

B. Riley Financial, Inc.
Form 4
July 06, 2017

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Wunderlich Gary Kent JR

(Last) (First) (Middle)

C/O B. RILEY FINANCIAL,
INC., 21255 BURBANK BLVD.,
SUITE 400

(Street)

WOODLAND HILLS, CA 91367

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

B. Riley Financial, Inc. [RILY]

3. Date of Earliest Transaction
(Month/Day/Year)

07/03/2017

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned or Reported (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 07/03/2017 | | A | | 163,450 | A | <u>(1)</u> <u>(2)</u> 163,450 <u>(3)</u> |
| Common Stock | 07/03/2017 | | A | | 9,707 | A | <u>(1)</u> <u>(2)</u> 9,707 <u>(4)</u> I By Wunderlich Children's Trust <u>(5)</u> |
| Common Stock | 07/03/2017 | | A | | 3,086 | A | <u>(1)</u> <u>(2)</u> 3,086 <u>(6)</u> I By Alvin Wunderlich, Jr. Grandchildren's Trust <u>(7)</u> |
| Common Stock | 07/03/2017 | | A | | 1,320 | A | <u>(1)</u> <u>(2)</u> 1,320 <u>(8)</u> I By Gary |

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| | | | | | | | | | |
|-----------------|------------|--|---|-----|---|--------------------------|-----------------|--|--|
| Stock | | | | | | | | Wunderlich Jr. IRA - WFCS as Custodian Trust <u>(9)</u> | |
| Common Stock | 07/03/2017 | | A | 787 | A | <u>(1)</u> <u>(2)</u> | 787 <u>(10)</u> | I | By Madison Wunderlich Trust <u>(11)</u> |
| Common Stock | 07/03/2017 | | A | 787 | A | <u>(1)</u> <u>(2)</u> | 787 <u>(12)</u> | I | By Gary Wunderlich III Trust <u>(13)</u> |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |
|---|---|---|---|---|--|--|---|-------------------------------------|
| | | | | Code V | (A) (D) | Date Exercisable Expiration Date | Title | |
| Warrants | \$ 17.5 | 07/03/2017 | | A | 63,541 | 07/03/2017 07/03/2022 | Common Stock | 63,541 |
| Warrants | \$ 17.5 | 07/03/2017 | | A | 4,854 | 07/03/2017 07/03/2022 | Common Stock | 4,854 |
| Warrants | \$ 17.5 | 07/03/2017 | | A | 574 | 07/03/2017 07/03/2022 | Common Stock | 574 |
| Warrants | \$ 17.5 | 07/03/2017 | | A | 246 | 07/03/2017 07/03/2022 | Common Stock | 246 |
| Warrants | \$ 17.5 | 07/03/2017 | | A | 147 | 07/03/2017 07/03/2022 | Common Stock | 147 |

| | | | | | | | | |
|----------|---------|------------|---|-----|------------|------------|-----------------|-----|
| Warrants | \$ 17.5 | 07/03/2017 | A | 147 | 07/03/2017 | 07/03/2022 | Common Stock | 147 |
|----------|---------|------------|---|-----|------------|------------|-----------------|-----|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Wunderlich Gary Kent JR C/O B. RILEY FINANCIAL, INC., 21255 BURBANK BLVD., SUITE 400 WOODLAND HILLS, CA 91367 | | X | | |

Signatures

Gary K.
Wunderlich

07/06/2017

**Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) On July 3, 2017, pursuant to the Merger Agreement, dated as of May 17, 2017, (the "Merger Agreement") by and among B. Riley Financial, Inc. ("B. Riley"), Foxhound Merger Sub, Inc., Wunderlich Investment Company, Inc. ("Wunderlich") and Stephen Bonnema, in his capacity as the Stockholder Representative, B. Riley paid approximately \$36.6 million in cash, 2.0 million shares of common stock and 0.8 million warrants in aggregate consideration to holders of Wunderlich common and preferred stock, of which 0.39 million shares of B. Riley common stock and 0.17 million warrants were delivered to an escrow agent to be held pursuant to an escrow agreement entered into at closing by and among B. Riley, Wunderlich and Citibank, N.A., in its capacity as escrow agent (the "Escrow Agreement") in respect of certain potential post-closing claims and post-closing adjustment.

(2) In connection with the issuance of the warrants, B. Riley entered into a warrant agreement with Continental Stock Transfer & Trust Company as warrant agent. The warrants entitle the holders thereof to acquire the same number of shares of B. Riley common stock as the number of warrants. Each share of B. Riley common stock acquired was valued at \$14.67 per share and each warrant acquired was valued at \$6.08 per warrant.

(3) Pursuant to the Merger Agreement, 36,308 shares of Gary K. Wunderlich, Jr.'s 163,450 shares received as consideration were deposited into an escrow account to be held pursuant to the terms of the Escrow Agreement.

(4) Pursuant to the Merger Agreement, 825 shares of the Wunderlich Children's Trust's 9707 shares received as consideration were deposited into an escrow account to be held pursuant to the terms of the Escrow Agreement.

(5) Mr. Wunderlich benefits from the Wunderlich Children's Trust. As such, Mr. Wunderlich may be deemed to have beneficial ownership of the securities owned by this entity.

(6) Pursuant to the Merger Agreement, 1457 shares of the Alvin Wunderlich, Jr. Grandchildren's Trust's 3086 shares received as consideration were deposited into an escrow account to be held pursuant to the terms of the Escrow Agreement.

(7) Mr. Wunderlich benefits from the Alvin Wunderlich, Jr. Grandchildren's Trust. As such, Mr. Wunderlich may be deemed to have beneficial ownership of the securities owned by this entity.

(8) Pursuant to the Merger Agreement, 623 shares of the Gary Wunderlich Jr. IRA - WFCS as Custodian Trust's 1320 shares received as consideration were deposited into an escrow account to be held pursuant to the terms of the Escrow Agreement.

(9) Mr. Wunderlich benefits from the shares held in his IRA account. As such, Mr. Wunderlich may be deemed to have beneficial ownership of the securities in his IRA account.

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- (10) Pursuant to the Merger Agreement, 372 shares of the Madison Wunderlich Trust's 787 shares received as consideration were deposited into an escrow account to be held pursuant to the terms of the Escrow Agreement.
- (11) Mr. Wunderlich is the trustee of the Madison Wunderlich Trust. As such, Mr. Wunderlich may be deemed to have beneficial ownership of the securities owned by this entity.
- (12) Pursuant to the Merger Agreement, 372 shares of the Gary Wunderlich III Trust's 787 shares received as consideration were deposited into an escrow account to be held pursuant to the terms of the Escrow Agreement.
- (13) Mr. Wunderlich is the trustee of the Gary Wunderlich III Trust. As such, Mr. Wunderlich may be deemed to have beneficial ownership of the securities owned by this entity.
- (14) Pursuant to the Merger Agreement, 15,263 warrants of Mr. Wunderlich's 63,541 warrants received as consideration were deposited into an escrow account to be held pursuant to the terms of the Escrow Agreement.
- (15) Pursuant to the Merger Agreement, 412 warrants of the Wunderlich Children's Trust's 4854 warrants received as consideration were deposited into an escrow account to be held pursuant to the terms of the Escrow Agreement.
- (16) Pursuant to the Merger Agreement, all warrants of the Alvin Wunderlich, Jr. Grandchildren Trust received as consideration were deposited into an escrow account to be held pursuant to the terms of the Escrow Agreement.
- (17) Pursuant to the Merger Agreement, all warrants of the Gary Wunderlich Jr. IRA - WFCS as Custodian Trust received as consideration were deposited into an escrow account to be held pursuant to the terms of the Escrow Agreement.
- (18) Pursuant to the Merger Agreement, all warrants of the Madison Wunderlich Trust received as consideration were deposited into an escrow account to be held pursuant to the terms of the Escrow Agreement.
- (19) Pursuant to the Merger Agreement, all warrants of the Gary Wunderlich III Trust received as consideration were deposited into an escrow account to be held pursuant to the terms of the Escrow Agreement.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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