
Section 1: 8-K (FORM 8-K)

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): January 1, 2019

Bluerock Residential Growth REIT, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or other jurisdiction of incorporation or organization)

001-36369
(Commission File Number)

26-3136483
(I.R.S. Employer Identification No.)

712 Fifth Avenue, 9th Floor
New York, NY 10019
(Address of principal executive offices)

(212) 843-1601
(Registrant's telephone number, including area code)

None
(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 3.02 UNREGISTERED SALES OF EQUITY SECURITIES.

As previously disclosed in the Form 8-K filed with the Securities and Exchange Commission (the “SEC”) on October 31, 2017 by Bluerock Residential Growth REIT, Inc. (the “Company,” “we,” “us,” or “our”), on October 27, 2017, Bluerock REIT Operator, LLC, a Delaware limited liability company and an indirect subsidiary of the Company, entered into amended and restated employment agreements with each of R. Ramin Kamfar (“Mr. Kamfar”), James G. Babb, III (“Mr. Babb”), Ryan S. MacDonald (“Mr. MacDonald”), Jordan B. Ruddy (“Mr. Ruddy”), and Christopher J. Vohs (“Mr. Vohs”), and an amended and restated services agreement with Michael L. Konig (“Mr. Konig”) through his wholly-owned law firm, Konig & Associates, LLC, a New Jersey limited liability company (“K&A”), which agreements set forth the terms and conditions (A) of (i) Mr. Kamfar’s service as our Chief Executive Officer and Chairman of our board of directors (the “Kamfar Executive Agreement”), (ii) Mr. Babb’s service as our Chief Investment Officer (the “Babb Executive Agreement”), (iii) Mr. MacDonald’s service as our Chief Acquisitions Officer (the “MacDonald Executive Agreement”), (iv) Mr. Ruddy’s service as our Chief Operating Officer and President (the “Ruddy Executive Agreement”), and (v) Mr. Vohs’s service as our Chief Financial Officer and Treasurer (the “Vohs Executive Agreement”), and (B) under which Mr. Konig, through K&A, will serve as our Chief Legal Officer and Secretary (the “Konig Services Agreement,” and together with the Kamfar Executive Agreement, the Babb Executive Agreement, the MacDonald Executive Agreement, the Ruddy Executive Agreement, and the Vohs Executive Agreement, the “Executive Agreements,” and each an “Executive Agreement”). The Executive Agreements became effective as of October 31, 2017.

Pursuant to the Executive Agreements, each of Mr. Kamfar, Mr. Babb, Mr. MacDonald, Mr. Ruddy, Mr. Vohs and K&A is eligible to receive certain annual equity grants of long-term incentive plan units (“LTIP Units”) of the Company’s operating partnership, Bluerock Residential Holdings, L.P. (the “Operating Partnership,” and such equity grants, collectively, the “Executive Awards”) pursuant to the Company’s Third Amended and Restated 2014 Equity Incentive Plan for Individuals and Third Amended and Restated 2014 Equity Incentive Plan for Entities (together, the “Equity Incentive Plans”). The Executive Agreements provide that grants of Executive Awards will be made annually on January 1 of each year during the term thereof.

Grants of Executive Awards

On January 1, 2019, the Company granted the following Executive Awards to each of Mr. Kamfar, Mr. Babb, Mr. MacDonald, Mr. Ruddy, Mr. Vohs and K&A under the Equity Incentive Plans:

- (a) A time-vested equity award of the following number of LTIP Units (each, an “Annual LTIP Award”): 76,252 LTIP Units to Mr. Kamfar; 27,872 LTIP Units to Mr. Babb; 27,872 LTIP Units to Mr. MacDonald; 27,872 LTIP Units to Mr. Ruddy; 8,283 LTIP Units to Mr. Vohs; and 27,872 LTIP Units to K&A. Each such Annual LTIP Award will vest and become nonforfeitable in three equal installments on each anniversary of grant, subject to certain clawback and termination provisions; and
- (b) A long term performance equity award of the following number of LTIP Units for a three-year performance period, subject to performance criteria and targets established and administered by the Compensation Committee of our board of directors (each, a “Long Term Performance Award”): 114,379 LTIP Units to Mr. Kamfar; 41,807 LTIP Units to Mr. Babb; 41,807 LTIP Units to Mr. MacDonald; 41,807 LTIP Units to Mr. Ruddy; 12,424 LTIP Units to Mr. Vohs; and 41,807 LTIP Units to K&A. Each such Long Term Performance Award will vest and become nonforfeitable effective as of the last day of the performance period, subject to certain clawback and termination provisions.

Each such Executive Award is evidenced by an LTIP Unit Vesting Agreement.

The LTIP Units granted as Executive Awards to each of Mr. Kamfar, Mr. Babb, Mr. MacDonald, Mr. Ruddy, Mr. Vohs and K&A were issued in reliance upon exemptions from registration provided by Section 4(a)(2) of the Securities Act of 1933 and Regulation D thereunder for transactions not involving any public offering. No general solicitation or advertising occurred in connection with the issuance and sale of these securities. Such LTIP Units may convert to units of limited partnership interest in the Operating Partnership (“OP Units”) upon reaching capital account equivalency with the OP Units held by the Company, and may then be redeemed for cash or, at the option of the Company and after a one year holding period (including any period during which the LTIP Units were held), settled in shares of the Company’s Class A common stock (the “Class A Common Stock”) on a one-for-one basis. From the date of grant, holders of LTIP Units granted as Executive Awards will be entitled to receive “distribution equivalents” at the time distributions are paid to the holders of the Company’s Class A Common Stock; provided, that (i) solely with respect to LTIP Units granted as part of Long Term Performance Awards, distributions will be paid at a rate of ten percent (10%) of the distributions otherwise payable with respect to such LTIP Units until the last day of the three-year performance period (or the date of forfeiture, if earlier); and (ii) with respect to each LTIP Unit granted as part of a Long Term Performance Award that becomes fully vested in accordance with the terms of the applicable Executive Agreement, the holder will be entitled to receive, as of the date of such vesting, a single cash payment equal to the distributions payable with respect to each such LTIP Unit back to the date of grant, minus the distributions already paid on each such LTIP Unit in accordance with clause (i), in each case subject to certain potential limitations on distributions set forth in the limited partnership agreement of our Operating Partnership.

Board Compensation

On January 1, 2019, the Company granted 6,836 LTIP Units to each of I. Bobby Majumder, Brian D. Bailey, Elizabeth Harrison, and Romano Tio, the non-employee members of the Company’s board of directors, in payment of the equity portion of their respective annual retainers (such grants, collectively, the “Director Grants”). The LTIP Units issued as Director Grants were issued pursuant to the Individuals Plan. Each such Director Grant is evidenced by an LTIP Unit Award Agreement.

The issuances of LTIP Units as Director Grants were made in reliance upon exemptions from registration provided by Section 4(a)(2) of the Securities Act of 1933 and Regulation D thereunder for transactions not involving any public offering. No general solicitation or advertising occurred in connection with the issuance and sale of these securities. Such LTIP Units were fully vested upon issuance, and may convert to OP Units upon reaching capital account equivalency with the OP Units held by the Company, and may then be redeemed for cash or, at the option of the Company and after a one year holding period (including any period during which the LTIP Units were held), settled in shares of the Company’s Class A Common Stock on a one-for-one basis. From the date of grant, holders of such LTIP Units will be entitled to receive “distribution equivalents” at the time distributions are paid to the holders of the Company’s Class A Common Stock.

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 hereunto duly authorized.

BLUEROCK RESIDENTIAL GROWTH REIT, INC.

Dated: January 4, 2019

By: /s/ Christopher J. Vohs
Christopher J. Vohs
Chief Financial Officer and Treasurer

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