

B. Riley Financial, Inc.
Form S-4/A
April 18, 2017
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As filed with the Securities and Exchange Commission on April 18, 2017

Registration No. 333-216764

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

AMENDMENT NO. 1
TO
FORM S-4
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

B. RILEY FINANCIAL, INC.
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

7389
(Primary standard industrial
classification code number)
21255 Burbank Boulevard, Suite 400

27-0223495
(IRS employer
identification number)

Woodland Hills, California 91367

(818) 884-3737

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Alan N. Forman

Executive Vice President, General Counsel and Secretary

21255 Burbank Boulevard, Suite 400

Woodland Hills, California 91367

(818) 884-3737

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies of communications to:

Patrick S. Brown

Richard J. Hendrix

Nicholas G. Demmo

Sullivan & Cromwell LLP

FBR & Co.

David E. Shapiro

1888 Century Park East

**Chairman and Chief Executive
Officer**

Wachtell, Lipton, Rosen and Katz

Suite 2100

1300 North Seventeenth Street

51 West 52nd Street

Los Angeles, California 90067

Arlington, Virginia 22209

New York, New York 10019

Telephone: (310) 712-6600

Telephone: (703) 469-1128

Telephone: (212) 403-1000

Approximate date of commencement of proposed sale to the public:

As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed document.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(b) of the Securities Act.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold prior to the time the registration statement becomes effective. This joint proxy statement/prospectus shall not constitute an offer to sell nor shall there be any sale of these securities in any jurisdiction in which such offer or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED APRIL 18, 2017

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Shareholders of B. Riley Financial, Inc. and FBR & Co.,

B. Riley Financial, Inc., which we refer to as B. Riley, FBR & Co., which we refer to as FBR, and BRC Merger Sub, LLC, which we refer to as merger sub, have entered into a definitive merger agreement, which, as amended, modified or otherwise supplemented, we refer to as the merger agreement, that provides for the combination of B. Riley and FBR. Under the merger agreement, FBR will merge with and into merger sub, with merger sub continuing as the surviving company, which we refer to as the merger. Before we complete the merger, the stockholders of B. Riley must approve the issuance of common shares of B. Riley, par value \$0.0001 per share, which we refer to as B. Riley common shares, and the shareholders of FBR must approve the merger agreement. B. Riley stockholders will vote to approve the issuance of B. Riley common shares and approve related matters, as well as to approve the other matters to be considered at the annual meeting as described in this joint proxy statement/prospectus at their annual meeting of stockholders, which we refer to as the B. Riley annual meeting. FBR shareholders will vote to approve the merger agreement and approve related matters as described in this joint proxy statement/prospectus at their special meeting of shareholders, which we refer to as the FBR special meeting.

If the merger is completed, each common share of FBR, par value \$0.001 per share, which we refer to as FBR common shares, excluding certain specified shares, will be converted into and become exchangeable for 0.671 of a B. Riley common share, with cash paid in lieu of fractional B. Riley common shares, which we refer to as the merger consideration. Although the number of B. Riley common shares is fixed, the market value of the merger consideration will fluctuate with the market price of B. Riley common shares. B. Riley common shares and FBR common shares are traded on the NASDAQ Stock Market, which we refer to as Nasdaq, under the trading symbol RILY and FBRC, respectively. Based on the closing price of B. Riley common shares on February 17, 2017, the last trading day before the public announcement of the signing of the merger agreement, the value of the per share merger consideration payable to holders of FBR common shares was \$11.78. Based on the closing price of B. Riley common shares on [], 2017 of \$[], the merger consideration represented approximately \$[] in value for FBR common shares. **We urge you to obtain current market quotations for B. Riley and FBR.**

Prior to the closing, the FBR board of directors intends to declare and cause FBR to pay a cash dividend, which we refer to as the pre-closing dividend. As of the date hereof, FBR expects the pre-closing dividend on a per share basis to be in a range of \$[] to \$[]. See The Merger Agreement Pre-Closing Dividend in the attached joint proxy statement/prospectus. We expect the merger to be tax-free for FBR shareholders. The preceding sentence does not apply to the pre-closing dividend, which will be taxed in the manner described in Material U.S. Federal Income Tax Consequences of the Merger in the attached joint proxy statement/prospectus. After completion of the merger, based on the issued and outstanding B. Riley common shares as of the close of business on the record date and the [] B. Riley common shares expected to be issued to FBR shareholders, FBR shareholders would own approximately []%

of the B. Riley common shares (not taking into account any B. Riley common shares they may already own).

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Your vote is very important, regardless of the number of shares you own. The merger cannot be completed unless:

The affirmative vote of a majority of the votes entitled to be cast on the approval of the merger agreement at the FBR special meeting at which a quorum is present vote to approve the merger agreement. A failure to vote or an abstention will have the same effect as a vote against the approval of the merger agreement.

The affirmative vote of a majority of the total votes cast at the B. Riley annual meeting at which a quorum is present vote to approve the issuance of B. Riley common shares in connection with the merger agreement. A failure to vote or an abstention will have no effect on the approval of the issuance of B. Riley common shares in connection with the merger agreement, assuming a quorum.

The B. Riley annual meeting will be held at [], at [], Pacific Time, on [], 2017. The FBR special meeting will be held at [], at [], Eastern Time, on [], 2017.

Even if you plan to attend the FBR special meeting or the B. Riley annual meeting in person, FBR and B. Riley request that you complete, sign, date and return, as promptly as possible, the enclosed proxy or voting instruction card in the accompanying prepaid reply envelope or submit your proxy by telephone or the Internet prior to the FBR special meeting or the B. Riley annual meeting, as applicable, to ensure that your FBR common shares or B. Riley common shares, as applicable, will be represented at such special meeting if you are unable to attend. If you hold your shares in street name through a bank, brokerage firm or other nominee, you should follow the procedures provided by your bank, brokerage firm or other nominee to vote your shares.

The B. Riley board of directors has determined that the combination of B. Riley and FBR is in the best interests of B. Riley and its stockholders based upon its analysis, investigation and deliberation, and the B. Riley board of directors recommends that B. Riley stockholders vote **FOR** the issuance of B. Riley common shares as set forth in the merger agreement, **FOR** the approval of adjournments of the B. Riley annual meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the B. Riley share issuance proposal and **FOR** the other matters to be considered at the B. Riley annual meeting.

The FBR board of directors has determined that the combination of FBR and B. Riley is in the best interests of FBR and its shareholders based upon its analysis, investigation and deliberation, and the FBR board of directors recommends that the FBR shareholders vote **FOR** the approval of the merger agreement, **FOR** the approval of the compensation of FBR's named executive officers that is based on or otherwise relates to the merger and **FOR** the approval of adjournments of the FBR special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the FBR merger proposal.

You should read this entire joint proxy statement/prospectus, including the appendices and the documents incorporated by reference into the document, carefully because it contains important information about the B. Riley annual meeting, the FBR special meeting and the merger and the related transactions. **In particular, you should read carefully the information under the section entitled Risk Factors beginning on page [] for a discussion of the risks you should consider in evaluating the proposed merger and how they will affect you.**

Sincerely,

Bryant R. Riley

Chairman and Chief Executive Officer
B. Riley Financial, Inc.

Richard J. Hendrix

Chairman and Chief Executive Officer
FBR & Co.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger described in this joint proxy statement/prospectus or the B. Riley common shares to be issued in the merger, or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated [], 2017, and is first being mailed to the stockholders of B. Riley and the shareholders of FBR on or about [], 2017.

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B. RILEY FINANCIAL, INC.

21255 BURBANK BOULEVARD, SUITE 400

WOODLAND HILLS, CALIFORNIA 91367

(818) 884-3737

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON [], 2017

To the Stockholders of B. Riley Financial, Inc.:

Notice is hereby given that the annual meeting of stockholders of B. Riley Financial, Inc., which we refer to as B. Riley, will be held at [], at [], Pacific Time, on [], 2017, which we refer to as the B. Riley annual meeting, for the following purposes:

to approve the issuance of common shares, par value \$0.0001 per share, of B. Riley pursuant to the Amended and Restated Agreement and Plan of Merger, dated as of March 15, 2017, and effective as of February 17, 2017 (as amended, modified or otherwise supplemented), by and among FBR & Co., B. Riley and BRC Merger Sub, LLC, which we refer to as merger sub, pursuant to which FBR will merge with and into merger sub, as more fully described in the attached joint proxy statement/prospectus, which we refer to as the B. Riley share issuance proposal;

to approve one or more adjournments of the B. Riley annual meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the B. Riley share issuance proposal, which we refer to as the B. Riley adjournment proposal;

to elect seven (7) directors to hold office for a one-year term to expire at B. Riley's 2018 Annual Meeting of the Stockholders or until their successors are elected and duly qualified, which we refer to as the election of the B. Riley directors;

to ratify the selection of Marcum, LLP as B. Riley's independent registered public accounting firm for the fiscal year ending December 31, 2017, which we refer to as the B. Riley accounting firm ratification proposal; and

to transact such other business as may properly come before the B. Riley annual meeting or any adjournment or postponement thereof.

The approval by B. Riley's stockholders of the B. Riley share issuance proposal is required for the completion of the merger described in the attached joint proxy statement/prospectus. The approval of the other matters to be voted on at the B. Riley annual meeting is *not* required for the completion of the merger, and the outcome of the vote on such

other matters will have no effect on the merger.

All stockholders are invited to attend the B. Riley annual meeting. Only those stockholders of record at the close of business on [], 2017, will be entitled to notice of the B. Riley annual meeting and to vote at the B. Riley annual meeting and any adjournment or postponement thereof. You must present your proxy or voter information card or meeting notice for admission.

Please refer to the attached joint proxy statement/prospectus with respect to the business to be transacted at the B. Riley annual meeting.

Your vote is very important. To ensure your representation at the B. Riley annual meeting, please complete, sign, date and return, as promptly as possible, the enclosed proxy card or voting instruction card in

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the accompanying prepaid reply envelope or submit your proxy by telephone or through the Internet. Please vote promptly whether or not you expect to attend the B. Riley annual meeting. Submitting a proxy now will not prevent you from being able to vote in person at the B. Riley annual meeting.

The B. Riley board of directors has unanimously approved the merger agreement and the transactions contemplated thereby and recommends that you vote FOR the B. Riley share issuance proposal, FOR the B. Riley adjournment proposal, FOR the election of the B. Riley directors and FOR the B. Riley accounting firm ratification proposal.

BY ORDER OF THE BOARD OF
DIRECTORS

Bryant R. Riley
Chairman and Chief Executive Officer

Woodland Hills, California

[], 2017

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2017
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON [], 2017**

Copies of the attached joint proxy statement/prospectus and B. Riley's 2016 Annual Report to stockholders are available online at: <http://www.viewproxy.com/brileyfin/2017/>.

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FBR & CO.

1300 NORTH SEVENTEENTH STREET

ARLINGTON, VIRGINIA 22209

(703) 312-9500

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD [], 2017

To the Shareholders of FBR & Co.:

Notice is hereby given that a special meeting of shareholders of FBR & Co., which we refer to as FBR, will be held at [], at [], Eastern Time, on [], 2017, which we refer to as the FBR special meeting, for the following purposes:

to approve the Amended and Restated Agreement and Plan of Merger, dated as of March 15, 2017, and effective as of February 17, 2017 (as amended, modified or otherwise supplemented), by and among FBR, B. Riley Financial, Inc. and BRC Merger Sub, LLC, which we refer to as merger sub, pursuant to which FBR will merge with and into merger sub, which we refer to as the merger, as more fully described in the attached joint proxy statement/prospectus, which we refer to as the FBR merger proposal;

to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to FBR's named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable, as discussed under the section entitled "The Merger" Interests of FBR's Directors and Executive Officers in the Merger in the attached joint proxy statement/prospectus, which we refer to as the merger-related named executive officer compensation proposal; and

to approve one or more adjournments of the FBR special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the FBR merger proposal, which we refer to as the FBR adjournment proposal.

FBR will transact no other business at the FBR special meeting, except for business properly brought before the FBR special meeting or any adjournment or postponement of such meeting.

The approval by FBR's shareholders of the FBR merger proposal is required for the completion of the merger described in the attached joint proxy statement/prospectus. Approval of the advisory (non-binding) proposal with respect to the compensation that may be paid or become payable to FBR's named executive officers in connection with the merger is not a condition to completion of the merger, and failure to approve this advisory matter will have no effect on the vote to approve the merger proposal.

All shareholders are invited to attend the FBR special meeting. Only those shareholders of record at the close of business on [], 2017, will be entitled to notice of the FBR special meeting and to vote at the FBR special meeting.

Please refer to the attached joint proxy statement/prospectus with respect to the business to be transacted at the FBR special meeting.

Your vote is very important. To ensure your representation at the FBR special meeting, please complete, sign, date and return, as promptly as possible, the enclosed proxy card or voting instruction card in the accompanying prepaid reply envelope or submit your proxy by telephone or through the Internet. Please vote promptly whether or not you expect to attend the FBR special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the FBR special meeting.

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The FBR board of directors has unanimously approved the merger agreement and the transactions contemplated thereby and recommends that you vote FOR the FBR merger proposal, FOR the merger-related named executive officer compensation proposal and FOR the FBR adjournment proposal.

BY ORDER OF THE BOARD OF
DIRECTORS

Gavin A. Beske
Senior Vice President, General Counsel and
Corporate Secretary

Arlington, Virginia

[], 2017

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WHERE YOU CAN FIND MORE INFORMATION

Both B. Riley Financial, Inc., which we refer to as B. Riley, and FBR & Co., which we refer to as FBR, file annual, quarterly and current reports, proxy statements and other business and financial information with the Securities and Exchange Commission, which we refer to as the SEC. You may read and copy any materials that either B. Riley or FBR files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Please call the SEC at (800) SEC-0330 ((800) 732-0330) for further information on the public reference room. In addition, B. Riley and FBR file reports and other business and financial information with the SEC electronically, and the SEC maintains a website located at <http://www.sec.gov> containing this information. You can also obtain, free of charge, documents that B. Riley files with the SEC at www.brileyfin.com under the tab Investor Relations or documents that FBR files with the SEC at www.fbr.com under the tab Investor Relations. The information provided on the B. Riley and FBR websites is not part of this joint proxy statement/prospectus and is not incorporated herein by reference. Paper or email copies of the documents that B. Riley or FBR files with the SEC can also be obtained, free of charge, by either directing a written request to B. Riley Financial, Inc., Attention: Corporate Secretary, 21255 Burbank Boulevard, Suite 400, Woodland Hills, California 91367, calling 800-85-GREAT (800-854-7328) or emailing ir@brileyfin.com; or by directing a written request to FBR & Co., Attention: Corporate Secretary, 1300 North Seventeenth Street, Arlington, Virginia 22209, calling FBR's proxy solicitor, D.F. King & Co., at (866) 620-0678 or emailing fbrir@fbr.com.

B. Riley has filed a registration statement on Form S-4 to register with the SEC the B. Riley common shares as specified therein. This joint proxy statement/prospectus is a part of that registration statement. As permitted by SEC rules, this joint proxy statement/prospectus does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and copy the registration statement, including any amendments, schedules and exhibits, at the addresses set forth below. Statements contained in this joint proxy statement/prospectus as to the contents of any contract or other documents referred to in this joint proxy statement/prospectus are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to, or incorporated by reference into, the registration statement. This joint proxy statement/prospectus incorporates important business and financial information about B. Riley and FBR that is not included in or delivered with this joint proxy statement/prospectus, including incorporating by reference documents that B. Riley and FBR have previously filed with the SEC. These documents contain important information about the companies and their financial condition. See Documents Incorporated by Reference. These documents are available without charge to you upon written or oral request to the applicable company's principal executive offices. The respective addresses and telephone numbers of such principal executive offices are listed below:

B. Riley Financial, Inc.	FBR & Co.
21255 Burbank Boulevard, Suite 400	1300 North Seventeenth Street
Woodland Hills, California 91367	Arlington, Virginia 22209
Attention: Corporate Secretary	Attention: Corporate Secretary
Telephone: (818) 884-3737	Telephone: (703) 312-9500

To obtain timely delivery of these documents, you must request the information no later than [], 2017, in order to receive them before the annual meeting of B. Riley stockholders, which we refer to as the B. Riley annual

meeting, and the special meeting of FBR shareholders, which we refer to as the FBR special meeting.

B. Riley common shares, par value \$0.0001 per share, which we refer to as B. Riley common shares, are traded on the NASDAQ Stock Market, which we refer to as Nasdaq, under the symbol RILY, and FBR common shares, par value \$0.001 per share, which we refer to as FBR common shares, are traded on Nasdaq under the symbol FBRC.

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THIS JOINT PROXY STATEMENT/PROSPECTUS DOES NOT CONSTITUTE THE SOLICITATION OF A PROXY IN ANY JURISDICTION TO OR FROM ANY PERSON TO WHOM OR FROM WHOM IT IS UNLAWFUL TO MAKE SUCH PROXY SOLICITATION IN THAT JURISDICTION. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE INTO THIS JOINT PROXY STATEMENT/PROSPECTUS TO VOTE YOUR FBR COMMON SHARES OR B. RILEY COMMON SHARES, AS APPLICABLE, AT THE FBR SPECIAL MEETING OR THE B. RILEY ANNUAL MEETING. B. RILEY AND FBR HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT FROM WHAT IS CONTAINED IN THIS JOINT PROXY STATEMENT/PROSPECTUS. THIS JOINT PROXY STATEMENT/PROSPECTUS IS DATED [], 2017. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS JOINT PROXY STATEMENT/PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THAT DATE, AND THE MAILING OF THIS JOINT PROXY STATEMENT/PROSPECTUS TO STOCKHOLDERS DOES NOT CREATE ANY IMPLICATION TO THE CONTRARY.

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