

Great Ajax Corp.
Form 8-K
April 25, 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): April 25, 2017 (April 19, 2017)

GREAT AJAX CORP.

(Exact name of registrant as specified in charter)

Item 1.01. Entry into a Material Definitive Agreement.

7.25% Convertible Senior Notes due 2024

On April 25, 2017, Great Ajax Corp. (the “Registrant”) completed the public offer and sale of \$87,500,000 aggregate principal amount of its 7.25% Convertible Senior Notes due 2024 (the “Notes”). The net proceeds to the Registrant from the sale of the Notes are approximately \$84,520,000, after deducting underwriters’ discounts and commissions and estimated offering expenses. The Registrant will contribute the net proceeds to Great Ajax Operating Partnership L.P. (the “Operating Partnership”) to acquire additional mortgage loans and mortgage-related assets consistent with the Registrant’s investment strategy and for general corporate purposes. The corrected CUSIP and ISIN for the Notes are 38983D409 and US38983D4097, respectively.

Underwriting Agreement

On April 19, 2017, the Registrant entered into an underwriting agreement (the “Underwriting Agreement”), by and among the Registrant, the Operating Partnership, Thetis Asset Management LLC and Raymond James & Associates, Inc. and JMP Securities LLC (the “Representatives”), on behalf of each of the underwriters listed therein (collectively, the “Underwriters”). The Underwriting Agreement contains customary representations and warranties of the parties and indemnification and contribution provisions whereby the Registrant and the Operating Partnership, on the one hand, and the Underwriters, on the other hand, have agreed to indemnify each other against certain liabilities.

Indenture

The Registrant issued the Notes under a base indenture, dated April 19, 2017, as supplemented by the first supplemental indenture, dated as of April 25, 2017 (the “Indenture”), between the Registrant and Wilmington Savings Fund Society, FSB, as trustee (the “Trustee”).

The Notes bear interest at a rate of 7.25% per annum, payable quarterly in arrears on January 15, April 15, July 15 and October 15 and May 15 of each year, beginning on July 15, 2017. The Notes will mature on April 30, 2024, unless earlier converted, redeemed or repurchased. During certain periods and subject to certain conditions (as described in the Indenture) the Notes will be convertible by the holders into shares of the Registrant’s common stock at an initial conversion rate of 1.6267 shares of common stock per \$25.00 principal amount of Notes (which represents an initial conversion price of approximately \$15.37 per share of common stock), subject to adjustment in certain circumstances as set forth in the Indenture. Upon conversion, holders will receive, at the Registrant’s discretion, cash, shares of the

Registrant's common stock or a combination thereof.

Prior to April 30, 2022, the Notes will not be redeemable. On or after April 30, 2022, holders of the Notes may require the Registrant to repurchase the Notes under certain

circumstances, and the Registrant may redeem all or any portion of the Notes, at its option, subject to certain conditions, at a redemption price payable in cash equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

The Indenture contains customary terms and covenants, including that upon certain events of default occurring and continuing, either the Trustee or the holders of not less than 25% in aggregate principal amount of the Notes then outstanding may declare the entire principal amount of all the Notes, and the interest accrued on such Notes, if any, to be immediately due and payable. In the case of certain events of bankruptcy, insolvency or reorganization relating to the Registrant or a principal subsidiary, the principal amount of the Notes together with any accrued and unpaid interest thereon will automatically be and become immediately due and payable.

The foregoing description of the Indenture and the Notes does not purport to be complete and is qualified in its entirety by reference to the full text of the Indenture and the form of Note, copies of which are filed as Exhibits 4.1 and 4.2, respectively, to this Current Report on Form 8-K, and are incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 above with respect to the Notes and the Indenture is hereby incorporated by reference into this Item 2.03 insofar as it relates to the creation of a direct financial obligation.

Item 8.01 Other Events.

On April 19, 2017 and April 25, 2017, the Company issued press releases announcing the pricing and closing of the Notes, respectively. The press releases are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively, and are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits

Exhibit Description

- 1.1 Underwriting Agreement, dated April 19, 2017, by and among the Registrant, Great Ajax Operating Partnership LP, Thetis Asset Management LLC and the Representatives on behalf of the Underwriters.

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- 4.1 First Supplemental Indenture, dated as of April 25, 2017, by and between the Registrant and Wilmington Savings Fund Society, FSB, as trustee.
- 4.2 Form of 7.25% Convertible Senior Note.
- 5.1 Opinion of Morrison & Foerster LLP.
- 8.1 Opinion of Morrison & Foerster LLP regarding certain tax matters.
- 23.1 Consent of Morrison & Foerster LLP (included in Exhibit 5.1)
- 23.2 Consent of Morrison & Foerster LLP regarding certain tax matters (included in Exhibit 5.2)
- 99.1 Press Release announcing pricing of the Notes, dated April 19, 2017.
- 99.2 Press Release announcing closing of the offering of the Notes, dated April 25, 2017.

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 thereunto duly authorized.

GREAT AJAX CORP.

By: /s/ Lawrence
Mendelsohn
Name: Lawrence
Mendelsohn
Title: Chief Executive
Officer

Dated: April 25, 2017