

JMP Group Inc.  
Form 8-K  
October 01, 2014  
**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**Form 8-K**

**Current Report**  
**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): September 30, 2014**

**JMP Group Inc.**

**(Exact name of registrant as specified in its  
charter)**

**Commission File Number: 001-33448  
20-1450327**

**Delaware**

**(IRS  
(State or other jurisdiction of Employer**

**incorporation) Identification  
No.)**

**600 Montgomery Street, Suite 1100**

**San Francisco, CA 94111**

**(Address of principal executive offices,  
including zip code)**

**415-835-8900**

**(Registrant's telephone number, including  
area code)**

**(Former name or former address, if  
changed since last report)**

**Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:**

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)**
  
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)**
  
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))**
  
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))**
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**Item 1.01. Entry in to a Material Definitive Agreement**

On September 30, 2014, JMP Group, Inc. (the “Company”) closed a \$370.5 million collateralized loan obligation (“CLO”) transaction. The senior notes offered in this transaction (the “Secured Notes”) will be issued by JMP Credit Advisors CLO III Ltd., a newly formed special purpose Cayman vehicle (the “Issuer”), and co-issued in part by JMP Credit Advisors CLO III LLC, a newly formed special purpose Delaware vehicle (the “Co-Issuer”), and will be backed primarily by a diversified portfolio of broadly syndicated leveraged loans. The Secured Notes are subject to a two-year non-call period. The CLO has a four-year reinvestment period, through October 17, 2018, that allows for the use of the proceeds from any principal repayments on, or any sales of, collateral assets towards the purchase of qualifying replacement assets, subject to certain conditions and limitations.

The capital structure of the CLO is as follows:

<i>(\$ in millions)</i>				
<b>Preliminary</b>				
<b>Class</b>	<b>Par Amount</b>	<b>Moody's / Fitch Rating</b>	<b>Maturity Date</b>	<b>Coupon</b>
A	228.00	Aaa /AAA	10/17/2025	L+1.53%
B	41.70	Aa2/NR	10/17/2025	L+2.05%
C	22.50	A2/NR	10/17/2025	L+2.90%
D	21.60	Baa3/NR	10/17/2025	L+5.10%
E	18.30	Ba2/NR	10/17/2025	L+7.35%
Subordinated Notes	38.40	NR/NR		
<b>Total</b>	<b>\$ 370.50</b>			

The notes were sold in transactions exempt from registration under the Securities Act of 1933, as amended, and have not been, and will not be, registered under the Securities Act of 1933, as amended, or any state “blue sky” laws and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission or an applicable exemption from registration. The Secured Notes were issued pursuant to an indenture, dated as of September 30, 2014.

The Company, through a wholly-owned subsidiary, purchased 13.5% of the subordinated notes of the Issuer (the “Subordinated Notes”) pursuant to a subscription agreement, at a face amount of \$5.2 million. The Company has an obligation to maintain its holding of the Subordinated Notes throughout the life of the CLO. The Subordinated Notes do not bear interest and are not rated. The stated maturity dates of the Secured Notes and Subordinated Notes are set

forth in the table above. The Secured Notes will be the secured obligations of the Issuer and (in part) of the Co-Issuer, and an indenture governing the Secured Notes and the Subordinated Notes includes customary covenants and events of default.

The Company (through JMP Credit Advisors LLC) will serve as portfolio manager to the Issuer under a portfolio management agreement, which contains customary representations, warranties and covenants. Under the portfolio management agreement, the Company will perform certain investment management functions, including supervising and directing the investment and reinvestment of the Issuer's assets, as well as performing certain administrative and advisory functions.

U.S. Bank National Association serves as collateral administrator to the Issuer under a collateral administration agreement. The Company (through JMP Credit Advisors LLC) made customary representations, warranties and covenants in the collateral administration agreement.

The Company intends to consolidate the loan investment portfolio until its maturity and expects to account for the transaction on its balance sheet as non-recourse debt.

The descriptions of the documentation relating to this transaction contained in this Current Report on Form 8-K do not purport to be complete and are qualified in their entirety by reference to the underlying agreements, attached hereto as exhibits and incorporated into this Current Report on Form 8-K by reference.

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

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
10.5	Indenture, dated as of September 30, 2014, among JMP Credit Advisors CLO III Ltd., as Issuer, JMP Credit Advisors CLO III LLC, as Co-Issuer, and U.S. Bank National Association, as Trustee.
10.6	Collateral Administration Agreement, dated as of September 30, 2014, by and among JMP Credit Advisors CLO III Ltd., JMP Credit Advisors LLC and U.S. Bank National Association, as collateral administrator.
10.7	Certificated Subordinated Notes Subscription Agreement, dated as of September 26, 2014, among JMP Credit Advisors LLC and JMP Credit Advisors CLO III Ltd.
99.1	Press Release issued by the Company, dated September 30, 2014.

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**Signature(s)**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

JMP GROUP INC.

Date: October 1, 2014

By: /s/ Raymond Jackson  
Raymond Jackson  
Chief Financial Officer