

Great Ajax Corp.
Form POS AM
February 12, 2016

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As filed with the Securities and Exchange Commission on February 12, 2016
Registration No. 333-203048

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

POST EFFECTIVE AMENDMENT
NO. 1
TO FORM S-11 ON FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

GREAT AJAX CORP.
(Exact Name of Registrant as Specified in its Governing Instruments)

Maryland 47-1271842
(State or other jurisdiction of (IRS Employer
incorporation or organization) Identification Number)

9400 SW Beaverton-Hillsdale Hwy, Suite 131
Beaverton, OR 97005
503-505-5670

(Address, Including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

Lawrence Mendelsohn
Chairman and Chief Executive Officer
9400 SW Beaverton-Hillsdale Hwy, Suite 131
Beaverton, OR 97005
503-505-5670

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

Anna T. Pinedo, Esq.
Brian D. Hirshberg, Esq.
Morrison & Foerster LLP
250 West 55th Street
New York, NY 10019
212-468-8000

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest

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reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer		Accelerated filer
Non-accelerated filer	(Do not check if a smaller reporting company)	Smaller reporting company

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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EXPLANATORY NOTE

On March 27, 2015, the registrant filed with the Securities and Exchange Commission (the “SEC”) a registration statement on Form S-11 (File No. 333-203048), which was subsequently amended by Amendment No. 1 to Form S-11, filed on April 13, 2015 and declared effective on April 17, 2015 (the “Form S-11”). The Form S-11 was filed to register the resale by the selling stockholders named in the prospectus included in the Form S-11 of up to 10,000,740 shares of the registrant’s common stock, par value \$0.01 per share.

This Post-Effective Amendment No. 1 on Form S-3 is being filed by the registrant to convert the Form S-11 into a registration statement on Form S-3. This Post-Effective Amendment No. 1 also contains an updated prospectus. All filing fees payable in connection with the registration of the shares covered by this Post-Effective Amendment No. 1 were paid by the registrant at the time of the initial filing of the Form S-11.

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The information in this preliminary prospectus is not complete and may be changed. The securities in this preliminary prospectus cannot be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale thereof is not permitted.

PROSPECTUS

SUBJECT TO COMPLETION, DATED FEBRUARY 12, 2016

10,000,740 Shares of Common Stock

This prospectus relates solely to the resale of up to an aggregate of 10,000,740 shares of our common stock by the selling stockholders named in this prospectus. We will not receive any of the proceeds from the sale of those shares. We have agreed to pay all expenses relating to registration of the shares. The selling stockholders will pay any brokerage commissions or other similar charges incurred for the sale of their shares.

The selling stockholders may offer the shares from time to time as they may determine through public or private transactions or through other means described under “Plan of Distribution” of prevailing market prices, at prices different than prevailing market prices or at privately negotiated prices.

Our common stock is listed on the New York Stock Exchange, or the NYSE, under the symbol “AJX.” On February 11, 2016, the last reported sale price of our common stock was \$10.36.

To assist us in qualifying as a real estate investment trust, or REIT, among other purposes, ownership of our common stock by any person is generally limited to 9.8% of our outstanding common stock. In addition, our charter contains various other restrictions on the ownership and transfer of our common stock. See “Description of Capital Stock — Restrictions on Ownership and Transfer.”

We are an “emerging growth company” under the Jumpstart Our Business Startups Act and are subject to reduced public company reporting requirements.

Investing in our common stock involves risks. See “Risk Factors” beginning on page 3, as well as the “Risk Factors” incorporated by reference herein from our most recent Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and other reports and information that we file with the Securities and Exchange Commission.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2016

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You should rely only on the information contained or incorporated by reference in this prospectus and any supplement hereto. We and the selling stockholders have not authorized any dealer, salesperson or other person to provide you with different information or to make representations as to matters not stated in this prospectus and any supplement hereto. If anyone provides you with different or inconsistent information, you should not rely on it. We and the selling stockholders are not making an offer to sell, or a solicitation of an offer to buy, any securities in any jurisdiction where it is unlawful to do so. You should assume that the information in this prospectus and any supplement hereto is accurate as of the respective dates of such documents or as of the date or dates that are specified herein or therein. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS

This prospectus is part of a resale shelf registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the SEC, using a “shelf” registration process for the delayed offering and sale of securities pursuant to Rule 415 under the Securities Act of 1933, as amended, or the Securities Act. This prospectus covers the resale of our common stock by the selling stockholders named in this prospectus, any prospectus or supplement hereto and their pledgees, donees, assignees and other successors in interest. This prospectus only provides you with a general description of our common stock the selling stockholders may offer. The selling stockholders may offer and sell some or all of their common stock in one or more transactions from time to time. You should read both this prospectus and any prospectus supplement together with the information incorporated or deemed to be incorporated by reference herein as described under the headings “Where You Can Find More Information” and “Incorporation of Certain Documents by Reference” in this prospectus. In this prospectus, unless the context indicates otherwise, references to “Great Ajax,” “we,” “the company,” “our” and “us” refer to the activities of and the assets and liabilities of the business and operations of Great Ajax Corp., and references to “operating partnership” refers to Great Ajax Operating Partnership L.P., a Delaware limited partnership.

To the extent any inconsistency or conflict exists between the information included in this prospectus and the information incorporated by reference in this prospectus or included or incorporated by reference in a prospectus supplement, the information included in a prospectus supplement or incorporated by reference in this prospectus or a prospectus supplement updates and supersedes the information in this prospectus.

FORWARD-LOOKING STATEMENTS

This prospectus and any accompanying prospectus supplement, including the documents incorporated by reference into this prospectus and any accompanying prospectus supplement, contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act.

Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by terms such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “p,” “should,” “will” and “would” or the negatives of these terms or other comparable terminology.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us or are within our control. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. You should carefully consider these risks, along with the following factors that could cause actual results to vary from our forward-looking statements:

- our ability to implement our business strategy;
- difficulties in identifying re-performing and non-performing loans and properties to acquire;
- the impact of changes to the supply of, value of and the returns on re-performing and non-performing loans;
- our ability to convert non-performing loans into performing loans, or to modify or otherwise resolve such loans;
- our ability to convert non-performing loans to properties that can generate attractive returns either through sale or rental;
-

our ability to compete with our competitors;

-

our ability to control our costs;

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- the impact of changes in interest rates and the market value of the collateral underlying our re-performing and non-performing loan portfolios or of our other real estate assets;
- our ability to obtain financing arrangements on favorable terms, or at all;
- our ability to retain our engagement of Thetis Asset Management LLC (our “Manager”);
- the failure of Gregory Funding LLC (the “Servicer” or “Gregory”) to perform its obligations under the servicing agreement;
- general volatility of the capital markets;
- the impact of adverse real estate, mortgage or housing markets and changes in the general economy;
- changes in our business strategy;
- our failure to qualify or maintain qualification as a REIT;
- our expectations regarding the time during which we will be an emerging growth company under the JOBS Act;
- our failure to maintain our exemption from registration under the Investment Company Act; and
- the impact of adverse legislative or regulatory tax changes.

The forward-looking statements should be read in light of these factors and the factors identified in the “Risk Factors” incorporated by reference into this prospectus and any accompanying prospectus supplement, from our most recent Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and other reports and information that we file with the SEC from time to time.

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OUR COMPANY

We are a Maryland corporation that focuses primarily on acquiring, investing in and managing a portfolio of re-performing and non-performing mortgage loans secured by single-family residences and, to a lesser extent, single-family properties. We also invest in loans secured by multi-family residential and commercial mixed use retail/residential properties, as well as in the properties directly. The multi-family and commercial mixed-use properties generally will have loan values of up to approximately \$5 million. We refer to these as “smaller commercial properties.”

Our primary strategy is to acquire, own and manage re-performing and non-performing mortgage loans. We seek to acquire loans at significant discounts to our estimates of the value of the underlying real estate and of the unpaid principal balance, or UPB, of the loan. Unlike other loan acquirers, who often rely on pooled estimates in analyzing and pricing portfolios, our Manager uses proprietary models and data developed by its affiliates to evaluate individual assets and to help determine cities, neighborhoods and properties that it believes will experience home price appreciation. These proprietary analytics have inputs for economic and demographic data that include changes in unemployment rates, median household incomes, housing starts, crime rates, education, electoral participation and other variables that we believe closely correlate to property values. The proprietary models predict probabilistic future cash flows for each loan we seek to acquire. Factors affecting our cash flow projections include resolution method, resolution timeline, foreclosure costs, rehabilitation costs and eviction costs. The database for these proprietary models contains foreclosure timelines on an individual county basis and, in some instances, also on an individual judge basis. We believe that these proprietary models permit us to acquire loans at prices we and the Manager believe represent a discount to UPB and current property values in non-auction purchases.

We generally intend to securitize our mortgage loans and retain subordinated securities from our securitizations. We also hold “real estate-owned” properties, or REO, acquired upon the foreclosure or other settlement of our owned non-performing loans, as well as through outright purchases. We anticipate our REO will consist principally of single-family homes, although we also may own smaller commercial properties. Our resolution methods are tailored to each loan, based on our Servicer’s detailed analytics, and include, among others, loan modification, forbearance agreements, foreclosure, short sale and deed-in-lieu of foreclosure. In the event of foreclosure, our Manager determines, in part based on the information obtained from the Servicer regarding historical experience, whether to seek to sell any REO asset, including offering mortgage financing to the purchaser, or to hold the REO as a rental property. We may conduct some of these activities through a taxable REIT subsidiary, or TRS. As part of our integrated approach, the Servicer focuses on understanding each borrower’s situation and working closely with the borrower to determine the most appropriate resolution for both parties. We believe that purchasing re-performing and non-performing mortgage loans at significant discounts to UPB and underlying property values, as well as working, through Gregory Funding LLC, an affiliated entity, to support continuing or new payments by borrowers, will allow us to achieve our targeted returns. However, if actual results differ from our assumptions, particularly if the value of the underlying properties were to decrease significantly, we may not achieve our targeted returns.

We are externally managed by Thetis Asset Management LLC, an affiliated entity. We own a 19.8% interest in the Manager. Our mortgage loans and other real estate assets are serviced by Gregory Funding LLC, an affiliated entity. We conduct substantially all of our business through our operating partnership, Great Ajax Operating Partnership L.P., a Delaware limited partnership, and its subsidiaries. We, through a wholly owned subsidiary, are the general partner of our operating partnership. GA-TRS LLC, or Thetis TRS, is a wholly owned subsidiary of the operating partnership that owns the equity interest in the Manager. We elected to treat Thetis TRS as a TRS under the Internal Revenue Code of 1986, as amended, or the Code. In January 2015, we applied for a private letter ruling from the Internal Revenue Service that would permit us to hold our interest in the Manager through the operating partnership. In September 2014, we formed Great Ajax Funding LLC, a wholly owned subsidiary of the operating partnership, to act as the depositor of mortgage loans into securitization trusts and to hold the subordinated securities issued by such trusts and any additional trusts we may form for additional securitizations. In November 2014, we formed AJX Mortgage Trust I, a wholly owned subsidiary of the operating partnership, in connection with a repurchase agreement. On February 1, 2015, we formed GAJX Real Estate LLC, as a wholly owned subsidiary of the operating partnership, to own, maintain, improve and sell REO purchased by us. We have elected to treat GAJX Real Estate LLC as a TRS under the Code.

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We have elected to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes beginning with our taxable year ended December 31, 2014. Our qualification as a REIT depends upon our ability to meet, on a continuing basis, various complex requirements under the Code relating to, among other things, the sources of our gross income, the composition and values of our assets, our distribution levels and the diversity of ownership of our capital stock. We believe that we are organized in conformity with the requirements for qualification as a REIT under the Code, and that our current intended manner of operation enables us to meet the requirements for taxation as a REIT for U.S. federal income tax purposes.

Our principal offices are located at 9400 SW Beaverton-Hillsdale Hwy, Suite 131, Beaverton, OR 97005. Our telephone number is 503-505-5670. Our web address is www.great-ajax.com. The information on our website does not constitute a part of this prospectus.

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RISK FACTORS

Investment in any shares of our common stock offered pursuant to this prospectus involves substantial risks. Before acquiring shares of our common stock from a selling shareholder, you should carefully consider the risk factors incorporated by reference to our most recent Annual Report on Form 10-K, our subsequent Quarterly Reports on Form 10-Q and the other information contained in this prospectus, as updated by our subsequent filings under the Exchange Act, and the risk factors and other information contained in any accompanying prospectus supplement. The occurrence of any of these risks might cause you to lose all or part of your investment in the offered shares. Please also refer to the section entitled “Forward-Looking Statements” in this prospectus.

USE OF PROCEEDS

The selling stockholders will receive all of the proceeds from the sale of the shares of common stock offered by this prospectus. We will not receive any proceeds from the sale of the shares of common stock offered by this prospectus.

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SELLING STOCKHOLDERS

The following table sets forth information, as of April 10, 2015, with respect to the selling stockholders named in the table, shares of our common stock beneficially owned by the selling stockholders and shares that the selling stockholders propose to offer pursuant to this prospectus. In accordance with SEC rules, each selling stockholder's beneficial ownership includes:

- all shares over which the selling stockholder has or shares voting or dispositive power; and

- all shares the selling stockholder has the right to acquire within 60 days (such as upon exercise of options that are currently vested or that are scheduled to vest within 60 days or warrants that are immediately exercisable or exercisable within 60 days). The shares issuable under those options or warrants are treated as if were outstanding for computing the percentage ownership of the person holding those options or warrants but are not treated as if they were outstanding for purposes of computing the percentage ownership of any other person.

The shares of our common stock offered by the selling stockholders pursuant to this prospectus were originally issued and sold by us in connection with private placements in July, August and December of 2014.

Percentage ownership calculations are based on 15,926,052 shares of our common stock outstanding as of February 12, 2016 (assuming redemption of 624,106 units of our operating partnership, or OP Units, on a 1-for-1 basis into shares of our common stock). To our knowledge, except as indicated in the footnotes to the following table, entities identified in the table below have the sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them.

Up to 10,000,740 shares of our common stock are being offered by this prospectus, all of which are being offered for resale for the respective accounts of the selling stockholders. The selling stockholders may, from time to time, offer and sell pursuant to this prospectus any or all of the shares of our common stock being registered. When we refer to "selling stockholders" in this prospectus, we mean those persons specifically identified in the table below, as well as the permitted transferees, pledgees, donees, assignees, successors and others who later come to hold any of the selling stockholders' shares of our common stock other than through a public sale.

Because the selling stockholders may offer all, some or none of the shares of our common stock pursuant to this prospectus, no definitive estimate can be given as to the number of shares that will be held by the selling stockholders after completion of this offering. The following table has been prepared assuming that the selling stockholders sell all of the shares of our common stock beneficially owned by them that are registered by us and do not acquire any additional shares of our common stock during this offering. In addition, the selling stockholders may have sold, transferred or otherwise disposed of, or may sell, transfer or otherwise dispose of, at any time or times, shares of our common stock described below after the date for which the information set forth in the table below is provided.

Information concerning the selling stockholders may change from time to time, and any changed information may be set forth in prospectus supplements or post-effective amendments, as may be appropriate.

No selling stockholder since our inception has had any position, office or other material relationship with us or any of our affiliates other than Gregory Funding LLC and Thetis Asset Management LLC. See notes (10) and (19) below.

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Name of Selling Stockholder	Beneficial Ownership Prior to this Offering		Shares Offered Pursuant to this Prospectus	Beneficial Ownership After this Offering	
	Shares Owned	Percentage		Shares Owned	Percentage
Ithan Creek Master Investors (Cayman) LP(1)	2,295,363	14.41%	2,295,363	—	—%
Flexpoint Great Ajax Holdings, LLC(2)	1,837,500	11.54%	1,837,500	—	—%
TIG Securitized Asset Master Fund, L.P.(3)	1,333,333	8.37%	1,333,333	—	—%
BHCO Master, Ltd.(4)	666,667	4.19%	666,667	—	—%
Republic Indemnity Company of America(5)	504,092	3.17%	504,092	—	—%
Great American Life Insurance Company(6)	437,592	2.75%	437,592	—	—%
Trishield Capital Management LLC(7)	400,000	2.51%	400,000	—	—%
MMF Moore ET Investments, LP(8)	333,333	2.09%	333,333	—	—%
AllianceBernstein Financial Services Opportunities Master Fund L.P.(9)	273,333	1.72%	273,333	—	—%
Gregory Funding LLC(10)	274,667	1.72%	274,667	—	—%
Pine River Fixed Income Master Fund Ltd.(11)	237,764	1.49%	237,764	—	—%
Calm Waters Partnership(13)	200,000	1.26%	200,000	—	—%
BP Master Fund, LP(14)	200,000	1.26%	200,000	—	—%
Thetis Asset Management LLC(19)	169,088	1.06%	169,088	—	—%
Pine River Master Fund Ltd.(15)	158,509	1.00%	158,509	—	—%
Edward & Sandra Meyer Foundation, Inc.(16)	133,332	*	133,332	—	—%
Fore Multi Strategy Master Fund, Ltd.(12)	110,078	*	110,078	—	—%
Ocean Road Investment Partners, LP(18)					