

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): March 19, 2019

JMP Group LLC
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-36802
(Commission
File Number)

47-1632931
(I.R.S. Employer
Identification No.)

600 Montgomery Street, Suite 1100, San Francisco, California 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 communication 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 communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

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

Item 2.01 Completion of Acquisition or Disposition of Assets.

On March 19, 2019, JMP Holding LLC (“JMP Holding”), a wholly-owned subsidiary of JMP Group LLC (the “Company”) entered into a Transaction Agreement (the “Transaction Agreement”) with Medalist Partners, LP (“Medalist”) to sell 50.1% of the limited liability company interests in JMP Credit Advisors LLC (“JMPCA”), a wholly-owned subsidiary of JMP Holding, to Medalist. In exchange, JMP will receive a cash payment at closing and a portion of the subordinated management fees from the three collateralized loan obligation vehicles (“CLOs”) currently managed by JMPCA (that it received prior to closing). In addition, JMP Holding will receive a portion of the subordinated management fees from the next CLO to be managed by JMPCA. In connection with the sale to Medalist, JMP Holding also sold, at the same valuation, 4.9% of the limited liability company interests in JMPCA to members of management of JMPCA who are expected to continue in their current roles (the “Management Members”).

Also on March 19, 2019, JMP Holding, Medalist and the Management Members entered into a Third Amended and Restated Limited Liability Company Agreement of Medalist Partners Corporate Finance LLC (formerly known as JMPCA, the “LLC Agreement” and together with the Transaction Agreement, the “Transaction Documents”) which sets forth the rights and obligations of the members. The LLC Agreement provides that, in the event of a sale of JMPCA prior to March 1, 2021, JMP Holding will receive preferential distributions from JMPCA. On or after March 1, 2022, JMP Holding has the option to sell (and Medalist has the option to buy) JMP Holding’s ownership interest in JMPCA.

Pursuant to the Transaction Documents, Medalist has agreed to provide additional capital to purchase preference shares in JMP Credit Advisors Long-Term Warehouse Ltd., a Cayman Islands vehicle (the “Borrower”), to fund the long term warehouse credit facility (the “Long Term Warehouse Credit Facility”) between the Borrower, JMP Credit Advisors CLO VI Warehouse Ltd., a Cayman Islands vehicle and a subsidiary of Borrower (the “CLO Subsidiary” and, together with the Borrower, the “Borrower Entities”), and BNP Paribas, to finance the acquisition of a portfolio of broadly syndicated corporate loans. JMPCA acts as collateral manager for the loans acquired by the Borrower Entities pursuant to the Long Term Warehouse Credit Facility. The entry into the Long Term Warehouse Credit Facility by JMPCA and the Borrower Entities was previously announced by the Company pursuant to a Form 8-K filed on October 12, 2018. JMP has agreed to provide \$15 million to purchase preference shares in the Borrower to fund the Credit Facility.

As a result of the sale of the majority stake in the JMPCA, the Company expects to deconsolidate both JMPCA and the CLOs managed by JMPCA from the Company’s financial statements.

The transactions contemplated by the Transaction Documents closed on March 19, 2019 and as of the closing JMPCA was renamed Medalist Partners Corporate Finance LLC.

JMPCA is a registered investment advisor under the Investment Advisers Act of 1940 and is an asset management platform established to underwrite and manage investments in senior secured debt. JMPCA actively manages three CLOs, JMP Credit Advisors CLO III (R) Ltd., JMP Credit Advisors CLO IV Ltd., and JMP Credit Advisors CLO V Ltd. The Borrower Entities hold a portfolio of loans funded by the Long Term Warehouse Credit Facility that is not yet securitized.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
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99.1	<u>Press Release issued by the Company, dated March 20, 2019.</u>
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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 LLC

Date: March 20, 2019

By: /s/ Raymond Jackson

Raymond Jackson
Chief Financial Officer



JMP GROUP ANNOUNCES SALE OF MAJORITY INTEREST IN JMP CREDIT ADVISORS

SAN FRANCISCO, Mar. 20, 2019 — JMP Group LLC (NYSE: JMP), an investment banking and alternative asset management firm, announced today that it has sold a 50.1% equity interest in JMP Credit Advisors LLC (“JMPCA”) to Medalist Partners LP, an alternative asset management firm specializing in structured credit and asset-backed lending, and a 4.9% interest to management employees of JMPCA. A wholly-owned subsidiary of JMP Group will retain a 45.0% interest in JMPCA.

As a result of the transaction, JMPCA has been renamed Medalist Partners Corporate Finance LLC. Based outside of Atlanta, Medalist Partners Corporate Finance is a registered investment advisor under the Investment Advisers Act of 1940 and is an asset manager that invests in senior secured debt through collateralized loan obligations, or CLOs. As of December 31, 2018, it managed three CLOs with combined assets of \$1.2 billion.

“We are enthusiastic about the opportunity to work with Medalist Partners,” said JMP Group Chairman and Chief Executive Officer Joe Jolson. “This transaction achieves two important objectives for JMP Group. First, we have attracted significant third-party capital to our successful corporate credit business, reducing JMP Credit Advisors’ reliance on JMP Group for capital and leaving us with a significant investment in a highly scalable asset management platform with the prospect of rapid AUM growth. Second, we have delivered on our promise to shareholders to meaningfully simplify our corporate structure. We expect that the sale of a majority interest in JMP Credit Advisors will enable us to deconsolidate our CLOs from our financial statements, potentially smoothing our operating earnings from quarter to quarter due to the absence of irregular credit costs and shrinking our year-end balance sheet from \$1.4 billion, with \$1.2 billion of debt, to just over \$230 million, with approximately \$84 million of long-term debt and approximately \$86 million of tangible equity.”

In connection with the sale, Medalist Partners has committed to provide additional capital to fund a preexisting long-term warehouse credit facility with BNP Paribas that will continue to be used to finance the acquisition of a portfolio of broadly syndicated corporate loans. Medalist Partners Corporate Finance, previously JMPCA, acts as collateral manager for the loans acquired through the warehouse credit facility, which was announced by JMP Group in a Form 8-K filed on October 12, 2018.

JMP Securities LLC acted as exclusive financial advisor to JMP Group in connection with the transaction, and Dechert LLP served as legal advisor.

Cautionary Note Regarding Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements provide JMP Group’s current expectations or forecasts about future events, including beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Forward-looking statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expected or implied by the forward-looking statements. The company’s actual results could differ materially from those anticipated in forward-looking statements for many reasons, including the factors described in the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the company’s Form 10-K for the year ended December 31, 2017, as filed with the U.S. Securities and Exchange Commission on March 28, 2018, as well as in the similarly captioned sections of other periodic reports filed by the company under the Exchange Act. The Form 10-K for the year ended December 31, 2017, and all other periodic reports are available on JMP Group’s website at www.jmpg.com and on the SEC’s website at www.sec.gov. Unless required by law, JMP Group undertakes no obligation to publicly update or revise any forward-looking statement to reflect circumstances or events after the date of this press release.

About JMP Group

JMP Group LLC is a diversified capital markets firm that provides investment banking, equity research, and sales and trading services to corporate and institutional clients as well as alternative asset management products and services to institutional and high-net-worth investors. JMP Group conducts its investment banking and research, sales and trading activities through JMP Securities; its hedge fund, venture and private capital, and credit management activities through Harvest Capital Strategies and JMP Asset Management; and the management of Harvest Capital Credit Corporation (NASDAQ: HCAP), a business development company, through HCAP Advisors. For more information, visit www.jmpg.com.

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