

Edgar Filing: Interactive Brokers Group, Inc. - Form SC 13D/A

Interactive Brokers Group, Inc.
Form SC 13D/A
August 01, 2017

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

SCHEDULE 13D/A
(Amendment No. 5)

Under the Securities Exchange Act of 1934

Interactive Brokers Group, Inc.

(Name of Issuer)

Class A Common Stock, par value \$0.01 per share

(Title of Class of Securities)

45841N 107

(CUSIP Number)

Thomas Peterffy
IBG Holdings LLC
One Pickwick Plaza
Greenwich, CT 06830

Copy to:
Richard Goldberg, Esq.
Dechert LLP
1095 Avenue of the Americas
New York, NY 10036
(212) 698-3500

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

July 28, 2017

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Sections 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check

the following box. []

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Section 240.13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP

Number

45841N 107

1. Names of Reporting

Person

IBG Holdings LLC

I.R.S. Identification No.

35-2296543

2. Check the (a) ☒ (b) ☐

Appropriate Box if a

Member of a

Group

(See Instructions)

3. SEC Use Only

4. Source of Funds (See

Instructions)

OO

5. Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) ☐

6. Citizenship or Place of Organization

Delaware, United States of America

Number of

7. Sole Voting Power

Shares

2,301,060 (1)

Beneficially Owned by

340,229,444 (2)

Each

8. Shared Voting Power

Reporting

Not applicable

Person

9. Sole Dispositive Power

With

2,301,060 (1)

10. Shared Dispositive Power

Not applicable

11. Aggregate Amount Beneficially Owned by Each Reporting Person

2,301,060 (1)

340,229,444 (2)

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) ☐

13. Percent of Class Represented by Amount in Row (11)

83.2%(3)

14. Type of Reporting Person (See Instructions)

HC

(1) IBG Holdings LLC beneficially owns 2,301,060 shares of Class A common stock, which were acquired on July 28, 2017 and July 28, 2016.

(2) Pursuant to the Amended and Restated Certificate of Incorporation of the issuer, IBG Holdings LLC, as the sole holder of the 100 outstanding shares of the issuer's Class B common stock, is entitled to the number of votes equal to the number of IBG LLC membership interests held by it at any given time. As of the date of this statement, IBG

Holdings LLC holds 340,229,444 IBG LLC membership interests.

- (3) IBG Holdings LLC's beneficial ownership of 2,301,060 shares of Class A common stock represents approximately 3.2% of the outstanding shares of Class A common stock and approximately 0.6% of the voting power of the issuer. IBG Holdings LLC's beneficial ownership of the 100 outstanding shares of the issuer's Class B common stock entitles it to approximately 82.6% of the voting power of the issuer. In total, IBG Holdings LLC holds approximately 83.2% of the voting power of the issuer.

CUSIP

Number

45841N 107

1. Names of Reporting Person
Thomas Peterffy
 2. (a) ☒ x
Check (b) ☐ o
the
Appropriate
Box if a
Member
of a
Group
(See
Instructions)
 3. SEC Use Only
 4. Source of Funds
(See Instructions)
OO
 5. Check ☐ o
if
Disclosure
of Legal
Proceedings
is
Required Pursuant
to Items
2(d) or
2(e)
 6. Citizenship or
Place of
Organization
United States of
America
- | | |
|--|---|
| Number of
Shares
Beneficially
Owned
by
Each Reporting
Person
With | Sole Voting
Power
2,301,060
(1)
340,229,444
(2)
8. Shared
Voting
Power
Not
applicable |
| 9. | Sole
Dispositive |

- Power
2,301,060
(1)
10. Shared
Dispositive
Power
Not
applicable
11. Aggregate Amount
Beneficially Owned
by Each Reporting
Person
2,301,060 (1)
340,229,444 (2)
12. Check ☐
if the
Aggregate
Amount
in Row
(11)
Excludes Certain
Shares
(See
Instructions)
13. Percent of Class
Represented by
Amount in Row
(11)
83.2%(3)
14. Type of Reporting
Person (See
Instructions)
IN

(1) Mr. Thomas Peterffy, through the ownership of his revocable trust of the voting membership interests in IBG Holdings LLC, beneficially owns 2,301,060 shares of Class A common stock, which were acquired on July 28, 2017 and July 28, 2016. Beneficial ownership for this purpose includes the ability to vote the shares and the power to sell the shares. Mr. Thomas Peterffy has no economic interest in these shares of Class A common stock. The economic interest in these shares accrues to those members of IBG Holdings LLC who redeemed their membership interests on July 28, 2017 and July 28, 2016.

(2) Pursuant to the Amended and Restated Certificate of Incorporation of the issuer, Mr. Thomas Peterffy, through the ownership of his revocable trust of the voting membership interest in IBG Holdings LLC, beneficially owns all of the 100 outstanding shares of the issuer's Class B common stock and accordingly is entitled to the number of votes equal to the number of IBG LLC membership interests held by IBG Holdings LLC at any given time. As of the date of this statement, IBG Holdings LLC holds 340,229,444 IBG LLC membership interests.

(3) Mr. Thomas Peterffy, through the ownership of his revocable trust of the voting membership interests in IBG Holdings LLC, beneficially owns 2,301,060 shares of Class A common stock, which represents approximately 3.2% of the outstanding shares of Class A common stock and approximately 0.6% of the voting power of the

issuer. In addition, through his revocable trust's ownership of the voting membership interests in IBG Holdings LLC, Mr. Thomas Peterffy beneficially owns all of the 100 outstanding shares of the issuer's Class B common stock and accordingly holds approximately 82.6% of the voting power of the issuer through such ownership. In total, Mr. Thomas Peterffy holds approximately 83.2% of the voting power of the issuer through his revocable trust's ownership of the voting membership interests in IBG Holdings LLC.

Introductory Note: This Amendment No. 5 to the Schedule 13D (this “Amendment”) filed by IBG Holdings LLC (“IBG Holdings”) and Thomas Peterffy (together with IBG Holdings, the “Reporting Persons”) relates to the acquisition of 1,214,860 shares of Class A common stock of Interactive Brokers Group, Inc. (the “Company”) by the Reporting Persons on July 28, 2017 and IBG Holdings' ownership of 1,086,200 shares of Class A common stock which were acquired on July 28, 2016. This Amendment amends and supplements the Schedule 13D filed on May 17, 2007, which has been previously amended on November 18, 2013, October 24, 2014, July 24, 2015 and July 28, 2016 (the “Schedule 13D”) with respect to the Class A common stock of the Company. Except as specified in this Amendment, all previous Items are unchanged. Unless otherwise indicated herein, capitalized terms used but not defined in this Amendment shall have the same meanings herein as are ascribed to such terms in the Schedule 13D.

Item 1. Security and Issuer

The third paragraph of Item 1 is hereby amended and restated to read as follows:

Pursuant to the Amended and Restated Certificate of Incorporation of the Company (the “Restated Charter”), IBG Holdings, as the sole holder of the 100 outstanding shares of the Class B common stock, is entitled to the number of votes equal to the number of IBG LLC membership interests held by it at any given time. As of the date of this statement, IBG Holdings holds 340,229,444 IBG LLC membership interests, and, as a result, the Class B common stock held by IBG Holdings represents approximately 82.6% of the voting power of the Company. Mr. Thomas Peterffy, through his revocable trust's ownership of the voting membership interests in IBG Holdings, beneficially owns all of the outstanding shares of the Class B common stock, which represent approximately 82.6% of the voting power of the Company.

The following paragraph is hereby added to Item 1:

On July 28, 2017, consistent with the terms of that certain Exchange Agreement entered into by and among the Company, IBG Holdings and IBG LLC and the former members of IBG LLC, previously filed as exhibit 99.3 to this Schedule 13D on May 17, 2007, as amended by that certain amendment previously filed as exhibit 10.1 to the Form 8-K filed on June 12, 2012 and as further amended by that certain amendment filed as an exhibit 10.1 to the Form 10-Q on November 9, 2015, IBG Holdings acquired 1,214,860 shares of Class A common stock from the Company in exchange for 1,214,860 membership interests owned by IBG Holdings in IBG LLC and certain tax benefit payments as described in the tax receivable agreement between IBG Holdings and the Company and previously filed as exhibit 10.3 to Form 10-Q on June 15, 2007 (the “TRA”). Such 1,214,860 shares of Class A common stock represent approximately 1.7% of the outstanding shares of Class A common stock and approximately 0.3% of the voting power of the Company. Additionally, 1,086,200 shares of Class A common stock acquired on July 28, 2016 and enrolled in the 2016 Plans were not sold pursuant to such Plans and are still owned by IBG Holdings. Mr. Thomas Peterffy, through his revocable trust's ownership of the voting membership interests in IBG Holdings, beneficially owns such 2,301,060 shares of Class A common stock, which represent approximately 0.6% of the voting power of the Company.

Item 4. Purpose of Transaction

Item 4 is hereby supplemented by adding the following paragraph:

On July 28, 2017, IBG Holdings acquired 1,214,860 shares of Class A common stock in exchange for 1,214,860 membership interests owned by IBG Holdings in IBG LLC and certain tax benefit payments as described in the TRA. It is intended that the shares of Class A common stock acquired by IBG Holdings will be sold in open market transactions and the proceeds used to purchase the IBG Holdings' membership interests (or portions thereof) of certain of IBG Holdings' members who have elected to redeem their IBG Holdings membership interests (or portion thereof). The shares to be sold will be sold in open market transactions pursuant to Rule 10b5-1 trading plans, more fully

described in “Item 6—Contracts, Arrangements, Understandings or Relationships With Respect to the Securities of the Issuer” of this report.

Item 5. Interest in Securities of the Issuer

Paragraph (b) of Item 5 is hereby amended and restated to read as follows:

(b) Rows (7) through (10) of the cover pages to the Schedule 13D/A set forth (i) the number of shares of Class A common stock as to which there is sole power to vote or direct the vote or to dispose or direct the disposition and (ii) the number of shares of Class A common stock as to which there is shared power to vote or direct the vote or to dispose or direct the disposition.

Paragraph (c) of Item 5 is hereby supplemented by adding the following paragraph:

On July 28, 2017, IBG Holdings acquired 1,214,860 shares of Class A common stock in exchange for 1,214,860 membership interests owned by IBG Holdings in IBG LLC and certain tax benefit payments as described in the TRA. There were no other transactions in the Class A common stock by the Reporting Persons during the last sixty days.

Paragraph (d) of Item 5 is hereby supplemented by adding the following paragraph:

Mr. Paul J. Brody, Chief Financial Officer and Director of the Company, is among the members of IBG Holdings who have elected to redeem a portion of their IBG Holdings membership interests in connection with the July 28, 2017 transaction and therefore has an interest in the proceeds of sale of 340,000 shares of the Class A common stock to be sold pursuant to the 2017 Plans (defined in Item 6). Certain current and former employees of the Company and its subsidiaries also elected the redemption of a portion of their membership interests in IBG Holdings and therefore have an interest in the balance of the shares to be sold under the Plans. Neither Mr. Thomas Peterffy nor his affiliates have elected to redeem any of their IBG Holdings membership interests and therefore have no interest in the proceeds of sale of the shares of Class A common stock acquired by IBG Holdings on July 28, 2017. Additionally, 1,086,200 of the shares of Class A common stock acquired on July 28, 2016 and enrolled in the 2016 Plans were not sold pursuant to such Plans. Messrs. Earl H. Nemser, Vice Chairman of the Board of the Company and Thomas A.J. Frank, Executive Vice President of the Company have an interest in the proceeds from the sale of 50,000 and 1,000,000 shares of Class A common stock, respectively, which were not sold under the 2016 Plans and have been included in the 2017 Plans – see discussion below under Item 6.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

The first paragraph under subheading “Voting” of Item 6 is hereby amended and restated to read as follows:

Pursuant to the Restated Charter, IBG Holdings, as the sole holder of the 100 outstanding shares of the Class B common stock, is entitled to the number of votes equal to the number of IBG LLC membership interests held by it at any given time. Except as otherwise provided by law and the Restated Charter, the Company’s shares of Class A common stock and Class B common stock vote together as a single class. As of the date of this statement, IBG Holdings holds 340,229,444 IBG LLC membership interests, and, as a result, the Class B common stock held by IBG Holdings represents approximately 82.6% of the voting power of the Company. Such percentage voting power is anticipated to decrease over time as a result of the exchange and redemption pursuant to the Exchange Agreement. Mr. Thomas Peterffy, through his revocable trust’s ownership of the voting membership interests in IBG Holdings, beneficially owns all of the outstanding shares of the Class B common stock which represent approximately 82.6% of the voting power of the Company.

The following paragraphs are hereby added to Item 6 under the subheading “Voting”:

On July 28, 2017, IBG Holdings acquired 1,214,860 shares of Class A common stock for sale for the benefit of certain of its members who elected to redeem a portion of their IBG Holdings membership interests. The shares of Class A common stock were acquired in exchange for 1,214,860 membership interests owned by IBG Holdings in IBG LLC and represent approximately 0.3% of the voting power of the Company. We anticipate a proportional reduction in the voting power of IBG Holdings as a result of these intended sales in open market transactions of such shares pursuant to the 2017 Plans. Additionally, 1,086,200 of the shares of Class A common stock acquired on July 28, 2016 and enrolled in the 2016 Plans were not sold pursuant to such Plans and are still owned by IBG Holdings. Mr. Thomas Peterffy, through his revocable trust’s ownership of the voting membership interests in IBG Holdings, beneficially owns such 2,301,060 shares of Class A common stock, which represent approximately 0.6% of the voting power of the Company.

In the aggregate, IBG Holdings holds approximately 83.2% of the voting power of the Company. Mr. Thomas Peterffy, through his revocable trust’s ownership of the voting membership interests in IBG Holdings, holds in the aggregate approximately 83.2% of the total voting power of the Company.

The following paragraph is hereby added to Item 6:

Rule 10b5-1 Trading Plans

On July 28, 2017, IBG Holdings entered into Rule 10b5-1 trading plans (the “2017 Plans”) providing for the sale of 2,301,060 shares of Class A common stock in open market transactions, which includes the 1,214,860 shares acquired by IBG Holdings on July 28, 2017 and 1,086,200 shares that were not sold pursuant to the 2016 Plans. Under the terms of the 2017 Plans, IBG Holdings intends to sell the 2,301,060 shares of Class A common stock over time at prevailing market prices. Mr. Paul J. Brody, Chief Financial Officer and Director of the Company, has an interest in the proceeds of sale of 340,000 shares of the Class A common stock to be sold pursuant to the 2017 Plans. Messrs. Earl H. Nemser, Vice Chairman of the Board of the Company and Thomas A.J. Frank, Executive Vice President of the Company, have an interest in the proceeds from the sale of 50,000 and 1,000,000 shares of Class A common stock, respectively, which were not sold under the 2016 Plans and have been included in the 2017 Plans. The sales will occur until the earlier of the date on which all shares are sold, July 24, 2018 or the plans are terminated in accordance with their terms and Rule 10b5-1 of the Exchange Act and will be disclosed publicly in accordance with applicable securities laws, rules and regulations through appropriate filings with the Securities and Exchange Commission, as applicable. IBG Holdings and its members will have no control over the stock sales under the 2017 Plans.

Item 7. Material to be Filed as Exhibits

None

SIGNATURES

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certify that the information set forth in this Statement is true, complete and correct.

Dated: August 1, 2017 IBG HOLDINGS LLC

By: /s/ Thomas Peterffy
Name: Thomas Peterffy
Title: Managing Member

Dated: August 1, 2017

/s/ Thomas Peterffy
Thomas Peterffy
