

B. Riley Financial, Inc.  
Form 8-K  
November 02, 2016

**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): October 27, 2016**

**B. Riley Financial, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**                      **000-54010**                      **27-0223495**  
(State or other jurisdiction                      (Commission File Number) (IRS Employer Identification No.)  
of incorporation)

**21255 Burbank Boulevard, Suite 400**  
**91367**  
**Woodland Hills, California**  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(818) 884-3737**

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(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:

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))

**Item 1.01 Entry into a Material Definitive Agreement.**

On October 27, 2016, B. Riley Financial, Inc. (the “Company”) entered into an underwriting agreement (the “Underwriting Agreement”) with Wunderlich Securities, Inc. and Compass Point Research & Trading LLC as representatives of the several underwriters named therein (the “Underwriters”), pursuant to which the Company agreed to sell to the Underwriters \$25,000,000 aggregate principal amount of 7.50% Senior Notes due 2021 (the “Firm Notes”) plus an additional \$3,750,000 aggregate principal amount of the Notes to cover underwriter overallotments (the “Additional Notes” and together with the Firm Notes, the “Notes”). The Notes were issued pursuant to the Company’s shelf registration statement on Form S-3 (Registration No. 333-203534) initially filed with the Securities and Exchange Commission (the “Commission”) on April 20, 2015, as amended by Amendment No. 1 filed with the Commission on May 22, 2015, and declared effective by the Commission on July 2, 2015 and the registration statement on Form S-3 (Registration No. 333-214234) filed by the Company with the Commission on October 25, 2016 in connection with the registration pursuant to the Act of up to an aggregate of \$1,749,310 of the Company’s senior and subordinated debt securities. On October 27, 2016, the Company priced the offering and on November 2, 2016, the offering of the Notes closed. The Underwriting Agreement contains customary representations, warranties and covenants of the Company, customary conditions to closing, indemnification obligations of the Company and the Underwriters, including for liabilities under the Securities Act of 1933, as amended, other obligations of the parties and termination provisions. The representations, warranties and covenants contained in the Underwriting Agreement were made only for purposes of such agreement and as of specific dates, were solely for the benefit of the parties to such agreement, and may be subject to limitations agreed upon by the contracting parties.

The foregoing description of the material terms of the Underwriting Agreement is qualified in its entirety by reference to the full text of the Underwriting Agreement, a copy of which is attached hereto as Exhibit 1.1 and incorporated herein by reference.

The Notes will be issued pursuant to the provisions of an indenture dated as of November 2, 2016, as heretofore supplemented (the “Base Indenture”) between the Company and U.S. Bank National Association (the “Trustee”), as supplemented by a First Supplemental Indenture dated as of November 2, 2016 (the “Supplemental Indenture,” and together with the Base Indenture, the “Indenture”) among the Company and the Trustee.

The Notes will be senior unsecured obligations of the Company and rank equally in right of payment with all of the Company’s other existing and future senior unsecured and unsubordinated indebtedness. The Notes will be effectively subordinated in right of payment to all of the Company’s existing and future secured indebtedness and structurally subordinated to all existing and future indebtedness of the Company’s subsidiaries, including trade payables. The Notes will bear interest at the rate of 7.50% per annum. Interest on the Notes is payable quarterly in arrears on January 31, April 30, July 31 and October 31 of each year, commencing on January 31, 2017. The Notes will mature on October 31, 2021.

The Company may, at its option, at any time and from time to time, on or after October 31, 2018, redeem the Notes at a redemption price equal to 100% of the outstanding principal amount thereof plus accrued and unpaid interest payments otherwise payable for the then-current quarterly interest period accrued, but excluding, the date fixed for redemption. On and after any redemption date, interest will cease to accrue on the redeemed Notes.

The Indenture contains customary events of default and cure provisions. If an uncured default occurs and is continuing, the Trustee or the holders of at least 25% of the principal amount of the Notes may declare the entire amount of the Notes, together with accrued and unpaid interest, if any, to be immediately due and payable. In the case of an event of default involving the Company's bankruptcy, insolvency or reorganization, the principal of, and accrued and unpaid interest on, the principal amount of the Notes, together with accrued and unpaid interest, if any, will automatically, and without any declaration or other action on the part of the Trustee or the holders of the Notes, become due and payable.

The foregoing description of the Base Indenture, First Supplemental Indenture and the Notes does not purport to be complete and is qualified in its entirety by reference to the full text of the Base Indenture, First Supplemental Indenture and the form of Note which attached as an exhibit to the First Supplemental Indenture, copies of which are attached to this Current Report on Form 8-K as Exhibits 4.1 and 4.2, respectively, and are incorporated herein by reference and into the Registration Statement.

Attached as Exhibit 5.1 to this Current Report and incorporated herein by reference is a copy of the opinion of Morrison & Foerster LLP relating to the validity of the Notes that may be sold in the Offering (the "Legal Opinion"). The Legal Opinion is also filed with reference to, and is hereby incorporated by reference into, the Registration Statement.

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information regarding the Notes and the Indenture set forth in Item 1.01 is incorporated herein by reference.

**Item 8.01. Other Events.**

On October 28, 2016, the Company issued a press release announcing the pricing of the Notes in the Offering. A copy of the press release is filed as Exhibit 99.1 to this report and is incorporated herein by reference.

On November 2, 2016, the Company issued a press release announcing the closing of the offering. A copy of the press release is filed as Exhibit 99.2 to this report and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) *Exhibits.*

<b>Exhibit No.</b>	<b>Description</b>
1.1	Underwriting Agreement, dated as of October 27, 2016, by and among the Company, Wunderlich Securities, Inc. and Compass Point Research & Trading LLC, as representative of the several underwriters named therein.
4.1	Base Indenture, dated as of November 2, 2016, by and between the Company and U.S. Bank National Association, as Trustee.
4.2	First Supplemental Indenture, dated as of November 2, 2016, by and between the Company and U.S. Bank National Association, as Trustee.
5.1	Opinion of Morrison & Foerster LLP.

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- 23.1 Consent of Morrison & Foerster LLP to the filing of Exhibit 5.1 herewith (included in Exhibit 5.1).
- 99.1 Press release, dated October 28, 2016.
- 99.2 Press release, dated November 2, 2016.

**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.

November 2, 2016 B. RILEY FINANCIAL, INC.

By: /s/ Phillip J. Ahn  
Name: Phillip J. Ahn  
Title: Chief Financial Officer &  
Chief Operating Officer

**EXHIBIT INDEX**

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