

B. Riley Financial, Inc.
Form S-4/A
April 18, 2017
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As filed with the Securities and Exchange Commission on April 18, 2017

Registration No. 333-216764

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

AMENDMENT NO. 1
TO
FORM S-4
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

B. RILEY FINANCIAL, INC.
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

7389
(Primary standard industrial
classification code number)
21255 Burbank Boulevard, Suite 400

27-0223495
(IRS employer
identification number)

Woodland Hills, California 91367

(818) 884-3737

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Alan N. Forman

Executive Vice President, General Counsel and Secretary

21255 Burbank Boulevard, Suite 400

Woodland Hills, California 91367

(818) 884-3737

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies of communications to:

Patrick S. Brown

Richard J. Hendrix

Nicholas G. Demmo

Sullivan & Cromwell LLP

FBR & Co.

David E. Shapiro

1888 Century Park East

**Chairman and Chief Executive
Officer**

Wachtell, Lipton, Rosen and Katz

Suite 2100

1300 North Seventeenth Street

51 West 52nd Street

Los Angeles, California 90067

Arlington, Virginia 22209

New York, New York 10019

Telephone: (310) 712-6600

Telephone: (703) 469-1128

Telephone: (212) 403-1000

Approximate date of commencement of proposed sale to the public:

As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed document.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, 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(d) 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.

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 definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

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

Accelerated filer

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.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold prior to the time the registration statement becomes effective. This joint proxy statement/prospectus shall not constitute an offer to sell nor shall there be any sale of these securities in any jurisdiction in which such offer or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED APRIL 18, 2017

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Shareholders of B. Riley Financial, Inc. and FBR & Co.,

B. Riley Financial, Inc., which we refer to as B. Riley, FBR & Co., which we refer to as FBR, and BRC Merger Sub, LLC, which we refer to as merger sub, have entered into a definitive merger agreement, which, as amended, modified or otherwise supplemented, we refer to as the merger agreement, that provides for the combination of B. Riley and FBR. Under the merger agreement, FBR will merge with and into merger sub, with merger sub continuing as the surviving company, which we refer to as the merger. Before we complete the merger, the stockholders of B. Riley must approve the issuance of common shares of B. Riley, par value \$0.0001 per share, which we refer to as B. Riley common shares, and the shareholders of FBR must approve the merger agreement. B. Riley stockholders will vote to approve the issuance of B. Riley common shares and approve related matters, as well as to approve the other matters to be considered at the annual meeting as described in this joint proxy statement/prospectus at their annual meeting of stockholders, which we refer to as the B. Riley annual meeting. FBR shareholders will vote to approve the merger agreement and approve related matters as described in this joint proxy statement/prospectus at their special meeting of shareholders, which we refer to as the FBR special meeting.

If the merger is completed, each common share of FBR, par value \$0.001 per share, which we refer to as FBR common shares, excluding certain specified shares, will be converted into and become exchangeable for 0.671 of a B. Riley common share, with cash paid in lieu of fractional B. Riley common shares, which we refer to as the merger consideration. Although the number of B. Riley common shares is fixed, the market value of the merger consideration will fluctuate with the market price of B. Riley common shares. B. Riley common shares and FBR common shares are traded on the NASDAQ Stock Market, which we refer to as Nasdaq, under the trading symbol RILY and FBRC, respectively. Based on the closing price of B. Riley common shares on February 17, 2017, the last trading day before the public announcement of the signing of the merger agreement, the value of the per share merger consideration payable to holders of FBR common shares was \$11.78. Based on the closing price of B. Riley common shares on [], 2017 of \$[], the merger consideration represented approximately \$[] in value for FBR common shares. **We urge you to obtain current market quotations for B. Riley and FBR.**

Prior to the closing, the FBR board of directors intends to declare and cause FBR to pay a cash dividend, which we refer to as the pre-closing dividend. As of the date hereof, FBR expects the pre-closing dividend on a per share basis to be in a range of \$[] to \$[]. See The Merger Agreement Pre-Closing Dividend in the attached joint proxy statement/prospectus. We expect the merger to be tax-free for FBR shareholders. The preceding sentence does not apply to the pre-closing dividend, which will be taxed in the manner described in Material U.S. Federal Income Tax Consequences of the Merger in the attached joint proxy statement/prospectus. After completion of the merger, based on the issued and outstanding B. Riley common shares as of the close of business on the record date and the [] B. Riley common shares expected to be issued to FBR shareholders, FBR shareholders would own approximately []%

of the B. Riley common shares (not taking into account any B. Riley common shares they may already own).

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Your vote is very important, regardless of the number of shares you own. The merger cannot be completed unless:

The affirmative vote of a majority of the votes entitled to be cast on the approval of the merger agreement at the FBR special meeting at which a quorum is present vote to approve the merger agreement. A failure to vote or an abstention will have the same effect as a vote against the approval of the merger agreement.

The affirmative vote of a majority of the total votes cast at the B. Riley annual meeting at which a quorum is present vote to approve the issuance of B. Riley common shares in connection with the merger agreement. A failure to vote or an abstention will have no effect on the approval of the issuance of B. Riley common shares in connection with the merger agreement, assuming a quorum.

The B. Riley annual meeting will be held at [], at [], Pacific Time, on [], 2017. The FBR special meeting will be held at [], at [], Eastern Time, on [], 2017.

Even if you plan to attend the FBR special meeting or the B. Riley annual meeting in person, FBR and B. Riley request that you complete, sign, date and return, as promptly as possible, the enclosed proxy or voting instruction card in the accompanying prepaid reply envelope or submit your proxy by telephone or the Internet prior to the FBR special meeting or the B. Riley annual meeting, as applicable, to ensure that your FBR common shares or B. Riley common shares, as applicable, will be represented at such special meeting if you are unable to attend. If you hold your shares in street name through a bank, brokerage firm or other nominee, you should follow the procedures provided by your bank, brokerage firm or other nominee to vote your shares.

The B. Riley board of directors has determined that the combination of B. Riley and FBR is in the best interests of B. Riley and its stockholders based upon its analysis, investigation and deliberation, and the B. Riley board of directors recommends that B. Riley stockholders vote **FOR** the issuance of B. Riley common shares as set forth in the merger agreement, **FOR** the approval of adjournments of the B. Riley annual meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the B. Riley share issuance proposal and **FOR** the other matters to be considered at the B. Riley annual meeting.

The FBR board of directors has determined that the combination of FBR and B. Riley is in the best interests of FBR and its shareholders based upon its analysis, investigation and deliberation, and the FBR board of directors recommends that the FBR shareholders vote **FOR** the approval of the merger agreement, **FOR** the approval of the compensation of FBR's named executive officers that is based on or otherwise relates to the merger and **FOR** the approval of adjournments of the FBR special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the FBR merger proposal.

You should read this entire joint proxy statement/prospectus, including the appendices and the documents incorporated by reference into the document, carefully because it contains important information about the B. Riley annual meeting, the FBR special meeting and the merger and the related transactions. **In particular, you should read carefully the information under the section entitled Risk Factors beginning on page [] for a discussion of the risks you should consider in evaluating the proposed merger and how they will affect you.**

Sincerely,

Bryant R. Riley

Chairman and Chief Executive Officer
B. Riley Financial, Inc.

Richard J. Hendrix

Chairman and Chief Executive Officer
FBR & Co.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger described in this joint proxy statement/prospectus or the B. Riley common shares to be issued in the merger, or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated [], 2017, and is first being mailed to the stockholders of B. Riley and the shareholders of FBR on or about [], 2017.

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B. RILEY FINANCIAL, INC.

21255 BURBANK BOULEVARD, SUITE 400

WOODLAND HILLS, CALIFORNIA 91367

(818) 884-3737

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON [], 2017

To the Stockholders of B. Riley Financial, Inc.:

Notice is hereby given that the annual meeting of stockholders of B. Riley Financial, Inc., which we refer to as B. Riley, will be held at [], at [], Pacific Time, on [], 2017, which we refer to as the B. Riley annual meeting, for the following purposes:

to approve the issuance of common shares, par value \$0.0001 per share, of B. Riley pursuant to the Amended and Restated Agreement and Plan of Merger, dated as of March 15, 2017, and effective as of February 17, 2017 (as amended, modified or otherwise supplemented), by and among FBR & Co., B. Riley and BRC Merger Sub, LLC, which we refer to as merger sub, pursuant to which FBR will merge with and into merger sub, as more fully described in the attached joint proxy statement/prospectus, which we refer to as the B. Riley share issuance proposal;

to approve one or more adjournments of the B. Riley annual meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the B. Riley share issuance proposal, which we refer to as the B. Riley adjournment proposal;

to elect seven (7) directors to hold office for a one-year term to expire at B. Riley's 2018 Annual Meeting of the Stockholders or until their successors are elected and duly qualified, which we refer to as the election of the B. Riley directors;

to ratify the selection of Marcum, LLP as B. Riley's independent registered public accounting firm for the fiscal year ending December 31, 2017, which we refer to as the B. Riley accounting firm ratification proposal; and

to transact such other business as may properly come before the B. Riley annual meeting or any adjournment or postponement thereof.

The approval by B. Riley's stockholders of the B. Riley share issuance proposal is required for the completion of the merger described in the attached joint proxy statement/prospectus. The approval of the other matters to be voted on at the B. Riley annual meeting is *not* required for the completion of the merger, and the outcome of the vote on such

other matters will have no effect on the merger.

All stockholders are invited to attend the B. Riley annual meeting. Only those stockholders of record at the close of business on [], 2017, will be entitled to notice of the B. Riley annual meeting and to vote at the B. Riley annual meeting and any adjournment or postponement thereof. You must present your proxy or voter information card or meeting notice for admission.

Please refer to the attached joint proxy statement/prospectus with respect to the business to be transacted at the B. Riley annual meeting.

Your vote is very important. To ensure your representation at the B. Riley annual meeting, please complete, sign, date and return, as promptly as possible, the enclosed proxy card or voting instruction card in

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the accompanying prepaid reply envelope or submit your proxy by telephone or through the Internet. Please vote promptly whether or not you expect to attend the B. Riley annual meeting. Submitting a proxy now will not prevent you from being able to vote in person at the B. Riley annual meeting.

The B. Riley board of directors has unanimously approved the merger agreement and the transactions contemplated thereby and recommends that you vote FOR the B. Riley share issuance proposal, FOR the B. Riley adjournment proposal, FOR the election of the B. Riley directors and FOR the B. Riley accounting firm ratification proposal.

BY ORDER OF THE BOARD OF
DIRECTORS

Bryant R. Riley
Chairman and Chief Executive Officer

Woodland Hills, California

[], 2017

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2017
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON [], 2017**

Copies of the attached joint proxy statement/prospectus and B. Riley's 2016 Annual Report to stockholders are available online at: <http://www.viewproxy.com/brileyfin/2017/>.

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FBR & CO.

1300 NORTH SEVENTEENTH STREET

ARLINGTON, VIRGINIA 22209

(703) 312-9500

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD [], 2017

To the Shareholders of FBR & Co.:

Notice is hereby given that a special meeting of shareholders of FBR & Co., which we refer to as FBR, will be held at [], at [], Eastern Time, on [], 2017, which we refer to as the FBR special meeting, for the following purposes:

to approve the Amended and Restated Agreement and Plan of Merger, dated as of March 15, 2017, and effective as of February 17, 2017 (as amended, modified or otherwise supplemented), by and among FBR, B. Riley Financial, Inc. and BRC Merger Sub, LLC, which we refer to as merger sub, pursuant to which FBR will merge with and into merger sub, which we refer to as the merger, as more fully described in the attached joint proxy statement/prospectus, which we refer to as the FBR merger proposal;

to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to FBR's named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable, as discussed under the section entitled "The Merger - Interests of FBR's Directors and Executive Officers in the Merger" in the attached joint proxy statement/prospectus, which we refer to as the merger-related named executive officer compensation proposal; and

to approve one or more adjournments of the FBR special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the FBR merger proposal, which we refer to as the FBR adjournment proposal.

FBR will transact no other business at the FBR special meeting, except for business properly brought before the FBR special meeting or any adjournment or postponement of such meeting.

The approval by FBR's shareholders of the FBR merger proposal is required for the completion of the merger described in the attached joint proxy statement/prospectus. Approval of the advisory (non-binding) proposal with respect to the compensation that may be paid or become payable to FBR's named executive officers in connection with the merger is not a condition to completion of the merger, and failure to approve this advisory matter will have no effect on the vote to approve the merger proposal.

All shareholders are invited to attend the FBR special meeting. Only those shareholders of record at the close of business on [], 2017, will be entitled to notice of the FBR special meeting and to vote at the FBR special meeting.

Please refer to the attached joint proxy statement/prospectus with respect to the business to be transacted at the FBR special meeting.

Your vote is very important. To ensure your representation at the FBR special meeting, please complete, sign, date and return, as promptly as possible, the enclosed proxy card or voting instruction card in the accompanying prepaid reply envelope or submit your proxy by telephone or through the Internet. Please vote promptly whether or not you expect to attend the FBR special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the FBR special meeting.

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The FBR board of directors has unanimously approved the merger agreement and the transactions contemplated thereby and recommends that you vote FOR the FBR merger proposal, FOR the merger-related named executive officer compensation proposal and FOR the FBR adjournment proposal.

BY ORDER OF THE BOARD OF
DIRECTORS

Gavin A. Beske
Senior Vice President, General Counsel and
Corporate Secretary

Arlington, Virginia

[], 2017

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WHERE YOU CAN FIND MORE INFORMATION

Both B. Riley Financial, Inc., which we refer to as B. Riley, and FBR & Co., which we refer to as FBR, file annual, quarterly and current reports, proxy statements and other business and financial information with the Securities and Exchange Commission, which we refer to as the SEC. You may read and copy any materials that either B. Riley or FBR files with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Please call the SEC at (800) SEC-0330 ((800) 732-0330) for further information on the public reference room. In addition, B. Riley and FBR file reports and other business and financial information with the SEC electronically, and the SEC maintains a website located at <http://www.sec.gov> containing this information. You can also obtain, free of charge, documents that B. Riley files with the SEC at www.brileyfin.com under the tab Investor Relations or documents that FBR files with the SEC at www.fbr.com under the tab Investor Relations. The information provided on the B. Riley and FBR websites is not part of this joint proxy statement/prospectus and is not incorporated herein by reference. Paper or email copies of the documents that B. Riley or FBR files with the SEC can also be obtained, free of charge, by either directing a written request to B. Riley Financial, Inc., Attention: Corporate Secretary, 21255 Burbank Boulevard, Suite 400, Woodland Hills, California 91367, calling 800-85-GREAT (800-854-7328) or emailing ir@brileyfin.com; or by directing a written request to FBR & Co., Attention: Corporate Secretary, 1300 North Seventeenth Street, Arlington, Virginia 22209, calling FBR's proxy solicitor, D.F. King & Co., at (866) 620-0678 or emailing fbrir@fbr.com.

B. Riley has filed a registration statement on Form S-4 to register with the SEC the B. Riley common shares as specified therein. This joint proxy statement/prospectus is a part of that registration statement. As permitted by SEC rules, this joint proxy statement/prospectus does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and copy the registration statement, including any amendments, schedules and exhibits, at the addresses set forth below. Statements contained in this joint proxy statement/prospectus as to the contents of any contract or other documents referred to in this joint proxy statement/prospectus are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to, or incorporated by reference into, the registration statement. This joint proxy statement/prospectus incorporates important business and financial information about B. Riley and FBR that is not included in or delivered with this joint proxy statement/prospectus, including incorporating by reference documents that B. Riley and FBR have previously filed with the SEC. These documents contain important information about the companies and their financial condition. See Documents Incorporated by Reference. These documents are available without charge to you upon written or oral request to the applicable company's principal executive offices. The respective addresses and telephone numbers of such principal executive offices are listed below:

B. Riley Financial, Inc.	FBR & Co.
21255 Burbank Boulevard, Suite 400	1300 North Seventeenth Street
Woodland Hills, California 91367	Arlington, Virginia 22209
Attention: Corporate Secretary	Attention: Corporate Secretary
Telephone: (818) 884-3737	Telephone: (703) 312-9500

To obtain timely delivery of these documents, you must request the information no later than [], 2017, in order to receive them before the annual meeting of B. Riley stockholders, which we refer to as the B. Riley annual

meeting, and the special meeting of FBR shareholders, which we refer to as the FBR special meeting.

B. Riley common shares, par value \$0.0001 per share, which we refer to as B. Riley common shares, are traded on the NASDAQ Stock Market, which we refer to as Nasdaq, under the symbol RILY, and FBR common shares, par value \$0.001 per share, which we refer to as FBR common shares, are traded on Nasdaq under the symbol FBRC.

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THIS JOINT PROXY STATEMENT/PROSPECTUS DOES NOT CONSTITUTE THE SOLICITATION OF A PROXY IN ANY JURISDICTION TO OR FROM ANY PERSON TO WHOM OR FROM WHOM IT IS UNLAWFUL TO MAKE SUCH PROXY SOLICITATION IN THAT JURISDICTION. YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE INTO THIS JOINT PROXY STATEMENT/PROSPECTUS TO VOTE YOUR FBR COMMON SHARES OR B. RILEY COMMON SHARES, AS APPLICABLE, AT THE FBR SPECIAL MEETING OR THE B. RILEY ANNUAL MEETING. B. RILEY AND FBR HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT FROM WHAT IS CONTAINED IN THIS JOINT PROXY STATEMENT/PROSPECTUS. THIS JOINT PROXY STATEMENT/PROSPECTUS IS DATED [], 2017. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS JOINT PROXY STATEMENT/PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THAT DATE, AND THE MAILING OF THIS JOINT PROXY STATEMENT/PROSPECTUS TO STOCKHOLDERS DOES NOT CREATE ANY IMPLICATION TO THE CONTRARY.

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Appendix A	Amended and Restated Agreement and Plan of Merger, dated as of March 15, 2017, and effective as of February 17, 2017, by and among FBR & Co., B. Riley Financial, Inc. and BRC Merger Sub, LLC.
Appendix B	Form of Voting Agreement, dated as of February 17, 2017, by and between B. Riley Financial, Inc., and certain shareholders of FBR & Co.
Appendix C	Form of Voting Agreement, dated as of February 17, 2017, by and between FBR & Co. and certain stockholders of B. Riley Financial, Inc.
Appendix D	Opinion of Berkshire Capital Securities LLC.

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QUESTIONS AND ANSWERS

The following questions and answers are intended to briefly address some commonly asked questions about the merger and the respective shareholder meetings. They may not address all questions or include all the information that is important to the shareholders of B. Riley or FBR. Shareholders of B. Riley and FBR should each carefully read this entire joint proxy statement/prospectus, including the appendices and other documents referred to in or incorporated by reference in this joint proxy statement/prospectus.

Q: What is the merger?

A: B. Riley, FBR and BRC Merger Sub, LLC, which we refer to as merger sub, have entered into an agreement and plan of merger, which, as amended, modified or otherwise supplemented, we refer to as the merger agreement, pursuant to which, subject to the terms and conditions of the merger agreement, FBR will merge with and into merger sub, with merger sub continuing as the surviving company, which we refer to as the merger. A copy of the merger agreement is attached as **Appendix A** to this joint proxy statement/prospectus. In order to complete the merger, B. Riley needs the approval of its stockholders as to the issuance of B. Riley common shares in the merger and FBR needs the approval of its shareholders of the merger agreement.

Q: Why am I receiving these materials?

A: Each of B. Riley and FBR is sending these materials to its shareholders to help them decide how to vote their shares of B. Riley and FBR with respect to the proposed merger and other matters to be considered at the respective meetings, described below.

The merger cannot be completed unless the holders of B. Riley common shares, which we refer to as the B. Riley stockholders, approve the issuance of B. Riley common shares in the merger, and the holders of FBR common shares, which we refer to as the FBR shareholders, approve the merger agreement. FBR is holding a special meeting of shareholders to vote on the proposals necessary to complete the merger. After the announcement of the merger, B. Riley made the decision to combine the annual meeting with the meeting necessary to approve the issuance of B. Riley common shares in connection with the merger. This is intended to reduce costs and create efficiencies by having only one meeting, where both the merger and the customary annual meeting matters will be presented. Accordingly, at the B. Riley annual meeting, in addition to the merger-related proposals described in this document, the B. Riley stockholders will be asked to, among other items, elect members of the B. Riley board of directors and ratify the selection of B. Riley's accountants.

Information about the FBR special meeting, the B. Riley annual meeting and the merger is contained in this joint proxy statement/prospectus.

This joint proxy statement/prospectus constitutes both a joint proxy statement of B. Riley and FBR and a prospectus of B. Riley. It is a joint proxy statement because each of the B. Riley board of directors and the FBR board of directors is soliciting proxies from their respective shareholders. It is a prospectus because B. Riley will issue B. Riley common shares in exchange for FBR common shares in the merger.

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This joint proxy statement/prospectus contains important information about the merger and the other proposals being voted on at the B. Riley annual meeting and the FBR special meeting and important information to consider in connection with an investment in B. Riley common shares. You should read it carefully and in its entirety. The enclosed materials allow you to have your common shares voted by proxy without attending your meeting. Your vote is important and we encourage you to submit your proxy as soon as possible.

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Q: What will FBR shareholders receive in the merger?

A: If the merger is consummated, each FBR common share owned by an FBR shareholder will be converted into and become exchangeable for 0.671 of a B. Riley common share. For each fractional B. Riley common share that would otherwise be issued, B. Riley will pay cash in an amount equal to the fraction of a B. Riley common share (rounded to the nearest thousandth when expressed in decimal form) which the FBR shareholder would otherwise be entitled to receive multiplied by the average of the per share closing prices of B. Riley common shares on Nasdaq (as reported in *The Wall Street Journal* (Northeast edition) or, if not reported thereby, another authoritative source) for 20 full trading days ending on the fifth business day prior to the closing, which shall take place on the first business day, which we refer to as the closing date, after the satisfaction or waiver of all the closing conditions (other than those conditions that by their nature are to be satisfied at the closing, but subject to the satisfaction or waiver of those conditions), unless otherwise mutually agreed upon in writing by B. Riley and FBR.

In addition, pursuant to the merger agreement, prior to the closing, the FBR board of directors intends to declare and cause FBR to pay a cash dividend, which we refer to as the pre-closing dividend. See Questions and Answers What is the Pre-Closing Dividend? As of the date of this joint proxy statement/prospectus, FBR expects the pre-closing dividend on a per share basis to be in a range of \$[] to \$[].

Q: Will the value of the merger consideration change between the date of this joint proxy statement/prospectus and the time the merger is completed?

A: Yes. Although the number of B. Riley common shares that FBR shareholders will receive in the merger is fixed, the value of the merger consideration will fluctuate between the date of this joint proxy statement/prospectus and the completion of the merger based upon the market value of B. Riley common shares. Any fluctuation in the market price of B. Riley common shares after the date of this joint proxy statement/prospectus will change the value of the B. Riley common shares that FBR shareholders will receive.

Q: What is the pre-closing dividend?

A: Pursuant to the merger agreement, the FBR board of directors intends to declare and cause FBR to pay a pre-closing cash dividend to FBR shareholders, as long as certain conditions are met, including, among others, that after the pre-closing dividend has been made FBR would have at least \$33,500,000 in cash and cash equivalents and certain financial instruments (subject to certain adjustments), plus any amounts necessary to pay any accrued transaction expenses, which we refer to as the minimum cash and financial instrument amount. If FBR will have at least the minimum cash and financial instrument amount after giving effect to the pre-closing dividend, the available funds will be paid as a dividend to FBR shareholders in an amount per share of up to and including \$8.50. In addition, if there are excess available funds, a part of the excess available funds may be paid as part of the pre-closing dividend. See The Merger Agreement Pre-Closing Dividend.

In addition, although pursuant to the merger agreement the FBR board of directors intends to declare and cause FBR to pay a pre-closing cash dividend to FBR shareholders as long as certain conditions are met, including, among others, that after the pre-closing dividend has been made FBR would have at least the minimum cash and financial instrument amount, there is no assurance that the FBR board of directors will be permitted to pay the pre-closing dividend under

the terms of the merger agreement or applicable law. In addition, there is no assurance that there will be available funds sufficient to provide for a pre-closing dividend of \$8.50 per share or a higher per share amount, if any, and even if a pre-closing dividend is paid it may be significantly less than \$8.50 per share. See The Merger Agreement Pre-Closing Dividend.

FBR will provide its shareholders with an update regarding the amount of the pre-closing dividend prior to the FBR special meeting.

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Q: What happens to FBR equity awards in the merger?

A: *FBR Options.* At the effective time, each outstanding option to acquire FBR common shares, which we refer to as an FBR option, will be cancelled and converted into a number of B. Riley common shares having a value equal to the value of an FBR common share prior to the payment of the pre-closing dividend, which we refer to as the final pre-dividend price, less the applicable exercise price and subject to rounding. Any option that has an exercise price that is greater than or equal to the final pre-dividend price will be cancelled for no consideration.

FBR Restricted Stock Awards. At the effective time, each outstanding share of restricted stock of FBR will be converted into (i) a number of restricted B. Riley common shares equal to the exchange ratio of 0.671 (rounded to the nearest whole number) and (ii) the right to receive a cash payment in respect of the pre-closing dividend. After the effective time, the restricted B. Riley common shares and the right to receive a cash payment in respect of the pre-closing dividend will continue to be governed by the same terms and conditions (including vesting terms with respect to employees) as applied to the applicable share of FBR restricted stock immediately prior to the effective time. The FBR restricted stock held by FBR's non-employee directors will vest as of immediately prior to the effective time and be treated like FBR common shares generally.

FBR RSUs. At the effective time, each outstanding restricted stock unit of FBR, which we refer to as an FBR RSU, whether vested or unvested, will be converted into (i) a restricted stock unit denominated in B. Riley common shares, which we refer to as a B. Riley stock-based RSU, covering a number of B. Riley common shares equal to the product (rounded to the nearest whole number) of the exchange ratio of 0.671 and the number of FBR common shares subject to such FBR RSU immediately prior to the effective time and (ii) the right to receive a cash payment in respect of the pre-closing dividend. After the effective time, the B. Riley stock-based RSU and the right to receive a cash payment in respect of the pre-closing dividend will continue to be governed by the same terms and conditions (including vesting conditions with respect to employees) as applied to the applicable FBR RSU immediately prior to the effective time. The FBR RSUs held by FBR's non-employee directors will vest as of immediately prior to the effective time and be settled following the effective time consistent with the terms of the award.

FBR PSUs. At the effective time, each outstanding performance stock unit of FBR, which we refer to as an FBR PSU, whether vested or unvested, will be converted into (i) a B. Riley stock-based RSU covering a number of B. Riley common shares equal to the product (rounded to the nearest whole number) of the exchange ratio of 0.671 and the number of FBR common shares subject to the FBR PSU based on the greater of (x) the number of FBR common shares that would be earned based on actual performance for the most recently completed fiscal quarter prior to the effective time, as reasonably determined by the compensation committee of the FBR board of directors and (y) the level of achievement resulting in 50% of the number of FBR common shares being earned, and (ii) the right to receive a cash payment in respect of the pre-closing dividend. After the effective time, the B. Riley stock-based RSU and the right to receive a cash payment in respect of the pre-closing dividend will continue to be governed by the same terms and conditions (excluding performance-based vesting conditions, but including time-based vesting conditions) as applied to the applicable FBR PSU immediately prior to the effective time.

FBR Investor Options. At the effective time, each outstanding option to acquire FBR common shares granted under the Stock Option Agreement, dated as of June 5, 2013, by and between FBR and the investor that is a party thereto, which we refer to as the FBR investor option, whether vested or unvested, will cease to represent an option to purchase FBR common shares and will be converted into an option, which we refer to as a B. Riley option, to purchase B. Riley common shares, with the number of B. Riley common shares and exercise price equitably adjusted to reflect the pre-closing dividend and the B. Riley common shares to be issued in the merger. After the effective time, the FBR investor options will continue to be governed by the same terms and conditions as applied to the applicable

FBR investor option immediately prior to the effective time.

See The Merger Agreement Treatment of FBR Equity Awards.

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Q: When do you expect to complete the merger?

A: Subject to the satisfaction or waiver of the closing conditions described under the section entitled "The Merger Agreement" Conditions to the Merger, FBR and B. Riley currently expect that the merger will occur in the second quarter of 2017. However, there can be no assurance as to when or if the merger will occur.

Q: Who is entitled to vote?

A: *B. Riley Annual Meeting.* B. Riley stockholders of record at the close of business on [], 2017, which is the date that the B. Riley board of directors has fixed as the record date for the B. Riley annual meeting, are entitled to vote at the B. Riley annual meeting.

FBR Special Meeting. FBR shareholders of record at the close of business on [], 2017, which is the date that the FBR board of directors has fixed as the record date for the FBR special meeting, are entitled to vote at the FBR special meeting.

Q: What constitutes a quorum?

A: *B. Riley Annual Meeting.* The representation (in person or by proxy) of holders of at least a majority in voting power of all issued and outstanding B. Riley common shares entitled to vote at the B. Riley annual meeting constitutes a quorum for action at the B. Riley annual meeting. All B. Riley common shares present in person or represented by proxy, including abstentions, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the B. Riley annual meeting.

FBR Special Meeting. The representation (in person or by proxy) of holders of at least a majority in voting power of all issued and outstanding FBR common shares entitled to vote at the FBR special meeting constitutes a quorum for action at the FBR special meeting. All FBR common shares present in person or represented by proxy, including abstentions, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the FBR special meeting.

Q: What am I being asked to vote on?

A: *B. Riley Annual Meeting.* B. Riley stockholders are being asked to vote on the following proposals:

Approval of the Issuance of Common Shares. To approve the issuance of B. Riley common shares in the merger, which we refer to as the B. Riley share issuance proposal.

Adjournment of Meeting. To approve one or more adjournments of the B. Riley annual meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the B. Riley share issuance

proposal, which we refer to as the B. Riley adjournment proposal.

Election of Directors. To elect seven (7) directors to hold office for a one-year term to expire at B. Riley's 2018 Annual Meeting of the Stockholders or until their successors are elected and duly qualified, which we refer to as the election of the B. Riley directors.

Ratification of Accounting Firm. To ratify the selection of Marcum, LLP as B. Riley's independent registered public accounting firm for the fiscal year ending December 31, 2017, which we refer to as the B. Riley accounting firm ratification proposal.

FBR Special Meeting. FBR shareholders are being asked to vote on the following proposals:

Approval of the Merger Agreement. To approve the merger agreement, which we refer to as the FBR merger proposal.

Non-Binding Approval of Certain Compensation. To approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to FBR's named executive officers in connection with the merger, and the agreements or understandings pursuant to which such compensation may be paid or become payable, which we refer to as the merger-related named executive officer compensation proposal.

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Adjournment of Meeting. To approve one or more adjournments of the FBR special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the FBR merger proposal, which we refer to as the FBR adjournment proposal.

Q: What vote is required to approve each proposal to be considered at the B. Riley annual meeting?

A: *The B. Riley Share Issuance Proposal.* The affirmative vote of holders of a majority of the outstanding B. Riley common shares present in person or represented by proxy and entitled to vote on the B. Riley share issuance proposal at the B. Riley annual meeting at which a quorum is present is required to approve the B. Riley share issuance proposal.

The B. Riley Adjournment Proposal. The affirmative vote of holders of a majority of the outstanding B. Riley common shares present in person or represented by proxy at the B. Riley annual meeting and entitled to vote at the B. Riley annual meeting, whether or not a quorum is present, is required to approve the B. Riley adjournment proposal.

The Election of the B. Riley Directors. The affirmative vote of a plurality of the votes cast in favor of each director at the B. Riley annual meeting at which a quorum is present is required to approve the election of each such director.

The B. Riley Accounting Firm Ratification Proposal. The affirmative vote of holders of a majority of the outstanding B. Riley common shares present in person or represented by proxy and entitled to vote on the B. Riley accounting firm ratification proposal at the B. Riley annual meeting at which a quorum is present is required to approve the B. Riley accounting firm ratification proposal.

Q: What vote is required to approve each proposal to be considered at the FBR special meeting?

A: *The FBR Merger Proposal.* The affirmative vote of a majority of the votes entitled to be cast on the FBR merger proposal is required to approve the FBR merger proposal at the FBR special meeting at which a quorum is present.

The Merger-Related Named Executive Officer Compensation Proposal. The vote to approve, on an advisory basis, the merger-related named executive officer compensation proposal is not binding on B. Riley, FBR, the FBR board of directors or the compensation committee of the FBR board of directors. The vote to approve, on an advisory basis, merger-related named executive officer compensation will be approved if the votes cast in favor of the proposal exceed the votes cast opposing the proposal at the FBR special meeting at which a quorum is present.

The FBR Adjournment Proposal. The affirmative vote of holders of a majority of the FBR common shares represented at the FBR special meeting, whether or not a quorum is present, is required to approve the FBR adjournment proposal.

Q: What will happen if FBR's shareholders do not approve, on an advisory (non-binding) basis, the merger-related named executive officer compensation proposal?

A:

The vote on the merger-related named executive officer compensation proposal is a vote separate and apart from the vote to approve the merger agreement. FBR shareholders may vote for this proposal and against the merger proposal, or vice versa. FBR shareholders also may abstain from this proposal and vote on the merger proposal, or vice versa. The vote to approve, on an advisory basis, the merger-related named executive officer compensation proposal is not binding on B. Riley, FBR, the FBR board of directors or the compensation committee of the FBR board of directors. The merger-related named executive officer compensation to be paid in connection with the merger is based on contractual arrangements with the named executive officers and accordingly the outcome of this advisory vote will not affect the obligation to make these payments.

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Q: Are there any voting agreements with existing shareholders?

A: Yes. In connection with entering into the merger agreement, B. Riley entered into voting agreements, which we refer to as the B. Riley voting agreements, with the directors and executive officers of FBR, the form of which is attached as **Appendix B**, in which they have agreed to vote all FBR common shares that they own and have the power to vote in favor of the FBR merger proposal and any other matter that is required to be approved by the shareholders of FBR to facilitate the transactions contemplated by the merger agreement. As of the close of business on the record date, these shareholders beneficially owned, in the aggregate, [] FBR common shares, allowing them to exercise approximately []% of the voting power of FBR common shares. Also in connection with entering into the merger agreement, FBR entered into voting agreements, which we refer to as the FBR voting agreements, with the directors and executive officers of B. Riley, the form of which is attached as **Appendix C**, in which they have agreed to vote all B. Riley common shares that they own and have the power to vote in favor of the B. Riley share issuance proposal and any other matter that is required to be approved by the stockholders of B. Riley to facilitate the transactions contemplated by the merger agreement. As of the close of business on the record date, these stockholders beneficially owned, in the aggregate, [] B. Riley common shares, allowing them to exercise approximately []% of the voting power of B. Riley common shares.

Q: How does the B. Riley board of directors recommend that I vote?

A: The B. Riley board of directors recommends that B. Riley stockholders vote **FOR** the proposals described in this joint proxy statement/prospectus.

Q: How does the FBR board of directors recommend that I vote?

A: The FBR board of directors recommends that FBR shareholders vote **FOR** the proposals described in this joint proxy statement/prospectus.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, please vote by telephone or on the Internet, or complete, sign and date the enclosed proxy card and return it in the enclosed envelope as soon as possible so that your shares will be represented at the B. Riley annual meeting or FBR special meeting, as applicable.

Please follow the instructions set forth on the proxy card or on the voting instruction form provided by the record holder if your shares are held in the name of your broker, bank or other nominee.

Q: What do I do if I receive more than one joint proxy statement/prospectus or set of voting instructions?

A: If you hold shares of B. Riley and/or FBR directly as a record holder and also in street name, or otherwise through a nominee, you may receive more than one joint proxy statement/prospectus and/or set of voting instructions relating to the B. Riley annual meeting and/or the FBR special meeting. These should each be voted or returned separately to ensure that all of your shares are voted.

Q: How do I vote?

A: If you are a stockholder of record of B. Riley as of the record date for the B. Riley annual meeting or a shareholder of record of FBR as of the FBR record date for the FBR special meeting, you may vote by:

accessing the Internet website specified on your proxy card;

calling the toll-free number specified on your proxy card; or

signing the enclosed proxy card and returning it in the postage-paid envelope provided.

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You may also cast your vote in person at your respective company's meeting. Requests for directions to the B. Riley annual meeting should be directed to B. Riley's Corporate Secretary at 21255 Burbank Boulevard, Suite 400, Woodland Hills, California 91367, Telephone No. (818) 884-3737. Requests for directions to the FBR special meeting should be directed to FBR's Corporate Secretary at c/o FBR & Co., 1300 North Seventeenth Street, Suite 1400, Arlington, Virginia 22209.

If your shares are held in street name through a broker, bank or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. Holders in street name who wish to vote in person at the applicable meeting will need to obtain a proxy form from the institution that holds their shares.

Q: When and where is the B. Riley annual meeting and the FBR special meeting?

A: The B. Riley annual meeting will be held at [], at [], Pacific Time, on [], 2017. All stockholders of B. Riley as of the B. Riley record date, or their duly appointed proxies, may attend the B. Riley annual meeting.

The FBR special meeting will be held at [], at [], Eastern Time, on [], 2017. All shareholders of FBR as of the FBR record date, or their duly appointed proxies, may attend the FBR special meeting.

Q: If my shares are held in street name by a broker, bank or other nominee, will my broker or nominee vote my shares for me?

A: If your shares are held in street name in a stock brokerage account or by a bank or other nominee, you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your bank or broker. Please note that you may not vote shares held in street name by returning a proxy card directly to B. Riley or FBR or by voting in person at your meeting unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee.

Brokers, banks or other nominees who hold shares in street name for a beneficial owner typically have the authority to vote in their discretion on routine proposals, such as, with respect to the B. Riley annual meeting, the B. Riley accounting firm ratification proposal, when they have not received instructions from beneficial owners. However, brokers, banks or other nominees are not allowed to exercise their voting discretion on matters that are determined to be non-routine matters, such as (i) with respect to the FBR special meeting, the approval of the FBR merger proposal, the FBR merger-related named executive officer compensation proposal and the FBR adjournment proposal, and (ii) with respect to the B. Riley annual meeting, the approval of the B. Riley share issuance proposal, the B. Riley adjournment proposal and the election of the B. Riley directors. Broker non-votes are shares held by a broker, bank or other nominee that are represented at the applicable shareholders meeting but with respect to which the broker, bank or other nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal and the broker, bank or other nominee does not have discretionary voting power on such proposal.

FBR does not expect to bring any matters before the FBR special meeting other than the proposals set forth in this joint proxy statement/prospectus. Assuming no additional matters are brought before the FBR special meeting on which brokers have discretionary voting authority, if you are an FBR shareholder, and you do not instruct your broker, bank or other nominee on how to vote your shares, your broker, bank or other nominee may not vote your shares on the FBR merger proposal, the FBR merger-related named executive officer compensation proposal or the FBR

adjournment proposal, which broker non-votes will, with respect to the FBR merger proposal, have the effect of a vote against such proposal, and will, with respect to the FBR merger-related named executive officer compensation proposal and the FBR adjournment proposal, have no effect on the vote on such proposals.

B. Riley does not expect to bring any matters before the B. Riley annual meeting other than the proposals set forth in this joint proxy statement/prospectus. If you are a B. Riley stockholder, and you do not instruct your

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broker, bank or other nominee on how to vote your shares, your broker, bank or other nominee may not vote your shares on the B. Riley share issuance proposal, the B. Riley adjournment proposal or the election of the B. Riley directors, which broker non-votes will have no effect on the vote on these proposals. Broker non-votes will not result from the B. Riley accounting firm ratification proposal.

Q: What if I abstain from voting or do not vote?

A: For the purposes of the B. Riley annual meeting and the FBR special meeting, an abstention occurs when a shareholder of record attends the applicable meeting, either in person or by proxy, but abstains from voting. If you are an FBR shareholder and you fail to vote or fail to instruct your broker or nominee to vote, or vote to abstain from voting, it will have the same effect as a vote against the FBR merger proposal. If you are an FBR shareholder and you fail to vote or fail to instruct your broker or nominee to vote, or vote to abstain from voting, it will have no effect on the FBR merger-related named executive officer compensation proposal, assuming a quorum is present. If you are an FBR shareholder and you fail to vote or fail to instruct your broker or nominee to vote, it will have no effect on the FBR adjournment proposal; however, if you vote to abstain, it will have the same effect as a vote against the FBR adjournment proposal.

If you are a B. Riley stockholder and you fail to vote or fail to instruct your broker or nominee to vote, it will have no effect on the B. Riley share issuance proposal; however, if you vote to abstain, it will have the same effect as a vote against the B. Riley share issuance proposal, assuming a quorum is present. If you are a B. Riley stockholder and you fail to vote or fail to instruct your broker or nominee to vote, or vote to abstain from voting, it will have no effect on the election of the B. Riley directors, assuming a quorum is present. If you are a B. Riley stockholder and you fail to vote or fail to instruct your broker or nominee to vote, it will have no effect on the B. Riley adjournment proposal; however, if you vote to abstain, it will have the same effect as a vote against the B. Riley adjournment proposal. If you are a B. Riley stockholder and you fail to vote or fail to instruct your broker or nominee to vote, your broker or nominee is entitled to vote your shares in respect of the B. Riley accounting firm ratification proposal; however, if you vote to abstain, it will have the same effect as a vote against the B. Riley accounting firm ratification proposal.

Q: May I change my vote or revoke my proxy after I have delivered my proxy or voting instruction card?

A: Yes. You may change your vote at any time before your proxy is voted at the applicable meeting. You may do this in one of four ways:

by sending a notice of revocation to the corporate secretary of B. Riley or FBR, as applicable;

by sending a completed proxy card bearing a later date than your original proxy card;

by logging onto the website specified on your proxy card in the same manner you would to submit your proxy electronically or by calling the telephone number specified on your proxy card, in each case if you are

eligible to do so, and following the instructions on the proxy card; or

by attending the applicable meeting and voting in person if your shares are registered in your name rather than in the name of a broker, bank or other nominee; however, your attendance alone will not revoke any proxy.

If you choose any of the first three methods, you must take the described action (and, in the case of the second method, your proxy card must be received) no later than the beginning of the applicable meeting.

If your shares are held in an account at a broker, bank or other nominee, you should contact your broker, bank or other nominee to change your vote.

Q: Do I need identification to attend the B. Riley annual meeting or the FBR special meeting in person?

A: Yes. Please bring proper identification, together with proof that you are a record owner of B. Riley or FBR common shares, as the case may be. B. Riley and FBR reserve the right to refuse admittance to anyone

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without proper proof of share ownership or without proper photo identification. If your shares are held in street name, please bring acceptable proof of ownership, such as a letter from your broker or an account statement showing that you beneficially owned common shares of B. Riley or FBR, as applicable, on the record date.

Q: Will FBR be required to submit the proposal to adopt the merger agreement to its shareholders even if FBR's board of directors has withdrawn, modified, or qualified its recommendation?

A: Yes. Unless the merger agreement is terminated before the FBR special meeting, FBR is required to submit the FBR merger proposal to its shareholders even if FBR's board of directors has withdrawn or modified its recommendation.

Q: Do I have appraisal rights?

A: Under Virginia law, FBR shareholders are not entitled to exercise appraisal rights in connection with the merger. See The Merger Appraisal Rights.

Q: What are the U.S. federal income tax consequences of the merger and the pre-closing dividend to FBR shareholders?

A: The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, and it is a condition to the respective obligations of B. Riley and FBR to complete the merger that each of B. Riley and FBR receives a legal opinion to that effect. Accordingly, FBR shareholders are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of FBR common shares for B. Riley common shares in the merger, except with respect to any cash received instead of fractional B. Riley common shares.

Although the tax treatment of the pre-closing dividend is not entirely clear, we intend to report the pre-closing dividend as a distribution with respect to FBR common shares. For U.S. federal income tax purposes, such distribution may be a dividend subject to withholding, return of basis and/or gain from the disposition of FBR common shares, depending in part on the current earnings and profits of FBR as calculated under U.S. federal income tax principles. FBR cannot predict whether it will have current or accumulated earnings and profits for its current taxable year (which will end in connection with the merger). It is possible that FBR will have current earnings and profits for its current taxable year. If there are current or accumulated earnings and profits, the pre-closing dividend will generally be treated as a dividend to the extent of such amount. Dividends received by individual FBR shareholders generally should qualify for reduced tax rates so long as certain holding period requirements are met. Dividends received by corporate FBR shareholders may be eligible for the dividends received deduction if the holder is an otherwise qualifying corporate holder that meets the holding period and certain other requirements for the dividends received deduction. FBR will not be able to make this determination until after the merger. Once the determination is made, B. Riley will post this determination regarding FBR's earnings and profits for U.S. federal income tax purposes on its website or otherwise inform its stockholders of its determination.

For further information, see Material U.S. Federal Income Tax Consequences of the Merger and in particular the section entitled Material U.S. Federal Income Tax Consequences of the Merger Pre-Closing Dividend.

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The U.S. federal income tax consequences described above may not apply to all FBR shareholders. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the merger to you.

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Q: What happens if I sell my FBR common shares after the record date but before the special meeting?

A: The record date for the FBR special meeting is earlier than the date of the special meeting and the date that the merger is expected to be completed. If you transfer your FBR common shares after the record date but before the date of the special meeting, you will retain your right to vote at such meeting (provided that such shares remain outstanding on the date of such meeting), but you will not have the right to receive any merger consideration for the transferred FBR common shares. You will only be entitled to receive the merger consideration in respect of FBR common shares that you hold at the effective time.

Q: What happens if I sell my FBR common shares before the date of distribution of the pre-closing dividend?

A: If you sell your FBR common shares before the record date for the pre-closing dividend, you will not be entitled to receive the pre-closing dividend. If you hold FBR common shares on the record date for the pre-closing dividend and decide to sell them on or before the date of the distribution of the pre-closing dividend, you may choose to sell your FBR common shares with or without your entitlement to the pre-closing dividend. You should discuss these options with your bank, broker or other nominee.

Q: What happens if the merger is not completed?

A: If the merger is not completed, FBR shareholders will not receive the merger consideration. Instead, FBR will remain an independent public company and its common shares will continue to be listed and traded on the Nasdaq.

Q: Should I send in my stock certificates now?

A: No. FBR shareholders **SHOULD NOT** send in any stock certificates now. If the merger is approved, transmittal materials with instructions will be provided to FBR shareholders under separate cover and the stock certificates should be sent at that time in accordance with such instructions.

Q: What should I do if I hold my FBR common shares in book-entry form?

A: You are not required to take any special additional actions if your FBR common shares are held in book-entry form. After the completion of the merger, FBR common shares held in book-entry form will be exchanged for book-entry B. Riley common shares, plus any cash consideration in lieu of fractional shares.

Q: Whom should I contact if I have any questions about the proxy materials or the meetings?

A: If you are a B. Riley stockholder and have any questions about the merger or any of the proposals to be considered at the B. Riley annual meeting, need assistance in submitting your proxy or voting your shares or need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, you should contact B. Riley's Corporate Secretary at 21255 Burbank Boulevard, Suite 400, Woodland Hills, California 91367, Telephone No. (818) 884-3737.

If you are an FBR shareholder and have any questions about the merger or any of the proposals to be considered at the FBR special meeting, need assistance in submitting your proxy or voting your shares or need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, please contact FBR's proxy solicitor D.F. King & Co., Inc. at (212) 269-5550 or toll-free at (866) 620-0678.

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SUMMARY

*The following summary highlights selected information included in this joint proxy statement/prospectus and may not contain all of the information that may be important to you. You should read this entire document and its appendices and the other documents referenced before you decide how to vote with respect to the proposals. In addition, the parties incorporate by reference important business and financial information about FBR and B. Riley into this joint proxy statement/prospectus. For a description of this information, please see the section entitled *Incorporation of Certain Documents by Reference*. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in the section entitled *Where You Can Find More Information* in the forepart of this joint proxy statement/prospectus. Each item in this summary includes a page reference directing you to a more complete description of that item.*

The Parties (page []))

FBR

1300 North Seventeenth Street

Arlington, Virginia 22209

(703) 312-9500

FBR, a Virginia corporation, is a full-service investment banking and institutional brokerage firm with a deep expertise and focus on the equity capital markets. Since the founding of certain predecessor companies, FBR has grown from a boutique investment bank with primary expertise in financial institutions into a full-service U.S. investment bank for middle-market companies.

Through FBR Capital Markets & Co. or MLV & Co. LLC, which we refer to as the FBR broker-dealer subsidiaries, FBR has focused its business on providing capital raising services, financial advisory services, institutional sales and trading services and differentiated securities research.

FBR common shares are listed on Nasdaq under the symbol *FBRC*. Additional information about FBR and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. Please see the sections entitled *Documents Incorporated by Reference* and *Where You Can Find More Information*.

B. Riley

21255 Burbank Boulevard, Suite 400

Woodland Hills, California 91367

(818) 884-3737

B. Riley, a Delaware corporation, and its subsidiaries provide collaborative financial services and solutions through a number of its subsidiaries and, following the acquisition of United Online, Inc. on July 1, 2016, B. Riley provides consumer services and products over the Internet. B. Riley & Co., LLC is a leading investment bank which provides corporate finance, research, and sales and trading to corporate, institutional and high net worth individual clients. Great American Group, LLC is a leading provider of advisory and valuation services, and asset disposition and

auction solutions to a wide range of retail, wholesale and industrial clients, as well as lenders, capital providers, private equity investors and professional service firms. B. Riley Capital Management, LLC is an SEC registered investment advisor, which includes B. Riley Asset Management, a provider of investment products to institutional and high net worth investors, and B. Riley Wealth Management (formerly MK Capital Advisors), a multi-family office practice and wealth management firm focused on the needs of ultra-high net worth individuals and families; and Great American Capital Partners, LLC, a provider of senior secured loans and second lien secured loan facilities to middle market public and private U.S. companies. United Online Inc. provides Internet access services and devices under the NetZero and Juno brands primarily in the United States.

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B. Riley common shares are listed on Nasdaq under the symbol RILY. Additional information about B. Riley and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. Please see the sections entitled Documents Incorporated by Reference and Where You Can Find More Information.

BRC Merger Sub, LLC

Merger sub, a Delaware limited liability company and wholly owned subsidiary of B. Riley & Co., LLC, a wholly owned subsidiary of B. Riley, was formed solely for the purpose of facilitating the merger. Merger sub has not carried on any activities or operations to date, except for those activities incidental to its formation and undertaken in connection with the transactions contemplated by the merger agreement. By operation of the merger, FBR will be merged with and into merger sub, with merger sub surviving the merger.

The Merger and the Merger Agreement (page []))

The terms and conditions of the merger are contained in the merger agreement which is attached to this joint proxy statement/prospectus as **Appendix A**. The parties encourage you to read the merger agreement carefully as it is the legal document that governs the merger.

The merger agreement provides that, upon the terms and subject to the conditions of the merger agreement, at the effective time, FBR will merge with and into merger sub, with merger sub continuing as the surviving company. As a result of the merger, there will no longer be any publicly held FBR common shares.

Merger Consideration (page []))

In the merger, each FBR common share owned by an FBR shareholder will be converted into and become exchangeable for 0.671 of a B. Riley common share. For each fractional share that would otherwise be issued, B. Riley will pay cash in an amount equal to the fraction of a B. Riley common share (rounded to the nearest thousandth when expressed in decimal form) which the holder would otherwise be entitled to receive multiplied by the average of the per share closing prices of B. Riley common shares on Nasdaq (as reported in *The Wall Street Journal* (Northeast edition) or, if not reported thereby, another authoritative source) for 20 full trading days ending on the fifth business day prior to the closing date. See The Merger Agreement Merger Consideration.

The share price of B. Riley common shares will fluctuate, and the value that FBR shareholders will receive upon consummation of the merger may be different than the value that they would receive if calculated on the date B. Riley and FBR publicly announced the signing of the merger agreement, on the date that this joint proxy statement/prospectus is being mailed to FBR shareholders and B. Riley stockholders, and on the date of the FBR special meeting. Based on the closing price of B. Riley common shares on February 17, 2017, the last trading day before the public announcement of the signing of the merger agreement, the value of the per share merger consideration payable to FBR shareholders was \$11.78. Based on the closing price of B. Riley common shares on [], 2017, the last practicable date before the date of this joint proxy statement/prospectus, the value of the per share merger consideration payable to FBR shareholders was \$[].

Pre-Closing Dividend (page []))

Pursuant to the merger agreement, the FBR board of directors intends to declare and cause FBR to pay a pre-closing cash dividend to FBR shareholders, as long as certain conditions are met, including, among others, that after the pre-closing dividend has been made FBR will have at least the minimum cash and financial instrument amount. If FBR will have at least the minimum cash and financial instrument amount after giving effect to the pre-closing

dividend, the available funds will be paid as a dividend to FBR shareholders in an amount per share of up to and including \$8.50. In addition, if there are excess available funds, a portion of the

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excess available funds may be paid as part of the pre-closing dividend. See The Merger Agreement Pre-Closing Dividend.

FBR will provide its shareholders with an update regarding the amount of the pre-closing dividend prior to the FBR special meeting. As of the date hereof, FBR expects the pre-closing dividend on a per share basis to be in a range of \$[] to \$[].

Treatment of FBR Equity Awards (page [])

FBR Options. At the effective time, each outstanding FBR option, will be cancelled and converted into a number of B. Riley common shares having a value equal to the final pre-dividend price, less the applicable exercise price and subject to rounding. Any option that has an exercise price that is greater than or equal to the final pre-dividend price will be cancelled for no consideration.

FBR Restricted Stock Awards. At the effective time, each outstanding share of restricted stock of FBR will be converted into (i) a number of restricted B. Riley common shares equal to the exchange ratio of 0.671 (rounded to the nearest whole number) and (ii) the right to receive a cash payment in respect of the pre-closing dividend. After the effective time, the restricted B. Riley common shares and the right to receive a cash payment in respect of the pre-closing dividend will continue to be governed by the same terms and conditions (including vesting terms with respect to employees) as applied to the applicable share of FBR restricted stock immediately prior to the effective time. The FBR restricted stock awards held by FBR's non-employee directors will vest as of immediately prior to the effective time and be treated like FBR common shares generally.

FBR RSUs. At the effective time, each outstanding FBR RSU, whether vested or unvested, will be converted into (i) a B. Riley stock-based RSU, covering a number of B. Riley common shares equal to the product (rounded to the nearest whole number) of the exchange ratio of 0.671 and the number of FBR common shares subject to such FBR RSU immediately prior to the effective time and (ii) the right to receive a cash payment in respect of the pre-closing dividend. After the effective time, the B. Riley stock-based RSU and the right to receive a cash payment in respect of the pre-closing dividend will continue to be governed by the same terms and conditions (including vesting conditions with respect to employees) as applied to the applicable FBR RSU immediately prior to the effective time. The FBR RSUs held by FBR's non-employee directors will vest as of immediately prior to the effective time and be settled following the effective time consistent with the terms of the award.

FBR PSUs. At the effective time, each outstanding FBR PSU, whether vested or unvested, will be converted into (i) a B. Riley stock-based RSU covering a number of B. Riley common shares equal to the product (rounded to the nearest whole number) of the exchange ratio of 0.671 and the number of FBR common shares subject to the FBR PSU based on the greater of (x) the number of FBR common shares that would be earned based on actual performance for the most recently completed fiscal quarter prior to the effective time, as reasonably determined by the compensation committee of the FBR board of directors and (y) the level of achievement resulting in 50% of the number of FBR common shares being earned, and (ii) the right to receive a cash payment in respect of the pre-closing dividend. After the effective time, the B. Riley stock-based RSU and the right to receive a cash payment in respect of the pre-closing dividend will continue to be governed by the same terms and conditions (excluding performance-based vesting conditions, but including time-based vesting conditions) as applied to the applicable FBR PSU immediately prior to the effective time.

FBR Investor Options. At the effective time, each outstanding FBR investor option, whether vested or unvested, will cease to represent an option to purchase FBR common shares and will be converted into a B. Riley option, with the number of B. Riley common shares and exercise price equitably adjusted to reflect the pre-closing dividend and the

B. Riley common shares to be issued in the merger. After the effective time, the B. Riley investor options will continue to be governed by the same terms and conditions as applied to the applicable FBR investor option immediately prior to the effective time.

See The Merger Agreement Treatment of FBR Equity Awards.

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Recommendations of the FBR Board of Directors and Reasons for the Merger (page []))

FBR's board of directors unanimously recommends that FBR shareholders vote **FOR** the FBR merger proposal, **FOR** the merger-related named executive officer compensation proposal and **FOR** the FBR adjournment proposal.

The FBR board of directors considered the business, operations, financial condition, asset quality, earnings and prospects of each of FBR and B. Riley and certain anticipated effects of the merger on the surviving company. The FBR board of directors considered a number of factors, which are described in greater detail in the section entitled "The Merger Background of the Merger" and "The Merger Recommendations of the FBR Board of Directors and Reasons for the Merger."

Opinion of FBR's Financial Advisor (page []))

At the February 17, 2017 meeting at which the FBR board of directors considered and approved the Agreement and Plan of Merger, dated as of February 17, 2017, between FBR and B. Riley, which we refer to as the original merger agreement, Berkshire Capital Securities, LLC, which we refer to as Berkshire Capital, delivered to the FBR board of directors its oral opinion, which was subsequently confirmed in writing, that, as of such date, subject to the procedures followed, assumptions made, matters considered and qualifications and limitations described in Berkshire Capital's opinion, the combined merger consideration and pre-closing dividend, which we refer to as the transaction consideration, was fair, from a financial point of view, to the FBR shareholders. **The full text of Berkshire Capital's opinion is attached as Appendix D to this joint proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the scope of review undertaken by Berkshire Capital in rendering its opinion. FBR shareholders are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.** For further information, see "The Merger Opinion of FBR's Financial Advisor."

Recommendations of the B. Riley Board of Directors and Reasons for the Merger (page []))

B. Riley's board of directors unanimously recommends that B. Riley stockholders vote **FOR** the B. Riley share issuance proposal, **FOR** the B. Riley adjournment proposal, **FOR** the election of the B. Riley directors and **FOR** the B. Riley accounting firm ratification proposal.

In connection with the consideration of the merger transaction with FBR, the B. Riley board of directors considered the business, operations, financial condition, asset quality, earnings and prospects of each of FBR and B. Riley and certain anticipated effects of the merger on the surviving company. The B. Riley board of directors considered a number of factors, which are described in greater detail in the section entitled "The Merger Background of the Merger" and "The Merger Recommendations of the B. Riley Board of Directors and Reasons for the Merger."

B. Riley Annual Meeting (page []))

The annual meeting of stockholders of B. Riley will be held at [], at [] Pacific Time, on [], 2017. At the B. Riley annual meeting, stockholders of B. Riley will be asked to consider and vote upon:

a proposal to approve the issuance of B. Riley common shares in the merger;

a proposal to approve one or more adjournments of the B. Riley annual meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the B. Riley share issuance proposal;

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the election of seven (7) directors to hold office for a one-year term to expire at B. Riley's 2018 Annual Meeting of the Stockholders or until their successors are elected and duly qualified;

a proposal to ratify the selection of Marcum, LLP as B. Riley's independent registered public accounting firm for the fiscal year ending December 31, 2017; and

such other business as may properly come before the B. Riley annual meeting or any adjournment or postponement thereof.

The B. Riley board of directors has fixed [], 2017 as the record date for determining the holders of B. Riley common shares entitled to notice of and to vote at the B. Riley annual meeting, and only B. Riley stockholders of record on the record date are entitled to vote at the B. Riley annual meeting. At the close of business on [], 2017, there were [] B. Riley common shares issued and outstanding, held by approximately [] holders of record. B. Riley stockholders of record on the record date are entitled to one vote per share on all matters properly before the B. Riley annual meeting.

Each of the directors and executive officers of B. Riley has agreed to vote all shares held or controlled by him or her in favor of approval of the B. Riley share issuance proposal. As of the record date for the B. Riley annual meeting, a total of [] outstanding shares, or []% of the outstanding B. Riley common shares, are covered by the B. Riley voting agreements. See Voting Agreements.

The affirmative vote of holders of a majority of the outstanding B. Riley common shares present in person or represented by proxy and entitled to vote on the B. Riley share issuance proposal at the B. Riley annual meeting at which a quorum is present is required to approve the B. Riley share issuance proposal. The affirmative vote of holders of a majority of the outstanding B. Riley common shares present in person or represented by proxy at the B. Riley annual meeting and entitled to vote at the B. Riley annual meeting, whether or not a quorum is present is required to approve the B. Riley adjournment proposal. The affirmative vote of a plurality of the votes cast in favor of each director at the B. Riley annual meeting at which a quorum is present is required to approve the election of each such director. The affirmative vote of holders of a majority of the outstanding B. Riley common shares present in person or represented by proxy and entitled to vote on the B. Riley accounting firm ratification proposal at the B. Riley annual meeting at which a quorum is present is required to approve the B. Riley accounting firm ratification proposal.

FBR Special Meeting (page [])

The special meeting of shareholders of FBR will be held at [], at [], Eastern Time, on [], 2017. At the FBR special meeting, shareholders of FBR will be asked to consider and vote upon:

a proposal to approve the merger agreement, a copy of which is attached as **Appendix A** to this joint proxy statement/prospectus;

a proposal to approve, on an advisory (non-binding) basis, the compensation that may be paid or become payable to FBR's named executive officers that is based on or otherwise relates to the merger, discussed under the section entitled The Merger Interests of FBR's Directors and Executive Officers in the Merger; and

a proposal to approve one or more adjournments of the FBR special meeting, if necessary or appropriate, including adjournments to solicit additional proxies in favor of the FBR merger proposal. The FBR board of directors has fixed [], 2017 as the record date for determining the FBR shareholders entitled to notice of and to vote at the FBR special meeting, and only FBR shareholders of record on the record date are entitled to vote at the FBR special meeting. At the close of business on [], 2017, there were [] FBR common shares issued and outstanding, held by approximately [] holders of record. FBR shareholders of record on the record date are entitled to one vote per share on all matters properly before the FBR special meeting.

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Each of the directors and executive officers of FBR has agreed to vote all shares held or controlled by him or her in favor of approval of the FBR merger proposal. As of the record date for the FBR special meeting, a total of [] outstanding shares, or []% of the outstanding FBR common shares, are covered by the FBR voting agreements. See Voting Agreements.

The affirmative vote of a majority of the votes entitled to be cast on the FBR merger proposal is required to approve the FBR merger proposal at the FBR special meeting at which a quorum is present. The vote to approve, on an advisory basis, the merger-related named executive officer compensation proposal is not binding on B. Riley, FBR, the FBR board of directors or FBR's Compensation Committee. However, the FBR board of directors and FBR's Compensation Committee will review the voting results and take the results into consideration. The vote to approve, on an advisory basis, merger-related named executive officer compensation will be approved if the votes cast in favor of the proposal exceed the votes cast opposing the proposal at the FBR special meeting at which a quorum is present. The affirmative vote of holders of a majority of the FBR common shares represented at the FBR special meeting, whether or not a quorum is present is required to approve the FBR adjournment proposal.

Interests of FBR's Directors and Executive Officers in the Merger (page [])

In considering the recommendations of the FBR board of directors, FBR shareholders should be aware that directors and executive officers of FBR have interests in the merger that may differ from, or may be in addition to, the interests of FBR shareholders generally. The FBR board of directors was aware of these interests and considered them, among other matters, when it approved the merger agreement and in making its recommendations that the FBR shareholders approve the FBR merger proposal. These interests include:

Richard J. Hendrix, who is the Chairman and Chief Executive Officer of FBR, has entered into an employment agreement with B. Riley's investment banking and brokerage business, B. Riley & Co., LLC and B. Riley (solely with respect to certain obligations thereunder), which we refer to as the new Hendrix employment agreement, which becomes effective upon the completion of the merger and which will replace the existing employment agreement between Mr. Hendrix and FBR, pursuant to which Mr. Hendrix (i) will serve as President and Chief Executive Officer of the entity that will house the investment banking and brokerage businesses of FBR and B. Riley & Co., LLC, which we refer to as the combined brokerage business, and (ii) will become a member of the B. Riley board of directors;

Executive officers of FBR other than Mr. Hendrix will be eligible to receive severance benefits under a severance policy maintained by FBR upon an involuntary termination;

FBR's directors and executive officers have FBR options, FBR restricted stock, FBR RSUs, and FBR PSUs that, under the merger agreement, will be converted into either (i) B. Riley common shares or (ii) corresponding awards with respect to B. Riley common shares and the right to receive cash payment in connection with the pre-closing dividend;

Certain of FBR's executive officers have been granted an award consisting of an interest in a specified pool of securities that will be subject to accelerated vesting upon certain qualifying terminations of employment following the merger; and

FBR directors and officers are entitled to continued indemnification and insurance coverage under the merger agreement.

For a more complete description of the interests of FBR's directors and executive officers in the merger, see The Merger Interests of FBR's Directors and Executive Officers in the Merger.

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Regulatory Matters (page [])

Completion of the merger is conditioned on (i) the expiration of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we refer to as the HSR Act and (ii) subject to certain exceptions, the receipt of approval of each FBR broker-dealer subsidiary's Continuing Membership Application by the Financial Industry Regulatory Authority, which we refer to as FINRA. The parties have filed notices and applications to obtain the necessary regulatory approval from FINRA and in connection with the HSR Act. The parties received notice of the early termination of the applicable waiting period under the HSR Act on March 22, 2017, and FBR received approval of each broker-dealer subsidiary's Continuing Membership Application on April 10, 2017. The regulatory approvals to which completion of the merger is subject are described in more detail under the section entitled "The Merger Regulatory Approvals Required for the Merger."

Conditions to Completion of the Merger (page [])