

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 16, 2004 (December 10, 2004)**

DST SYSTEMS, INC.
(Exact Name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-14036
(Commission File Number
No.)

43-1581814
(IRS Employer Identification

333 West 11th Street, Kansas City, Missouri
(Address of principal executive offices)

64105
(Zip Code)

(816) 435-1000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report).

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 1.01 Entry into a Material Definitive Agreement

DST Systems, Inc. ("DST") has entered into the Second Amendment to Credit Agreement, dated as of December 10, 2004 (the "Amendment"), to its credit agreement dated as of November 24, 2003 (the "Credit Agreement"). The amendment is among DST, West Side Investments, Inc., a wholly owned subsidiary of DST, the lenders identified in the amendment and Bank of America, N.A. as Administrative Agent, L/C Issuer and Swing Line Lender ("Administrative Agent"). A copy of the amendment is filed as Exhibit 10.1 to this Form 8-K. No material relationship exists between DST and any of such lenders or Administrative Agent.

The Amendment amends the Credit Agreement to: (i) exclude from certain financial covenant calculations the disposition by DST of its shares of capital stock of Equiserve, Inc. pursuant to the previously announced Stock Purchase Agreement dated as of October 20, 2004; (ii) increase DST's ability to make Restricted Payments (as defined in the Credit Agreement); (iii) modify the measurement date with respect to Restricted Payments to make such date consistent with other measurement dates in other financial covenants; and (iv) in connection with the increase in allowable Restricted Payments under (ii) above, modify the formula for calculating DST's minimum required Consolidated Net Worth (as defined in the Credit Agreement) to decrease such requirement in connection with shares of capital stock of DST repurchased by DST.

The above description of the Amendment is qualified in its entirety by reference to the terms of the Amendment attached hereto as Exhibit 10.1.

ITEM 9.01 Financial Statements and Exhibits

(c). Exhibits.

Exhibit Number	Description
10.1	Second Amendment to Credit Agreement, dated as of December 10, 2004

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized on this 16th day of December, 2004.

DST SYSTEMS, INC.

By: /s/ Randall D. Young
Name: Randall D. Young
Title: Vice President and General Counsel

SECOND AMENDMENT TO CREDIT AGREEMENT

THIS SECOND AMENDMENT TO CREDIT AGREEMENT (this "Amendment") dated as of December 10, 2004 to the Credit Agreement referenced below is by and among **DST Systems, Inc.**, a Delaware corporation (the "Borrower"), **West Side Investments, Inc.**, a Nevada corporation (the "Guarantor"), the **Lenders** identified on the signature pages hereto and **Bank of America, N.A.** as Administrative Agent, L/C Issuer and Swing Line Lender (the "Administrative Agent").

W I T N E S S E T H

WHEREAS, \$650 million in credit facilities have been established in favor of the Borrower pursuant to the terms of that Credit Agreement dated as of November 24, 2003 (as amended by that certain First Amendment to Credit Agreement dated as of September 14, 2004 and as may be further amended, restated, modified or supplemented from time to time, the "Credit Agreement") among the Borrower, the Guarantor, the Lenders identified therein (the "Lenders") and the Administrative Agent;

WHEREAS, the Borrower has requested that the Lenders amend the Credit Agreement to modify certain provisions contained therein; and

WHEREAS, the Required Lenders have agreed to amend the Credit Agreement on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used herein but not otherwise defined herein shall have the meanings provided to such terms in the Credit Agreement.
2. Amendments. Subject to the satisfaction of the conditions precedent set forth in Section 3 hereof, the Credit Agreement is amended in the following respects:
 - (a) A new definition of "Equiserve Disposition" is added to Section 1.01 in the appropriate alphabetical order to read as follows:

"Equiserve Disposition" shall mean the Disposition by the Borrower of all of the shares of Capital Stock of Equiserve, Inc. to Computershare Ltd., an Australian corporation ("CPU"), Computershare (US), a Delaware general partnership ("CPU US") and EQAC Inc., a Delaware corporation ("EQAC") for approximately \$216,000,000 in cash and 29,605,000 shares of the Capital Stock of CPU pursuant to the terms of a Stock Purchase Agreement dated as of October 20, 2004 by and among the Borrower, CPU, CPU US and EQAC.

(b) Section 8.05 (captioned “Dispositions”) of the Credit Agreement is modified by replacing the parenthetical that reads “(excluding any assets sold or otherwise transferred in connection with a Permitted Securitization Transaction and Excluded Dispositions)” in clause (d) thereof with the following:

“(excluding and any assets sold or otherwise transferred in connection with a Permitted Securitization Transaction, Excluded Dispositions and the Equiserve Disposition)”.

(c) Section 8.06 (captioned “Restricted Payments”) of the Credit Agreement is modified as follows:

- (i) the reference in clause (f) thereof to “7.5%” is hereby deleted and replaced with “10.0%”;
- (ii) the parenthetical in clause (f) thereof that reads “(measured as of December 31 of the most recently ended fiscal year)” is hereby deleted and replaced with the following:

“(measured as of the last day of the immediately preceding fiscal year for which the Required Financial Information has been received by the Administrative Agent”); and

- (iii) the following proviso is hereby added to the end of clause (f) thereof:

“provided that, with respect to fiscal year 2005 only, the limitation set forth in this clause (f) shall be increased by an additional \$160,000,000 which shall be available for share repurchases by the Borrower that are consummated utilizing the after-tax net proceeds of the Equiserve Disposition.”

(d) Section 8.11(b) (captioned “Consolidated Net Worth”) of the Credit Agreement is modified by adding the following at the end thereof:

“, then decreased by an amount equal to fifty percent (50%) of the cost of all shares of Capital Stock of the Borrower repurchased by the Borrower after the date of this Agreement (other than those shares of Capital Stock of the Borrower received by the Borrower in connection with the Janus Transaction)”.

3. Conditions Precedent. This Amendment shall become effective upon receipt by the Administrative Agent of counterparts of this Amendment duly executed by the Borrower, the Guarantor and the Required Lenders.

4. Representations and Warranties. The Borrower and the Guarantor each hereby represent and warrant that (a) it has the requisite corporate power and authority to execute, deliver and perform this Amendment, (b) it is duly authorized to, and has been authorized by all necessary corporate action to, execute, deliver and perform this Amendment, (c) no consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by it of this Amendment, (d) the execution, delivery and performance by it of this Amendment do not and will not conflict with, result in a breach of or constitute a default under the articles of incorporation, bylaws or other organizational documents of either the Borrower or the Guarantor or any of their Subsidiaries or any indenture or other material agreement or instrument to which any such Person is a party or by which any of its properties may be bound or the approval of any Governmental Authority relating to such Person except as could not reasonably be expected to have a Material Adverse Effect, (e) the representations and warranties contained in Article VI of the Credit Agreement are true and correct in all material respects on and as of the date hereof as though made on and as of such date (except for those which expressly relate to an earlier date) and (f) after giving effect to this Amendment, no Default or Event of Default exists under the Credit Agreement on and as of the date hereof or will occur as a result of the transactions contemplated hereby.

5. No Other Changes; Ratification. Except as expressly modified hereby, all of the terms and provisions of the Credit Agreement (including schedules and exhibits thereto) and the other Loan Documents shall remain in full force and effect. The term “this Agreement” or “Credit Agreement” and all similar references as used in each of the Loan Documents shall hereafter mean the Credit Agreement as amended by this Amendment. Except as herein specifically agreed, the Credit Agreement is hereby ratified and confirmed and shall remain in full force and effect according to its terms.

6. Costs and Expenses. The Borrower agrees to pay all reasonable costs and expenses of the Administrative Agent in connection with the preparation, execution and delivery of this Amendment, including without limitation the reasonable fees and expenses of Moore & Van Allen, PLLC.

7. Counterparts; Facsimile. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and it shall not be necessary in making proof of this Amendment to produce or account for more than one such counterpart. Delivery of an executed counterpart of this Amendment by telecopy by any party hereto shall be effective as such party’s original executed counterpart.

8. Governing Law. This Amendment shall be deemed to be a contract made under, and for all purposes shall be construed in accordance with, the laws of the State of New York.

9. Entirety. This Amendment and the other Loan Documents embody the entire agreement between the parties and supersede all prior agreements and understandings, if any, relating to the subject matter hereof. These Loan Documents represent the final agreement

between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no oral agreements between the parties.
1.

10. Acknowledgment of Guarantor. The Guarantor acknowledges and consents to all of the terms and conditions of this Amendment and agree that this Amendment and any documents executed in connection herewith do not operate to reduce or discharge the Guarantor's obligations under the Credit Agreement or the other Loan Documents.

11. Affirmation of Liens. Each Loan Party affirms the liens and security interests created and granted by it in the Loan Documents (including, but not limited to, the Security Agreement) and agrees that this Amendment shall in no manner adversely affect or impair such liens and security interests.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

BORROWER:

DST SYSTEMS, INC.,
a Delaware corporation

By: /s/ Kenneth V. Hager
Name: Kenneth V. Hager
Title: Vice President, CFO, Treasurer

GUARANTOR:

WEST SIDE INVESTMENTS, INC.,
a Nevada corporation

By: /s/ Kenneth V. Hager
Name: Kenneth V. Hager
Title: Secretary, Treasurer

[signature pages continue]

**ADMINISTRATIVE AGENT
AND LENDERS:**

BANK OF AMERICA, N.A.,
as Administrative Agent

By: /s/ Mollie S. Canup
Name: Mollie S. Canup
Title: Vice President

BANK OF AMERICA, N.A.,
as a Lender, L/C Issuer and Swing Line Lender

By: /s/ B. Kenneth Burton, Jr.
Name: B. Kenneth Burton, Jr.
Title: Vice President

CITIBANK, N.A.,

By: /s/ Matthew Nicholls

Name: Matthew Nicholls

Title: Director

WELLS FARGO BANK, N.A.

By: /s/ Tammy R. Sturgis

Name: Tammy R. Sturgis

Title: Vice President

**WACHOVIA BANK, NATIONAL
ASSOCIATION**

By: /s/ Karen E. Samuel
Name: Karen E. Samuel
Title: Vice President

**SUMITOMO MITSUI BANKING CORP.,
NEW YORK**

By: /s/ Edward McColly

Name: Edward McColly

Title: Vice President & Department Head

**THE BANK OF TOKYO-MITSUBISHI, LTD.,
CHICAGO BRANCH**

By: /s/ Shinichiro Munechika
Name: Shinichiro Munechika
Title: Deputy General Manager

**COMMERZEBANK
AKTIENGESELLSCHAFT, NEW YORK
BRANCH AND GRAND CAYMAN
BRANCHES**

By: /s/ Albert Morrow

/s/ John Marlatt

Name: Albert Morrow

Name: John Marlatt

Title: Assistant Vice President

Title: Senior Vice President

KEYBANK NATIONAL ASSOCIATION

By: /s/ Vijaya Kulkarni

Name: Vijaya Kulkarni

Title: AVP

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ Philippe Sandmeier
Name: Philippe Sandmeier
Title: Senior Vice President

UMB BANK, N.A.

By: /s/ Douglas F. Page

Name: Douglas F. Page

Title: Executive Vice President

COMMERCE BANK, N.A.

By: /s/ Pamela H. Hosty

Name: Pamela H. Hosty

Title: Vice President

PB CAPITAL CORPORATION

By: /s/ Tyler J. McCarthy
Name: Tyler J. McCarthy
Title: Vice President

By: /s/ Michael Bedore
Name: Michael Bedore
Title: Vice President

CM LIFE INSURANCE COMPANY

by: Babson Capital Management LLC as Investment Sub-Adviser

By: /s/ Emeka O. Onukwugha

Name: Emeka O. Onukwugha

**MASSACHUSETTS MUTUAL LIFE
INSURANCE COMPANY**

**BY: BABSON CAPITAL MANAGEMENT LLC
AS INVESTMENT ADVISER**

By: /s/ Emeka O. Onukwugh
Name: Emeka O. Onukwugh
Title: Managing Director

U.S. BANK, NATIONAL ASSOCIATION

By: /s/ Martin Nay
Name: Martin Nay
Title: Vice President