

Colony Financial, Inc.
Form 8-K
July 16, 2012

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): July 10, 2012

COLONY FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

001-34456
(Commission
File Number)

27-0419483
(IRS Employer
Identification No.)

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2450 Broadway, 6th Floor

Santa Monica, CA
(Address of principal executive offices)

Registrant's telephone number, including area code: (310) 282-8820

90404
(Zip 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 (see General Instruction A.2. below):

- .. 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 July 10, 2012, Colony Financial, Inc. (the *Company*) entered into an Underwriting Agreement (the *Underwriting Agreement*) with Barclays Capital Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC and UBS Securities LLC, as representatives of the several underwriters named therein (the *Underwriters*), pursuant to which the Company agreed to offer and sell 4,000,000 shares of its 8.50% Series A Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share (the *Series A Preferred Stock*). The Series A Preferred Stock was offered to the public at a price of \$25.6850 per share, and was offered to the Underwriters at a price of \$24.8785 per share. Pursuant to the terms of the Underwriting Agreement, the Company granted the Underwriters a 30-day option to purchase up to an additional 600,000 shares of Series A Preferred Stock to cover over-allotments. The Company estimates that the net proceeds from this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by the Company, will be approximately \$99.1 million or approximately \$114.0 million if the Underwriters' over-allotment option is exercised in full.

The Company intends to use substantially all the net proceeds from the offering to repay amounts outstanding under its revolving credit facility and the balance (including as a result of the underwriters' exercise of their over-allotment option) to acquire its target assets in a manner consistent with its investment strategies and investment guidelines and for working capital and general corporate purposes.

The Company made certain customary representations, warranties and covenants concerning the Company and the registration statement in the Underwriting Agreement and also agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. The closing of the offering is subject to customary closing conditions pursuant to the terms of the Underwriting Agreement.

Some of the Underwriters and their affiliates have engaged in investment banking and other commercial dealings in the ordinary course of business with the Company and may therefore have an interest in the successful completion of this offering beyond the underwriting discounts and commissions they will receive in connection with the offering. Affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC and UBS Securities LLC are lenders under the Company's revolving credit facility and will receive their pro rata share of the net proceeds of the offering that are used to repay the revolving credit facility.

A copy of the Underwriting Agreement is attached to this report as Exhibit 1.1 and incorporated herein by reference. The summary set forth above is qualified in its entirety by reference to Exhibit 1.1.

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

On July 13, 2012, the Company filed Articles Supplementary with the Maryland State Department of Assessments and Taxation classifying and designating an additional 4,420,000 of the Company's authorized shares of preferred stock as Series A Preferred Stock. The Articles Supplementary became effective on July 16, 2012. A copy of the Articles Supplementary establishing the additional Series A Preferred Stock is filed as Exhibit 3.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

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Exhibit No.	Description
1.1	Underwriting Agreement dated July 10, 2012, by and among the Company, Colony Financial Manager, LLC and Barclays Capital Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. LLC and UBS Securities LLC, as representatives of the several Underwriters listed on <u>Schedule A</u> attached thereto
3.1	Articles Supplementary Establishing Additional 8.50% Series A Cumulative Redeemable Perpetual Preferred Stock
5.1	Opinion of Hogan Lovells US LLP regarding the legality of the Series A Preferred Stock
12.1	Computation of Ratio of Earnings to Fixed Charges and Preferred Dividends
23.1	Consent of Hogan Lovells US LLP (included in Exhibit 5.1)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 16, 2012

COLONY FINANCIAL, INC.

By: /s/ Darren J. Tangen
Darren J. Tangen
Chief Financial Officer and Treasurer

EXHIBIT INDEX

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