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**FIRST DATA CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

reserved. The undisputed tax for which Western Union would be required to indemnify the Company is greater than the total tax due, such that settlement of the undisputed tax would result in a net refund to the Company. As to the adjustments that are disputed, such issues represent total taxes allegedly due of approximately \$59 million, of which \$40 million relates to the Company and \$19 million relates to Western Union. The Company estimates that total interest due (pretax) on the disputed amounts is approximately \$20 million through December 31, 2014, of which \$11 million relates to the Company and \$9 million relates to Western Union. As to the disputed issues, the Company and Western Union are contesting the asserted deficiencies with the Appeals Office of the IRS. The Company believes that it has adequately reserved for the disputed issues in its liability for unrecognized tax benefits described above and that final resolution of those issues will not have a material adverse effect on its financial position or results of operations.

**Note 16: Investment in Affiliates**

Segment results include the Company's proportionate share of income from affiliates, which consist of unconsolidated investments accounted for under the equity method of accounting. The most significant of these affiliates are related to the Company's merchant bank alliance program.

A merchant alliance, as it pertains to investments accounted for under the equity method, is an agreement between FDC and a financial institution that combines the processing capabilities and management expertise of the Company with the visibility and distribution channel of the bank. The alliance acquires credit and debit card transactions from merchants. The Company provides processing and other services to the alliance and charges fees to the alliance primarily based on contractual pricing. These fees have been separately identified on the face of the Consolidated Statements of Operations.

As of December 31, 2014, there were eight affiliates accounted for under the equity method of accounting, comprised of five merchant alliances and three strategic investments in companies in related markets.

The Wells Fargo alliance meets the Significant Subsidiary test provided in Regulations S-X Rule 1-02 (w) in that the Company's equity earnings of this alliance exceeded 20% of the Company's consolidated income from continuing operations before income taxes.

A summary of financial information for the merchant alliances and other affiliates accounted for under the equity method of accounting is presented below.

<u>(in millions)</u>	<u>As of December 31,</u>	
	<u>2014</u>	<u>2013</u>
Total current assets	\$ 2,812	\$ 2,733
Total long-term assets	53	511
Total assets	<u>\$ 2,865</u>	<u>\$ 3,244</u>
Total current liabilities	\$ 2,742	\$ 2,687
Total long-term liabilities	17	218
Total liabilities	<u>\$ 2,759</u>	<u>\$ 2,905</u>