus. You can obtain copies through our Investor Relations website at ir.healthequity.com or by contacting our Executive Vice President, General Counsel and Secretary, at: HealthEquity, Inc., 15 W. Scenic Pointe Dr., Ste. 100, Draper, UT 84020; (801) 727-1000.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document that we file at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site at www.sec.gov, from which interested persons can electronically access our SEC filings, including the registration statement and the exhibits and schedules thereto.

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3,000,000 Shares

Common Stock

PROSPECTUS SUPPLEMENT

September 21, 2015

Wells Fargo Securities

han stock held by directors who are also of officers or by qualified employee stock plans, in the transaction in which it becomes an interested stockholder; or The business combination is approved by a majority of the board of directors and by the affirmative vote of 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

In general, the prohibitions do not apply to business combinations with persons who were stockholders before we became subject to Section 203 in 1996.

Charter and Bylaw Provisions

Our bylaws, as amended, contain provisions requiring that advance notice be delivered to us of any business to be brought by a stockholder before an annual meeting of stockholders and providing for certain procedures to be followed by stockholders in nominating persons for election to our board of directors. Generally, such advance notice provisions provide that the stockholder must give written notice to our secretary (i) not less than 120 days nor more than 150 days prior to the first anniversary of the date of our consent solicitation or proxy statement released to stockholders in connection with our previous year s annual meeting to bring business before an annual meeting of stockholders and (ii) not less than 60 days nor more than 90 days before the scheduled date of the annual meeting of stockholders to nominate persons for election to our board of directors. The notice must set forth specific information regarding such stockholder and such business or director nominee, as described in the bylaws. Such requirement is in addition to those set forth in the regulations adopted by the SEC under the Exchange Act. Our Restated Certificate of Incorporation provides that, subject to any rights of holders of preferred stock to elect one or more directors, the number of directors shall not be fewer than one nor more than eleven and provides for a classified board of directors, consisting of three classes as nearly equal in size as practicable. Each class holds of office until the third annual stockholders meeting for election of directors following the most recent election of such class. Our directors may be removed only for cause.

The bylaws provide that stockholders may not act by written consent in lieu of a meeting, unless such written consent is signed by a sufficient amount of stockholders required to take such action. Special meetings of the stockholders may be called by the Chief Executive Officer, the President or the Secretary of Lear at the written request of a majority of the board of directors, but may not be called by stockholders. The bylaws may be amended by a majority (and in certain cases, 66 2/3%) of the board of

directors or by the affirmative vote of the holders of at least a majority of the aggregate voting power of our outstanding capital stock entitled to vote thereon.

The foregoing provisions of the Restated Certificate of Incorporation and the amended and restated bylaws, together with the rights agreement and the provisions of Section 203 of the DGCL, could have the effect of delaying, deferring or preventing a change in control or the removal of existing management, of deterring potential acquirors from making an offer to our stockholders and of limiting any opportunity to realize premiums over prevailing market prices for our common stock in connection therewith. This could be the case notwithstanding that a majority of our stockholders might benefit from such a change in control or offer.

Transfer Agent and Registrar

The Bank of New York serves as the registrar and transfer agent for the common stock.

Stock Exchange Listing

Our common stock is listed on the New York Stock Exchange. The trading symbol for our common stock on this exchange is LEA.

Material United States Federal Income Tax Consequences

General

The following is a summary discussion of material U.S. federal income tax consequences relevant to holders of the notes and holders of common stock received upon conversion of the notes. Unless otherwise stated, this summary deals only with notes and common stock received upon conversion of the notes held as capital assets by U.S. Holders (defined below). This summary does not purport to deal with beneficial owners of the notes or common stock received upon conversion of the notes in light of their particular circumstances or who are subject to special rules, such as financial institutions, insurance companies, real estate investment trusts, regulated investment companies, dealers in securities or currencies, tax-exempt entities, persons holding notes in a tax-deferred or tax-advantaged account, or persons holding notes as a hedge against currency risks, as a position in a straddle or as part of a synthetic security , or a hedging , conversion , constructive sale , constr ownership or integrated transaction or other risk reduction transaction for tax purposes.

We do not address all of the tax consequences that may be relevant to a U.S. Holder. In particular, we do not address:

- the U.S. federal income tax consequences to shareholders in, or partners or beneficiaries of, a corporation or partnership for federal income tax purposes that is a holder of the notes or common stock received upon conversion of the notes;
- the U.S. federal estate, gift or alternative minimum tax consequences of the purchase, ownership or disposition of the notes or common stock received upon conversion of the notes;
- persons who hold the notes or common stock received upon conversion of the notes whose functional currency is not the U.S. dollar; or
- any state, local or foreign tax consequences of the purchase, ownership or disposition of the notes or common stock received upon conversion of the notes.

This summary is based on the Internal Revenue Code of 1986, as amended (the Code), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations as in effect on the date of this prospectus, changes to any of which subsequent to the date of this prospectus may affect the tax consequences described herein, possibly with retroactive effect. There can be no assurance that the Internal Revenue Service (the IRS) will not challenge one or more of the federal income tax consequences described in this section, and we have not obtained, nor do we intend to obtain, a ruling from the IRS with respect to the U.S. federal income tax consequences of purchasing, owning or disposing of the notes or common stock received upon conversion of the notes. Persons considering the purchase of notes should consult their tax advisers with regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the U.S. estate and gift tax, the U.S. alternative minimum tax, and the laws of any state, local or foreign taxing jurisdiction and the potential for a Tax Event to occur.

WE URGE PROSPECTIVE INVESTORS TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES AND THE COMMON STOCK RECEIVED UPON CONVERSION OF THE NOTES IN LIGHT OF THEIR OWN PARTICULAR CIRCUMSTANCES, INCLUDING THE TAX CONSEQUENCES UNDER THE U.S. FEDERAL INCOME TAX, THE U.S. ESTATE AND GIFT TAX, THE U.S. ALTERNATIVE MINIMUM TAX, AS WELL AS UNDER STATE, LOCAL, FOREIGN AND OTHER TAX LAWS, AND THE POSSIBLE EFFECTS OF CHANGES IN U.S. FEDERAL OR OTHER TAX LAWS.

U.S. Holders

A U.S. Holder is a beneficial owner of the notes or common stock received upon conversion of the notes who or which is for U.S. federal income tax purposes:

an individual who is a citizen or resident of the United States;

a corporation, including any entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate, the income of which is includable in gross income for U.S. federal income tax purposes regardless of its source; or

a trust if (a) a U.S. court can exercise primary supervision over its administration and one or more United States persons have the authority to control all of its substantial decisions or (b) such trust was in existence on August 20, 1996, was treated as a U.S. Holder prior to such date and has properly elected to continue to be treated as a domestic trust.

A Non-U.S. Holder is a holder of the notes or common stock received upon conversion of the notes other than a U.S. Holder.

Original Issue Discount or Interest on the Notes. The notes were initially sold for less than their stated redemption price at maturity. For U.S. federal income tax purposes, the excess of the stated redemption price at maturity of each note over this price at which the notes were sold (the issue price) constitutes original issue discount. The notes were issued with non de-minimis original issue discount.

Accordingly, a U.S. Holder of a note is required to include original issue discount in income as ordinary interest income as it accrues before receipt of the cash attributable to such income, regardless of such U.S. Holder s regular method of accounting for U.S. federal income tax purposes. Subject to the rules for acquisition premium described below, a U.S. Holder of a note must include in gross income for federal income tax purposes the sum of the daily portions of original issue discount with respect to the note for each day during the taxable year or portion of a taxable year in which such U.S. Holder holds the note. The daily portion is determined by allocating to each day of each accrual period a pro rata portion of an amount equal to the adjusted issue price of the note at the beginning of the accrual period multiplied by the yield to maturity of the note, determined by compounding at the close of each accrual period and adjusted for the length of the accrual period. The adjusted issue price of a note at the start of any accrual period will be the issue price of the note increased by the accrued, unpaid original issue discount included in the U.S. Holder s income for all prior accrual periods. Under this constant accrual method, U.S. Holders generally will have to include in gross income increasingly greater amounts of original issue discount in each accrual period. A U.S. Holder s original tax basis for determining gain or loss on the sale or other taxable disposition of a note will be increased by any accrued, unpaid original issue discount includable in such U.S. Holder s gross income. None of the repurchase options or other features of the notes will affect the accrual of original issue discount on the notes for U.S. federal income tax purposes.

If following a Tax Event we elect to modify the terms of the notes as described in Description of Notes-Optional Conversion to Semi Annual Cash Pay Notes Upon Tax Event, each holder will be deemed to exchange (for purposes of determining the holder s accrual of interest) the note for a new note with an initial issue price equal to the adjusted issue price of the old note immediately prior to the deemed exchange. Further, as a result of the modification in the terms, the new note will have a stated redemption price at maturity equal to the initial issue price of the new note. Consequently, the holder will not accrue original issue discount on the new note. Rather, each holder will include the interest payable on the notes in income in accordance with the holder s normal method of accounting.

We or our paying agent is required to furnish annually to the IRS and each U.S. Holder information regarding the amount of original issue discount attributable to that year.

Acquisition Premium. A U.S. Holder of a note is generally subject to the rules for accruing original issue discount described above. However, if the U.S. Holder s purchase price for the note exceeds the adjusted issue price but is less than or equal to the sum of all amounts payable on the note after the purchase date, the excess is acquisition premium and is subject to special rules.

Acquisition premium ratably offsets the amount of accrued original issue discount otherwise includible in the U.S. Holder s taxable income. That is, the U.S. Holder may reduce the daily portions of original issue discount by a fraction, the numerator of which is the excess of the U.S. Holder s purchase price for the note over the adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the note after the purchase date over the note s adjusted issue price. As an alternative to reducing the amount of original issue discount otherwise includible in income by this fraction, the U.S. Holder may elect to compute original issue discount accruals with respect to the notes by treating the purchase as a purchase at original issue and applying the rules described above under Original Issue Discount or Interest on the Notes.

Market Discount. Under the market discount rules of the Code, a U.S. Holder who purchases a note at a market discount generally will be required to treat any gain recognized on the disposition of the note as ordinary income to the extent of the lesser of the gain or the portion of the market discount that accrued during the period that the U.S. Holder held the note. Market discount is generally defined as the amount by which a U.S. Holder s purchase price for a note is less than the revised issue price of the note on the date of purchase, subject to a statutory de minimis exception. A note s revised issue price equals the sum of the issue price of the note and the aggregate amount of the original issue discount includible in the gross income of all holders of the note for periods before the acquisition of the note by the holder, likely reduced, although the Code does not expressly so provide, by any cash payment in respect of the note. A U.S. Holder who acquires a note at a market discount may be required to defer a portion of any interest expense that otherwise may be deductible on any indebtedness incurred or continued to purchase or carry the note until the U.S. Holder disposes of the note in a taxable transaction.

A U.S. Holder who has elected under applicable Code provisions to include market discount in income annually as the discount accrues will not, however, be required to treat any gain recognized as ordinary income or to defer any deductions for interest expense under these rules. A U.S. Holder s tax basis in a note is increased by each accrual of amounts treated as market discount. This election to include market discount in income currently, once made, applies to all market discount obligations acquired on or after the first day of the taxable year to which the election applies and may not be revoked without the consent of the IRS. U.S. Holders should consult their tax advisors as to the portion of any gain that would be taxable as ordinary income under these provisions and any other consequences of the market discount rules that may apply to them in particular.

Election to Treat all Interest on Notes as Original Issue Discount. U.S. Holders may elect to include in gross income all amounts in the nature of interest that accrue on a note, including any stated interest, acquisition discount, original issue discount, market discount, de minimis market discount and unstated interest, as adjusted by acquisition premium, by using the rules described above under Original Issue Discount or Interest on the Notes. An election for a note with market discount results in a deemed election to accrue market discount in income currently for the note and for all other notes acquired by the U.S. Holder with market discount on or after the first day of the taxable year to which the election first applies, and may be revoked only with permission of the IRS. A U.S. Holder s tax basis in a note is increased by each accrual of the amounts treated as original issue discount under the election described in this paragraph.

Gain on Taxable Disposition of the Notes and Common Stock. Upon either the sale, exchange, retirement or other taxable disposition of a note, including as a result of a tender of the notes, and except as discussed in Conversion of Notes below, or the taxable disposition of common stock (received upon conversion of the notes), a U.S. Holder generally will recognize capital gain or loss equal to the difference between the proceeds received from such disposition and the U.S. Holder s adjusted tax basis in the note or common stock, as applicable. Any such gain will be treated as ordinary income to the extent such gain

represents accrued but unrecognized market discount on the notes or common stock (as carried over from the notes, as described below).

A U.S. Holder s adjusted tax basis in a note generally will equal the holder s cost of the note increased by any original issue discount or market discount previously included in income by such holder with respect to such note and decreased by any cash payments. A U.S. Holder s basis in common stock received upon conversion of a note will be the same as the U.S. Holder s basis in the note at the time of conversion, exclusive of any tax basis allocable to any fractional share, and the holding period for the common stock received on conversion will include the holding period of the note converted. Subject to the market discount rules discussed above, gain or loss recognized on the taxable disposition of a note or common stock (received upon conversion of the notes) generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder s holding period for the note or common stock, as applicable, is more than one year. Long-term capital gain recognized by an individual U.S. Holder is generally subject to a maximum U.S. federal income tax of 20%, except with respect to qualified gain on capital assets with a holding period which begins after December 31, 2000 that are held for more than five years, for which the maximum rate is 18%.

Conversion of Notes. A U.S. Holder s conversion of a note into common stock generally will not be a taxable event, except with respect to cash received in lieu of a fractional share. To the extent the notes converted into common stock have accrued market discount, the amount of the unrecognized accrued market discount will carry over to such common stock and will be treated as ordinary income upon disposition of such common stock. Subject to the market discount rules discussed above, the receipt of cash in lieu of a fractional share of common stock should generally result in capital gain or loss, measured by the difference between the cash received in lieu of the fractional share interest and the portion of the U.S. Holder s tax basis in the note that is allocable to the fractional share interest.

Dividends; Adjustment to Conversion Price. Dividends, if any, paid on the common stock generally will be includable in the income of a U.S. Holder of common stock as ordinary income to the extent of our current and accumulated earnings and profits as determined for U.S. federal income tax purposes. If at any time we make a distribution of property to shareholders that would be taxable to such shareholders as a dividend for federal income tax purposes and, pursuant to the anti-dilution provisions of the indenture, the conversion rate of the notes is increased, such increase may be deemed to be the payment of a taxable dividend to U.S. Holders of notes. If the conversion rate is increased at our discretion or in certain other circumstances, or upon the distribution of rights under a shareholder rights plan, such increase or implementation also may be deemed to be the payment of a taxable dividend to U.S. Holders of notes. The absence of such an adjustment to the conversion rate also may, in certain circumstances, be treated as a taxable dividend to U.S. Holders.

Non-U.S. Holders

The following discussion is a summary of the principal U.S. federal income tax consequences resulting from the ownership of the notes or our common stock by Non-U.S. Holders. Special rules may apply to you if you are a controlled foreign corporation , passive foreign investment company , foreign personal holding company , a corporation that accumulates earnings to avoid U.S. federal income tax or, in certain circumstances, an individual who is a U.S. expatriate.

Withholding Tax on Payments of Principal and Original Issue Discount on Notes. Except as described below with respect to effectively connected original issue discount, the payment of principal and interest, including any original issue discount included therein, of a note by us or any of our paying agents to any Non-U.S. Holder will not be subject to U.S. federal income tax or withholding tax, provided that in the case of payment of cash in respect of original issue discount (1) the Non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock within the meaning of the Code and the Treasury Regulations, (2) the Non-U.S. Holder is not a controlled foreign corporation that is related to us through stock ownership within the meaning of the Code, (3) the Non-U.S. Holder is not a bank whose receipt of interest on the notes is described in section

881(c)(3)(A) of the Code; and (4) either (A) the Non-U.S. Holder of the note certifies to the applicable payor or its agent, under penalties of perjury, that it is not a U.S. Holder and provides its name and address on IRS Form W-8BEN or a suitable substitute or successor form, or (B) a securities clearing organization, bank or other financial institution that holds customers securities in the ordinary course of its trade or business and holds the note certifies under penalties of perjury that an IRS Form W-8BEN, or suitable substitute form, has been received from the Non-U.S. Holder by it or by a financial institution between it and the Non-U.S. Holder and furnishes the payor with a copy thereof. Except to the extent otherwise provided under an applicable tax treaty, a Non-U.S. Holder generally will be subject to U.S. federal income tax in the same manner as a U.S. Holder with respect to original issue discount on a note if such original issue discount is effectively connected with a U.S. trade or business conducted by the Non-U.S. Holder. Under certain circumstances, effectively connected original issue discount received by a corporate Non-U.S. Holder also may be subject to an additional branch profits tax at a 30% rate, or, if applicable, a lower treaty rate. Such effectively connected original issue discount will not be subject to withholding tax if the holder delivers an IRS Form W-8ECI, to the payor.

Dividends. Dividends, if any, paid on the common stock to a Non-U.S. Holder and any deemed dividends resulting from an adjustment to the conversion rate (see Adjustment to Conversion Price above), generally will be subject to a 30% U.S. federal withholding tax unless such Non-U.S. Holder is eligible for a lower rate under an applicable income tax treaty. A Non-U.S. Holder may claim the benefits of a reduced treaty rate of withholding by providing the applicable payor or its agent a properly executed IRS Form W-8BEN or substitute or successor form. Except as otherwise provided under an applicable tax treaty, a Non-U.S. Holder will be taxed in the same manner as a U.S. Holder on dividends paid, or deemed paid, that: (1) are effectively connected with the conduct of a U.S. trade or business by such Non-U.S. Holder or (2) if a tax treaty applies, are attributable to a U.S. permanent establishment of the Non-U.S. Holder. Such dividends generally are not subject to the 30% withholding rate if the Non-U.S. Holder timely files the appropriate form with the paying agent. If such dividends are received by a Non-U.S. Holder that is a foreign corporation, the Non-U.S. Holder also may be required to pay U.S. branch profits tax on such effectively connected income at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

Gain on Taxable Disposition of the Notes and Common Stock. A Non-U.S. Holder generally will not be required to pay U.S. federal income tax on gain realized on the sale, exchange, redemption or other taxable disposition of a note, including the exchange of a note for common stock, or the sale or exchange of common stock received upon conversion of the notes unless:

(1) in the case of an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the year of such sale, exchange or redemption and either (A) has a tax home in the United States and certain other requirements are met, or (B) the gain from the disposition is attributable to an office or other fixed place of business in the United States;

(2) the gain is effectively connected with the conduct of a U.S. trade or business of or, if a tax treaty applies, is attributable to a U.S. permanent establishment of, the Non-U.S. Holder; or

(3) in the case of the disposition of common stock, we are a U.S. real property holding corporation.

An individual Non-U.S. Holder described in (1) above will be subject to a flat 30% U.S. federal income tax on the gain derived from sale, which may be offset by U.S. source capital losses even though the holder is not considered a resident of the United States. An individual Non-U.S. Holder described in (2) above will be subject to U.S. federal income tax on the taxable gain derived from the sale. A Non-U.S. Holder that is a foreign corporation and is described in (2) above will be subject to tax on gain under regular graduated U.S. federal income tax rates and, in addition, may be subject to a branch profit tax at a 30% rate or a lower rate if so specified by an applicable income tax treaty.

We do not believe that we currently are a U.S. real property holding corporation, and we think it is unlikely that we will become one, although there can be no assurance that this will be the case. If we were

to become a U.S. real property holding corporation, so long as our common stock continued to be regularly traded on an established securities market (as defined in the Code), then (1) so long as the notes are not regularly traded on an established securities market, a Non-U.S. Holder would not be subject to U.S. federal income tax on the conversion, redemption or other disposition of a note if on the day the Non-U.S. Holder acquired the note, the notes acquired (directly, indirectly or by application of prescribed attribution rules) had a fair market value not greater than the fair market of 5% of our outstanding common stock, (2) so long as the notes are regularly traded on an established securities market, a Non-U.S. Holder would not be subject to U.S. federal income tax on the conversion, redemption or other disposition of a note if the Non-U.S. Holder never holds or held (directly, indirectly or by application of prescribed attribution rules) at any time during the shorter of the five-year period preceding the disposition and such Non-U.S. Holder s holding period more than five percent of the total fair market value of the notes, and (3) a Non-U.S. Holder would not be subject to U.S. federal income tax on the sale or other disposition of a share of common stock if the Non-U.S. Holder never holds or held (directly, indirectly or by application of prescribed attribution rules) at any time during the shorter of the five year period preceding the date of disposition or such Non-U.S. Holder s holding period more than five percent of our total outstanding common stock.

Backup Withholding and Information Reporting

U.S. Holders. Information reporting will apply to original issue discount and any payments of interest or dividends on or the proceeds of the sale or other disposition of the notes or shares of common stock with respect to certain noncorporate U.S. Holders, and backup withholding (currently at a rate of 30%, subject to reduction to 28% by 2006) may apply to such payments unless the recipient of such payment supplies a taxpayer identification number, certified under penalties of perjury, as well as certain other information, or otherwise establishes an exemption from backup withholding. Any amount withheld under the backup withholding rules is allowable as a credit against the U.S. Holder s federal income tax, provided that the required information is provided to the IRS on a timely basis.

Non-U.S. Holders. We must report annually to the IRS and to each Non-U.S. Holder the amount of any dividends paid to, and the tax withheld with respect to, such Non-U.S. Holder, regardless of whether any tax was actually withheld. Copies of these information returns also may be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides. A Non-U.S. Holder will not be subject to backup withholding on dividends which such Non-U.S. Holder receives on its shares of common stock if proper certification (usually on IRS Form W-8BEN) of foreign status is provided or the Non-U.S. Holder is a corporation or one of several types of entities and organizations that qualify for an exemption.

Under current Treasury Regulations, backup withholding and information reporting will not apply to payments of principal, including cash payments in respect of original issue discount, on the notes by us or our agent to a Non-U.S. Holder if the Non-U.S. Holder certifies as to its Non-U.S. Holder status under penalties of perjury on an appropriate IRS Form W-8 or otherwise establishes an exemption, provided that neither we nor our agents have actual knowledge that the holder is a U.S. person or that the conditions of any other exemptions are not in fact satisfied. The payment of the proceeds on the disposition of notes or shares of common stock by the U.S. office of a U.S. or foreign broker will be subject to information reporting and backup withholding unless the owner provides the certification described above or otherwise establishes an exemption. Except as described below, the proceeds of the disposition by a Non-U.S. Holder of notes or shares of common stock to or through a foreign office of a broker will not be subject to backup withholding or information reporting. If such broker is a U.S. person, a controlled foreign corporation for U.S. tax purposes, a foreign person 50% or more of whose gross income from all sources for certain periods is from activities that are effectively connected with a U.S. trade or business, or a foreign partnership with certain connections to the United States, information reporting requirements will apply unless such broker has certain documentary evidence in its files of the holder s Non-U.S. status (and has no actual knowledge to the contrary) or the holder otherwise establishes an exemption.

Selling Securityholders

The notes were originally issued by us and sold to Credit Suisse First Boston Corporation, J.P. Morgan Securities Inc. and Lehman Brothers Inc. (the Initial Purchasers) and resold by the Initial Purchasers in transactions exempt from the registration requirements of the Securities Act to persons reasonably believed to be qualified institutional buyers as defined in Rule 144A under the Securities Act or in offshore transactions pursuant to Regulation S under the Securities Act. The selling securityholders, including their transferees, pledgees, donees, assignees or successors, may from time to time offer and sell pursuant to this prospectus any or all of the notes listed below and the shares of common stock issued upon conversion of such notes.

The table below sets forth the name of each selling securityholder and the principal amount at maturity of notes that each selling securityholder may offer and sell pursuant to this prospectus and the number of shares of common stock into which those notes are convertible as of the date of this prospectus. Unless set forth below, to the best of our knowledge, none of the selling securityholders has, or within the past three years has had, any material relationship with us or any of our predecessors or affiliates or beneficially owns in excess of 1% of our outstanding common stock.

We have prepared the table below based on information provided to us by each of the selling securityholders on or prior to June 17, 2002. The percentages are based on $640,000,000 principal amount at maturity of notes outstanding. The number of shares of common stock that may be sold is calculated based on the current conversion ratio or 7.5204 shares of our common stock for each $1,000 principal amount at maturity of notes. The conversion ratio, and therefore the number of shares of our common stock issuable upon conversion of the notes, is subject to adjustment. Accordingly, the number of shares of common stock issuable upon conversion of the notes may increase or decrease.

Name of Selling Security Holder	Aggregate principal amount at maturity of notes that may be sold by this prospectus	Percentage of outstanding notes	Number of shares of common stock that may be sold pursuant to this prospectus(1)	Percentage of shares of common stock outstanding(2)
Absolute Return Fund Ltd.	$ 1,018,000	*	7,656	*
Allstate Insurance Company	1,300,000	*	9,777	*
Allstate Life Insurance Company	750,000	*	5,640	*
American Fidelity Assurance Company	800,000	*	6,016	*
Associated Electric & Gas Insurance Services Limited	1,000,000	*	7,520	*
Bancroft Convertible Fund, Inc	2,500,000	*	18,801	*
Bank Austria Cayman Islands, Ltd.	2,500,000	*	18,801	*
Black Diamond Capital I, Ltd.	512,000	*	3,850	*
Black Diamond Convertible Offshore LDC	3,036,000	*	22,832	*
Black Diamond Offshore Ltd.	1,966,000	*	14,785	*
CALAMOS® Convertible Fund CALAMOS® Investment Trust	14,600,000	2.3	109,798	*
CALAMOS® Convertible Growth and Income Fund CALAMOS® Investment Trust	19,000,000	3.0	142,888	*
CALAMOS® Convertible Portfolio CALAMOS® Advisors Trust	400,000	*	3,008	*
CALAMOS® Market Neutral Fund CALAMOS® Investment Trust	25,650,000	4.0	192,898	*
CitiCorp Life Insurance Company	100,000	*	752	*
CitiSAM Ltd	17,300,000	2.7	130,103	*
Clarica Life Insurance Co. U.S.	800,000	*	6,016	*
Consulting Group Capital Markets Funds	1,270,000	*	9,551	*
Deutsche Bank Securities Inc.	61,000,000	9.5	458,744	*

Name of Selling Security Holder	Aggregate principal amount at maturity of notes that may be sold by this prospectus	Percentage of outstanding notes	Number of shares of common stock that may be sold pursuant to this prospectus(1)	Percentage of shares of common stock outstanding(2)
Dorinco Reinsurance Company	1,800,000	*	13,537	*
Double Black Diamond Offshore LDC	10,296,000	1.6	77,430	*
Ellsworth Convertible Growth and Income Fund, Inc.	2,500,000	*	18,801	*
First Union Securities Inc.	23,000,000	3.6	172,969	*
Genesee County Employees Retirement System	1,200,000	*	9,024	*
Goldman, Sachs & Co. Profit Sharing Master Trust	918,000	*	6,904	*
IMF Convertible Fund	2,900,000	*	21,809	*
ING Convertible Fund	8,900,000	1.4	66,932	*
ING VP Convertible Fund	100,000	*	752	*
Innovest Finanzdienstleistungs AG	1,500,000	*	11,281	*
Investcorp SAM Fund Ltd	15,400,000	2.4	115,814	*
Jackson County Employees Retirement System	525,000	*	3,948	*
JP Morgan Securities Inc.	140,000	*	1,052	*
KBC Financial Products USA Inc.	3,225,000	*	24,253	
Lexington (IMA) Limited	1,721,000	*	12,943	*
Louisiana Workers Compensation Corporation	800,000	*	6,016	*
Managed Assets Trust	1,000,000	*	7,520	*
MLQA Convertible Securities Arbitrage, LTD	40,000,000	6.3	300,816	*
Morgan Stanley Capital Services, Inc.	3,500,000	*	26,321	*
National Benefit Life Insurance Company	59,000	*	444	*
NORCAL Mutual Insurance Company	900,000	*	6,768	*
Oakwood Assurance Company	225,000	*	1,692	*
Oakwood Healthcare Inc. Endowment	32,000	*	241	*
Oakwood Healthcare Inc. Funded Depreciation	400,000	*	3,008	*
Oakwood Healthcare Inc. OHP	58,000	*	436	*
Oakwood Healthcare Inc. (Pension)	750,000	*	5,640	*
OZ Convertible Master Fund, Ltd	3,886,000	*	29,224	*
OZ Mac 13 Ltd	945,000	*	7,107	*
OZ Master Fund, Ltd	42,378,000	6.6	318,700	*
Performa Institutional Fund - US Dollar Convertible Bond	150,000	*	1,128	*
Port Authority of Allegheny County Retirement and Disability Allowance Plan for the Employees Represented by Local 85 of the Amalgamated Transit Union	1,600,000	*	12,033	*
Primerica Life Insurance Company	2,365,000	*	17,786	*
Ramius LP	133,000	*	1,000	*
RCG Baldwin LP	267,000	*	2,008	*
RCG Halifax Master Fund, LTD	1,500,000	*	11,281	*
RCG Latitude Master Fund, LTD	2,600,000	*	19,553	*
RCG Multi Strategy LP	3,000,000	*	22,561	*
Rhapsody Fund, LP	29,400,000	4.6	221,100	*
Royal Bank of Canada	4,500,000	*	33,842	*
S.A.C. Capital Associates, LLC	8,000,000	1.3	60,163	*
Sagamore Hill Hub Fund LTD	20,000,000	3.1	150,408	*

Name of Selling Security Holder	Aggregate principal amount at maturity of notes that may be sold by this prospectus	Percentage of outstanding notes	Number of shares of common stock that may be sold pursuant to this prospectus(1)	Percentage of shares of common stock outstanding(2)
SCI Endowment Care Common Trust Fund				
Suntrust	165,000	*	1,241	*
Serena Limited	252,000	*	1,895	*
South Dakota Retirement System	8,000,000	1.3	60,163	*
Southern Farm Bureau Life Insurance Company	1,600,000	*	12,033	*
The Cockrell Foundation	250,000	*	1,880	*
The Travelers Indemnity Company	5,677,000	*	42,693	*
The Travelers Insurance Company-Life	4,292,000	*	32,278	*
The Travelers Insurance Company-Separate Account TLAC	220,000	*	1,654	*
The Travelers Life and Annuity Company	287,000	*	2,158	*
Travelers Series Trust Convertible Bond Portfolio	1,500,000	*	11,281	*
UBS AG London Branch	100,500,000	15.7	755,800	1.1%
UBS Global Equity Arbitrage Master Ltd.	15,000,000	2.3	112,806	*
Wachovia Bank National Association	25,000,000	3.9	188,010	*
Worldwide Transactions Ltd.	490,000	*	3,685	*
Zazove Hedged Convertible Fund L.P.	5,000,000	*	37,602	*
Zurich Institutional Benchmarks Master Fund LTD	5,000,000	*	37,602	*
All other holders of notes or future transferees, pledgees, donees, assignees or successors of any such holders(3)(4)	$ 68,692,000	10.7%	516,591	*
Total	$640,000,000	100.0%	4,813,056(5)	6.8%

* Less than one percent.

(1) Assumes conversion of all of the holder s notes at a conversion rate of 7.5204 shares of common stock per $1,000 principal amount at maturity of the notes. The conversion rate is subject to adjustment, however, as described under Description of the Notes Conversion Rights. As a result, the number of shares of common stock issuable upon conversion of the notes may increase or decrease in the future.

(2) Calculated based on Rule 13d-3(d)(1)(i) of the Exchange Act, using 65,683,656 shares of common stock outstanding as of May 31, 2002. In calculating this amount for each holder, we treated as outstanding the number of shares of common stock issuable upon conversion of all that holder s notes, but we did not assume conversion of any other holder s notes.

(3) Information about other selling shareholders will be set forth in post-effective amendments to the registration statement of which this prospectus is a part.

(4) Assumes that any other holders of the notes or any future pledgees, donees, assignees, transferees or successors of or from such other holders of the notes do not beneficially own any shares of common stock other than the common stock issuable upon conversion of the notes at the initial conversion rate described in footnote 1 above.

(5) Represents the number of shares of common stock into which $640,000,000 principal amount at maturity of notes would be convertible at the initial conversion rate described in footnote 1 above.

Plan of Distribution

The selling securityholders will be offering and selling the notes and the common stock offered and sold under this prospectus. We will not receive any of the proceeds from the offering of the notes or the shares of common stock by the selling securityholders. In connection with the initial offering of the notes, we entered into a Registration Rights Agreement dated February 14, 2002 with the Initial Purchasers. Pursuant to the Registration Rights Agreement, we have agreed, among other things, to bear all expenses, other than underwriting discounts and selling commissions and certain other expenses, in connection with the registration and sale of the notes and the shares of common stock covered by this prospectus.

We are registering the notes and the shares of common stock covered by this prospectus to permit holders to conduct public secondary trading of these securities from time to time after the date of this prospectus. We have been advised by the selling securityholders that they may sell all or a portion of the notes and shares of common stock beneficially owned by them and offered hereby from time to time:

directly; or

through underwriters, broker-dealers or agents, who may receive compensation in the form of underwriting discounts or commissions or agent s commissions from the selling securityholders or from the purchasers of the notes and common stock for whom they act as agent.

The notes and the common stock may be sold from time to time in one or more transactions at:

fixed prices;

prevailing market prices at the time of sale;

varying prices determined at the time of sale; or

negotiated prices.

These prices will be determined by the holders of the securities by agreement between these holders and underwriters or dealers who may receive fees or commissions in connection with the sale. The aggregate proceeds to the selling securityholders from the sale of the notes or shares of common stock offered by them hereby will be the purchase price of the notes or shares of common stock less discounts and commissions, if any.

The sales described in the preceding paragraph may be effected in transactions:

on any national securities exchange or quotation service on which the notes and common stock may be listed or quoted at the time of sale, including the New York Stock Exchange in the case of the common stock;

in the over-the-counter market;

in transactions otherwise than on such exchanges or services or in the over-the-counter market; or

through the writing of options.

These transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as an agent on both sides of the trade.

The following selling securityholders have represented to us that they are broker-dealers:

Deutsche Banc Securities Inc.;

First Union Securities Inc.;

ING Convertible Fund;

ING VP Convertible Fund;

JP Morgan Securities Inc;

KBC Financial Products USA Inc; and

UBS AG London Branch.

A selling securityholder that is a broker-dealer will be an underwriter within the meaning of the Securities Act with respect to any notes or shares of common stock that it is offering pursuant to this prospectus.

In addition, each of the following selling securityholders has advised us that it is an affiliate of a broker-dealer that has purchased its notes in the ordinary course of its business and that at the time of the purchase of its notes it had no agreement or understanding with any person to distribute the notes or the common stock issuable upon conversion of the notes:

Allstate Insurance Company;

Allstate Life Insurance Company;

CitiCorp Life Insurance Company;

Goldman, Sachs & Co. Profit Sharing Master Trust;

Managed Assets Trust;

MLQA Convertible Securities Arbitrage, LTD;

Morgan Stanley Capital Services, Inc.;

National Benefit Life Insurance Company;

Primerica Life Insurance Company;

Royal Bank of Canada;

The Travelers Indemnity Company;

The Travelers Insurance Company-Life;

The Travelers Insurance Company-Separate Account TLAC;

The Travelers Life and Annuity Company;

Travelers Series Trust Convertible Bond Portfolio;

UBS Global Equity Arbitrage Master Ltd.; and

Wachovia Bank National Association.

These and all other selling securityholders may be deemed to be underwriters within the meaning of the Securities Act with respect to the notes or shares of common stock that they are offering pursuant to this prospectus.

In connection with the sale of the notes and the shares of common stock or otherwise, the selling securityholders may enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the notes and the shares of common stock, short and deliver the notes and the shares of common stock to close out such short positions, or loan or pledge the notes and the shares of common stock to broker-dealers that in turn may sell the notes and the shares of common stock. Any hedging transactions will be conducted in compliance with the Securities Act.

To our knowledge, there are currently no plans, arrangements or understandings between any selling securityholders and any underwriter, broker-dealer or agent regarding the sale of the notes and the shares of common stock by the selling securityholders. Selling securityholders may

not sell any, or may not sell all, of the notes and the shares of common stock offered by them pursuant to this prospectus. In addition, we cannot assure you that a selling securityholder will not transfer, devise or gift the notes and the shares of common stock by other means not described in this prospectus. In addition, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 or Rule 144A of the Securities Act may be sold under Rule 144 or Rule 144A rather than pursuant to this prospectus.

The outstanding shares of our common stock are listed for trading on the New York Stock Exchange under the symbol LEA.

The notes were issued and sold in February 2002 by us to the Initial Purchasers in a transaction exempt from the registration requirements of the Securities Act and resold by the Initial Purchasers in transactions exempt from the registration requirements of the Securities Act pursuant to Rule 144A under the Securities Act or in offshore transactions pursuant to Regulation S under the Securities Act. Pursuant to the Registration Rights Agreement, we have agreed to indemnify the Initial Purchasers, each selling securityholder and certain underwriters, and each selling securityholder has agreed to indemnify us, the Initial Purchasers, certain underwriters and the other selling securityholders, against specified liabilities arising under the Securities Act.

The selling securityholders and any other person participating in a distribution will be subject to the Securities Exchange Act of 1934 (the Exchange Act). The Exchange Act rules include, without limitation, Regulation M, which may limit the timing of purchases and sales of any of the notes and the underlying shares of common stock by the selling securityholders and any such other person. In addition, Regulation M of the Exchange Act may restrict the ability of any person engaged in the distribution of the notes and the underlying shares to engage in market-making activities with respect to the particular notes and the underlying shares of common stock being distributed for a period of up to five business days prior to the commencement of distribution. This may affect the marketability of the notes and the underlying shares of common stock and the ability of any person or entity to engage in market-making activities with respect to the notes and the underlying shares of common stock.

Under the Registration Rights Agreement, we are obligated to use our best efforts to keep the registration statement of which this prospectus is a part effective until the earlier of:

two years from the date of this prospectus;

the date when all of the notes and the shares of common stock issuable upon conversion of the notes covered by the registration statement which this prospectus forms a part, have been sold pursuant to the registration statement;

the date when all of the notes and the shares of common stock issuable upon conversion of the notes covered by the registration statement which this prospectus forms a part (i) have been distributed to the public pursuant to Rule 144 of the Securities Act or any successor provision or can be sold immediately without restriction or (ii) can be sold by holders who are not affiliates of Lear without registration under the Securities Act pursuant to Rule 144(k); and

the date when all of the notes and the shares of common stock issuable upon conversion of the notes covered by the registration statement which this prospectus forms a part cease to be outstanding.

We may suspend the effectiveness of the shelf registration statement and the use of this prospectus (not to exceed 90-days in the aggregate in any 12 month period) under the following circumstances:

the issuance by the SEC of a stop order or similar proceedings;

the occurrence of any event as a result of which this prospectus contains a material misstatement or omission; or

the occurrence or existence of any pending corporate development or similar event.

We will provide notice to holders of the notes of the existence of such suspension. Each selling securityholder has agreed not to trade any notes or common stock issuable upon conversion of the notes which have not been disposed of pursuant to the shelf registration statement or sold pursuant to Rule 144 of the Securities Act or which cannot be sold pursuant to Rule 144(k) of the Securities Act from the time such selling securityholder receives notice from us of a suspension of the effectiveness of the shelf registration statement until the selling securityholder receives copies of a prospectus supplement or amendment or receives written notice from us that this prospectus may be used.

LEGAL MATTERS

The validity of the notes offered hereby and the shares of common stock issuable upon the conversion of the notes have been passed upon for Lear by Winston & Strawn.

INDEPENDENT AUDITORS

The financial statements of Lear as of December 31, 2001 and 2000 and for each of the three years ended December 31, 2001 incorporated by reference in this prospectus have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and are included herein in reliance upon authority of said firm as experts in giving said reports.