
Section 1: 8-K (8-K)

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)

March 29, 2019

READY CAPITAL CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Maryland
(State or Other Jurisdiction
Of Incorporation)

001-35808
(Commission File Number)

90-0729143
(IRS Employer
Identification No.)

1140 Avenue of the Americas,
7th Floor
New York, NY 10036
(Address of principal executive offices)
(Zip Code)

Registrant's telephone number, including area code: **(212) 257-4600**

(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 13(a) of the Exchange Act.

Introductory Note.

This Current Report on Form 8-K is being filed in connection with the consummation on March 29, 2019 (the “Closing Date”) of the transactions contemplated by that certain Agreement and Plan of Merger (the “Merger Agreement”), dated as of November 7, 2018, by and among Ready Capital Corporation, a Maryland corporation (“Ready Capital”), Owens Realty Mortgage, Inc., a Maryland corporation (“ORM”) and ReadyCap Merger Sub, LLC, a Delaware limited liability company and a wholly owned subsidiary of Ready Capital (“Merger Sub”). Pursuant to the Merger Agreement, on the Closing Date, ORM merged with and into Merger Sub, with Merger Sub continuing as the surviving company (the “Merger”). The combined company will conduct business under the name “Ready Capital Corporation” and will continue to trade on the New York Stock Exchange (“NYSE”) under the ticker symbol “RC.” The following events took place in connection with the consummation of the Merger.

Item 2.01. Completion of Acquisition or Disposition of Assets

On March 29, 2019, Ready Capital completed the Merger pursuant to the terms of the Merger Agreement. On the Closing Date, ORM merged with and into Merger Sub, with Merger Sub continuing as the surviving company. The Articles of Merger contemplated by the Merger Agreement were filed with the State Department of Assessments and Taxation of Maryland, with an effective time and date of 8:30 a.m., Eastern Time on the Closing Date (the “Effective Time”).

At the Effective Time, each outstanding share of common stock, par value \$0.01 per share, of ORM (“ORM Common Stock”) (other than shares held by Ready Capital or Merger Sub or by any wholly owned subsidiary of Ready Capital, Merger Sub or ORM, which were automatically cancelled and retired and ceased to exist) was converted into the right to receive from Ready Capital 1.441 newly issued shares of common stock, par value \$0.0001 per share, of Ready Capital (the “Ready Capital Common Stock”). No fractional shares of Ready Capital Common Stock were issued in the Merger, and the value of any fractional interests to which a former holder of ORM Common Stock is otherwise entitled will be paid in cash.

The issuance of shares of Ready Capital Common Stock in connection with the Merger Agreement was registered under the Securities Act of 1933 pursuant to Ready Capital’s registration statement on Form S-4 (Registration No. 333-228769), declared effective by the Securities and Exchange Commission (the “SEC”) on February 15, 2019 (the “Registration Statement”). The joint proxy statement/prospectus included in the Registration Statement contains additional information about the Merger and incorporates by reference additional information about the Merger from Current Reports on Form 8-K filed by Ready Capital and ORM.

The foregoing description of the Merger and the transactions contemplated by the Merger Agreement contained in this Item 2.01 is only a summary and is subject to, and qualified in its entirety by, reference to the full text of the Merger Agreement, which was previously filed as Exhibit 2.1 to Ready Capital’s Current Report on Form 8-K filed with the SEC on November 9, 2018, and is incorporated by reference herein as Exhibit 2.1 to this Current Report on Form 8-K.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of Director

As of the Effective Time and in accordance with the Merger Agreement, the board of directors of Ready Capital (the “Board”) increased the size of the Board by one member and appointed Gilbert E. Nathan to the Board to fill the vacancy of the Board created by such increase, with Mr. Nathan to serve until Ready Capital’s 2019 annual meeting of stockholders and until his successor is duly elected and qualified.

Mr. Nathan will be compensated in accordance with Ready Capital’s publicly disclosed director compensation policies. Payments of cash and equity for his 2019 Board service period will be prorated to reflect the duration of his service during such period.

Indemnification Agreement

Ready Capital has entered into a customary indemnification agreement with Mr. Nathan. This agreement, among other things, requires Ready Capital to indemnify him to the maximum extent permitted by Maryland law, including indemnification of expenses such as attorney's fees, judgments, fines and settlement amounts incurred by him in any action or proceeding, including any action or proceeding by or in right of Ready Capital, arising out of his service as a director. The form of indemnification agreement for directors was previously filed as Exhibit 10.1 to Ready Capital's Form 10-K filed with the SEC on March 13, 2019 and is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On the Closing Date, Ready Capital issued a press release announcing the completion of the Merger and the appointment of Mr. Nathan to the Board, described above in Item 2.01 and Item 5.02, respectively. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein solely for purposes of this Item 7.01 disclosure.

The information included in this Current Report on Form 8-K under this Item 7.01 shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing made by Ready Capital under the Exchange Act or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired.

As permitted by Item 9.01(a)(4) of Form 8-K, the unaudited financial statements required by this Item will be filed by amendment to this Current Report on Form 8-K within 71 days following the date on which this Current Report is required to be filed.

(b) Pro Forma Financial Information.

As permitted by Item 9.01(a)(4) of Form 8-K, the pro forma financial statements required by this Item will be filed by amendment to this Current Report on Form 8-K within 71 days following the date on which this Current Report is required to be filed.

(d) Exhibits.

- 2.1 [Agreement and Plan of Merger, by and among Ready Capital Corporation, ReadyCap Merger Sub LLC and Owens Realty Mortgage, Inc., dated as of November 7, 2018 \(incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on November 9, 2018\).](#)
- 10.1 [Form of Indemnification Agreement \(incorporated by reference to Exhibit 10.9 to the Annual Report on Form 10-K filed with the SEC on March 13, 2019\).](#)
- 99.1* [Press Release, dated March 29, 2019.](#)

* Filed herewith.

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.

Ready Capital Corporation

By: /s/ Frederick C. Herbst
Name: Frederick C. Herbst
Title: Chief Financial Officer

Dated: March 29, 2019

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Section 2: EX-99.1 (EX-99.1)

Exhibit 99.1



READY CAPITAL AND OWENS REALTY MORTGAGE ANNOUNCE COMPLETION OF MERGER

New York, New York, March 29, 2019 / PRNewswire / — Ready Capital Corporation (NYSE: RC) (“Ready Capital”) and Owens Realty Mortgage, Inc. (NYSE American: ORM) (“ORM”) jointly announced today that they have completed the previously announced merger pursuant to the terms of the Agreement and Plan of Merger, dated as of November 7, 2018, by and among Ready Capital, ORM and ReadyCap Merger Sub, LLC, a Delaware limited liability company and a wholly owned subsidiary of Ready Capital (the “Merger Agreement”). As of this morning, ORM ceased to be publicly traded and its common stock was suspended from trading on the NYSE American. The combined company will conduct business under the name “Ready Capital Corporation” and will continue to trade on the New York Stock Exchange under the ticker symbol “RC.”

Each outstanding share of common stock, par value \$0.01 per share, of ORM (“ORM Common Stock”) (other than shares held by Ready Capital or Merger Sub or by any wholly owned subsidiary of Ready Capital, Merger Sub or ORM, which were automatically cancelled and retired and ceased to exist) was converted into the right to receive from Ready Capital 1.441 newly issued shares of common stock, par value \$0.0001 per share, of Ready Capital (the “Ready Capital Common Stock”). No fractional shares of Ready Capital Common Stock were issued in the merger, and the value of any fractional interests to which a former holder of ORM Common Stock is otherwise entitled will be paid in cash.

In addition, pursuant to the Merger Agreement, the size of Ready Capital’s board of directors was increased from six to seven members upon the closing of the merger, and Gilbert E. Nathan, an independent director of ORM, was appointed to Ready Capital’s board of directors.

“With today’s closing, we reach another important milestone toward our vision of building a full service platform with scale. The growing breadth of the combined businesses will continue to allow us to effectively deploy capital across attractive asset classes and economic cycles. This investment approach, which emphasizes return consistency and downside protection, will provide all our shareholders with the most attractive risk-adjusted returns over the long-term,” stated Thomas Capasse, Chairman and Chief Executive Officer.

Safe Harbor Statement

This press release contains statements that constitute “forward-looking statements,” as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such statements are intended to be covered by the safe harbor provided by the same. These statements are based on current expectations and beliefs of Ready Capital and ORM and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements; neither Ready Capital nor ORM can give any assurance that its expectations will be attained.

Factors that could cause actual results to differ materially from the Company’s expectations include, but are not limited to, the effect of the merger on Ready Capital’s operating results and businesses generally; the outcome of any legal proceedings relating to the merger; changes in future loan acquisition and production; the ability to retain key personnel; availability of suitable investment opportunities; changes in interest rates; changes in the yield curve; changes in prepayment rates; the availability and terms of financing; general economic conditions; market conditions; conditions in the market for small balance commercial loans and other investments; and other factors, including those set forth in the Risk Factors section of Ready Capital’s most recent Annual Report on Form 10-K filed with the SEC, those set forth in the Risk Factors section of ORM’s most recent Annual Report on Form 10-K filed with the SEC, those set forth in the Risk

Factors section in the definitive joint proxy statement/prospectus relating to the merger filed with the SEC on February 15, 2019, and other reports filed by Ready Capital or ORM with the SEC, copies of which are available on the SEC's website, www.sec.gov. Neither Ready Capital nor ORM undertakes any obligation to update these statements for revisions or changes after the date of this release, except as required by law.

About Ready Capital Corporation

Ready Capital Corporation (NYSE: RC) is a multi-strategy real estate finance company that originates, acquires, finances and services small- to medium-sized balance commercial loans. Ready Capital specializes in loans backed by commercial real estate, including agency multifamily, investor and bridge as well as SBA 7(a) business loans. Headquartered in New York, New York, Ready Capital employs over 400 lending professionals nationwide. Ready Capital is externally managed and advised by Waterfall Asset Management, LLC.

About Owens Realty Mortgage, Inc.

Owens Realty Mortgage, Inc., a Maryland corporation, is a specialty finance mortgage company organized to qualify as a real estate investment trust ("REIT") that focuses on the origination, investment, and management of commercial real estate mortgage loans. ORM provides customized, short-term acquisition and transition capital to small balance and middle-market investors that require speed and flexibility. ORM's primary objective is to provide investors with attractive current income and long-term shareholder value. Owens Realty Mortgage, Inc. is headquartered in Walnut Creek, California, and is externally managed and advised by Owens Financial Group, Inc.

Advisors

Keefe, Bruyette & Woods, Inc. acted as financial advisor and Clifford Chance US LLP acted as legal advisor to Ready Capital. Barclays Capital Inc. acted as financial advisor and Vinson & Elkins LLP acted as legal advisor to ORM.

Contact

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