

CHIMERA INVESTMENT CORP  
Form 8-K  
February 27, 2017

**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): February 22, 2017**

**Chimera Investment Corporation**

**(Exact Name of Registrant as Specified in Its Charter)**

**Maryland**  
**(State or other jurisdiction of**  
**incorporation or organization)**

**001-33796**  
**(Commission**  
**File Number)**

**26-0630461**  
**(I.R.S. Employer**  
**Identification No.)**

**520 Madison Avenue, 32nd Floor**

**10022**

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**New York, New York**  
**(Address of principal executive offices)**  
**(212) 626-2300**

**(Zip Code)**

**(Registrant's telephone number, including area code)**

**Not Applicable**

**(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 February 22, 2017, Chimera Investment Corporation (the Company) entered into an underwriting agreement (the Underwriting Agreement) with Morgan Stanley & Co. LLC, UBS Securities LLC, RBC Capital Markets, LLC and Keefe, Bruyette & Woods, Inc. (collectively, the Underwriters), pursuant to which the Company agreed to offer and sell 12,000,000 shares of its 8.00% Series B Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, par value \$0.01 per share (the Series B Preferred Stock), at a public offering price of \$25.00 per share (the Preferred Stock Offering). The Underwriters were granted an option to purchase up to an additional 1,800,000 shares of Series B Preferred Stock to cover over-allotments, if any, bringing the total number of shares of Series B Preferred Stock that may be issued in the Preferred Stock Offering to 13,800,000 shares of Series B Preferred Stock. In the Underwriting Agreement, the Company made certain customary representations, warranties and covenants and agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

The Preferred Stock Offering closed on February 27, 2017 and resulted in net proceeds, after deducting underwriting discounts and commissions and estimated offering expenses payable by the Company, of approximately \$290.2 million (\$333.7 million if the Underwriters exercise their over-allotment option in full).

This description of the material terms of the Underwriting Agreement is qualified in its entirety by reference to the Underwriting Agreement, which is filed as Exhibit 1.1 to this Current Report on Form 8-K and is hereby incorporated by reference into this Item 1.01.

**Item 3.03. Material Modifications to Rights of Security Holders.**

On February 24, 2017, the Company filed, with the State Department of Assessments and Taxation of the State of Maryland, Articles Supplementary (the Articles Supplementary) to the Articles of Amendment and Restatement of the Company classifying and designating 13,800,000 shares of the Company's authorized preferred stock, par value \$0.01 per share, as the Series B Preferred Stock, with the powers, designations, preferences and other rights as set forth therein.

The Articles Supplementary, among other things, provide that the Company will pay cumulative cash dividends on the Series B Preferred Stock when and as declared by the Company's Board of Directors. The initial dividend rate for the Series B Preferred Stock, from and including February 27, 2017, to but not including March 30, 2024, will be equal to 8.00% per annum of the \$25.00 liquidation preference per share (equivalent to the fixed annual rate of \$2.00 per share). On and after March 30, 2024, dividends on the Series B Preferred Stock will accumulate at a percentage of the \$25.00 liquidation preference equal to an annual floating rate of the three-month LIBOR plus a spread of 5.791% per annum. Dividends on the Series B Preferred Stock will be payable quarterly in arrears on the 30<sup>th</sup> day of each March, June, September and December, when and as declared, beginning on June 30, 2017 (provided that if any dividend payment date is not a business day, then the dividend which would otherwise have been payable on that dividend payment date may be paid on the next succeeding business day).

The Series B Preferred Stock ranks senior to the Company's common stock, \$0.01 par value per share (Common Stock), with respect to the payment of dividends and rights upon the voluntary or involuntary liquidation, dissolution or winding up of the Company.

The Series B Preferred Stock will not be redeemable before March 30, 2024, except under certain limited circumstances intended to preserve the Company's qualification as a real estate investment trust (REIT) and except upon the occurrence of a Change of Control (as defined in the Articles Supplementary). On or after March 30, 2024, the Company may, at its option, redeem, in whole or in part, at any time or from time to time, the Series B Preferred Stock at redemption price of \$25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the redemption date. In addition, upon the occurrence of a Change of

Control, the Company may, at its option, redeem some or all of the shares of Series B Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred at \$25.00 per share plus any accumulated and unpaid dividends to, but excluding, the redemption date. The Series B Preferred Stock has no stated maturity, is not subject to any sinking fund or mandatory redemption and will remain outstanding indefinitely unless repurchased or redeemed by the Company or converted into Common Stock in connection with a Change of Control by the holders of Series B Preferred Stock.

Upon the occurrence of a Change of Control, each holder of Series B Preferred Stock will have the right (subject to the Company's election to redeem the Series B Preferred Stock in whole or in part, as described above, prior to the Change of Control Conversion Date (as defined in the Articles Supplementary)) to convert some or all of the Series B Preferred Stock held by such holder on the Change of Control Conversion Date into a number of shares of the Common Stock per share of Series B Preferred Stock determined by formula, in each case, on the terms and subject to the conditions described in the Articles Supplementary, including provisions for the receipt, under specified circumstances, of alternative consideration.

There are restrictions on ownership of the Series B Preferred Stock intended to preserve the Company's qualification as a REIT. Holders of Series B Preferred Stock generally have no voting rights, but have limited voting rights if the Company fails to pay dividends for six or more full quarterly dividend periods (whether or not consecutive) and under certain other circumstances.

A copy of the Articles Supplementary and Form of Series B Preferred Stock Certificate are filed as Exhibits 3.1 and 4.1, respectively, to this Current Report on Form 8-K and incorporated herein by reference. The description of the terms of the Articles Supplementary in this Item 3.03 is qualified in its entirety by reference to Exhibit 3.1

**Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

The information about the Articles Supplementary set forth under Item 3.03 of this Current Report on Form 8-K is hereby incorporated by reference into this Item 5.03.

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

**Exhibit**

No.	Description
1.1	Underwriting Agreement, dated February 22, 2017, by and among Chimera Investment Corporation and the several Underwriters listed on Schedule A attached thereto.
3.1	Articles Supplementary to the Articles of Amendment and Restatement of Chimera Investment Corporation designating the Company's 8.00% Series B Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, par value \$0.01 per share (filed with the SEC as Exhibit 3.7 to the Registrant's Registration Statement on Form 8-A filed on February 24, 2017 and incorporated herein by reference).
4.1	Form of Series B Preferred Stock Certificate (filed with the SEC as Exhibit 4.1 to the Registrant's Registration Statement on Form 8-A filed on February 24, 2017 and incorporated herein by reference).
5.1	Opinion of Venable LLP, dated February 27, 2017, regarding the legality of the 8.00% Series B Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock.
8.1	Opinion of Hunton & Williams LLP, dated February 27, 2017, regarding certain tax matters.
23.1	Consent of Venable LLP (included in Exhibit 5.1 hereto).
23.2	Consent of Hunton & Williams LLP (included in Exhibit 8.1 hereto).

**SIGNATURE**

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 thereunto duly authorized.

**CHIMERA INVESTMENT CORPORATION**

Date: February 27, 2017

By: /s/ Rob Colligan  
Name: Rob Colligan  
Title: Chief Financial Officer

**EXHIBIT INDEX**

**Exhibit**

<b>No.</b>	<b>Description</b>
1.1	Underwriting Agreement, dated February 22, 2017, by and among Chimera Investment Corporation and the several Underwriters listed on Schedule A attached thereto.
3.1	Articles Supplementary to the Articles of Amendment and Restatement of Chimera Investment Corporation designating the Company's 8.00% Series B Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, par value \$0.01 per share (filed with the SEC as Exhibit 3.7 to the Registrant's Registration Statement on Form 8-A filed on February 24, 2017 and incorporated herein by reference).
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