

Chemtura CORP  
Form 11-K  
June 29, 2006

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

### FORM 11-K

(Mark One)

**Annual Report pursuant to Section 15(d) of the Securities Exchange Act of 1934  
For the calendar year ended December 31, 2005**

**OR**

**Transition report pursuant to Section 15(d) of the Securities Exchange Act of 1934  
For the transition period from            to**

**Commission file number 0-30270**

A. Full title of the Plan and the address of the Plan, if different from that of the issuer named below:

**CROMPTON CORPORATION  
EMPLOYEE STOCK OWNERSHIP PLAN**

B. Name of issuer of the securities held pursuant held to the Plan and the address of its principal executive office:

Chemtura Corporation  
199 Benson Rd  
Middlebury, Connecticut 06749

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**CROMPTON CORPORATION  
EMPLOYEE STOCK OWNERSHIP PLAN**

Financial Statements and Supplemental Schedule

December 31, 2005 and 2004

(With Report of Independent Registered Public Accounting Firm Thereon)

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**CROMPTON CORPORATION  
EMPLOYEE STOCK OWNERSHIP PLAN**

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**Report of Independent Registered Public Accounting Firm**

The Board of Directors  
Chemtura Corporation:

We have audited the accompanying statements of net assets available for plan benefits of the Crompton Corporation Employee Stock Ownership Plan (the Plan) as of December 31, 2005 and 2004, and the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 2005 and 2004, and the changes in net assets available for plan benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Stamford, Connecticut  
June 29, 2006

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**CROMPTON CORPORATION**

**EMPLOYEE STOCK OWNERSHIP PLAN**

Statements of Net Assets Available for Plan Benefits

December 31, 2005 and 2004

	2005	2004
Assets:		
Investments:		
Common stock of Crompton Corporation	\$	32,333,961
Guaranteed investment contracts/fixed income securities		11,286,047
Mutual funds		23,212,043
Contributions receivable from participants		186,009
Contributions receivable from Crompton Corporation		119,377
Total assets		67,137,437
Liabilities:		
Refunds payable for excess contributions		371,703
Total liabilities		371,703
Net assets available for plan benefits	\$	66,765,734

See accompanying notes to financial statements.

**CROMPTON CORPORATION****EMPLOYEE STOCK OWNERSHIP PLAN**

## Statements of Changes in Net Assets Available for Plan Benefits

Years ended December 31, 2005 and 2004

	2005	2004
Additions to net assets attributed to:		
Investment income:		
Interest and dividends	\$ 1,126,226	891,697
Net appreciation in fair value of investments	4,812,275	15,181,235
Net investment income	5,938,501	16,072,932
Contributions:		
Participants	2,789,322	3,778,784
Employer	1,877,729	2,412,072
Total additions	10,605,552	22,263,788
Deductions from net assets attributed to:		
Withdrawals and distributions	(18,775,933 )	(8,732,504 )
Administrative expenses	(32,556 )	(37,726 )
Transfer out to Employee Savings Plan	(58,562,797 )	)
Total deductions	(77,371,286 )	(8,770,230 )
Net increase	(66,765,734 )	13,493,558
Net assets available for plan benefits at the beginning of the year	66,765,734	53,272,176
Net assets available for plan benefits at the end of the year	\$	66,765,734

See accompanying notes to financial statements.

**CROMPTON CORPORATION  
EMPLOYEE STOCK OWNERSHIP PLAN**

Notes to Financial Statements

December 31, 2005 and 2004

**(1)** Plan Description

The Employee Stock Purchase and Savings Plan was adopted by the board of directors of Crompton Corporation (the Company or Plan Sponsor) on January 27, 1976. Effective July 1, 1989, the board of directors amended the Plan to convert it into an Employee Stock Ownership Plan (the Plan). The following description of the Plan provides only general information. For complete information, see the Plan document. The Plan is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The Plan is administered by the Chemtura Corporation Employee Benefits Committee consisting of persons appointed by the board of directors of the Company.

Fidelity Investments® (the Trustee) is the custodial trustee for all of the Plan's assets. The Trustee has custodial responsibility for a trust fund on behalf of the Plan and maintains accounting records for all Plan assets.

**(a)** Eligibility

Employees of the Company and participating affiliates of the Company are eligible to participate upon attaining the age of 18 and having worked for at least a thirty (30) consecutive day period of employment.

**(b)** Contributions and Vesting

The Plan permits an eligible employee to elect to participate by authorizing a withholding of an amount equal to 1%, 2%, 3%, 4%, 5%, or 6% of compensation as the basic contribution to the Plan. Contributions by the Company to the Plan are made at an amount equal to 66 2/3% of each participating employee's basic employee contribution to the Plan. If participants are not eligible for any other defined contribution plan, additional employee contributions in 1% increments up to 10% of compensation can be made as supplemental employee contributions. Supplemental employee contributions are not eligible for matching Company contributions. Participant contributions are subject to Internal Revenue Service pre-tax limitations, which was \$14,000 in 2005 and \$13,000 in 2004.

A participant in the Plan is fully vested in his basic and supplemental contributions. Employer contributions vest 100% over a four-year period at a rate of 25% per year of service. Any amounts forfeited under the Plan are accumulated and used to reduce Company contributions. At December 31, 2005 and 2004, forfeited nonvested accounts totaled \$49,219 and \$49,669, respectively.

Participants who are age 50 and older at any time during a Plan year may make catch-up contributions in that year. These contributions are additional tax-deferred contributions that eligible participants are permitted to make in excess of annual IRS tax-deferred contribution limit. For 2005 and 2004, the maximum amount of catch-up contributions that could have been made to the CEOP was \$4,000 and \$3,000, respectively.

During 2004, certain participants contributed amounts in excess of the allowable qualified contribution. The excess contribution amount of \$371,703, which included earnings on the excess contributions, are reflected as a Plan liability as of December 31, 2004. The excess contributions were refunded to the respective participants in the following Plan year.

**(c)** Withdrawals/Benefit Payments

Upon termination, death, or retirement, a participant's account shall be distributed. Funds can remain in the Plan after retirement pending a \$5,000 balance in a participant's account and as long as funds begin to be distributed after the participant reaches the age of 70½.

A participant may elect to make one withdrawal of his basic or supplemental contributions in a 12-month period. Withdrawal of basic contributions will cause a suspension of contributions for a three-month period. A participant who is fully vested and has withdrawn all of his basic and supplemental contributions may also elect to withdraw all or part of his employer contributions. Withdrawal of employer contributions will result in a suspension of contributions for a six-month period.

The Plan does not allow for participant loans.

**(d)** Investments Options

The Company's contribution to the Plan is invested in the Chemtura Corporation Common Stock Fund. The Plan provides for investment of employee contributions in the Crompton Corporation Stock Fund and among various investment funds maintained by Fidelity Investments.

Each participant is permitted to elect to have his basic or supplemental contribution invested in any of the offered funds in 1% increments.

Fund transfers can be made on a daily basis in a minimum of 1% increments.

**(2)** Summary of Significant Accounting Policies

**(a)** Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting and present the net assets available for plan benefits and changes in those net assets.

**(b)** Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported changes in net assets available for plan benefits during the reporting period. Actual results could differ from those estimates.



(c) Investment Valuation and Income Recognition

The Plan's investments are stated at fair value except for the benefit-responsive investment contract, which is valued at contract-value (note 4). Quoted market prices are used to value investments. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end. The Crompton Corporation Common Stock Fund is valued at its year-end closing price.

Net appreciation (depreciation) in fair value of investments includes investments bought and sold and held during the year. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis and dividends are recorded on the ex-dividend date.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

(d) Payment of Benefits

Benefits are recorded when paid.

(e) Plan Expenses

Plan expenses may be paid by the Company, however if not paid by the Company, may be charged to the Plan. The Company provides certain administrative and accounting services for the Plan at no charge.

(3) Investments

The Plan's investments that exceeded 5% of net assets available for plan benefits as of December 31, 2005 and 2004 are as follows:

	2005	2004
Crompton Corporation Common Stock	\$	32,333,961
Fidelity Blended Income Fund		11,286,047
Fidelity Magellan Fund		3,678,012
Fidelity U.S. Equity Index Commingled Fund		3,587,213

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During 2005 and 2004, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

	<b>2005</b>	<b>2004</b>
Mutual funds	\$ 944,423	1,977,971
Common Stock of Crompton Corporation	7,889,517	13,203,264
Common Stock of Chemtura Corporation	(4,021,665 )	
	\$ 4,812,275	15,181,235

#### (4) Investment Contracts with Insurance Company

The Fidelity Blended Income Fund invests in benefit-responsive guaranteed investment contracts (GICs) offered by major insurance companies and other approved financial institutions and in certain types of fixed income securities. These GICs are stated at contract value, as determined by Fidelity, which approximates fair value. The average yield on the Company's GICs were 4.06% and 3.92%, respectively, during 2005 and 2004. The crediting interest rate on these GICs was 4.11% and 3.87%, respectively, at December 31, 2005 and 2004, respectively.

#### (5) Income Taxes

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated October 30, 2002, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

#### (6) Party-in-Interest Transactions

Fidelity Investments® and the Company are parties-in-interest as defined in Section 3(14) of ERISA. During 2004, the Department of Labor performed an investigation of the Plan and of the activities of the Employee Benefits Committee (Plan Administrator) for the year ended December 31, 2003. The investigation revealed delinquent employee contributions during June 2003 due to payroll processing complications. The Plan Sponsor has reimbursed the Plan for lost earnings of \$38.18 and the DOL has concluded that no further action is necessary.

#### (7) Priorities Upon Termination of the Plan

The board of directors of the Company shall have the right from time to time to add to, modify or amend the Plan, and the board of directors shall have the right to terminate the Plan. The board of directors may also authorize the inclusion in any contract entered into by the Company with the union or unions representing employees, or with any group or groups of employees, of a provision or provisions having the effect of limiting or foregoing any such rights. Further, no addition to, modification, amendment or termination of the Plan shall have the effect of reducing the entitlement of any participant benefit accrued under the Plan or of diverting any part of the assets of the Trust Fund for purposes other than provided in the Plan.

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Upon termination of the Plan, or a complete and permanent discontinuance of contributions of all participants, the value of each participant account, if not already vested, shall vest fully and all amounts remaining in all participant accounts shall be delivered and paid as soon as practicable in accordance with the Plan document.

**(8)** Asset Transfer

On December 30, 2005, the Company transferred out assets of \$58,562,797 from the Plan to the Crompton Corporation Employee Savings Plan.

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**SIGNATURE**

The Plan, pursuant to the requirements of the Securities and Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

**CROMPTON CORPORATION  
EMPLOYEE STOCK OWNERSHIP PLAN**

Date: June 29, 2006

By: /s/Karen Osar  
Karen Osar  
Executive Vice President and  
Chief Financial Officer

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service charge income and overall results. Additionally, changes in customer behavior as well as increased competition from other financial institutions could result in declines in deposit accounts or in overdraft frequency resulting in a decline in service charge income. Further, the downturn in the Florida economy could result in the inability to collect overdraft fees. A reduction in deposit account fee income could have an adverse impact on our earnings.

***The cost and outcome of pending legal proceedings may impact our results of operations.***

We and our subsidiaries, including BankAtlantic and its subsidiaries, are currently parties in ongoing litigation and legal proceedings which have resulted in a significant increase in non-interest expense relating to legal and other professional fees. Pending proceedings include class action securities litigation and a Securities and Exchange Commission ( SEC ) investigation, as well as litigation arising out of our banking operations, including workouts and foreclosures, potential class actions by customers relating to their accounts and service and overdraft fees and legal proceedings associated with our tax certificate business and relationships with third party tax certificate ventures. While we believe that we have meritorious defenses in these proceedings and that the outcomes should not materially impact us, we anticipate continued elevated legal and related costs as parties to the actions and the ultimate outcomes of the matters are uncertain.

***BankAtlantic has significantly reduced operating expenses over the past three years and BankAtlantic may not be able to continue to reduce expenses without adversely impacting its operations.***

BankAtlantic's operating expenses have declined from \$313.9 million for the year ended December 31, 2007 to \$258.8 million for the year ended December 31, 2009. BankAtlantic's operating expenses were \$52.7 million for the quarter ended March 31, 2010. Beginning in 2007, BankAtlantic reorganized its operations and significantly reduced operating expenses while focusing on its core businesses and seeking to maintain quality customer service. While management is focused on reducing overall expenses, there is no assurance that BankAtlantic will be successful in efforts to further reduce expenses or that the current expense reductions can be maintained in the current environment. BankAtlantic's inability to reduce or maintain its current expense structure may have an adverse impact on our results.

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***Deposit insurance premium assessments may increase substantially, which would adversely affect expenses.***

BankAtlantic's FDIC deposit insurance expense was \$11.0 million for the year ended December 31, 2009, including a \$2.4 million special assessment, and \$2.4 million for the quarter ended March 31, 2010. In September 2009, the FDIC issued a rule requiring institutions to prepay their insurance premiums for all of 2010, 2011 and 2012, and increased annual insurance rates uniformly by three basis points in 2011. BankAtlantic's prepaid insurance assessment was \$31.3 million at March 31, 2010. If the economy worsens and the number of bank failures significantly increases or if the FDIC otherwise determines that action is necessary, BankAtlantic may be required to pay additional FDIC specific assessments or incur increased annual insurance rates which would increase our expenses and adversely impact our results.

***Reductions in BankAtlantic's assets have had, and may continue to have, an adverse effect on our earnings and operations.***

BankAtlantic has reduced its assets and repaid borrowings in order to improve its liquidity and regulatory capital ratios. The reduction of earning asset balances has reduced our net interest income. Our net interest income was \$193.6 million for the year ended December 31, 2008, \$163.3 million for the year ended December 31, 2009 and \$39.0 million for the quarter ended March 31, 2010. The reduction in net interest income from earning asset reductions has previously been offset by lower operating expenses in prior periods. Our ability to further reduce expenses without adversely affecting our operations may be limited and, as a result, further reductions in our earning asset balances in future periods may adversely affect our earnings and/or operations.

***Adverse market conditions have affected and may continue to affect the financial services industry as well as our business and results of operations.***

Our financial condition and results of operations have been, and may continue to be, adversely impacted as a result of the downturn in the U.S. housing market and general economic conditions. Dramatic declines in the national and, in particular, Florida housing markets over the past three years, with falling home prices and increasing foreclosures and unemployment, have negatively impacted the credit performance of our loans and resulted in significant asset impairments at all financial institutions, including government-sponsored entities, major commercial and investment banks, and regional and community financial institutions including BankAtlantic. Reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors have reduced or ceased providing funding to borrowers, including to other financial institutions. This market turmoil and tightening of credit have led to an increased level of commercial and consumer delinquencies, lack of consumer confidence, increased market volatility and widespread reduction of business activity generally. The continuing economic pressure on consumers and lack of confidence in the financial markets has adversely affected and may continue to adversely affect our business, financial condition and results of operations. Further negative market and economic developments may cause adverse changes in payment patterns, causing increases in delinquencies and default rates, which may impact our charge-offs and provisions for loan losses. Continuing economic deterioration that affects household and/or corporate incomes could also result in reduced demand for credit or fee-based products and services. A worsening of these conditions would likely exacerbate the adverse effects of these difficult market conditions on BankAtlantic and others in the financial services industry. In particular, we may face the following risks in connection with these events:

BankAtlantic's borrowers may be unable to make timely repayments of their loans, or the value of real estate collateral securing the payment of such loans may continue to decrease, which could result in increased delinquencies, foreclosures and customer bankruptcies, any of which would increase levels of non-performing loans resulting in significant credit losses and increased expenses and could have a material adverse effect on our operating results.



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Further disruptions in the capital markets or other events, including actions by rating agencies and deteriorating investor expectations, may result in an inability to borrow on favorable terms or at all from other financial institutions or government entities.

Increased regulation of the industry may increase costs, decrease fee income and limit BankAtlantic's activities and operations.

Increased competition among financial services companies based on the recent consolidation of competing financial institutions and the conversion of investment banks into bank holding companies may adversely affect BankAtlantic's ability to competitively market its products and services.

BankAtlantic may be required to pay significantly higher FDIC deposit premiums and assessments.

Continued asset valuation declines could adversely impact our credit losses and result in additional impairments of goodwill and other assets.

***Legislative and regulatory actions taken now or in the future may have a significant adverse effect on our financial statements.***

During 2009, the U.S. Treasury implemented various initiatives in response to the financial crises affecting the banking system and financial markets. These initiatives include the U.S. Treasury's Capital Purchase Program (the CPP), the guarantee of certain financial institution indebtedness, purchasing certain legacy loans and assets from financial institutions, the purchase of mortgage securitizations, homeowner relief that encourages loan restructuring and modification, the establishment of significant liquidity and credit facilities for financial institutions and investment banks, the lowering of the federal funds rate, emergency action against short selling practices, a temporary guaranty program for money market funds, the establishment of a commercial paper funding facility to provide back-stop liquidity to commercial paper issuers, coordinated international efforts to address illiquidity and other weaknesses in the banking sector and other programs being developed. There can be no assurance as to the actual impact that the initiatives that have been adopted or may be adopted in the future will have on the financial markets. The initiatives could have a material and adverse affect on BankAtlantic's business, financial condition, results of operations and access to credit.

Further, recent events in the financial services industry and, more generally, in the financial markets and the economy, have led to various proposals for changes in the regulation of the financial services industry. Legislation proposing significant structural reforms to the financial services industry has been approved by the Senate and the House of Representatives and is currently in a reconciliation phase. Among other things, the legislation contemplates the establishment of a Consumer Financial Protection Agency, which would have broad authority to regulate providers of credit, savings, payment and other consumer financial products and services. Additional legislative proposals call for heightened scrutiny and regulation of any financial firm whose combination of size, leverage and interconnectedness could, if it failed, pose a threat to the country's financial stability, including the power to restrict the activities of such firms and even require the break-up of such firms at the behest of the relevant regulator. New rules have also been proposed for the securitization market, including requiring sponsors of securitizations to retain a material economic interest in the credit risk associated with the underlying securitization.

Other recent initiatives also include:

the Federal Reserve's proposed guidance on incentive compensation policies at banking organizations and the FDIC's proposed rules tying employee compensation to assessments for deposit insurance;

proposals to limit a lender's ability to foreclose on mortgages or make foreclosures less economically viable, including by allowing Chapter 13 bankruptcy plans to "cram down" the value of certain mortgages on a consumer's principal residence to its market value and/or reset interest rates and monthly payments to permit defaulting debtors to remain in their home;

proposed legislation concerning the comprehensive regulation of the over-the-counter derivatives market, including robust and comprehensive prudential supervision (including strict capital and margin

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requirements) for all over-the-counter derivative dealers and major market participants and central clearing of standardized over-the-counter derivatives;

a proposal which would prohibit banks and bank holding companies from engaging in proprietary trading or owning, investing or sponsoring a hedge fund or private equity fund; and

a proposal which would exclude trust preferred securities from being treated by bank holding companies as Tier 1 capital.

The proposed legislation also contains several provisions that would have a direct impact on us. Under the proposed legislation, the federal savings association charter would be eliminated and the OTS would be consolidated with the Comptroller of the Currency into a new regulator, the National Bank Supervisor. The proposed legislation would also require BankAtlantic to convert to a national bank.

While there is no assurance that any or all of the proposed regulatory or legislative changes will ultimately be adopted, these changes or any future changes, if enacted or adopted, may impact our business activities, require us to raise additional capital, change certain of our business practices or materially change our business model, and could expose us to additional costs (including increased compliance costs). These changes may also require us to invest significant management attention and resources to make any necessary changes, and could therefore also adversely affect our business and operations.

The actual impact on banks and the financial markets of initiatives that have been adopted or may be adopted in the future is uncertain. These government initiatives could potentially have a material and adverse affect on BankAtlantic's business, financial condition, results of operations and access to credit.

***We and BankAtlantic are each subject to significant regulation, and our activities and the activities of our subsidiaries, including BankAtlantic, are subject to regulatory requirements that could have a material adverse effect on our business.***

The banking industry is an industry subject to multiple layers of regulation. Failure to comply with any of these regulations can result in substantial penalties, significant restrictions on business activities and growth plans and/or limitations on dividend payments. As a holding company, we are also subject to significant regulation. Changes in the regulation or capital requirements associated with holding companies generally or with us in particular could also have a material adverse impact on our business and operating results.

We are a grandfathered unitary savings and loan holding company and have broad authority to engage in various types of business activities. The OTS can prevent us from engaging in activities or limit those activities if it determines that there is reasonable cause to believe that the continuation of any particular activity constitutes a serious risk to the financial safety, soundness, or stability of BankAtlantic. The OTS can also:

prohibit the payment of dividends by BankAtlantic to us;

limit transactions between us, BankAtlantic and our and BankAtlantic's subsidiaries or affiliates;

limit our and BankAtlantic's activities; or

impose capital requirements on us or additional capital requirements on BankAtlantic.

Unlike bank holding companies, as a unitary savings and loan holding company, we have not historically been subject to capital requirements. However, as described above, capital requirements may be imposed on savings and loan holding companies in the future. Current proposals would, among other things, eliminate the status of savings and loan holding company and require BankAtlantic Bancorp to register as a bank holding company, which would subject us to regulatory capital requirements. Further, the OTS or other regulatory bodies having authority over us in the future may adopt regulations in the future that would affect our operations, including our ability to pay dividends or to engage in certain transactions or activities.

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***BankAtlantic is subject to liquidity risk as its loans are funded by its deposits.***

Like all financial institutions, BankAtlantic's assets are primarily funded through its customer deposits, and changes in interest rates, availability of alternative investment opportunities, a loss of confidence in financial institutions in general or BankAtlantic in particular, and other factors may make deposit gathering more difficult. If BankAtlantic experiences decreases in deposit levels, it may need to increase its borrowings or liquidate a portion of its assets which may not be readily saleable. Additionally, interest rate changes or further disruptions in the capital markets may make the terms of borrowings and deposits less favorable.

***Our loan portfolio subjects us to high levels of credit and counterparty risk.***

We are exposed to the risk that our borrowers or counter-parties may default on their obligations. Credit risk arises through the extension of loans, certain securities, letters of credit, and financial guarantees and through counter-party exposure on trading and wholesale loan transactions. In an attempt to manage this risk, we seek to establish policies and procedures to manage both on and off-balance sheet (primarily loan commitments) credit risk.

BankAtlantic reviews the creditworthiness of individual borrowers or counter-parties, and limits are established for the total credit exposure to any one borrower or counter-party; however, such limits may not have the effect of adequately limiting credit exposure. In addition, when deciding whether to extend credit or enter into other transactions with customers and counterparties, we often rely on information furnished to us by such customers and counterparties, including financial statements and other financial information, and representations of the customers and counterparties that relates to the accuracy and completeness of the information. While we take all actions we deem necessary to ensure the accuracy of the information provided to us, there is no assurance that all information provided to us will be accurate or that we will successfully identify all information needed to fully assess the risk, which may expose us to increased credit risk and counterparty risk.

BankAtlantic also enters into participation agreements with or acquires participation interests from other lenders to limit its credit risk, but will continue to be subject to risks with respect to its interest in the loan, as well as not being in a position to make independent determinations with respect to its interest. Further, the majority of BankAtlantic's residential loans are serviced by others. The servicing agreements may restrict BankAtlantic's ability to initiate work-out and modification arrangements with borrowers which could adversely impact BankAtlantic's ability to minimize losses on non-performing loans.

We are also exposed to credit and counterparty risks with respect to loans held in our asset workout subsidiary.

***We are controlled by BFC, and BFC's control position may adversely affect the market price of our Class A Common Stock.***

As of June 14, 2010, BFC owned all of our issued and outstanding Class B Common Stock and 17,333,428 shares, or approximately 35%, of our issued and outstanding Class A Common Stock. At that date, however, BFC's holdings represented approximately 66% of the total voting power of our common stock. Our Class A Common Stock and Class B Common Stock vote as a single group on most matters. Accordingly, BFC is in a position to control us, elect our board of directors and significantly influence the outcome of any shareholder vote, except in those limited circumstances where Florida law mandates that the holders of our Class A Common Stock vote as a separate class. BFC's control position may have an adverse effect on the market price of our Class A Common Stock.

***BFC can reduce its economic interest in us and still maintain voting control.***

Our Class A Common Stock and Class B common stock generally vote together as a single class, with our Class A Common Stock possessing a fixed 53% of the aggregate voting power of all of our common stock and our Class B Common Stock possessing a fixed 47% of such aggregate voting power. Our Class B Common Stock currently represents approximately 2% of our common equity and 47% of our total voting

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power. As a result, the voting power of our Class B Common Stock does not bear a direct relationship to the economic interest represented by the shares. The issuance of shares of our Class A Common Stock in this rights offering and any other future issuance of shares of our Class A Common Stock will further dilute the relative economic interest of our Class B Common Stock, but will not decrease the voting power represented by our Class B Common Stock. Further, our Restated Articles of Incorporation provide that these relative voting percentages will remain fixed until such time as BFC and its affiliates own less than 487,613 shares of our Class B Common Stock, which is approximately 50% of the number of shares of our Class B Common Stock that BFC now owns, even if additional shares of our Class A Common Stock are issued. Therefore, BFC may sell up to approximately 50% of its shares of our Class B Common Stock (after converting those shares to Class A Common Stock), and significantly reduce its economic interest in us, while still maintaining its voting power. If BFC were to take this action, it would widen the disparity between the equity interest represented by our Class B Common Stock and its voting power. Any conversion of shares of our Class B Common Stock into shares of our Class A Common Stock would further dilute the voting interests of the holders of our Class A Common Stock.

***Provisions in our charter documents, as well as the shareholder rights plan which we expect to adopt, may make it difficult for a third party to acquire us and could depress the price of our Class A Common Stock.***

Our Restated Articles of Incorporation and Amended and Restated Bylaws contain provisions that could delay, defer or prevent a change of control of us or our management. These provisions could make it more difficult for shareholders to elect directors and take other corporate actions. As a result, these provisions could limit the price that investors are willing to pay in the future for shares of our Class A Common Stock. These provisions include:

the provisions in our Restated Articles of Incorporation regarding the voting rights of our Class B Common Stock;

the authority of our board of directors to issue additional shares of common or preferred stock and to fix the relative rights and preferences of the preferred stock without additional shareholder approval;

the division of our board of directors into three classes of directors with three-year staggered terms; and

advance notice procedures to be complied with by shareholders in order to make shareholder proposals or nominate directors.

In addition, we expect to adopt a shareholder rights plan aimed at preserving our ability to utilize our available net operating losses to offset future taxable income. As contemplated, the shareholder rights plan would be designed with a goal of preventing an ownership change for purposes of Section 382 of the Internal Revenue Code (the Code). The shareholder rights plan, if triggered, would cause substantial dilution to any person or group that acquires 5% or more of the outstanding shares of our Class A Common Stock or owns 5% or more of the outstanding shares of our Class A Common Stock and thereafter acquires any additional shares of our Class A Common Stock without our approval; provided, however, that the issuance of shares pursuant to the exercise of basic subscription rights in the rights offering will be exempt from the operation of the shareholder rights plan. Although the anticipated adoption of the shareholder rights plan is not in response to any effort to acquire control of us, the shareholder rights plan, if adopted, would make it more difficult for a third party to acquire a controlling position in our common stock without our approval.

***Our ability to utilize our available net operating losses to offset future taxable income may be jeopardized or limited in the future.***

Our financial condition may be materially and adversely impacted if our ability to utilize our available net operating losses to offset future taxable income is jeopardized or limited in the future. While, as described above, we expect to adopt a shareholder rights plan aimed at preserving our ability to utilize our available net operating losses, there is no assurance that we will ultimately adopt such a shareholder rights plan. There is also no assurance that such a shareholder rights plan, if adopted, will be implemented in all instances so as to

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successfully protect against any limitation on our ability to utilize our available net operating losses. Further, regardless of whether we adopt a shareholder rights plan prior to the expiration of this rights offering, we may determine not to accept any particular over-subscription request in this rights offering if, in our judgment based on information available to us, the issuance of shares of our Class A Common Stock in respect thereof would jeopardize or limit our ability to utilize our available net operating losses to offset future taxable income. However, any determinations regarding the impact of share issuances with respect to over-subscription requests on our ability to utilize our available net operating losses may prove to be incorrect and, as a result, the issuance of shares of our Class A Common Stock in this rights offering may jeopardize or limit our ability to use our available net operating losses to offset future taxable income.

### **Risks Related to this Rights Offering**

*The market price of our Class A Common Stock may be less than the subscription price.*

Our board of directors set the \$1.50 per share subscription price based on the market price of our Class A Common Stock as of the date that the subscription price was established. However, the market price of our Class A Common Stock is subject to significant volatility and may be less than the \$1.50 per share subscription price at the time this rights offering expires. If you exercise your subscription rights and the market price of our Class A Common Stock is less than the \$1.50 per share subscription price at the time this rights offering expires, then you will have committed to buy shares of our Class A Common Stock in this rights offering at a price that is higher than the price at which shares of our Class A Common Stock could be purchased in the market at that time. On June 14, 2010, the closing sales price of our Class A Common Stock on the New York Stock Exchange was \$1.51 per share.

Even if the market price of our Class A Common Stock is greater than the \$1.50 per share subscription price at the expiration of this rights offering, which, as described above, is subject to uncertainty, we cannot assure you that you will be able to sell shares of our Class A Common Stock that you purchase in this rights offering at a price equal to or greater than the \$1.50 per share subscription price. Among other factors which may adversely impact the market price of our Class A Common Stock following this rights offering, many of which are outside of our control, if a substantial number of subscription rights are exercised and the holders of the shares of our Class A Common Stock received upon exercise of those rights choose to sell some or all of those shares, the resulting sales could depress the market price of our Class A Common Stock.

Shares of our Class A Common Stock are currently represented by certificates; however, our board of directors may authorize the issuance of shares of our Class A Common Stock without certificates. You may not be able to sell the shares of our Class A Common Stock that you purchase in this rights offering until certificates representing those shares are delivered to you or, if those shares are uncertificated, those shares are deposited in a book-entry account held on your behalf. As soon as practicable after the expiration of this rights offering, we intend to deliver certificates representing the shares of our Class A Common Stock that you purchase in this rights offering or, if the shares are uncertificated, to cause the shares to be deposited in a book-entry account held on your behalf; provided, however, that we may deliver certificates representing the shares issued in respect of any basic subscription rights exercised by BFC directly through us (or cause such shares to be deposited in a book-entry account held on BFC's behalf) promptly after we accept BFC's subscription, which may be prior to the expiration of this rights offering.

*You should not consider the subscription price of our Class A Common Stock as an indication of the value of the Company.*

Our board of directors set the subscription price based upon the market price of our Class A Common Stock on June 9, 2010, the date on which the subscription price was established. The closing sales price of our Class A Common Stock on the New York Stock Exchange on June 9, 2010 was \$1.49 per share. The subscription price does

not necessarily bear any relationship to any other established criteria for value, including our past operations, cash flows or current financial condition. Accordingly, you should not consider the subscription price as an indication of the value of the Company.

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***Shareholders who do not fully exercise their subscription rights will have their interests diluted by shareholders who do exercise their subscription rights.***

If you do not exercise all of your subscription rights, you may suffer significant dilution of your percentage ownership of our Class A Common Stock relative to shareholders who fully exercise their subscription rights. For example, if you owned 499,938 shares of our Class A Common Stock as of the close of business on June 14, 2010, or approximately 1% of the issued and outstanding shares of our Class A Common Stock at that time, and you exercise none of your subscription rights while all other subscription rights are exercised, then the percentage ownership represented by your shares will be reduced to approximately 0.75% after this rights offering.

***The subscription price determined for this rights offering is below book value.***

The subscription price is significantly lower than the Company's \$2.43 per share book at March 31, 2010. If all shareholders fully exercise their subscription rights, then the per share book value will be immediately diluted by approximately \$0.24 per share to \$2.19 per share. However, if all shareholders do not fully exercise their subscription rights, then the amount of dilution that you will experience will be less.

***We have broad discretion in the use of the net proceeds from this rights offering and may not use them effectively.***

We will have broad discretion in determining how the proceeds of this rights offering will be used. While our board of directors believes that flexibility in application of the net proceeds is prudent, the broad discretion it affords entails increased risks to the investors in this rights offering. Investors in this rights offering have no current basis to evaluate the possible merits or risks of any application of the net proceeds of this rights offering. Our shareholders may not agree with the manner in which we choose to allocate and spend the net proceeds. A failure to apply the net proceeds of this rights offering effectively could have a material adverse effect on us.

***There are limitations on the number of shares you may purchase in this rights offering.***

Because we are a unitary savings and loan holding company, the OTS has the authority to, among other things, prevent individuals and entities from acquiring control of us. Under the applicable rules and regulations of the OTS, if, after giving effect to the number of shares of our Class A Common Stock you subscribe for in this rights offering, you, directly or indirectly, or through one or more subsidiaries, or acting in concert with one or more other persons or entities, will own (i) more than 10% of our Class A Common Stock and one or more specified control factors exist, then you will be determined, subject to your right of rebuttal, to have acquired control of us or (ii) more than 25% of our Class A Common Stock, then you will be conclusively determined to have acquired control of us, regardless of whether any control factors exist. Accordingly, subject to certain limited exceptions, you will be required to rebut such determination of control or obtain the approval of the OTS relating to such acquisition of control, as the case may be, prior to acquiring the number of shares of our Class A Common Stock in this rights offering which would cause your ownership of our Class A Common Stock to exceed either of the thresholds set forth above. We will not be required to issue to you shares of our Class A Common Stock subscribed for in this rights offering until you obtain all required clearances and approvals, including, without limitation, the approval of the OTS, to own or control such shares.

As of June 14, 2010, we had a total of 49,939,842 shares of Class A Common Stock issued and outstanding. In the event this rights offering is fully subscribed for, we will issue approximately 16,666,667 shares of Class A Common Stock in this rights, and there will be approximately 66,606,509 shares of Class A Common Stock issued and outstanding after this rights offering; however, there is no assurance that this rights offering will be fully subscribed for and, accordingly, we cannot state with certainty the number of shares of our Class A Common Stock that you will be permitted to purchase without receiving the prior approval of the OTS. You are urged to consult with your own

legal counsel regarding whether to seek the prior approval of the OTS in connection with your exercise of the subscription rights issued to you.

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In addition to the above-described regulatory limitation on the number of shares of our Class A Common Stock you may purchase in this rights offering, we may determine not to accept any particular over-subscription request if, in our judgment based on information available to us, the issuance of shares of our Class A Common Stock in respect thereof would jeopardize or limit our ability to use our available net operating losses to offset future taxable income. This would generally be deemed to occur if, over the prior three-year period, one or more shareholders owning 5% or more of our Class A Common Stock have aggregate increases in their ownership of our stock of more than 50 percentage points. See also Provisions in our charter documents, as well as the shareholder rights plan which we expect to adopt, may make it difficult for a third party to acquire us and could depress the price of our Class A Common Stock.

***There is no minimum subscription amount for this rights offering.***

We have not established a minimum subscription amount for this rights offering. Accordingly, we may accept your subscription regardless of the actual aggregate amount of proceeds we receive. Further, unless we make a material amendment to this rights offering, once you exercise your subscription rights, you may not revoke the exercise. There is no assurance that any particular amount will be raised or that the proceeds received will be sufficient to allow us to accomplish our business objectives.

***We may terminate this rights offering and return your subscription payments without interest.***

We may, in our sole discretion, decide not to continue with this rights offering or to terminate this rights offering at any time. This decision would be based upon various factors, including market conditions. We currently have no intention to terminate this rights offering, but we are reserving the right to do so. If we terminate this rights offering, neither we nor the subscription agent will have any obligation to you with respect to the subscription rights, except to return your subscription payments, without interest or deduction.

***You will not be able to revoke your exercise of subscription rights.***

Once you exercise your subscription rights, you may not revoke the exercise. Therefore, even if circumstances arise after you have subscribed for shares of our Class A Common Stock in this rights offering that cause you to change your mind about investing in our Class A Common Stock, or if this rights offering is extended, you will nonetheless be legally bound to proceed. However, if we amend this rights offering in a way which we believe is material, we will extend this rights offering and offer all rights holders the right to revoke any subscription submitted prior to such amendment upon the terms and conditions we set forth in the amendment. The extension of this rights offering will not, in and of itself, be treated as a material amendment for these purposes.

***You must act promptly and follow instructions carefully if you want to exercise your subscription rights.***

Eligible participants and, if applicable, brokers, dealers, banks and other nominees acting on their behalf, who desire to purchase shares of Class A Common Stock in this rights offering must act promptly to ensure that, unless guaranteed delivery procedures are followed, all required subscription rights certificates and payments are actually received by the subscription agent before the expiration of this rights offering. The time period to exercise subscription rights is limited. To exercise a subscription right, you or your broker, dealer, bank or other nominee must do so by 5:00 p.m., New York City time, on July 20, 2010, unless we extend this rights offering. If you or your broker, dealer, bank or other nominee fail to complete and sign the required subscription rights certificate, send an incorrect payment amount or otherwise fail to follow the procedures that apply to the exercise of your subscription rights, we may, depending on the circumstances, reject your exercise of subscription rights or accept it to the extent of the payment received. Neither we nor the subscription agent undertake to contact you concerning, or to attempt to correct, an incomplete or incorrect subscription rights certificate or payment or to contact you concerning whether a broker, dealer, bank or other nominee holds subscription rights on your behalf. We have the sole discretion to determine

whether an exercise properly follows the applicable procedures.

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**FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying base prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying base prospectus contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), that involve substantial risks and uncertainties. When used in this prospectus supplement and the accompanying base prospectus, the words anticipate, believe, estimate, may, intend, expect and similar expressions identify certain of such forward-looking statements. Actual results, performance, or achievements could differ materially from those contemplated, expressed, or implied by the forward-looking statements contained herein. These forward-looking statements are based largely on our expectations and are subject to a number of risks and uncertainties that are subject to change based on factors which are, in many instances, beyond our control. These include, but are not limited to, risks and uncertainties associated with: the impact of economic, competitive and other factors affecting us and our operations, markets, products and services, including the impact of the changing regulatory environment, a continued or deepening recession, decreases in real estate values, and increased unemployment on our business generally, our regulatory capital ratios, the ability of our borrowers to service their obligations and of our customers to maintain account balances and the value of collateral securing our loans; credit risks and loan losses, and the related sufficiency of the allowance for loan losses, including the impact on the credit quality of our loans (including those held in our asset workout subsidiary) of a sustained downturn in the economy and in the real estate market and other changes in the real estate markets in our trade area, and where our collateral is located; the quality of our real estate based loans, including our residential land acquisition and development loans (including builder land bank loans, land acquisition and development loans and land acquisition, development and construction loans) as well as commercial land loans, other commercial real estate loans, residential loans and consumer loans, and conditions specifically in those market sectors; the quality of our commercial business loans and conditions specifically in that market sector; the risks of additional charge-offs, impairments and required increases in our allowance for loan losses; changes in interest rates and the effects of, and changes in, trade, monetary and fiscal policies and laws, including their impact on BankAtlantic's net interest margin; adverse conditions in the stock market, the public debt market and other financial and credit markets, and the impact of such conditions on our activities, the value of our assets and on the ability of our borrowers to service their debt obligations and maintain account balances; BankAtlantic's initiatives not resulting in continued growth of core deposits or increasing average balances of new deposit accounts or producing results which do not justify the costs; the success of our expense reduction initiatives and the ability to achieve additional cost savings; and the impact of periodic valuation testing of goodwill, deferred tax assets and other assets. Past performance, actual or estimated new account openings and deposit balance growth may not be indicative of future results. Forward-looking statements relating to our cash offers to purchase outstanding TruPS are subject to the risk that a sufficient number of consents are not received from the requisite holders, that trustees do not act on the consents or accept the offers in which they are involved, and that we are not able to obtain financing upon acceptable terms, in amounts sufficient to complete the offers, or at all. In addition to the risks and factors identified above, reference is also made to other risks and factors detailed herein and in reports filed by us with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2009. We caution that the foregoing factors are not exclusive.

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**USE OF PROCEEDS**

Assuming that all subscription rights are exercised, we estimate that we would receive net proceeds in this rights offering of approximately \$24,500,000, after deducting offering expenses. We will have broad discretion in determining how the net proceeds of this rights offering will be used. We currently intend to use the net proceeds of this rights offering for general corporate purposes, which may include contributions to the capital of, and support of, BankAtlantic and funding the purchase of any of our outstanding TruPS which are tendered pursuant to our current cash offers to purchase the TruPS.

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**THE RIGHTS OFFERING**

Before exercising any subscription rights, you should read carefully the information set forth under Risk Factors beginning on page S-7.

**The Subscription Rights**

***Basic Subscription Rights***

We are distributing to you, at no cost, 0.327 subscription rights for each share of our Class A Common Stock and Class B Common Stock that you owned as of the close of business on June 14, 2010. You will not receive fractional subscription rights in this rights offering, but instead we have rounded your total aggregate number of subscription rights up to the next largest whole number. Each whole subscription right entitles you to purchase one share of our Class A Common Stock for \$1.50 per share. If you wish to exercise your subscription rights, you must do so before 5:00 p.m., New York City time, on July 20, 2010, unless we extend this rights offering. After the expiration of this rights offering, the subscription rights will expire and will no longer be exercisable.

Shares of our Class A Common Stock are currently represented by certificates; however, our board of directors may authorize the issuance of shares of our Class A Common Stock without certificates. You will receive certificates representing the shares that you purchase pursuant to the exercise of your basic subscription rights or, if the shares are uncertificated, the shares will be deposited in a book-entry account held on your behalf as soon as practicable after the expiration of this rights offering, whether you exercise your subscription rights immediately prior to the expiration time or earlier; provided, however, that certificates representing the shares issuable in respect of any basic subscription rights exercised by BFC directly through us will be delivered to BFC (or those shares will be deposited in a book-entry account held on BFC's behalf) promptly after we accept BFC's subscription, which may be prior to the expiration time.

***Over-Subscription Option***

The over-subscription option provides shareholders that exercise all of their basic subscription rights the opportunity to request to purchase shares that are not purchased by other shareholders in this rights offering at the same subscription price per share. If you wish to make such an over-subscription request, you should indicate the number of additional shares that you would like to purchase in the space provided on your subscription rights certificate. When you send in your subscription rights certificate, you must also send the full purchase price for the number of additional shares that you have requested to purchase through your over-subscription option (in addition to the payment due for shares purchased through your basic subscription rights). Each over-subscription request is subject to rejection by us if, in our judgment based on information available to us, the issuance of shares of our Class A Common Stock in respect thereof would jeopardize or limit our ability to use available net operating losses to offset future taxable income. This would generally be deemed to occur if, over the prior three-year period, one or more shareholders owning 5% or more of our Class A Common Stock have aggregate increases in their ownership of our stock of more than 50 percentage points. If the number of shares remaining after the exercise of all basic subscription rights is not sufficient to satisfy all over-subscription requests, shares issued pursuant to over-subscription requests will be allocated (subject to elimination of fractional shares) among the shareholders to whom such shares are issued in the proportion which the number of shares they purchased through their basic subscription rights bears to the total number of shares purchased through the basic subscription rights by all shareholders issued shares pursuant to over-subscription requests. However, if any such shareholder's pro-rata allocation exceeds the number of shares requested on his, her or its subscription rights certificate, then the shareholder will receive only the number of shares

requested, and the remaining shares from the pro-rata allocation will be divided among the other shareholders who are issued shares pursuant to over-subscription requests.

As soon as practicable after the expiration time, the subscription agent will consult with us regarding the shareholders requesting to exercise the over-subscription option. Based on our consultation with the subscription agent as well information we may receive from our legal, tax and other advisors and other information available to us, we will make a determination as to which over-subscription requests, if any, to reject based on

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the risk that accepting such request and issuing shares of our Class A Common Stock in respect thereof would jeopardize or limit our ability to utilize available net operating losses to offset future taxable income. All over-subscription requests not so rejected by us will be deemed to be accepted. Thereafter, the subscription agent will promptly determine the number of shares of Class A Common Stock to which each shareholder whose over-subscription request was accepted by us is entitled. All such shareholders will receive certificates representing the shares purchased through the over-subscription option as soon as practicable after all determinations, allocations and adjustments have been effected. If you request and pay for more shares than are allocated to you, the subscription agent will refund the overpayment, without interest, to you. In connection with the exercise of the over-subscription option, banks, brokers and other nominee holders of subscription rights who act on behalf of beneficial owners will be required to certify to us and to the subscription agent as to the aggregate number of subscription rights exercised, and the number of shares of Class A Common Stock requested through the over-subscription option, by each beneficial owner on whose behalf the nominee holder is acting.

As described below, BFC may subscribe for shares pursuant to any over-subscription request it may make directly through us, in which case we may use BFC's payment prior to the expiration time. Any such payment will be treated as an advance that will bear interest at the minimum statutory interest rate and be satisfied by the issuance of shares to BFC to the extent it is allocated shares pursuant to its over-subscription request. Any remaining balance will be repaid by us promptly after the expiration time. See Exercise of Subscription Rights by BFC Financial Corporation.

## **Subscription Price**

The price to subscribe for shares in this rights offering is \$1.50 per share. Our board of directors set the subscription price based upon the market price of our Class A Common Stock on June 9, 2010, the date on which the subscription price was established. The closing sales price of our Class A Common Stock on the New York Stock Exchange on June 9, 2010 was \$1.49 per share. The subscription price does not necessarily bear any relationship to any other established criteria for value, including our past operations, cash flows or current financial condition. Accordingly, you should not consider the subscription price as an indication of the value of the Company. We cannot assure you that you will be able to sell shares of our Class A Common Stock purchased in this rights offering at a price equal to or greater than the subscription price. On June 14, 2010, the closing sales price of our Class A Common Stock on the New York Stock Exchange was \$1.51 per share. It is not expected that any change will be made to the subscription price by reason of changes in the market price of our Class A Common Stock or other factors prior to the expiration of this rights offering.

## **Expiration Time**

The subscription rights will expire at 5:00 p.m., New York City time, on July 20, 2010, unless we decide to extend this rights offering. If you do not validly exercise your subscription rights prior to that time, your subscription rights will be null and void. We will not be required to issue shares of our Class A Common Stock to you if the subscription agent receives your subscription rights certificate or your payment after that time, regardless of when you sent the subscription rights certificate and payment, unless you send them in compliance with the guaranteed delivery procedures described below.

## **Termination and Amendment of the Rights Offering**

We may terminate this rights offering in our sole discretion at any time for any reason. If we terminate this rights offering, any funds you paid will be refunded, without interest or deduction.

We reserve the right to amend the terms of this rights offering. If we make an amendment that we consider material, we will extend this rights offering and offer all rights holders the right to revoke any subscription submitted prior to

such amendment upon the terms and conditions we set forth in the amendment. The extension of this rights offering will not, in and of itself, be a material amendment for these purposes.

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### **Non-Transferability of Subscription Rights**

Except in the limited circumstances described below, only you may exercise your subscription rights, and you may not sell, give away or otherwise transfer your subscription rights.

You may, however, transfer your subscription rights to any of your affiliates. As used in this rights offering for this purpose, an affiliate means any person (including a partnership, corporation or other legal entity, such as a trust or estate) which controls, is controlled by or is under common control with you. Your subscription rights also may be transferred by operation of law. For example, a transfer of subscription rights to your estate upon your death would be permitted. If your subscription rights are transferred as permitted, evidence satisfactory to us that the transfer was proper must be received by the subscription agent prior to the expiration of this rights offering.

### **Exercise of Subscription Rights**

You may exercise your subscription rights by delivering to the subscription agent on or prior to the expiration time:

a properly completed and duly executed subscription rights certificate;

any required signature guarantees or other supplemental documentation; and

payment in full of \$1.50 per share of our Class A Common Stock subscribed for pursuant to your subscription rights (including your over-subscription option).

You should deliver your subscription rights certificate and payment to the subscription agent at the address set forth in this section under the heading Subscription Agent. We will not pay you interest on funds delivered to the subscription agent pursuant to the exercise of subscription rights.

You bear all risk for the method of delivery of subscription rights certificates, any necessary accompanying documents and payment of the subscription price to the subscription agent. If you send the subscription rights certificate and other items by mail, we recommend that you send them by registered mail, properly insured, with return receipt requested. You should allow a sufficient number of days to ensure delivery and clearance of cash payment prior to the expiration time.

We reserve the right to reject any exercise of subscription rights if the exercise does not fully comply with the terms of this rights offering or is not in proper form or if the exercise of rights would be unlawful.

### **Method of Payment**

Payment for the shares of our Class A Common Stock subscribed for must be made by check or bank draft (cashier's check) drawn upon a U.S. bank or a money order payable to Computershare Trust Company, N.A. acting as Subscription Agent for BankAtlantic Bancorp, Inc. Payment will be deemed to have been received by the subscription agent only upon the subscription agent's receipt of any certified check, bank draft drawn upon a U.S. bank or money order or, in the case of an uncertified personal check, receipt and clearance of such check.

Please note that funds paid by uncertified personal check may take at least seven business days to clear. Accordingly, if you wish to pay by means of an uncertified personal check, we urge you to make payment sufficiently in advance of the expiration time to ensure that the subscription agent receives cleared funds before that time. We also urge you to consider payment by means of a certified or cashier's check or money order.



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### **Guaranteed Delivery Procedures**

If you wish to exercise your subscription rights, but you do not have sufficient time to deliver the subscription rights certificate evidencing your rights to the subscription agent before the expiration time, you may exercise your subscription rights by complying with the following guaranteed delivery procedures:

provide your payment in full of the subscription price for each share of Class A Common Stock being subscribed for pursuant to the subscription rights (including your over-subscription option) to the subscription agent before the expiration time;

deliver a notice of guaranteed delivery to the subscription agent at or before the expiration time; and

deliver the properly completed subscription rights certificate evidencing the subscription rights being exercised, with any required signatures medallion guaranteed, to the subscription agent, within three business days after the date on which this rights offering expired.

Your notice of guaranteed delivery must be substantially in the form provided to you with your subscription rights certificate. Your notice of guaranteed delivery must come from an eligible institution which is a member of, or a participant in, a signature medallion guarantee program acceptable to the subscription agent. In your notice of guaranteed delivery you must state:

your name;

the number of subscription rights represented by your subscription rights certificate, the number of shares of our Class A Common Stock you are subscribing for pursuant to your subscription rights; and

your guarantee that you will deliver to the subscription agent any subscription rights certificates evidencing the subscription rights you are exercising within three business days following the date on which this rights offering expired.

You may deliver the notice of guaranteed delivery to the subscription agent in the same manner as the subscription rights certificate at the addresses set forth in this section under the heading **Subscription Agent**.

Eligible institutions may also transmit the notice of guaranteed delivery to the subscription agent by facsimile transmission to (617) 360-6810. To confirm facsimile deliveries, you may call (781) 575-2332.

The information agent will send you additional copies of the form of notice of guaranteed delivery if you need them. Shareholders may call the information agent at (888) 219-8320, and banks and brokers may call the information agent at (212) 440-9800.

### **Signature Guarantees**

Signatures on the subscription rights certificate do not need to be guaranteed if either the subscription rights certificate provides that the shares of Class A Common Stock to be purchased are to be delivered directly to the record owner of such subscription rights, or the subscription rights certificate is submitted for the account of a member firm of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office or correspondent in the United States. Signatures on all other subscription rights certificates must be guaranteed by an Eligible Guarantor Institution, as defined in Rule 17Ad-15 of the Exchange Act, subject to the standards and procedures adopted by the subscription agent. Eligible Guarantor

Institutions include banks, brokers, dealers, credit unions, national securities exchanges and savings associations.

**Rights of Subscribers**

Your exercise of subscription rights in this rights offering will give you no additional rights as a shareholder until the shares of our Class A Common Stock you have subscribed for in this rights offering are issued to you.

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### **No Revocation of Exercised Subscription Rights**

Once you send in your subscription rights certificate and payment, you cannot revoke the exercise of your subscription rights, even if the subscription period has not yet ended, we extend this rights offering, you later learn information about us that you consider to be unfavorable or the market price of our Class A Common Stock decreases. However, if we make an amendment to this rights offering that we believe to be material, we will extend this rights offering and offer all rights holders the right to revoke any subscription submitted prior to such amendment upon the terms and conditions we set forth in the amendment. The extension of this rights offering will not, in and of itself, be a material amendment for these purposes. You should not exercise your subscription rights unless you are certain that you wish to purchase additional shares of our Class A Common Stock at a price of \$1.50 per share.

### **Exercise of Subscription Rights by BFC Financial Corporation**

BFC Financial Corporation, which holds all of the issued and outstanding shares of our Class B Common Stock and approximately 34.7% of the issued and outstanding shares of our Class A Common Stock, has indicated its intention to exercise all of its basic subscription rights but has made no formal binding commitment to do so. If BFC exercises all of its basic subscription rights and no other shareholders do so, BFC will beneficially own approximately 41.7% of our Class A Common Stock after this rights offering (before giving effect to any shares it may purchase pursuant to its over-subscription option). Our board of directors has determined that it is in the Company's and BankAtlantic's best interests that BFC subscribe for any shares which it intends to acquire in this rights offering directly through us, in which case we may accept BFC's subscription in its entirety and issue shares to BFC in respect of its basic subscription rights prior to the expiration time. Any payment made by BFC in respect of any over-subscription request it may make will be treated as an advance that will bear interest at the minimum statutory interest rate and be satisfied by the issuance of shares to BFC to the extent it is allocated shares pursuant to its over-subscription request. Any remaining balance will be repaid by us promptly after the expiration time.

### **Issuance of our Class A Common Stock**

Unless we earlier terminate this rights offering, the shares of our Class A Common Stock purchased in this rights offering through the exercise of the basic subscription rights will be issued as soon as practicable following the expiration of this rights offering to those rights holders who have timely and properly completed, signed and delivered a subscription rights certificate together with payment of the subscription price for each share of Class A Common Stock subscribed for; provided, however, that, if we accept BFC's subscription prior to the expiration of this rights offering, we will issue the shares in respect of any basic subscription rights exercised by BFC directly through us promptly after we accept BFC's subscription. Shares of our Class A Common Stock, if any, attributable to the exercise of the over-subscription option will be issued to rights holders allocated shares pursuant to over-subscription requests as soon as practicable after the expiration of this rights offering and after all determinations, allocations and adjustments described herein have been effected. Shares of our Class A Common Stock are currently represented by certificates; however, our board of directors may authorize the issuance of shares of our Class A Common Stock without certificates. Accordingly, the shares of our Class A Common Stock purchased in this rights offering will be represented by certificates unless our board of directors authorizes that these shares be uncertificated, in which case the shares will be deposited in a book-entry account held on your behalf.

Other than any subscription payment made by BFC, which may be accepted or used by us prior to the expiration of this rights offering, all subscription payments will be held in escrow by the subscription agent through the expiration of this rights offering. You will not be paid any interest on funds paid to the subscription agent, regardless of whether your subscription is accepted by us or returned to you. You will have no rights as a shareholder of the Company with respect to the shares of our Class A Common Stock subscribed for in this rights offering until the certificates, if any, representing such shares are issued to you or, if the shares are uncertificated, the shares are deposited in a book-entry

account held on your behalf. You will be deemed the owner of the shares of our Class A Common Stock you purchased pursuant to your exercise of subscription rights upon the issuance of the certificates representing the shares or the deposit of the shares in

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the applicable book-entry account. Unless otherwise instructed in the subscription rights certificate, the shares issued to you pursuant to your exercise of subscription rights will be registered in your name or the name of your nominee, if applicable. We will not issue any fractional shares of our Class A Common Stock.

### **Shares Held for Others**

If you are a broker, a trustee or a depository for securities, or you otherwise hold shares of our common stock for the account of others as a nominee holder, you should promptly notify the beneficial owner of such shares as soon as possible to obtain instructions with respect to their subscription rights. If the beneficial owner so instructs, you should complete the appropriate subscription rights certificate and submit it, together with any other required documentation and payment in full for the shares subscribed for, to the subscription agent.

If you are a beneficial owner of our common stock held by a nominee holder, such as a broker, dealer or bank, we will ask your broker, dealer, bank or other nominee to notify you of this rights offering. If you wish to purchase shares of our Class A Common Stock in this rights offering, you should promptly contact the nominee holder and ask him or her to effect transactions in accordance with your instructions.

### **Ambiguities in Exercise of Subscription Rights**

If you do not specify the number of shares of our Class A Common Stock being subscribed for on your subscription rights certificate, or if your payment is not sufficient to pay the total purchase price for all of the shares that you indicated you wished to purchase, you will be deemed to have subscribed for the maximum number of shares of our Class A Common Stock that could be subscribed for with the payment that the subscription agent receives from you. If the aggregate subscription price paid by you exceeds the amount necessary to purchase the number of shares for which you have indicated an intention to purchase, then you will be deemed to have exercised your subscription rights (including the over-subscription option, if accepted by us) to the full extent of the payment tendered to purchase, to the extent available, that number of whole shares of our Class A Common Stock equal to the quotient obtained by dividing the payment tendered by the subscription price. Any remaining amount shall be returned to you by mail, without interest or deduction, as soon as practicable after the expiration of this rights offering and after all determinations, allocations and adjustments contemplated by the terms of this rights offering have been effected.

### **Our Determinations will be Binding**

All questions concerning the timeliness, validity, form and eligibility of any exercise of subscription rights will be determined by us, and our determinations will be final and binding. In our sole discretion, we may waive any defect or irregularity, or permit a defect or irregularity to be corrected within such time as we may determine, or reject the purported exercise of any subscription right by reason of any defect or irregularity in any exercise. Subscriptions will not be deemed to have been received or accepted until all irregularities have been waived by us or cured within such time as we determine in our sole discretion. Neither we nor the subscription agent will be under any duty to notify you of any defect or irregularity in connection with the submission of a subscription rights certificate or incur any liability for failure to give you that notice.

### **Regulatory and Other Limitations on the Number of Shares You may Purchase**

Because we are a unitary savings and loan holding company, the OTS has the authority to, among other things, prevent individuals and entities from acquiring control of us. Under the applicable rules and regulations of the OTS, if, after giving effect to the number of shares of our Class A Common Stock you subscribe for in this rights offering, you, directly or indirectly, or through one or more subsidiaries, or acting in concert with one or more other persons or entities, will own (i) more than 10% of our Class A Common Stock and one or more specified control factors exist,

then you will be determined, subject to your right of rebuttal, to have acquired control of us or (ii) more than 25% of our Class A Common Stock, then you will be conclusively determined to have acquired control of us, regardless of whether any control factors exist. Accordingly, subject to certain limited exceptions, you will be required to rebut such determination of control or obtain the approval of the OTS relating to such acquisition of control, as the case may be, prior to acquiring the number of shares of our Class A

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Common Stock in this rights offering which would cause your ownership of our Class A Common Stock to exceed either of the thresholds set forth above. We will not be required to issue to you shares of our Class A Common Stock subscribed for in this rights offering until you obtain all required clearances and approvals, including, without limitation, the approval of the OTS, to own or control such shares.

As of June 14, 2010, we had a total of 49,939,842 shares of Class A Common Stock issued and outstanding. In the event this rights offering is fully subscribed for, we will issue approximately 16,666,667 shares of Class A Common Stock in this rights offering, and there will be approximately 66,606,509 shares of Class A Common Stock issued and outstanding after this rights offering; however, there is no assurance that this rights offering will be fully subscribed for and, accordingly, we cannot state with certainty the number of shares of our Class A Common Stock that you will be permitted to purchase without receiving the prior approval of the OTS. You are urged to consult with your own legal counsel regarding whether to seek the prior approval of the OTS in connection with your exercise of the subscription rights issued to you.

As the holder of all of the issued and outstanding shares of our Class B Common Stock and approximately 34.7% of the issued and outstanding shares of our Class A Common Stock, BFC previously received the approval of the OTS to own a controlling interest in our common stock. As a result, BFC may acquire shares of our Class A Common Stock in this rights offering without obtaining any additional approval of the OTS.

In addition to the above-described regulatory limitation on the number of shares of our Class A Common Stock you may purchase in this rights offering, we expect to adopt a shareholder rights plan aimed at preserving our ability to use our available net operating losses. The shareholder rights plan, if triggered, would cause substantial dilution to any person or group that acquires 5% or more of the outstanding shares of our Class A Common Stock or owns 5% or more of the outstanding shares of our Class A Common Stock and thereafter acquires any additional shares of our Class A Common Stock without our approval; provided, however, that the issuance of shares pursuant to the exercise of basic subscription rights in this rights offering will be exempt from the operation of the shareholder rights plan. Further, regardless of whether we adopt a shareholder rights plan prior to the expiration of this rights offering, we may determine not to accept any particular over-subscription request if, in our judgment based on information available to us, the issuance of shares of our Class A Common Stock in respect thereof would jeopardize or limit our ability to use our available net operating losses to offset future taxable income.

## **Shares of Our Class A Common Stock Issued and Outstanding After this Rights Offering**

As of June 14, 2010, we had issued and outstanding 49,939,842 shares of Class A Common Stock. Assuming we issue all of the shares of our Class A Common Stock which may be purchased in this rights offering, approximately 66,606,509 shares of our Class A Common Stock will be issued and outstanding after this rights offering. This would represent an increase of approximately 33.4% in the number of issued and outstanding shares of our Class A Common Stock. If you do not fully exercise your subscription rights but others do, the percentage of our Class A Common Stock that you hold will decrease.

In addition, we have and will continue to evaluate the advisability of other stock offerings and other future actions involving the issuance of our securities, including through future rights offerings, at-the-market offerings or other public offerings. We could also pursue these financings at the BankAtlantic Bancorp parent company level or directly at BankAtlantic or both. Additional issuances of our Class A Common Stock or securities convertible into or exchangeable for our Class A Common Stock will have the effect of increasing the number of issued and outstanding shares of our Class A Common Stock, while issuances of equity directly at BankAtlantic would dilute the Company's interest in BankAtlantic.

## **Fees and Expenses**

We will pay all fees charged by the subscription agent and the information agent. You are responsible for paying any other commissions, fees, taxes or other expenses incurred in connection with the exercise of your subscription rights, and none of us, the subscription agent nor the information agent will pay those expenses.

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### **Subscription Agent**

We have appointed Computershare Trust Company, N.A. as subscription agent for this rights offering. You can contact the subscription agent by first class mail at Computershare c/o Voluntary Corporate Actions, P.O. Box 43011 Providence, Rhode Island 02940-3011 or by express mail or overnight courier at Computershare c/o Voluntary Corporate Actions, Suite V, 250 Royall Street, Canton, Massachusetts 02021.

You should deliver your subscription rights certificate, payment of the subscription price and notice of guaranteed delivery (if any) to the subscription agent. We will pay the fees and certain expenses of the subscription agent, which we estimate will total approximately \$20,000. Under certain circumstances, we may indemnify the subscription agent from certain liabilities that may arise in connection with this rights offering.

### **Information Agent**

We have appointed Georgeson Inc. as information agent for this rights offering. The information agent will be responsible for delivery of rights offering materials to certain nominee holders. The information agent will also operate a toll free telephone number to answer questions from shareholders relating to this rights offering. Shareholders may contact the information agent by telephone at (888) 219-8320, and banks and brokers may contact the information agent by telephone at (212) 440-9800.

We will pay the fees and certain expenses of the information agent, which we estimate will total approximately \$25,000. Under certain circumstances, we may indemnify the information agent from certain liabilities that may arise in connection with this rights offering.

### **No Recommendations**

Neither we nor our board of directors are making any recommendation as to whether or not you should exercise your subscription rights. You should make your decision based on your own assessment of your best interests.

### **Important**

**DO NOT SEND SUBSCRIPTION RIGHTS CERTIFICATES DIRECTLY TO US. YOU ARE RESPONSIBLE FOR CHOOSING THE PAYMENT AND DELIVERY METHOD FOR YOUR SUBSCRIPTION RIGHTS CERTIFICATE, AND YOU BEAR THE RISKS ASSOCIATED WITH SUCH DELIVERY. IF YOU CHOOSE TO DELIVER YOUR SUBSCRIPTION RIGHTS CERTIFICATE AND PAYMENT BY MAIL, WE RECOMMEND THAT YOU USE REGISTERED MAIL, PROPERLY INSURED, WITH RETURN RECEIPT REQUESTED. WE ALSO RECOMMEND THAT YOU ALLOW A SUFFICIENT NUMBER OF DAYS TO ENSURE DELIVERY TO THE SUBSCRIPTION AGENT AND CLEARANCE OF PAYMENT PRIOR TO THE EXPIRATION TIME. BECAUSE UNCERTIFIED PERSONAL CHECKS MAY TAKE AT LEAST SEVEN BUSINESS DAYS TO CLEAR, WE STRONGLY URGE YOU TO PAY, OR ARRANGE FOR PAYMENT, BY MEANS OF CERTIFIED OR CASHIER S CHECK OR MONEY ORDER.**

### **If You Have Questions**

If you have questions or need assistance concerning the procedure for exercising subscription rights, or if you would like additional copies of this document or the form of notice of guaranteed delivery, you should contact:

Information Agent

Georgeson Inc.  
199 Water Street, 26<sup>th</sup> Floor  
New York, New York 10038  
Shareholders: 888-219-8320  
Banks and Brokers: 212-440-9800

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**PLAN OF DISTRIBUTION**

On or about June 18, 2010, we will distribute at no cost the subscription rights and copies of this prospectus supplement and the accompanying base prospectus to all holders of record of our Class A Common Stock and Class B Common Stock at 5:00 p.m., New York City time, on June 14, 2010. If you wish to exercise your subscription rights, you must timely comply with the exercise procedures described above. See The Rights Offering Exercise of Subscription Rights. If you have any questions, you should contact the information agent, Georgeson Inc., at the applicable telephone number and address set forth on page S-31.

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**MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS**

The following summarizes the material federal income tax consequences to you as a U.S. holder of our common stock and to us as a result of the receipt, lapse or exercise of the subscription rights distributed to you in this rights offering. This discussion does not address the tax consequences of this rights offering under applicable state, local or foreign tax laws. Moreover, this discussion does not address every aspect of taxation that may be relevant to a particular taxpayer under special circumstances or who is subject to special treatment under applicable law and is not intended to be applicable in all respects to all categories of investors. For example, this discussion does not address certain types of investors, such as insurance companies, tax-exempt persons, financial institutions, regulated investment companies, dealers in securities, persons who hold their shares of our common stock as part of a hedging, straddle, constructive sale or conversion transaction, persons whose functional currency is not the U.S. dollar and persons who are not treated as a U.S. shareholder.

For purposes of this disclosure, a U.S. holder of our common stock is:

an individual who is a citizen or resident of the United States;

a corporation, partnership or other entity created in, or organized under the laws of, the United States or any state or political subdivision thereof;

an estate the income of which is includable in gross income for U.S. federal income tax purposes regardless of its source; or

a trust that either:

the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust; or

was in existence on August 20, 1996, was treated as a U.S. person on the previous day and elected to continue to be so treated.

This summary is based on the Internal Revenue Code, the Treasury Regulations promulgated thereunder, judicial authority and current administrative rules and practice, any of which may subsequently be changed, possibly retroactively, or interpreted differently by the Internal Revenue Service, so as to result in U.S. federal income tax consequences different from those discussed below. The discussion that follows neither binds nor precludes the Internal Revenue Service from adopting a position contrary to that expressed herein, and we cannot assure you that such a contrary position could not be asserted successfully by the Internal Revenue Service or adopted by a court if the positions were litigated. We have not obtained a ruling from the Internal Revenue Service or a written opinion from tax counsel with respect to the federal income tax consequences discussed below. This discussion assumes that the shares of our common stock you currently own, the subscription rights distributed to you in this rights offering and the shares of our Class A Common Stock that you may subscribe for in this rights offering constitute capital assets within the meaning of Section 1221 of the Code.

Receipt and exercise of the subscription rights distributed in this rights offering is intended to be nontaxable to shareholders, and the following summary assumes you will qualify for such nontaxable treatment. If, however, this rights offering does not qualify as nontaxable, you would be treated as receiving a taxable distribution equal to the fair market value of the subscription rights on their distribution date. The distribution would be taxed as a dividend to the



extent made out of our current or accumulated earnings and profits; any excess would be treated first as a return of your basis (investment) in your stock and then as a capital gain. Expiration of the subscription rights would result in a capital loss.

**Taxation of Shareholders**

*Receipt of subscription rights.* You will not recognize any gain or other income upon your receipt of subscription rights in respect of your shares of our common stock. Your tax basis in each subscription right will effectively depend on whether you exercise the subscription right or allow the subscription right to expire. Except as provided in the following sentence, the basis of the subscription rights you receive as a distribution

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with respect to your shares of our common stock will be zero. If, however, either (i) the fair market value of the subscription rights on the date of issuance is 15% or more of the fair market value (on the date of issuance of the subscription rights) of the shares of our common stock with respect to which they are received or (ii) you properly elect, in your federal income tax return for the taxable year in which the subscription rights are received, to allocate part of your basis in your shares of our common stock to the subscription rights, then upon exercise of the subscription rights, your basis in your shares of our common stock will be allocated between your shares of our common stock and your subscription rights in proportion to the fair market value of each on the date the subscription rights are issued. In addition, your holding period for a subscription right will include your holding period for the shares of our common stock with respect to which the subscription right is issued.

*Expiration of subscription rights.* You will not recognize any loss upon the expiration of a subscription right, as no basis will be allocated to such subscription rights.

*Exercise of subscription rights.* You generally will not recognize a gain or loss on the exercise of a subscription right. The tax basis of any share of our Class A Common Stock that you purchase in this rights offering will be equal to the sum of your tax basis (if any) in the subscription right exercised and the price paid for the share. The holding period of the shares of our Class A Common Stock purchased in this rights offering will begin on the date that you exercise your subscription rights.

**Taxation of the Company**

We will not recognize any gain, other income or loss upon the issuance of the subscription rights, the lapse of the subscription rights or the receipt of payment for shares of our Class A Common Stock upon exercise of the subscription rights.

**THIS DISCUSSION IS INCLUDED FOR YOUR GENERAL INFORMATION ONLY. YOU SHOULD CONSULT YOUR OWN TAX ADVISOR TO DETERMINE THE TAX CONSEQUENCES TO YOU OF THIS RIGHTS OFFERING IN LIGHT OF YOUR PARTICULAR CIRCUMSTANCES, INCLUDING ANY STATE, LOCAL AND FOREIGN TAX CONSEQUENCES.**

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**LEGAL MATTERS**

The validity of the shares of our Class A Common Stock offered hereby will be passed upon for us by Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., of Miami, Florida.

**EXPERTS**

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting), incorporated in this prospectus supplement and the accompanying base prospectus by reference to our Annual Report on Form 10-K for the year ended December 31, 2009, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered certified public accounting firm, given on the authority of said firm as experts in auditing and accounting.

**WHERE YOU CAN FIND MORE INFORMATION**

We are subject to the informational requirements of the Exchange Act. Accordingly, we file quarterly, annual, and current reports, proxy statements and other reports with the SEC. You can read and copy our public documents filed with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC's toll-free telephone number at 1-800-SEC-0330 if you need further information about the operation of the SEC's Public Reference Rooms.

Our filings with the SEC are also available from its Internet website at <http://www.sec.gov>. Our Class A Common Stock is listed on the New York Stock Exchange under the trading symbol BBX.

The information in this prospectus supplement and the accompanying base prospectus may not contain all of the information that may be important to you. You should read this entire prospectus supplement and the accompanying base prospectus, as well as the information incorporated by reference in this prospectus supplement and the accompanying base prospectus, before making an investment decision. We have filed a shelf registration statement on Form S-3 with the SEC covering, among other securities which we may issue from time to time in the future, the securities offered by this prospectus supplement. This prospectus supplement and the accompanying base prospectus, which forms a part of the shelf registration statement, do not contain all of the information included in the shelf registration statement. For further information about us and the securities offered by this prospectus supplement, you should refer to the shelf registration statement and its exhibits. You can obtain the full shelf registration statement from the SEC as indicated above.

**INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**

The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring to those documents. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying base prospectus, and information we file later with the SEC will automatically update and supersede this information. We incorporate by reference the following documents:

our Annual Report on Form 10-K for the year ended December 31, 2009, filed with the SEC on March 19, 2010;

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Amendment No. 1 to our Annual Report on Form 10-K for the year ended December 31, 2009, filed with the SEC on March 23, 2010;

our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, filed with the SEC on May 14, 2010;

our Current Report on Form 8-K, filed with the SEC on January 21, 2010;

our Current Report on Form 8-K, filed with the SEC on February 12, 2010 (Item 8.01 only);

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our Current Report on Form 8-K, filed with the SEC on February 23, 2010;

our Current Report on Form 8-K, filed with the SEC on March 23, 2010;

our Current Report on Form 8-K, filed with the SEC on April 22, 2010;

our Current Report on Form 8-K, filed with the SEC on April 28, 2010;

our Current Report on Form 8-K, filed with the SEC on May 5, 2010 (Item 8.01 only);

our Current Report on Form 8-K, filed with the SEC on May 21, 2010;

our Current Report on Form 8-K, filed with the SEC on June 2, 2010;

our Current Report on Form 8-K, filed with the SEC on June 10, 2010;

the portions of our Definitive Proxy Statement on Schedule 14A, filed with the SEC on April 30, 2010, that are deemed filed with the SEC under the Exchange Act;

the description of our Class A Common Stock contained in our Registration Statement on Form 8-A, filed with the SEC on June 25, 1997; and

any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) under the Exchange Act until we complete our offering of all of the securities under this prospectus supplement.

This prospectus supplement and the accompanying base prospectus incorporate documents by reference that are not presented or delivered with this document. You may review and obtain these documents at our Internet website at [www.bankatlanticbancorp.com](http://www.bankatlanticbancorp.com), provided that no other information on our Internet website shall be deemed incorporated by reference. We will provide without charge to each person, including any beneficial owner, to whom this document is delivered, upon written or oral request, a copy of any or all of the foregoing documents incorporated herein by reference (other than exhibits, unless such exhibits are specifically incorporated by reference in such documents). Requests for such documents should be directed to:

Investor Relations  
BankAtlantic Bancorp, Inc.  
2100 West Cypress Creek Road  
Fort Lauderdale, Florida 33309  
(954) 940-5000

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**PROSPECTUS**

**\$75,000,000**  
**Class A Common Stock**  
**Preferred Stock**  
**Debt Securities**  
**Warrants**  
**Subscription Rights**

We may from time to time offer and sell in one or more offerings, together or separately, any combination of the securities described in this prospectus. We will specify in an accompanying prospectus supplement the specific terms of any offering and the securities offered.

Our Class A Common Stock is currently listed on the New York Stock Exchange under the trading symbol BBX. Each prospectus supplement will contain information, where applicable, as to any listing on the New York Stock Exchange or any other securities exchange of the securities covered by the prospectus supplement.

As of February 8, 2010, the aggregate market value of our outstanding common equity held by non-affiliates was approximately \$36.2 million, based on 29,668,617 shares of our Class A Common Stock held by non-affiliates and a per share price of \$1.22, which equaled the closing price of our Class A Common Stock as quoted on the New York Stock Exchange on that date. Because the aggregate market value of our outstanding common equity held by non-affiliates is less than \$75 million, we are currently only permitted to use the registration statement of which this prospectus forms a part to offer the securities covered by this prospectus either: (i) pursuant to General Instruction I.B.4. of Form S-3, in a subscription rights offering to our shareholders; or (ii) pursuant to General Instruction I.B.6. of Form S-3, in a primary offering where the maximum amount of securities sold in the offering during any twelve-month period does not exceed one-third of the aggregate market value of our outstanding common equity held by non-affiliates. As of the date of this prospectus, we have not offered any securities pursuant to General Instruction I.B.6. of Form S-3 during the prior twelve-month period that ends on, and includes, the date of this prospectus. If the aggregate market value of our outstanding common equity held by non-affiliates increases to an amount equal to or in excess of \$75 million, then we will be permitted to offer the securities covered by this prospectus without regard to the above-described limitations. In any event, the aggregate initial offering price of the securities that we offer under the registration statement of which this prospectus forms a part will not exceed \$75 million.

You should read this prospectus, any prospectus supplement and the documents incorporated by reference in this prospectus and any prospectus supplement carefully before you invest. The securities offered by this prospectus may be sold directly by us to purchasers, through agents designated from time to time or to or through underwriters or dealers. We will set forth the names of any underwriters or agents in an accompanying prospectus supplement. For additional information on the methods of sale, you should refer to the section entitled Plan of Distribution. The price to the public and the net proceeds we expect to receive from such sale will also be set forth in a prospectus supplement.

**Investing in our securities involves risks. You should carefully consider the risk factors discussed in the sections entitled Risk Factors in our most recent Annual Report on Form 10-K and in any subsequent Quarterly Report on Form 10-Q, as well as in any prospectus supplement.**

**This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.**

**Neither the SEC 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 May 4, 2010.

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**ABOUT THIS PROSPECTUS**

Unless otherwise stated or the context otherwise requires, references in this prospectus to the Company, we, our or u refer to BankAtlantic Bancorp, Inc. and its consolidated subsidiaries.

The information contained in this prospectus is not complete and may be changed. You should rely only on the information provided or incorporated by reference in this prospectus, any prospectus supplement or documents to which we otherwise refer you. We have not authorized anyone else to provide you with different information. We are not making an offer of any securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus, any prospectus supplement or any document incorporated by reference is accurate as of any date other than the date of the document in which such information is contained or such other date referred to in such document, regardless of the time of any sale or issuance of a security.

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission (the SEC ) using a shelf registration process. By using a shelf registration statement, we may sell any combination of the securities described in this prospectus from time to time up to \$75 million in one or more offerings and at prices and on terms to be determined by us at or prior to the time of the applicable offering, subject to the General Instructions to Form S-3. This prospectus provides you with a general description of the securities we may offer. Each time we offer securities, we will provide you with a prospectus supplement that will describe the specific amounts, prices and terms of the offered securities. The prospectus supplement may also add, update or change information contained in this prospectus. This prospectus, together with applicable prospectus supplements and the documents incorporated by reference in this prospectus and any prospectus supplement, includes all material information relating to this offering. You should read both this prospectus and any prospectus supplement together with additional information described under the heading Where You Can Find More Information.

The registration statement containing this prospectus, including exhibits to the registration statement, provides additional information about us and the securities offered under this prospectus. The registration statement can be read at the SEC's website ([www.sec.gov](http://www.sec.gov)) or at the SEC's Public Reference Room described under the heading Where You Can Find More Information.

**BANKATLANTIC BANCORP**

We are a Florida-based unitary savings bank holding company that owns BankAtlantic and its subsidiaries. BankAtlantic provides a full line of products and services encompassing retail and business banking. We report our operations through two business segments consisting of BankAtlantic and BankAtlantic Bancorp, Inc., the parent company.

BankAtlantic is a federally-chartered, federally-insured savings bank organized in 1952. It is one of the largest financial institutions headquartered in Florida and provides traditional retail banking services and a wide range of business banking products and related financial services through a network of more than 100 branches in southeast Florida and the Tampa Bay area, primarily in the metropolitan areas surrounding the cities of Miami, Ft. Lauderdale, West Palm Beach and Tampa, which are located in the heavily-populated Florida counties of Miami-Dade, Broward, Palm Beach, Hillsborough and Pinellas.

As of December 31, 2009, we had total consolidated assets of approximately \$4.8 billion, total deposits of approximately \$4.0 billion and stockholders' equity of approximately \$141.6 million.



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Our Class A Common Stock currently trades on the New York Stock Exchange under the symbol BBX. Our principal executive offices are located at 2100 West Cypress Creek Road, Fort Lauderdale, Florida 33309. Our telephone number is (954) 940-5000. Our Internet website address is [www.bankatlanticbancorp.com](http://www.bankatlanticbancorp.com). Our Internet website and the information contained in or connected to our website are not incorporated into, and are not part of, this prospectus.

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**RISK FACTORS**

Investing in our securities involves a high degree of risk. Before investing in our securities, you should carefully consider the risks described under the heading "Risk Factors" contained in any prospectus supplement, in our most recent Annual Report on Form 10-K and in any subsequent Quarterly Report on Form 10-Q, as well as all of the other information contained or incorporated by reference in this prospectus and any applicable prospectus supplement, including our financial statements and related notes. If any of the possible events described in those sections actually occur, our business, business prospects, cash flow, results of operations or financial condition could be harmed. Additional risks and uncertainties not presently known to us may also adversely impact our operations.

**FORWARD-LOOKING STATEMENTS**

This prospectus and the documents incorporated by reference in this prospectus contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that involve substantial risks and uncertainties. When used in this prospectus and in any documents incorporated by reference herein, the words "anticipate," "believe," "estimate," "may," "intend," "expect" and similar expressions identify certain of such forward-looking statements. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements. Forward-looking statements are based largely on the expectations of the Company and are subject to a number of risks and uncertainties that could change based on factors which are, in many instances, beyond the Company's control. These include, but are not limited to, risks and uncertainties associated with: the impact of economic, competitive and other factors affecting us and our operations, markets, products and services, including the impact of the changing regulatory environment, a continued or deepening recession, decreases in real estate values, and increased unemployment on our business generally, our regulatory capital ratios, and the ability of our borrowers to service their obligations and of our customers to maintain account balances; credit risks and loan losses, and the related sufficiency of the allowance for loan losses, including the impact on the credit quality of our loans (including those held in our asset workout subsidiary) of a sustained downturn in the economy and in the real estate market and other changes in the real estate markets in our trade area, and where our collateral is located; the quality of our real estate based loans, including our residential land acquisition and development loans (including builder land bank loans, land acquisition and development loans and land acquisition, development and construction loans) as well as commercial land loans, other commercial real estate loans, residential loans and consumer loans, and conditions specifically in those market sectors; the quality of our commercial business loans and conditions specifically in that market sector; the risks of additional charge-offs, impairments and required increases in our allowance for loan losses; changes in interest rates and the effects of, and changes in, trade, monetary and fiscal policies and laws, including their impact on BankAtlantic's net interest margin; new consumer banking regulations and the effect on our service fee income; adverse conditions in the stock market, the public debt market and other financial and credit markets, and the impact of such conditions on our activities, the value of our assets and on the ability of our borrowers to service their debt obligations and maintain account balances; BankAtlantic's initiatives not resulting in continued growth of core deposits or increasing average balances of new deposit accounts or producing results which do not justify their costs; the success of our expense reduction initiatives and our ability to achieve additional cost savings or to maintain the current lower expense structure; and the impact of periodic valuation testing of goodwill, deferred tax assets and other assets. Past performance, actual or estimated new account openings and growth may not be indicative of future results. In addition, forward-looking statements relating to our cash offers to purchase outstanding trust preferred securities ("TruPS") are subject to the risk that the requisite holders of the particular series of TruPS to which each offer relates do not consent and tender, and that, if received, we are not able to obtain financing upon acceptable terms, in amounts sufficient to complete the offers, if at all. Past performance may not be indicative of future results. In addition to the risks and factors identified above, reference is also made to other risks and factors

detailed in our most recent Annual Report on Form 10-K and in any subsequent Quarterly Report on Form 10-Q. We caution that the foregoing factors are not exclusive.

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Unless otherwise indicated in an applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities offered by this prospectus for general corporate purposes, which could include the redemption of TruPS or the repayment of debt, and to support BankAtlantic.

**RATIO OF EARNINGS TO FIXED CHARGES**

The table below contains our consolidated ratio of earnings to fixed charges for each of the periods indicated (dollar amounts in thousands):

	<b>Year Ended December 31,</b>				
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Ratio of earnings to fixed charges	N/A	N/A	N/A	1.19x	1.44x
Deficiency of earnings to fixed charges	(221,239)	(186,755)	(57,584)	N/A	N/A

We computed the ratio of earnings to fixed charges by dividing earnings from continuing operations by fixed charges. For purposes of computing this ratio, earnings consist of income from continuing operations before provision for income taxes, extraordinary charges and changes in accounting principles plus fixed charges. Fixed charges consist of the sum of interest expense on indebtedness and interest expense on deposits and an estimate of the interest component of rent expense. We did not have any shares of preferred stock outstanding, and, accordingly, we did not declare or pay any dividends on our preferred stock, during any of the years ended December 31, 2005 through 2009.

**DESCRIPTION OF SECURITIES**

The following is a general description of the terms and provisions of the securities we may offer and sell under this prospectus. These summaries are not meant to be a complete description of each security. This prospectus, together with any accompanying prospectus supplement, will contain the material terms and conditions for each security. The prospectus supplement may add, update or change the terms and conditions of the securities as described in this prospectus.

**DESCRIPTION OF CAPITAL STOCK**

The following summary describes the material terms of our capital stock. For the complete terms of our capital stock, you should read the more detailed provisions of our Restated Articles of Incorporation and Amended and Restated Bylaws, as well as the applicable provisions of the Florida Business Corporation Act. See [Where You Can Find More Information](#).

Our authorized capital stock consists of 125,000,000 shares of Class A Common Stock, par value \$0.01 per share, 9,000,000 shares of Class B Common Stock, par value \$0.01 per share, and 10,000,000 shares of preferred stock, par value \$0.01 per share. Holders of our common stock are not entitled to preemptive rights. As of April 8, 2010, we had 49,939,842 shares of Class A Common Stock and 975,225 shares of Class B Common Stock issued and outstanding, and no shares of preferred stock were outstanding.

**Common Stock**

***Voting Rights***

Except as provided by law or as specifically provided in our Restated Articles of Incorporation, holders of our Class A Common Stock and Class B Common Stock vote as a single group. Each share of Class A Common Stock is entitled to one vote, and the Class A Common Stock represents in the aggregate 53% of the total voting power of the common stock. Each share of Class B Common Stock is entitled to the number of votes per share which will represent in the aggregate 47% of the total voting power of the common stock. The fixed voting percentages will be eliminated, and shares of Class B Common Stock will be entitled to only one

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vote per share, from and after the date that BFC Financial Corporation ( BFC ) or its affiliates no longer own in the aggregate at least 486,613 shares of Class B Common Stock.

Under Florida law, holders of our Class A Common Stock are entitled to vote as a separate voting group on amendments to our Restated Articles of Incorporation which require the approval of our shareholders and would have any of the following effects:

effect an exchange or reclassification of all or part of the shares of Class A Common Stock into shares of another class of stock;

effect an exchange or reclassification, or create a right of exchange, of all or a portion of the shares of another class of stock into shares of Class A Common Stock;

change the designation, rights, preferences or limitations of all or a portion of the shares of Class A Common Stock;

change all or a portion of the shares of Class A Common Stock into a different number of shares of Class A Common Stock;

create a new class of shares which have rights or preferences with respect to distributions or to dissolution that are prior or superior to the shares of Class A Common Stock; or

increase the rights, preferences or number of authorized shares of any class of shares that, after giving effect to the amendment, have rights or preferences with respect to distributions or to dissolution that are prior or superior to the shares of Class A Common Stock.

However, if a proposed amendment that would otherwise entitle the holders of our Class A Common Stock to vote as separate voting group as a result of the amendment having one of the effects described above would affect the holders of our Class B Common Stock or any of our other securities in the same or substantially similar way, then the holders of our Class A Common Stock will not be entitled to vote as a separate voting group on the amendment but instead will vote together with the other similarly affected shareholders as a single voting group on the proposed amendment.

Under Florida law, holders of our Class B Common Stock are entitled to vote as a separate voting group and would therefore have effective veto power on amendments to our Restated Articles of Incorporation which require the approval of our shareholders and would affect the rights of the Class B Common Stock in substantially the same manner as described above with respect to the Class A Common Stock. Further, under Florida law, holders of our Class A Common Stock and Class B Common Stock will be entitled to vote as a separate voting group on any plan of merger or plan of share exchange that requires the approval of our shareholders and contains a provision which, if included in a proposed amendment to our Restated Articles of Incorporation, would require their vote as a separate voting group.

In addition to the rights afforded to our shareholders under Florida law, our Restated Articles of Incorporation provide that the approval of the holders of our Class B Common Stock, voting as a separate voting group, will be required before any of the following actions may be taken:

the issuance of any additional shares of Class B Common Stock, other than a stock dividend issued to holders of Class B Common Stock;

the reduction of the number of outstanding shares of Class B Common Stock (other than upon conversion of the Class B Common Stock into Class A Common Stock or upon a voluntary disposition to us); or

any amendments of the capital stock provisions of the our Restated Articles of Incorporation.

Our Board of Directors is classified into three classes with staggered terms of three years. Cumulative voting is not provided for in our Restated Articles of Incorporation, which means that the holders of shares of our Class A Common Stock and Class B Common Stock representing a majority of the votes cast can elect all of the directors then standing for election.

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***Convertibility of Class B Common Stock into Class A Common Stock; Ownership Restrictions on Class B Common Stock***

Holders of our Class B Common Stock possess the right, at any time, to convert any or all of their shares of Class B Common Stock into shares of Class A Common Stock on a share-for-share basis. Only BFC and its affiliates may hold Class B Common Stock and, accordingly, sales of Class B Common Stock to unaffiliated parties would require the conversion of those shares to Class A Common Stock prior to or contemporaneously with the sale. However, the sale of BFC or any other change in control of BFC would not result in the conversion of the shares of Class B Common Stock held by BFC into shares of Class A Common Stock.

***Dividends and Other Distributions; Liquidation Rights***

Holders of our Class A Common Stock and Class B Common Stock are entitled to receive cash dividends, when and as declared by our Board of Directors out of legally available assets subject to regulatory restrictions and limitations. Any distribution per share with respect to our Class A Common Stock will be identical to the distribution per share with respect to our Class B Common Stock, except that a stock dividend or other non-cash distribution to holders of Class A Common Stock may be declared and issued only in the form of Class A Common Stock while a dividend or other non-cash distribution to holders of Class B Common Stock may be declared and issued in the form of either Class A Common Stock or Class B Common Stock at the discretion of our Board of Directors, provided that the number of any shares so issued or any non-cash distribution is the same on a per share basis.

Upon any liquidation, the assets legally available for distribution to shareholders will be distributed ratably among the holders of our Class A Common Stock and Class B Common Stock.

***Transfer Agent***

The transfer agent for our Class A Common Stock is American Stock Transfer & Trust Company. The transfer agent's address is 59 Maiden Lane, Plaza Level, New York, New York 10038.

**Preferred Stock**

Pursuant to our Restated Articles of Incorporation, our Board of Directors has the authority, without further action by our shareholders, to designate and issue up to 10,000,000 shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the designations, voting powers, preferences and rights of the shares of each wholly unissued series, and any qualifications, limitations or restrictions thereof, and to increase or decrease the number of shares of any such series, but not to below the number of shares of such series then outstanding.

The designations, voting powers, preferences and rights of the preferred stock of each series, as well as the qualifications, limitations or restrictions thereof, will be set forth in an Articles of Amendment to our Restated Articles of Incorporation relating to that series. We will file as an exhibit to the registration statement of which this prospectus is a part, or will incorporate by reference from reports that we file with the SEC, the form of any Articles of Amendment that describe the terms of the series of preferred stock we are offering before the issuance of that series of preferred stock.

The prospectus supplement relating to any preferred stock we offer will include a description of the designations, voting powers, preferences and rights of the preferred stock, as well as the qualifications, limitations or restrictions thereof (as set forth in the related Articles of Amendment to our Restated Articles of Incorporation). This description will include:



the title and stated value;

the number of shares we are offering;

the liquidation preference per share;

the purchase price;

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the dividend rate, period and payment date and method of calculation for dividends;

whether dividends will be cumulative or non-cumulative and, if cumulative, the date from which dividends will accumulate;

the procedures for any auction and remarketing, if any;

the provisions for a sinking fund, if any;

the provisions for redemption or repurchase, if applicable, and any restrictions on our ability to exercise those redemption and repurchase rights;

any listing of the preferred stock on any securities exchange or market;

voting rights, if any;

preemptive rights, if any;

restrictions on transfer, sale or other assignment, if any;

whether interests in the preferred stock will be represented by depositary shares;

a discussion of any material United States federal income tax considerations applicable to the preferred stock;

the relative ranking and preferences of the preferred stock as to dividend rights and rights if we liquidate, dissolve or wind up our affairs;

any limitations on the issuance of any class or series of preferred stock ranking senior to or on a parity with the series of preferred stock as to dividend rights and rights if we liquidate, dissolve or wind up our affairs; and

any other specific terms, preferences, rights or limitations of, or restrictions on, the preferred stock.

Under Florida law, holders of preferred stock will have the right to vote separately as a class (or, in some cases, as a series) on an amendment to our Restated Articles of Incorporation if the amendment would change the par value or, unless our Restated Articles of Incorporation provided otherwise, change the number of authorized shares of the class or change the powers, preferences or special rights of the class or series so as to adversely affect the class or series, as the case may be. This right is in addition to any voting rights that may be provided for in the applicable Articles of Amendment.

Our Board of Directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. Preferred stock could be issued quickly with terms designed to delay or prevent a change in control of our Company or make removal of management more difficult. Additionally, the issuance of preferred stock may have the effect of decreasing the market price of our common stock.

***Conversion or Exchange Rights***

We will set forth in the prospectus supplement the terms under which the preferred stock may be convertible into or exchangeable for our Class A Common Stock or our other securities. We will include provisions as to whether conversion or exchange is mandatory, at the option of the holder or at our option. We may include provisions pursuant to which the number of shares of our Class A Common Stock or other securities that the holders of preferred stock receive upon conversion or exchange of the preferred stock would be subject to adjustment.

**Certain Anti-Takeover Effects**

The terms of our Class A Common Stock and Class B Common Stock make the sale or transfer of control of the Company or the removal of incumbent directors unlikely without the concurrence of BFC, the holder of all of our Class B Common Stock. Our Restated Articles of Incorporation and Amended and

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Restated Bylaws also contain other provisions which could have anti-takeover effects. These provisions include, without limitation:

the authority of our Board of Directors to issue additional shares of preferred stock and to fix the relative rights and preferences of the preferred stock without additional shareholder approval;

the division of our Board of Directors into three classes of directors with three-year staggered terms; and

certain notice procedures to be complied with by shareholders in order to make shareholder proposals or nominate directors.

We are also subject to the Florida Business Corporation Act, including provisions related to control share acquisitions. These provisions generally provide that shares acquired within specified voting ranges (shares representing in excess of 20%, 33% and 50% of our outstanding voting power) will not possess voting rights unless the acquisition of the shares is approved in advance by our Board of Directors or the voting rights associated with the acquired shares are approved by a majority vote of our disinterested shareholders following the acquisition of the shares.

## **Regulatory Limitations**

Because we are a unitary savings and loan holding company, the Office of Thrift Supervision (the OTS) has the authority to, among other things, prevent individuals and entities from acquiring control of us. Under the applicable rules and regulations of the OTS, if, after giving effect to a purchase of any class of our voting securities, you, directly or indirectly, or through one or more subsidiaries, or acting in concert with one or more other persons or entities, will own (i) more than 10% of that class of securities and one or more specified control factors exist, then you will be determined, subject to your right of rebuttal, to have acquired control of us or (ii) more than 25% of that class of securities, then you will be conclusively determined to have acquired control of us, regardless of whether any control factors exist. Accordingly, subject to certain limited exceptions, you will be required to rebut such determination of control or obtain the approval of the OTS relating to such acquisition of control, as the case may be, prior to purchasing shares of our voting securities which we may offer under this prospectus which would cause your ownership in those securities to exceed either of the thresholds set forth above. We will not be required to issue to you any securities so purchased until you obtain all required clearances and approvals, including, without limitation, the approval of the OTS, to own or control those securities.

As the holder of all of the issued and outstanding shares of our Class B Common Stock and approximately 36% of the issued and outstanding shares of our Class A Common Stock, BFC has previously received all required regulatory approvals, including, without limitation, the approval of the OTS, relating to its control of us and ownership of our common stock and, accordingly, BFC may acquire any securities we may offer under this prospectus without obtaining any additional approval of the OTS.

## **DESCRIPTION OF DEBT SECURITIES**

This prospectus describes the general terms and provisions of the debt securities that we may offer. When we offer to sell a particular series of debt securities, we will describe the specific terms of that series in a supplement to this prospectus. We will also indicate in the prospectus supplement whether the general terms and provisions that we describe in this prospectus apply to that particular series of debt securities. For a complete description of the material terms of a particular issue of debt securities, you must refer to both the prospectus supplement relating to that series and to the following description.

If issued, we will issue the debt securities under an indenture between us and U.S. Bank National Association (or a subsequent or replacement trustee), as trustee. The indenture is subject to, and governed by, the Trust Indenture Act of 1939. We have filed a copy of the form of indenture as an exhibit to the registration statement of which this prospectus forms a part. We have summarized the material portions of the indenture

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below, but you should read the indenture for other provisions that may be important to you. We qualify the following summary in its entirety by reference to the provisions of the indenture.

**General**

The debt securities will be our direct unsecured general obligations. We will establish the terms of each series of debt securities that we will issue under the indenture by a resolution of our Board of Directors. We will detail the terms of the debt securities that we will offer in an officers' certificate under the indenture or by a supplemental indenture. We will describe the particular terms of each series of debt securities that we issue in a prospectus supplement relating to that series. The specific terms described in any prospectus supplement may differ from the terms described below.

Under the indenture, we can issue an unlimited amount of debt securities, including debt securities that are convertible into, or exchangeable for, our other securities, including our common stock. We may issue the debt securities:

in one or more series;

with the same or various maturities;

at par;

at a premium; or

at a discount.

We will describe in the applicable prospectus supplement the terms of the series of debt securities being offered, including:

the initial offering price;

the aggregate principal amount of that series of debt securities;

the title of the debt securities;

any limit on the aggregate principal amount of the debt securities;

the date or dates on which we will pay the principal on the debt securities;

the maturity date;

the per annum rate or rates (which may be fixed or variable) or the method used to determine such rate or rates (including any commodity, commodity index, stock exchange index or financial index) at which the debt securities will bear interest;

the date or dates from which interest will accrue;

the date or dates on which interest will commence and be payable;

any regular record date for the interest payable on any interest payment date;

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the place or places where we will pay the principal, premium and interest with respect to the debt securities;

the terms and conditions upon which we may redeem the debt securities;

any obligation we have to redeem or purchase the debt securities under any sinking fund or similar provisions or at the option of a holder of debt securities;

the denominations in which we will issue the debt securities, if we issue them other than in denominations of \$1,000 and any integral multiple thereof;

whether we will issue the debt securities in the form of certificated debt securities or global securities;

the currency of denomination of the debt securities;

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any addition to or change in the events of default that are described in this prospectus or in the indenture;

any change in the acceleration provisions that are described in this prospectus or in the indenture;

any addition to or change in the covenants described in this prospectus or in the indenture with respect to the debt securities;

any other terms of the debt securities, which may modify or delete any provision of the indenture as it applies to that series; and

any depositories, interest rate calculation agents, exchange rate calculation agents or other agents with respect to the debt securities.

We may issue debt securities that provide that we must only pay an amount less than our stated principal amount if our maturity date accelerates. In the prospectus supplement, we will also provide information regarding the federal income tax considerations and other special considerations that apply to any of the particular debt securities.

### **Conversion or Exchange Rights**

We will set forth in the prospectus supplement the terms under which a series of debt securities may be convertible into, or exchangeable for, our Class A Common Stock or our other securities. We will include provisions as to whether conversion or exchange is mandatory, at the option of the holder or at our option. We may include provisions pursuant to which the number of shares of our Class A Common Stock or our other securities that the holders of the series of debt securities receive upon conversion or exchange would be subject to adjustment.

### **Form, Exchange and Transfer**

Each debt security will be represented by either one or more global securities registered in the name of The Depository Trust Company ( DTC ) or a nominee of DTC, as depositary (a book-entry debt security ), or a certificate issued in definitive registered form (a certificated debt security ).

We will describe whether the particular series of debt securities will be a book-entry debt security or a certificated debt security in the applicable prospectus supplement. Except as described under Global Debt Securities and Book-Entry System below, we will not issue book-entry debt securities in certificated form.

#### ***Certificated Debt Securities***

You may transfer or exchange certificated debt securities at the trustee's office or at paying agencies as provided for in the indenture. We will not charge you any service charge for any transfer or exchange of certificated debt securities, but may require you to pay a sum sufficient to cover any tax or other governmental charge that may be required in connection with your transfer or exchange.

You may transfer certificated debt securities and the right to receive the principal, premium and interest on certificated debt securities only by surrendering the certificate representing your certificated debt securities. After you surrender your certificated debt securities, we or the trustee will reissue your certificate or issue a new certificate to the new holder.

#### ***Global Debt Securities and Book-Entry System***



A global debt security is a debt security that represents, and is denominated in an amount equal to the aggregate principal amount of, all outstanding debt securities of a series, or any portion thereof, in either case having the same terms, including the same:

original issue date;

date or dates on which we must pay principal and interest; and

interest rate or method of determining interest.

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We will deposit each global debt security representing book-entry debt securities with, or on behalf of, the depository and will also register the global debt security in the name of the depository or its nominee. We anticipate that the depository will follow the following procedures with respect to book-entry debt securities.

Only persons who have accounts with the depository for the related global debt security, or participants, or a person that holds an interest through a participant may own beneficial interests in book-entry debt securities. When we issue a global debt security, the depository will credit, on its book-entry registration and transfer system, the participants accounts with the appropriate principal amounts of the book-entry debt securities that the participant owns. Any dealers, underwriters or agents participating in the distribution of the book-entry debt securities will designate the accounts that the depository will credit. Ownership of book-entry debt securities will be shown on, and the transfer of the ownership interests in book-entry debt securities will be effected only through, records that the depository maintains for the related global debt security (for interests of participants) and records that the participants maintain (for interests of persons holding through participants). The laws of some states may require that some purchasers of securities take physical delivery of their securities in definitive form. Because, except under the special circumstances that are described below, we will not issue book-entry debt securities in certificated form, these laws may impair the ability to own, transfer or pledge beneficial interests in book-entry debt securities. So long as the depository, or its nominee, is the registered owner of a global debt security, we will consider the depository or its nominee as the sole owner or holder of the book-entry debt securities represented by the associated global debt security for all purposes under the indenture. Except as described in this prospectus or the applicable prospectus supplement, beneficial owners of book-entry debt securities will not be entitled to have securities registered in their names and will not receive or be entitled to receive physical delivery of a certificate in definitive form representing their securities. We will not consider beneficial owners of book-entry debt securities the owners or holders of those securities under the indenture. As a result, to exercise any rights of a holder under the indenture, each person beneficially owning book-entry debt securities must rely on the depository's procedures for the related global debt security and, if that person is not a participant, on the procedures of the participant through which that person owns its interest.

We understand, however, that under existing industry practice, the depository will authorize the persons on whose behalf it holds a global debt security to exercise some rights of holders of debt securities, and the indenture provides that we, the trustee and their respective agents will treat as the holder of a debt security the persons specified in a written statement of the depository with respect to that global debt security for purposes of obtaining any consents or directions required to be given by holders of the debt securities under the indenture.

We will make payments of the principal, premium and interest on the book-entry debt securities to the depository or its nominee, as the case may be, as the registered holder of the related global debt security. We, the trustee and any other agent of ours or agent of the trustee will not have any responsibility or liability for:

any aspect of the records relating to or payments made on account of beneficial ownership interests in a global debt security; or

maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

We expect the depository, upon receipt of any payment of the principal, premium or interest with respect to a global debt security, will immediately credit the participants' accounts with payments in amounts proportionate to the amounts of book-entry debt securities they each hold, as shown on the records of the depository. We also expect that payments by participants to owners of beneficial interests in book-entry debt securities held through those participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of those participants.

We will issue certificated debt securities in exchange for each global debt security if the depositary is at any time unwilling or unable to continue as depositary or ceases to be a clearing agency registered under the Exchange Act and we do not appoint a successor depositary registered as a clearing agency under the Exchange Act within 90 days. In addition, we may at any time and in our sole discretion determine not to

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have any of the book-entry debt securities of any series represented by one or more global debt securities and, in that event, we will issue certificated debt securities in exchange for the global debt securities of that series. Holders of global debt securities may exchange their global debt securities for certificated debt securities if an event of default under the book-entry debt securities represented by those global debt securities has occurred and is continuing. We will register any certificated debt securities that we issue in exchange for a global debt security in the name or names as the depositary shall instruct the trustee. We expect that such instructions will be based upon directions received by the depositary from participants with respect to ownership of book-entry debt securities relating to such global debt security.

We have obtained the previous information in this section concerning the depositary and the depositary's book-entry registration and transfer system from sources we believe to be reliable, but take no responsibility for the accuracy of this information.

## **Consolidation, Merger and Sale of Assets**

Unless we provide otherwise in the prospectus supplement applicable to a particular series of debt securities, the indenture will not contain any covenant that restricts our ability to merge or consolidate, or sell, convey, transfer or otherwise dispose of all or substantially all of our assets. However, any successor to or acquirer of such assets must assume all of our obligations under the indenture or the debt securities, as appropriate. If the debt securities are convertible into, or exchangeable for, our other securities, the person with whom we consolidate or merge or to whom we sell all of our property must make provisions for the conversion of the debt securities into securities that the holders of the debt securities would have received if they had converted the debt securities before the consolidation, merger or sale.

## **Covenants**

Unless stated otherwise in the applicable prospectus supplement and in a supplement to the indenture, a resolution of our Board of Directors or an officers' certificate delivered under the indenture, the debt securities will not contain any restrictive covenants, including covenants restricting us or any of our subsidiaries from incurring, issuing, assuming or guaranteeing any indebtedness secured by a lien on any of our or our subsidiaries' property or capital stock, or restricting us or any of our subsidiaries from entering into any sale and leaseback transactions.

## **Events of Default Under the Indenture**

Under the indenture, an event of default means, with respect to any series of debt securities, any of the following:

default in the payment of any interest on any debt security of that series when it becomes due and payable, and the continuance of that default for a period of 30 days (unless we deposit the entire amount of the payment with the trustee or with a paying agent prior to the expiration of the 30-day period);

default in the payment of principal or premium on any debt security of that series when due and payable;

default in the deposit of any sinking fund payment, when and as due on any debt security of that series;

default in the performance or breach of any of our other covenants or warranties in the indenture (other than a covenant or warranty that has been included in the indenture solely for the benefit of a series of debt securities other than that series), which default continues uncured for a period of 60 days after we receive written notice from the trustee or we and the trustee receive written notice from the holders of at least 25% in principal amount of the outstanding debt securities of that series as provided in the indenture;



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some events of bankruptcy, insolvency or reorganization of the Company; and

any other event of default provided with respect to debt securities of that series that is described in the applicable supplement to this prospectus.

No event of default for a particular series of debt securities, except for the events of default relating to events of bankruptcy, insolvency or reorganization, will necessarily constitute an event of default for any other series of debt securities.

If an event of default for debt securities of any series occurs and is continuing, then the trustee or the holders of not less than 25% in principal amount of the outstanding debt securities of that series may declare to be due and payable immediately the principal (or, if the debt securities of that series are discount securities, that portion of the principal amount as may be specified in the terms of that series) and premium of all debt securities of that series. In the case of an event of default resulting from events of bankruptcy, insolvency or reorganization, the principal (or such specified amount) and premium of all outstanding debt securities will become and be immediately due and payable without any declaration or other act by the trustee or any holder of outstanding debt securities. At any time after a declaration of acceleration with respect to debt securities of any series, but before the trustee has obtained a judgment or decree for payment of the money due, the holders of a majority in principal amount of the outstanding debt securities of that series may, subject to us having paid or deposited with the trustee a sum sufficient to pay overdue interest and principal that has become due other than by acceleration and certain other conditions, rescind and annul such acceleration if all events of default, other than the non-payment of accelerated principal and premium with respect to debt securities of that series, have been cured or waived as provided in the indenture. For information as to waiver of defaults see the discussion under **Modification and Waiver** below. If we issue a series of debt securities that are discount securities, the prospectus supplement relating to that series will contain the particular provisions relating to acceleration of a portion of the principal amount of the discount securities upon the occurrence of an event of default and the continuation of an event of default.

The indenture provides that the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request of any holder of outstanding debt securities unless the trustee receives indemnity satisfactory to it against any loss, liability or expense. Subject to some rights of the trustee, the holders of a majority in principal amount of the outstanding debt securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the debt securities of that series.

No holder of any debt security of any series will have any right to institute any proceeding, judicial or otherwise, with respect to the indenture or for the appointment of a receiver or trustee, or for any remedy under the indenture, unless:

that holder has previously given the trustee written notice of a continuing event of default under the debt securities of that series; and

the holders of at least 25% in principal amount of the outstanding debt securities of that series have made written request, and offered reasonable indemnity, to the trustee to institute such proceeding as trustee, and the trustee shall not have received from the holders of a majority in principal amount of the outstanding debt securities of that series a direction inconsistent with that request and has failed to institute the proceeding within 60 days.

Notwithstanding the foregoing, the holder of any debt security will have an absolute and unconditional right to receive payment of the principal, premium and any interest with respect to that debt security on or after the due dates

expressed in that debt security and to institute suit for the enforcement of payment.

The indenture requires us, within 90 days after the end of our fiscal year, to furnish to the trustee a statement of our compliance with the indenture. The indenture provides that the trustee may withhold notice to the holders of debt securities of any series of any default or event of default (except in payment on any debt securities of that series) with respect to debt securities of that series if it in good faith determines that withholding notice is in the interest of the holders of those debt securities.

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**Modification of Indenture; Waiver**

We and the trustee may modify and amend the indenture with the consent of the holders of at least a majority in principal amount of the outstanding debt securities of each series affected by the modifications or amendments. However, we and the trustee may not make any modification or amendment without the consent of the holder of each affected debt security then outstanding if that amendment will:

- change the amount of debt securities whose holders must consent to an amendment or waiver;
- reduce the rate of, or extend the time for payment of, interest (including default interest) on any debt security;
- reduce the principal of, or premium on, or change the fixed maturity of any debt security or reduce the amount of, or postpone the date fixed for, the deposit of any sinking fund payment or analogous obligation with respect to any series of debt securities;
- reduce the principal amount of discount securities payable upon acceleration of maturity;
- waive a default in the payment of the principal, premium or interest with respect to any debt security (except a rescission of acceleration of the debt securities of any series by the holders of at least a majority in aggregate principal amount of the then outstanding debt securities of that series and a waiver of the payment default that resulted from that acceleration);
- make the principal, premium or interest with respect to any debt security payable in currency other than that stated in the debt security;
- make any change to certain provisions of the indenture relating to, among other things, the right of holders of debt securities to receive payment of the principal, premium and interest with respect to those debt securities and to institute suit for the enforcement of any payment and to waivers or amendments; or
- waive a redemption payment with respect to any debt security or change any of the provisions with respect to the redemption of any debt securities.

Except for some specified provisions of the indenture, the holders of at least a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all debt securities of that series waive our compliance with provisions of the indenture. The holders of a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all the debt securities of that series waive any past default under the indenture with respect to that series and its consequences, except a default in the payment of the principal, premium or any interest with respect to any debt security of that series; provided, however, that the holders of a majority in principal amount of the outstanding debt securities of any series may rescind an acceleration and its consequences, including any related payment default that resulted from the acceleration.

**Defeasance of Debt Securities and Certain Covenants in Certain Circumstances**

The indenture provides that, unless the terms of the applicable series of debt securities provide otherwise, we may be discharged from any and all obligations under the debt securities of any series (except for some obligations to register the transfer or exchange of debt securities of the series, to replace stolen, lost or mutilated debt securities of the series, and to maintain paying agencies and certain provisions relating to the treatment of funds held by paying agents). We will be discharged when we deposit with the trustee, in trust, money and/or U.S. government obligations or, in the case of debt securities denominated in a single currency other than U.S. dollars, foreign government obligations, that,



through the payment of interest and principal in accordance with their terms, will provide money in an amount sufficient in the opinion of a nationally recognized firm of independent public accountants to pay and discharge each installment of principal, premium and interest, and any mandatory sinking fund payments for the debt securities of that series on the stated maturity in accordance with the terms of the indenture and those debt securities.

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We will be discharged only if, among other things, we have delivered to the trustee an officers' certificate and an opinion of counsel stating that holders of the debt securities of the series from which we wish to be discharged will:

not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit, defeasance and discharge; and

will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit, defeasance and discharge had not occurred.

The indenture provides that, unless otherwise provided by the terms of the applicable series of debt securities, upon compliance with specified conditions, we may omit to comply with certain restrictive covenants contained in the indenture, as well as any additional covenants contained in a supplement to the indenture, a resolution of our Board of Directors or an officers' certificate delivered pursuant to the indenture.

The conditions include us:

depositing with the trustee money and/or U.S. government obligations or, in the case of debt securities denominated in a single currency other than U.S. dollars, foreign government obligations, that, through the payment of interest and principal in accordance with their terms, will provide money in an amount sufficient in the opinion of a nationally recognized firm of independent public accountants to pay principal, premium and interest, and any mandatory sinking fund payments, for the debt securities of that series on the stated maturity in accordance with the terms of the indenture and those debt securities; and

delivering to the trustee an opinion of counsel to the effect that the holders of the debt securities of that series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit and related covenant defeasance and will be subject to U.S. federal income tax in the same amount and in the same manner and at the same times as would have been the case if the deposit and related covenant defeasance had not occurred.

In the event we exercise our option not to comply with some covenants of the indenture with respect to any series of debt securities and the debt securities of that series are declared due and payable because of the occurrence of any event of default, the amount of money and/or U.S. government obligations or foreign government obligations we have deposited with the trustee will be sufficient to pay amounts due on the debt securities of that series at the time of their stated maturity but may not be sufficient to pay amounts due on the debt securities of that series at the time of the acceleration resulting from the event of default. However, we will remain liable for those payments.

Foreign government obligations means for the debt securities of any series that are denominated in a currency other than U.S. dollars:

direct obligations of the government that issued or caused to be issued the currency in question for the payment of which obligations its full faith and credit is pledged, which are not callable or redeemable at the option of the issuer thereof; or

obligations of a person controlled or supervised by or acting as an agency or instrumentality of that government the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by that government, which are not callable or redeemable at the option of the issuer thereof.

## **Governing Law**

The indenture and the debt securities will be governed by and construed under the laws of the State of Florida.

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**DESCRIPTION OF WARRANTS**

The following summary describes the general terms and provisions of the warrants to purchase shares of our Class A Common Stock or other securities that we may offer. The warrants may be issued independently or together with shares of our Class A Common Stock or other securities and may be attached to or separate from the securities with which they are issued. The warrants may be issued by us directly or under warrant agreements to be entered into between us and a bank or trust company, as warrant agent, all as shall be set forth in any applicable prospectus supplement relating to the warrants. A single bank or trust company may act as warrant agent for more than one series of warrants.

The prospectus supplement relating to any warrants we offer will include specific terms relating to the offering, including, among others:

the offering price and aggregate number of warrants offered;

if applicable, the number of warrants issued with each share of Class A Common Stock or other security;

if applicable, the date on and after which the warrants and the related Class A Common Stock or other security will be separately transferable;

the class or series of security, and number of shares of that class or series of security, purchasable upon exercise of the warrants;

the exercise price of the warrants;

the effect of any merger, consolidation, sale or other disposition of our business on the warrants;

the terms of any rights to redeem or call the warrants;

any provisions for changes to, or adjustments in, the exercise price of the warrants or the number of shares purchasable upon exercise of the warrants;

the dates on which the right to exercise the warrants will commence and expire;

the manner in which the warrants may be modified or amended;

the anti-dilutive protections given to the holders of the warrants;

a discussion of any material or special U.S. federal income tax consequences of holding or exercising the warrants; and

any other specific terms, preferences, rights or limitations of, or restrictions on, the warrants.

Until a warrant is exercised, the holder of the warrant will not be entitled, by virtue of being such holder, to any rights as a shareholder of our Company with respect to the shares purchasable upon exercise of the warrant, including, without limitation the right to vote or receive dividends on such underlying shares.

The exercise price payable and the number of shares of our Class A Common Stock or other security purchasable upon the exercise of each warrant will be subject to adjustment in certain events, including the issuance of a stock dividend to holders of our Class A Common Stock or other security purchasable upon exercise of the warrant or a stock split, reverse stock split, combination, subdivision or reclassification of the Class A Common Stock or such other security. In lieu of adjusting the number of shares of our Class A Common Stock or other security purchasable upon exercise of each warrant, we may elect to adjust the number of warrants. No fractional shares will be issued upon exercise of the warrants, but we will pay the cash value of any fractional shares otherwise issuable or fractional shares otherwise issuable will be rounded up or down to the closest whole share, in each case as will be set forth in any applicable prospectus supplement relating to the warrants.

Each warrant will entitle the holder to purchase such number of shares of our Class A Common Stock or other security at such exercise price as shall in each case be set forth in, or be determinable as set forth in, the prospectus supplement relating to the warrants offered thereby. Warrants may not be exercised after the close of business on the expiration date set forth in the prospectus supplement relating to the warrants offered

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thereby. After the close of business on the expiration date, unexercised warrants will become void and of no further force or effect.

The warrants may be exercised as set forth in the prospectus supplement relating to the warrants offered thereby. Upon receipt of payment and the warrant properly completed and duly executed at the corporate trust office of the warrant agent or any other office indicated in the prospectus supplement, we will, as soon as practicable, issue the shares of Class A Common Stock or other security purchasable upon such exercise. If a warrant is exercised for less than the full amount of shares underlying the warrant, then a new warrant will be issued to cover the remaining shares.

Unless we provide otherwise in the applicable prospectus supplement: (i) a warrant agent (if any) will act solely as our agent under the applicable warrant agreement and will not assume any obligation or relationship of agency or trust with any holder of any warrant; (ii) a warrant agent will have no duty or responsibility in case of any default by us under the applicable warrant agreement or warrant, including any duty or responsibility to initiate any proceedings at law or otherwise, or to make any demand upon us; (iii) any holder of a warrant may, without the consent of the applicable warrant agent or the holder of any other warrant, enforce by appropriate legal action its right to exercise, and receive the securities purchasable upon exercise of, his, her or its warrants; and (iv) the warrants will be governed by and construed in accordance with the laws of the State of Florida.

The description in the applicable prospectus supplement and other offering material of any warrants we offer will not necessarily be complete and will be qualified in its entirety by reference to the complete terms and conditions of the warrants, the form of which will be filed with the SEC if we offer warrants. We urge you to read the form of warrant, the prospectus supplement and any other offering material in their entirety.

**DESCRIPTION OF SUBSCRIPTION RIGHTS**

The following summary describes the general terms and provisions of the subscription rights to purchase our Class A Common Stock or other securities that we may offer to our shareholders. Subscription rights may be issued independently or together with any other offered security and may or may not be transferable by the person purchasing or receiving the subscription rights. In connection with any subscription rights offering to our shareholders, we may enter into a standby underwriting or other arrangement with one or more underwriters or other persons pursuant to which such underwriters or other persons would purchase any offered securities remaining unsubscribed for after such subscription rights offering. Each series of subscription rights will be issued under a separate subscription rights agent agreement to be entered into between us and a bank or trust company, as subscription rights agent, that we will name in the applicable prospectus supplement. The subscription rights agent will act solely as our agent in connection with the certificates relating to the subscription rights and will not assume any obligation or relationship of agency or trust for or with any holders of subscription rights certificates or beneficial owners of subscription rights.

The prospectus supplement relating to any subscription rights we offer will include specific terms relating to the offering, including, among others:

the securities for which the subscription rights are exercisable;

the exercise price for such subscription rights;

the number of such subscription rights issued to each shareholder;

the number of shares of Class A Common Stock or amount of any other securities purchasable upon exercise of such subscription rights;

the extent, if any, to which such subscription rights are transferable;

a discussion of the material U.S. federal income tax considerations applicable to the issuance or exercise of such subscription rights;

the date on which the right to exercise such subscription rights shall commence, and the date on which such rights shall expire (subject to any extension);

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the extent to which such subscription rights include an over-subscription privilege with respect to unsubscribed securities;

if applicable, the material terms of any standby underwriting or other purchase arrangement that we may enter into in connection with the subscription rights offering; and

any other terms of such subscription rights, including terms, procedures and limitations relating to the exercise of such subscription rights.

Each subscription right will entitle the holder of the subscription right to purchase for cash the number of shares of our Class A Common Stock or other securities at an exercise price set forth in, or determinable as set forth in, the applicable prospectus supplement. Subscription rights may be exercised at any time up to the close of business on the expiration date for the subscription rights provided in the applicable prospectus supplement. After the close of business on the expiration date, all unexercised subscription rights will become void and of no further force or effect.

Holders may exercise subscription rights as described in the applicable prospectus supplement. Upon receipt of payment and the subscription rights certificate properly completed and duly executed at the corporate trust office of the subscription rights agent or any other office indicated in the prospectus supplement, we will, as soon as practicable, issue the shares of Class A Common Stock or other security purchasable upon exercise of the subscription rights. If less than all of the subscription rights issued in any subscription rights offering are exercised, we may offer any unsubscribed securities directly to persons other than shareholders, to or through agents, underwriters or dealers or through a combination of such methods, including pursuant to standby arrangements, as described in the applicable prospectus supplement.

The description in the applicable prospectus supplement and other offering material of any subscription rights we offer will not necessarily be complete and will be qualified in its entirety by reference to the applicable subscription rights certificate, the form of which will be filed with the SEC if we offer subscription rights. We urge you to read the form of subscription rights certificate, prospectus supplement and other offering material in their entirety.

**PLAN OF DISTRIBUTION**

We are currently only permitted to use the registration statement of which this prospectus forms a part to offer the securities covered by this prospectus either: (i) pursuant to General Instruction I.B.4. of Form S-3, in a subscription rights offering to our shareholders; or (ii) pursuant to General Instruction I.B.6. of Form S-3, in a primary offering where the maximum amount of securities sold in the offering during any twelve-month period does not exceed one-third of the aggregate market value of our outstanding common equity held by non-affiliates. As of February 8, 2010, the aggregate market value of our outstanding common equity held by non-affiliates was approximately \$36.2 million. If the aggregate market value of our outstanding common equity held by non-affiliates increases to an amount equal to or in excess of \$75 million, then we will be permitted to offer the securities covered by this prospectus without regard to the above-described limitations. In any event, the aggregate initial offering price of the securities that we offer will not exceed \$75 million.

We may sell the securities covered by this prospectus through underwriters or dealers, through agents, or directly to one or more purchasers. The prospectus supplement or supplements will describe the terms of the offering of the securities, including:

the name or names of any underwriters, if any;



the purchase price of the securities and the proceeds we will receive from the sale;

any over-allotment options under which underwriters may purchase additional securities from us;

any agency fees or underwriting discounts and other items constituting agents or underwriters compensation;

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any public offering price; and

any discounts or concessions allowed or reallocated or paid to dealers.

We may distribute the securities from time to time in one or more transactions at:

a fixed price or prices, which may be changed from time to time;

market prices prevailing at the time of sale;

prices related to such prevailing market prices; or

negotiated prices.

Only underwriters named in the prospectus supplement are underwriters of the securities offered by the prospectus supplement. If underwriters are used in the sale, they will acquire the securities for their own account and may resell the securities from time to time in one or more transactions at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters to purchase the securities will be subject to the conditions set forth in the applicable underwriting agreement. We may offer the securities to the public through underwriting syndicates represented by managing underwriters or by underwriters without a syndicate. Subject to certain conditions, the underwriters may be obligated to purchase all of the securities offered by the prospectus supplement. Any public offering price and any discounts or concessions allowed or reallocated or paid to dealers may change from time to time. We may use underwriters with whom we have a material relationship. We will describe in the prospectus supplement, naming the underwriter, the nature of any such relationship. We may sell securities directly or through agents we designate from time to time. We will name any agent involved in the offering and sale of securities, and we will describe any commissions we will pay the agent, in the prospectus supplement. Unless the prospectus supplement states otherwise, our agent will act on a best-efforts basis for the period of its appointment.

We may authorize agents or underwriters to solicit offers by certain types of institutional investors to purchase the securities from us at the public offering price set forth in the prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. We will describe the conditions to these contracts and the commissions we must pay for solicitation of these contracts in the prospectus supplement.

We may provide agents and underwriters with indemnification against civil liabilities related to this offering, including liabilities under the Securities Act, or contribution with respect to payments that the agents or underwriters may make with respect to such liabilities. Agents and underwriters may engage in transactions with, or perform services for, us in the ordinary course of business.

**LEGAL MATTERS**

The validity of the securities being offered by this prospectus will be passed upon for us by Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., Miami, Florida.

**EXPERTS**

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting), incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31,

2009, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered certified public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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**WHERE YOU CAN FIND MORE INFORMATION**

We are subject to the informational requirements of the Exchange Act. Accordingly, we file quarterly, annual, and current reports, proxy statements and other reports with the SEC. You can read and copy our public documents filed with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC's toll-free telephone number at 1-800-SEC-0330 if you need further information about the operation of the SEC's Public Reference Room.

Our filings with the SEC are also available from the SEC's Internet website at [www.sec.gov](http://www.sec.gov). Our Class A Common Stock is listed on the New York Stock Exchange under the trading symbol BBX.

The information in this prospectus may not contain all of the information that may be important to you. You should read the entire prospectus and any prospectus supplement as well as the information incorporated by reference in this prospectus and any prospectus supplement before making an investment decision.

**INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**

The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring to those documents. The information incorporated by reference is considered to be part of this prospectus and information we file later with the SEC will automatically update and supersede this information. We incorporate by reference the following documents:

our Annual Report on Form 10-K for the year ended December 31, 2009, filed with the SEC on March 19, 2010;

Amendment No. 1 to our Annual Report on Form 10-K for the year ended December 31, 2009, filed with the SEC on March 23, 2010;

our Current Report on Form 8-K, filed with the SEC on January 21, 2010;

our Current Report on Form 8-K, filed with the SEC on February 12, 2010 (Item 8.01 only);

our Current Report on Form 8-K, filed with the SEC on February 23, 2010;

our Current Report on Form 8-K, filed with the SEC on March 23, 2010;

our Current Report on Form 8-K, filed with the SEC on April 22, 2010;

our Current Report on Form 8-K, filed with the SEC on April 28, 2010;

the portions of our Definitive Proxy Statement on Schedule 14A, filed with the SEC on April 30, 2010, that are deemed filed with the SEC under the Exchange Act;

the description of our Class A Common Stock contained in our Registration Statement on Form 8-A, filed with the SEC on June 25, 1997; and

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any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) under the Exchange Act until we complete our offering of all of the securities under this prospectus supplement.

This prospectus incorporates documents by reference that are not presented or delivered with this prospectus. You may review and obtain these documents at our Internet website at [www.bankatlanticbancorp.com](http://www.bankatlanticbancorp.com), provided

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that no other information on our website shall be deemed incorporated by reference. We will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon written or oral request, a copy of any or all of the foregoing documents incorporated herein by reference (other than exhibits, unless such exhibits are specifically incorporated by reference in such documents). Requests for such documents should be directed to:

Investor Relations  
BankAtlantic Bancorp, Inc.  
2100 West Cypress Creek Road  
Fort Lauderdale, Florida 33309  
(954) 940-5000

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**\$25,000,000**

**BankAtlantic Bancorp, Inc.**

**Class A Common Stock**

**Prospectus Supplement**

**June 18, 2010**