

COLUMBIA BANKING SYSTEM INC

Form S-3ASR

August 03, 2018

Table of Contents

As filed with the Securities and Exchange Commission on August 3, 2018

Registration No. 333-

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

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

COLUMBIA BANKING SYSTEM, INC.

(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction of
incorporation or organization)

91-1422237
(I.R.S. Employer
Identification Number)

1301 A Street

Tacoma, Washington 98402

(253) 305-1900

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

HADLEY S. ROBBINS

President and Chief Executive Officer

1301 A Street

Tacoma, Washington 98402

(253) 305-1900

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of Communications to:

Patrick S. Brown, Esq.

Sullivan & Cromwell LLP

1888 Century Park East, Suite 2100

Los Angeles, CA 90067

(310) 712-6600

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, check the following box.

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If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or reinvestment plans, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) of the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

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 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, No Par Value per Share				
Preferred Stock, No Par Value per Share				

Depository Shares (2)	
Debt Securities	(1)
Purchase Contracts	
Units (3)	
Warrants	
Total	

- (1) An unspecified indeterminate aggregate initial offering price or number of the securities of each identified class is being registered as may from time to time be issued at unspecified indeterminate prices. Separate consideration may or may not be received for securities that are issuable on exercise, conversion or exchange of other securities or that are represented by depository shares. In accordance with Rules 456(b) and 457(r) under the Securities Act of 1933, Columbia Banking System, Inc. is deferring payment of all the registration fee.
- (2) Each depository share will be issued under a deposit agreement, will represent an interest in a fractional share or multiple shares of preferred stock and will be evidenced by a depository receipt.
- (3) Each unit will be issued under a unit agreement or indenture and will represent an interest in one or more shares of common stock, shares of preferred stock, depository shares, debt securities, purchase contracts, warrants and other securities in any combination, which may or may not be separable from one another.

Table of Contents

PROSPECTUS

COLUMBIA BANKING SYSTEM, INC.

Common Stock

Preferred Stock

Depository Shares

Debt Securities

Purchase Contracts

Units

Warrants

Columbia Banking System, Inc. from time to time may offer to sell the securities listed above. The debt securities, preferred stock, purchase contracts and warrants may be convertible into or exercisable or exchangeable for common or preferred stock or other securities of Columbia Banking System, Inc. or debt or equity securities of one or more other entities.

Our common stock is listed on the NASDAQ Global Select Market and trades under the ticker symbol COLB.

Columbia Banking System, Inc. may sell these securities on a continuous or delayed basis directly to purchasers, to or through one or more agents, dealers, and/or underwriters as designated from time to time, or through a combination of these methods. For additional information on the method of sale, you should refer to the section of this prospectus entitled Plan of Distribution.

This prospectus describes some of the general terms that may apply to these securities and the general manner in which they may be offered. The specific terms of any securities to be offered, and the specific manner in which they may be offered, will be described in a supplement to this prospectus.

Investing in our securities involves a high degree of risk. Before investing in our securities, you should carefully read this prospectus and the applicable prospectus supplement, including the section entitled Risk Factors beginning on page 1 of this prospectus, the section entitled Risk Factors in the applicable prospectus supplement and risk factors in our periodic reports and other information filed with the Securities and Exchange Commission.

These securities are not deposits or obligations of a bank or savings association and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus or any accompanying prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is August 3, 2018.

Table of Contents

TABLE OF CONTENTS

	Page
<u>ABOUT THIS PROSPECTUS</u>	1
<u>RISK FACTORS</u>	1
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	1
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	3
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	3
<u>ABOUT COLUMBIA</u>	4
<u>USE OF PROCEEDS</u>	4
<u>RATIOS OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS</u>	5
<u>DESCRIPTION OF COMMON STOCK WE MAY OFFER</u>	5
<u>DESCRIPTION OF PREFERRED STOCK WE MAY OFFER</u>	8
<u>DESCRIPTION OF DEPOSITARY SHARES WE MAY OFFER</u>	8
<u>DESCRIPTION OF DEBT SECURITIES WE MAY OFFER</u>	10
<u>DESCRIPTION OF PURCHASE CONTRACTS WE MAY OFFER</u>	27
<u>DESCRIPTION OF UNITS WE MAY OFFER</u>	28
<u>DESCRIPTION OF WARRANTS WE MAY OFFER</u>	29
<u>LEGAL OWNERSHIP AND BOOK-ENTRY ISSUANCE</u>	30
<u>PLAN OF DISTRIBUTION</u>	35
<u>CERTAIN ERISA CONSIDERATIONS</u>	37
<u>VALIDITY OF THE SECURITIES</u>	38
<u>EXPERTS</u>	38

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the SEC) utilizing a shelf registration process. Under this shelf registration process, we may offer and sell the securities described in this prospectus in one or more offerings. This prospectus provides you with only a general description of the securities that we may offer. Each time we offer our securities, we will provide a prospectus supplement containing specific information about the terms of the securities being offered. That prospectus supplement may include a discussion of any risk factors or other special considerations that apply to those securities. The prospectus supplement and any related free writing prospectus may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and in a prospectus supplement or free writing prospectus, you should rely on the information in that prospectus supplement or free writing prospectus, as applicable. You should read this prospectus, any prospectus supplement and any related free writing prospectus together with additional information described below under the heading **Where You Can Find More Information** and **Incorporation of Certain Documents by Reference**.

You should rely only on the information contained or incorporated by reference in this prospectus, any prospectus supplement and any related free writing prospectus. We have not authorized anyone to provide you with different information. We are not making offers to sell the securities in any jurisdiction in which an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation.

The rules of the SEC allow us to incorporate by reference information into this prospectus. The information incorporated by reference is considered to be a part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information.

You should not assume that the information in this prospectus, any prospectus supplement, any free writing prospectus or any document incorporated by reference is truthful or complete as of any date other than the date indicated on the cover page of the specific document.

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus to **Columbia**, the **Company**, **we**, **us**, **our** or similar references mean Columbia Banking System, Inc.

RISK FACTORS

Investing in our securities involves a high degree of risk. Before making an investment decision, you should carefully consider the risk factors incorporated by reference in this prospectus from our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and other information contained or incorporated by reference in this prospectus and any accompanying prospectus supplements, as the same may be amended and updated from time-to-time by our future filings under the Securities Exchange Act of 1934, as amended (the **Exchange Act**). For more information, see **Where You Can Find More Information** in this prospectus.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, any prospectus supplement and any related free writing prospectus, including information included or incorporated by reference, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about our plans, objectives, expectations and intentions that are not historical facts, and other statements identified by words such as **expects**, **anticipates**, **intends**, **plans**, **believes**, **should**, **projects**, **seeks**, **estimates** or the negative

words or other comparable words or phrases of a

-1-

Table of Contents

future or forward-looking nature. These forward-looking statements are based on current beliefs and expectations of management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change.

The following factors, among others, could cause actual results of operations to differ materially from the anticipated results or other expectations in the forward-looking statements, including those set forth in this prospectus, any accompanying prospectus supplement, any related free writing prospectus or the documents incorporated by reference, including the Risk Factors, Business and Management's Discussion and Analysis of Financial Condition and Results of Operations sections of our annual or quarterly reports, and other documents we file with the SEC:

national and global economic conditions could be less favorable than expected or could have a more direct and pronounced effect on us than expected and adversely affect our ability to continue internal growth and maintain the quality of our earning assets;

the housing markets where we operate and make loans could face challenges;

the risks presented by the economy, which could adversely affect credit quality, collateral values, including real estate collateral, investment values, liquidity and loan originations and loan portfolio delinquency rates;

the efficiencies and enhanced financial and operating performance we expect to realize from investments in personnel, acquisitions and infrastructure may not be realized;

interest rate changes could significantly reduce net interest income and negatively affect funding sources;

projected business increases following strategic expansion could be lower than expected;

changes in the scope and cost of Federal Deposit Insurance Corporation (FDIC) insurance and other coverages;

the impact of acquired loans on our earnings;

changes in accounting principles, policies and guidelines applicable to bank holding companies and banking;

changes in laws and regulations affecting our businesses, including changes in the enforcement and interpretation of such laws and regulations by applicable governmental and regulatory agencies;

competition among financial institutions and nontraditional providers of financial services could increase significantly;

continued consolidation in the Northwest financial services industry resulting in the creation of larger financial institutions that may have greater resources could change the competitive landscape;

the goodwill we have recorded in connection with acquisitions could become impaired, which may have an adverse impact on our earnings and capital;

our ability to identify and address cyber-security risks, including security breaches, denial of service attacks, hacking and identity theft;

any material failure or interruption of our information and communications systems or inability to keep pace with technological changes;

our ability to effectively manage credit risk, interest rate risk, market risk, operational risk, legal risk, liquidity risk and regulatory and compliance risk;

the effect of geopolitical instability, including wars, conflicts and terrorist attacks;

Table of Contents

our profitability measures could be adversely affected if we are unable to effectively manage our capital;

natural disasters, including earthquakes, tsunamis, flooding, fires and other unexpected events; and

the effects of any damage to our reputation resulting from developments related to any of the items identified above.

Additional factors that could cause actual results to differ materially from those expressed in the forward-looking statements are discussed in **Risk Factors** above, in our reports filed with the SEC and any risk factors included in any applicable prospectus supplement. We believe the expectations reflected in our forward-looking statements are reasonable, based on information available to us on the date hereof. However, given the described uncertainties and risks, we cannot guarantee our future performance or results of operations, and you should not place undue reliance on these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under federal securities laws. The risks described in our other SEC filings and any risk factors included in any applicable prospectus supplement should be considered when reading any forward-looking statements in this document.

WHERE YOU CAN FIND MORE INFORMATION

We are a reporting company and file annual, quarterly and current reports, proxy information and other information with the SEC. You may read and copy such material at the Public Reference Room maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for more information on the operation of the Public Reference Room.

The SEC also maintains a website that contains reports, proxy statements and other information about issuers, like us, who file reports electronically with the SEC. The address of that site is www.sec.gov. However, information on this website does not constitute a part of this prospectus.

We have filed with the SEC a registration statement on Form S-3, which registers the securities that we may offer under this prospectus. This prospectus is part of that registration statement and, as permitted by the SEC's rules, does not contain all the information required to be set forth in the registration statement. We believe that we have included or incorporated by reference all information material to investors in this prospectus, but some details that may be important for specific investment purposes have not been included. For further information, you should read the registration statement and the exhibits filed with or incorporated by reference into the registration statement.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference information into this prospectus. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus, except for any information that is superseded by subsequent incorporated documents or by information that is included directly in this prospectus, any prospectus supplement or any related free writing prospectus. We incorporate by reference the documents listed below and any future filings we make with the SEC after the date of this prospectus and until the termination of the offering of securities hereby under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act:

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Our Annual Report on Form 10-K for the year ended December 31, 2017 (including those portions of our definitive proxy statement on Schedule 14A relating to our 2018 Annual Meeting of Shareholders, which was filed on April 13, 2018, incorporated by reference therein);

Table of Contents

Our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018;

Current Reports on Form 8-K filed January 19, 2018, January 26, 2018, January 26, 2018, April 27, 2018, May 4, 2018, May 7, 2018, May 29, 2018, June 8, 2018, July 27, 2018 and July 31, 2018; and

The description of our common stock contained in our Current Report on Form 8-K filed June 29, 2009, for the purpose of updating the description of our common stock contained in the registration statement on Form 10 filed on June 8, 1992, and any amendment or reports filed for the purpose of updating that description. Nothing in this prospectus shall be deemed to incorporate information furnished to but not filed with the SEC.

You may obtain any of these incorporated documents from us without charge, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference in such documents, by requesting them from us in writing or by telephone at the following address:

Columbia Banking System, Inc.

1301 A Street

Tacoma, Washington 98402-4200

(253) 305-1900

Attention: Kumi Y. Baruffi, Corporate Secretary

In addition, we maintain a corporate website, www.columbiabank.com. We make available through our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. This reference to our website is for the convenience of investors as required by the SEC and shall not be deemed to incorporate any information on the website into this registration statement, prospectus or any prospectus supplement.

ABOUT COLUMBIA

Columbia Banking System, Inc. is a registered bank holding company whose wholly owned banking subsidiary is Columbia State Bank. Headquartered in Tacoma, Washington, we provide a full range of banking services to small and medium-sized businesses, professionals and individuals throughout Washington, Oregon and Idaho. Our subsidiary, Columbia Trust Company, an Oregon trust company, provides agency, fiduciary and other related trust services with offices in Portland and Salem, Oregon, Tacoma, Washington and Coeur d'Alene, Idaho. Our principal executive offices are located at 1301 A Street, Tacoma, Washington 98402, and our telephone number is (253) 305-1900.

USE OF PROCEEDS

Unless we specify otherwise in a prospectus supplement, we intend to use the net proceeds from our sale of securities under this prospectus for general corporate purposes, which may include:

repaying indebtedness;

repurchasing or redeeming outstanding securities;

making additions to our working capital;

-4-

Table of Contents

funding future acquisitions; or

for any other purpose we describe in the applicable prospectus supplement.

Until we use the proceeds for any purpose, we expect to invest them in interest bearing securities.

RATIOS OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

Our historical ratios of earnings to fixed charges and preferred stock dividends for the periods indicated are set forth in the table below. As of March 31, 2017, we had no shares of preferred stock outstanding.

The ratio of earnings to fixed charges and preferred stock dividends is computed by dividing (1) income from continuing operations before income taxes and fixed charges by (2) total fixed charges and pre-tax earnings required for preferred stock dividends. For purposes of computing these ratios:

earnings consist of income from continuing operations before income taxes, including goodwill impairment charges, securities mark-to-market gains and losses and securities impairment charges;

fixed charges, excluding interest on deposits, include interest expense (other than on deposits) and the estimated portion of rental expense attributable to interest, net of income from subleases;

fixed charges, including interest on deposits, include all interest expense and the estimated portion of rental expense attributable to interest, net of income from subleases; and

pre-tax earnings required for preferred stock dividends were computed using the marginal federal statutory tax rate.

	For the Three Months		For the Year Ended December 31,				
	Ended March 31, 2018	2017	2017	2016	2015	2014	2013
Ratio of Earnings to Fixed Charges							
Including interest on deposits	11.45	24.76	19.99	21.70	22.93	18.39	11.03
Excluding interest on deposits	24.77	45.86	39.91	37.51	41.70	32.25	19.45
Ratio of Earnings to Fixed Charges and Preferred Stock Dividends (1)							
Including interest on deposits	11.45	24.76	19.99	21.03	22.24	18.02	10.97
Excluding interest on deposits	24.77	45.86	39.91	35.47	39.37	31.07	19.26

(1) Our ratio of earnings to fixed charges and preferred stock dividends for the three months ended March 31, 2017 and March 31, 2018 are the same as our ratio of earnings to fixed charges because we had no shares of preferred stock outstanding for such periods.

DESCRIPTION OF COMMON STOCK WE MAY OFFER

*Please note that in this section entitled *Description of Common Stock We May Offer*, references to *holders* mean those who own shares of common stock, registered in their own names, on the books that the registrar or we maintain for this purpose, and not those who own beneficial interests in shares registered in street name or in shares issued in book-entry form through one or more depositories. Owners of beneficial interests in shares of common stock should also read the section entitled *Legal Ownership and Book-Entry Issuance*.*

*The following summary description of our common stock is based on the provisions of our Amended and Restated Articles of Incorporation, as amended (the *Articles of Incorporation*), and amended and restated*

Table of Contents

bylaws (the Bylaws), and the applicable provisions of the Washington Business Corporation Act (the WBCA). This description is not complete and is subject to, and is qualified in its entirety by reference to, our Articles of Incorporation, Bylaws (each of which are filed as exhibits to the registration statement of which this prospectus forms a part) and the applicable provisions of the WBCA. For information on how to obtain copies of our Articles of Incorporation and Bylaws, see Where You Can Find More Information.

Authorized Capital

As of the date of this prospectus, we have authorized 115,000,000 shares of common stock, no par value per share, 2,000,000 shares of preferred stock, no par value per share. No other classes of capital stock are authorized under our Articles of Incorporation. As of March 31, 2018, there were 73,240,089 shares of common stock issued and outstanding and no shares of preferred stock outstanding.

General

Voting Rights and Liquidation Rights. The holders of our common stock have one vote per share on all matters submitted to a vote of our shareholders. There are no cumulative voting rights for the election of directors. In the event of a liquidation, dissolution or winding up of the Company, the holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preference of any outstanding preferred stock. Holders of shares of our common stock have no preemptive, subscription, redemption, sinking fund or conversion rights.

Dividends. The holders of our common stock are entitled to receive dividends declared by our board of directors out of funds legally available therefor, subject to preferences that may be applicable to any outstanding series of preferred stock. Holders of debt securities have a priority right to distributions and payment over our common stock. Our ability to pay dividends basically depends on the amount of dividends paid to us by our subsidiaries. The payment of dividends is subject to government regulation, in that regulatory authorities may prohibit banks and bank holding companies from paying dividends in a manner that would constitute an unsafe or unsound banking practice. In addition, a bank may not pay cash dividends if doing so would reduce the amount of its capital below that necessary to meet minimum regulatory capital requirements. State laws also limit a bank's ability to pay dividends. Accordingly, the dividend restrictions imposed on our subsidiaries by statute or regulation may effectively limit the amount of dividends we can pay.

Transfer Agent. The transfer agent and registrar for our common stock is Broadridge Financial Solutions, Inc.

Antitakeover Effects of Certain Provisions in our Articles, Bylaws and the WBCA

Some provisions of our Articles of Incorporation, our Bylaws and the WBCA may be deemed to have an antitakeover effect and may collectively operate to delay, defer or prevent a tender offer or takeover attempt that a shareholder might consider in his or her best interest, including those attempts that might result in a premium over the market price for the shares held by our shareholders. These provisions include:

Preferred Stock Authorization. As described below, our board of directors, without shareholder approval, has the authority under our Articles of Incorporation to issue preferred stock with rights superior to the rights of the holders of common stock. As a result, preferred stock, while not intended as a defensive measure against takeovers, could be issued quickly and easily, could adversely affect the rights of holders of common stock and could be issued with terms calculated to delay or prevent a change of control of Columbia or make removal of management more difficult.

Articles of Incorporation Limitation on Business Combinations. Our Articles of Incorporation include certain provisions that could make more difficult the acquisition of Columbia by means of a tender offer, a proxy contest, merger or otherwise. These provisions include: (a) certain non-monetary factors that the Columbia board

Table of Contents

of directors may consider when evaluating a takeover offer, as described below, and (b) a requirement that any Business Combination (as defined in the Articles of Incorporation) be approved by the affirmative vote of no less than 66 2/3% of the total shares attributable to persons other than a Control Person (as defined in the Articles of Incorporation), unless certain conditions are met.

Columbia's Articles of Incorporation allow the Columbia board of directors to consider non-monetary factors in evaluating certain takeover bids. Specifically, the Articles of Incorporation allow the board of directors, in determining what is in the best interests of Columbia and its shareholders, to consider all relevant factors, including, without limitation, the social and economic effects on its employees, customers, suppliers and other constituents of Columbia and its subsidiaries and on the communities in which Columbia and its subsidiaries operate or are located.

The requirement for Super-Majority approval of certain business transactions does not apply if the Columbia board of directors has approved the transaction or if certain other conditions are satisfied relating to non-discrimination among shareholders, receipt of fair value and the mailing of a proxy statement responsive to the requirements of the Exchange Act to Columbia's public shareholders.

WBCA Requirements. In addition to the provisions contained in Columbia's Articles of Incorporation, Washington law also requires prior approval by a majority of the board of directors of a target company in certain acquisition transactions. Washington law prohibits corporations that have a class of voting stock registered under the Exchange Act, such as Columbia, from engaging in any Significant Business Transaction (defined to include mergers or consolidations, certain sales, termination of 5% or more of a corporation's employees, sales of assets, liquidation or dissolution, and other specified transactions) for a period of five years after a person or group acquires 10% or more of a corporation's outstanding voting stock, unless the acquisition is approved in advance by a majority vote of the board of directors, or, at or subsequent to the acquiring person or group's acquisition of shares of the corporation, such Significant Business Transaction is approved by a majority vote of the target corporation's board of directors and authorized by the affirmative vote of at least two-thirds of the corporation's outstanding voting shares (except those beneficially owned or under voting control of the acquiring person).

Amendment of Articles of Incorporation and Bylaws. Under the WBCA, the Articles of Incorporation of Columbia, as a public company, may be amended upon the affirmative vote of the holders of a majority of Columbia's outstanding voting stock. However, the provisions of Article 9 of Columbia's Articles of Incorporation, relating to Business Combinations as described above, may not be amended or repealed without the affirmative vote of holders of not less than 66 2/3% of Columbia's outstanding voting stock. The Columbia board of directors may make certain amendments, as listed in the WBCA, to the Articles of Incorporation without shareholder approval. The Columbia board of directors may, by a majority vote, amend or repeal Columbia's Bylaws.

Proposals and Nominations. The Bylaws provide that no nominations for director of Columbia by any person other than the Columbia board of directors or any committee thereof may be presented to any meeting of stockholders unless the person making the nomination is a record stockholder and has timely delivered a written notice to the Secretary of Columbia which complies with the information requirements contained in the Bylaws. In general, to be timely notice must be received by our Secretary during the period beginning 150 days and ending 120 days before the anniversary of the last annual meeting. However, if the date of the upcoming annual meeting is more than 30 days before or more than 60 days after the anniversary of the last annual meeting, notice must be received by our Secretary during the period beginning 150 days before the upcoming annual meeting and ending on the later of 120 days before the upcoming annual meeting or, if the first public announcement of the date of the upcoming annual meeting is less than 100 days prior to the date of such annual meeting, 10 days after the first public announcement of such meeting date.

Table of Contents

DESCRIPTION OF PREFERRED STOCK WE MAY OFFER

*Please note that in this section entitled **Description of Preferred Stock We May Offer**, references to holders mean those who own shares of preferred stock registered in their own names, on the books that the registrar or we maintain for this purpose, and not those who own beneficial interests in shares registered in street name or in shares issued in book-entry form through one or more depositaries. Owners of beneficial interests in shares of preferred stock should also read the section entitled **Legal Ownership and Book-Entry Issuance**.*

The following description summarizes the material provisions of the preferred stock we may offer. This description is not complete and is subject to, and is qualified in its entirety by reference to our Articles of Incorporation, Bylaws and the applicable provisions of the WBCA. The specific terms of any series of preferred stock will be described in the applicable prospectus supplement. Any series of preferred stock we issue will be governed by our Articles of Incorporation (as amended and in effect as of the date of such issuance) and by the articles of amendment related to that series. We will file the articles of amendment with the SEC and incorporate it by reference as an exhibit to our registration statement at or before the time we issue any preferred stock of that series of authorized preferred stock.

General

Under our Articles of Incorporation, our board of directors has the authority, without any further vote or action by our shareholders, to issue up to 2,000,000 shares of preferred stock in one or more series and to fix, determine or amend the relative rights and preferences of the shares of any series so established, within the limitations set forth in the WBCA, relating to the preferences, limitations, voting powers and relative rights thereof, including, but not limited to:

dividend rights;

conversion or exchange rights;

voting rights;

redemption or sinking fund terms;

liquidation preferences; and

the number of shares constituting each such series.

The applicable prospectus supplement will describe the specific dividend, liquidation, redemption, voting and any conversion rights relating to the particular series of the preferred stock it offers, including among other things dividend rates; dividend periods; whether dividends will be cumulative or noncumulative; the terms upon which we may, or must, redeem such preferred stock; rights upon liquidation; and voting rights.

Unless the applicable prospectus supplement specifies otherwise, the preferred stock will have no preemptive rights to subscribe for any additional securities that we may issue in the future, which means that holders of shares of preferred

stock will have no right, as holders of shares of preferred stock, to buy any portion of those issued securities.

DESCRIPTION OF DEPOSITARY SHARES WE MAY OFFER

*Please note that in this section entitled *Description of the Depositary Shares We May Offer*, references to *holders* mean those who own depositary shares registered in their own names, on the books that the registrar or we maintain for this purpose, and not those who own beneficial interests in shares registered in street name or in shares issued in book-entry form through one or more depositaries. Owners of beneficial interests in depositary shares should also read the section entitled *Legal Ownership and Book-Entry Issuance*.*

Table of Contents

This section outlines some of the provisions of the deposit agreement to govern any depositary shares, the depositary shares themselves and the depositary receipts. This information may not be complete in all respects and is qualified entirely by reference to the relevant deposit agreement and depositary receipts with respect to the depositary shares related to any particular series of preferred stock. The specific terms of any series of depositary shares will be described in the applicable prospectus supplement. If so described in the prospectus supplement, the terms of that series of depositary shares may differ from the general description of terms presented below.

While the deposit agreement relating to a particular series of preferred stock may have provisions applicable solely to that series of preferred stock, all deposit agreements relating to preferred stock we issue will include the following provisions:

Dividends and Other Distributions

Each time we pay a cash dividend or make any other type of cash distribution with regard to preferred stock of an applicable series, the depositary will distribute to the holder of record of each depositary share relating to that series of preferred stock an amount equal to the dividend or other distribution per depositary share the depositary receives. If there is a distribution of property other than cash, the depositary either will distribute the property to the holders of depositary shares in proportion to the depositary shares held by each of them, or the depositary will, if we approve, sell the property and distribute the net proceeds to the holders of the depositary shares in proportion to the depositary shares held by them.

Withdrawal of Preferred Stock

A holder of depositary shares will be entitled to receive, upon surrender of depositary receipts representing depositary shares, the number of whole or fractional shares of the applicable series of preferred stock, and any money or other property, to which the depositary shares relate.

Redemption of Depositary Shares

Whenever we redeem shares of applicable preferred stock held by a depositary, the depositary will be required to redeem, on the same redemption date, depositary shares constituting, in total, the number of shares of preferred stock held by the depositary which we redeem, subject to the depositary's receiving the redemption price of those shares of preferred stock. If fewer than all the depositary shares relating to a series are to be redeemed, the depositary shares to be redeemed will be selected by lot or by another method we determine to be equitable.

Voting

Any time we send a notice of meeting or other materials relating to a meeting to the holders of an applicable series of preferred stock to which depositary shares relate, we will provide the depositary with sufficient copies of those materials so they can be sent to all holders of record of the applicable depositary shares, and the depositary will send those materials to the holders of record of the depositary shares on the record date for the meeting. The depositary will solicit voting instructions from holders of depositary shares and will vote or not vote the applicable preferred stock to which the depositary shares relate in accordance with those instructions.

Liquidation Preference

Upon our liquidation, dissolution or winding up, the holder of each depositary share will be entitled to what the holder of the depositary share would have received if the holder had owned the number of shares (or fraction of a share) of

applicable preferred stock which is represented by the applicable depositary share.

Table of Contents

Conversion

If shares of an applicable series of preferred stock are convertible into common stock or other of our securities or property, holders of depositary shares relating to that series of preferred stock will, if they surrender depositary receipts representing depositary shares and appropriate instructions to convert them, receive the shares of common stock or other securities or property into which the number of shares (or fractions of shares) of applicable preferred stock to which the depositary shares relate could at the time be converted.

Amendment and Termination of a Deposit Agreement

We and the depositary may amend a deposit agreement and the form of depositary receipt, except that an amendment which materially and adversely affects the rights of holders of depositary shares, or would be materially and adversely inconsistent with the rights granted to the holders of the applicable preferred stock to which they relate, must be approved by holders of at least a majority of the outstanding depositary shares. No amendment will impair the right of a holder of depositary shares to surrender the depositary receipts evidencing those depositary shares and receive the applicable preferred stock to which they relate, except as required to comply with law. We may terminate a deposit agreement at any time, as long as the depositary mails notice of termination to the record holders of depositary shares then outstanding at least 30 days prior to the date fixed for termination. Upon termination, the depositary shall deliver to each holder of depositary receipts, upon surrender of the depositary receipts held by such holder, such number of whole or fractional shares of preferred stock as are represented by the depositary shares evidenced by such depositary receipts, together with any other property held by the depositary with respect to such depositary receipt. A deposit agreement will automatically terminate if:

All outstanding depositary shares to which it relates have been redeemed.

Each share of applicable preferred stock has been converted into or exchanged for common stock.

The depositary has made a final distribution to the holders of the depositary shares issued under the deposit agreement upon our liquidation, dissolution or winding up.

DESCRIPTION OF DEBT SECURITIES WE MAY OFFER

*Please note that in this section entitled *Description of Debt Securities We May Offer*, references to holders mean those who own debt securities registered in their own names on the books that we or the trustee maintain for this purpose, and not those who own beneficial interests in debt securities registered in street name or in debt securities issued in book-entry form through one or more depositaries. Owners of beneficial interests in the debt securities should also read the section entitled *Legal Ownership and Book-Entry Issuance*.*

*The following description summarizes the material provisions of the senior debt indenture, the subordinated debt indenture and the debt securities to be issued under the senior debt indenture and subordinated debt indenture, respectively. This description is not complete and is subject to, and is qualified in its entirety by reference to, the indenture under which the debt securities are issued and the Trust Indenture Act of 1939, as amended (the *Trust Indenture Act*). The specific terms of any series of debt securities will be described in the applicable prospectus supplement, and may differ from the general description of the terms presented below. The senior debt security indenture and the form of subordinated debt security indenture have been filed as exhibits to our SEC registration*

statement relating to this prospectus. References to our senior debt indenture and subordinated debt indenture in this section mean the forms of indenture filed as exhibits to the registration statement of which this prospectus forms a part, such forms of indenture not having been executed as of the date of this prospectus.

Debt Securities May Be Senior or Subordinated

We may issue senior or subordinated debt securities. Except as otherwise described in the applicable prospectus supplement, neither the senior debt securities nor the subordinated debt securities will be secured by

Table of Contents

any property or assets of ours or any of our subsidiaries. Thus, by owning a debt security, you are an unsecured creditor of Columbia.

The senior debt securities will be issued under a senior debt indenture described below (a form of which is filed as an exhibit to the registration statement of which this prospectus forms a part), as it may be supplemented or amended from time-to-time, and will rank equally with all of our other senior unsecured and unsubordinated debt.

The subordinated debt securities will be issued under a subordinated debt indenture described below (a form of which is filed as an exhibit to the registration statement of which this prospectus forms a part), as it may be supplemented or amended from time-to-time, and will be subordinate in right of payment to all of our senior indebtedness, as defined in the subordinated debt indenture, as it may be supplemented or amended from time-to-time. The prospectus supplement for any series of subordinated debt securities or the information incorporated in this prospectus by reference will indicate the approximate amount of senior indebtedness outstanding as of the end of our most recent fiscal quarter. Neither indenture will limit our ability to incur additional senior indebtedness, unless otherwise described in the prospectus supplement relating to any series of debt securities. Our senior indebtedness is, and any additional senior indebtedness will be, structurally subordinated to the indebtedness of our subsidiaries. See [Our Debt Securities Are Structurally Subordinated to Indebtedness of Our Subsidiaries](#) below.

When we refer to [debt securities](#) in this prospectus, we mean both the senior debt securities and the subordinated debt securities.

The Senior Debt Indenture and the Subordinated Debt Indenture

The senior debt securities and the subordinated debt securities will each be governed by a document called an indenture [the senior debt indenture](#), in the case of the senior debt securities, and the subordinated debt indent