
Section 1: 8-K (FORM 8-K)

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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): July 27, 2018

CYS INVESTMENTS, INC.

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

001-33740
(Commission
File Number)

20-4072657
(I.R.S. Employer
Identification No.)

500 Totten Pond Road, 6th Floor
Waltham, Massachusetts
(Address of Principal Executive Offices)

02451
(Zip Code)

Registrant's telephone number, including area code: (617) 639-0440

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company

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

Item 5.07 Submission of Matters to a Vote of Security Holders

A special meeting of stockholders of CYS Investments, Inc. (“CYS”) was held on July 27, 2018, at 50 Rowes Wharf, Boston, Massachusetts 02110 (the “Special Meeting”) to vote on the proposals set forth in the definitive joint proxy statement/prospectus dated June 25, 2018 (the “Joint Proxy Statement”) and first mailed to CYS’s stockholders on or about June 27, 2018. A total of 92,481,062 shares of CYS common stock (“Common Stock”), out of a total of 155,439,713 outstanding shares of Common Stock entitled to vote as of the close of business on June 22, 2018, were represented in person or by proxy at the Special Meeting, which constituted a quorum. A summary of the voting results is set forth below.

Proposal 1 – Merger Proposal

At the Special Meeting, CYS common stockholders approved by the requisite vote a proposal to approve the merger transaction in which Eiger Merger Subsidiary LLC (“Merger Sub”) will merge with and into CYS (the “Merger Proposal”), pursuant to that certain Agreement and Plan of Merger (the “Merger Agreement”), dated as of April 25, 2018, among Two Harbors Investment Corp., a Maryland corporation, Merger Sub and CYS. The voting results for the proposal were as follows:

| <u>For</u> | <u>Against</u> | <u>Abstain</u> |
|------------|----------------|----------------|
| 89,265,178 | 2,414,980 | 800,904 |

Proposal 2 – CYS Non-Binding Compensation Advisory Proposal

The non-binding advisory proposal to approve the compensation that may be paid or become payable to CYS’s named executive officers that is based on or otherwise relates to the merger was approved as follows:

| <u>For</u> | <u>Against</u> | <u>Abstain</u> |
|------------|----------------|----------------|
| 70,948,916 | 19,673,826 | 1,858,320 |

Proposal 3 – CYS Adjournment Proposal

The proposal to approve the adjournment of the Special Meeting was not voted upon at the Special Meeting because such proposal was rendered moot due to the approval of the Merger Proposal.

Consummation of the transactions contemplated by the Merger Agreement are subject to the satisfaction of certain customary closing conditions, all as set forth in the Merger Agreement and discussed in detail in the Joint Proxy Statement filed with the U.S. Securities and Exchange Commission (the “SEC”) on June 25, 2018, which is available on the SEC’s website at www.sec.gov. The foregoing description is qualified in its entirety by reference to the full text of the Merger Agreement, which is attached as Annex A to the Joint Proxy Statement filed by CYS with the SEC on June 25, 2018. Assuming the satisfaction of such closing conditions, CYS expects the closing to occur on or about July 31, 2018.

Item 8.01. Other Events.

On July 27, 2018, CYS issued a press release announcing the results of the Special Meeting. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| <u>Exhibit Number</u> | <u>Description</u> |
|-----------------------|-------------------------------------|
| 99.1 | Press Release, dated July 27, 2018. |

SIGNATURES

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

CYS INVESTMENTS, INC.

Date: July 27, 2018

By: /s/ Jack DeCicco

Jack DeCicco, CPA

Chief Financial Officer and Treasurer

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Section 2: EX-99.1 (EX-99.1)

Exhibit 99.1

CYS Investments, Inc. Stockholders Approve Merger with Two Harbors Investment Corp.

CYS Investments, Inc. (NYSE: CYS) (“CYS”) announced that at the special meeting of stockholders held today, its stockholders approved the merger transaction in which Eiger Merger Subsidiary LLC (“Merger Sub”), an indirect, wholly owned subsidiary of Two Harbors Investment Corp. (NYSE: TWO) (“Two Harbors”), will merge with and into CYS, pursuant to the previously announced merger agreement among CYS, Merger Sub and Two Harbors. At the special meeting, approximately 59.50% of the outstanding shares of CYS common stock were voted, with approximately 96.52% of the votes cast in favor of the CYS merger proposal.

The merger is expected to close on July 31, 2018, subject to customary closing conditions. As a result of the merger, among other things, each share of CYS common stock outstanding at the effective time of the merger will be converted into the right to receive from Two Harbors (i) 0.4680 newly issued shares of Two Harbors common stock and (ii) cash consideration of \$0.0965 per share. CYS common stock is expected to be delisted from trading on the New York Stock Exchange (“NYSE”) after the close of trading on July 31, 2018. Two Harbors common stock will continue to trade on the NYSE under the existing ticker symbol “TWO”.

About CYS Investments, Inc.

CYS Investments, Inc., a Maryland corporation, is a specialty finance company that invests on a leveraged basis primarily in residential mortgage pass-through certificates for which the principal and interest payments are guaranteed by Fannie Mae, Freddie Mac or Ginnie Mae. CYS refers to these securities as Agency RMBS. CYS has elected to be taxed as a real estate investment trust for federal income tax purposes.

Forward-Looking Statements

This press release may contain “forward-looking statements”. Such statements are subject to numerous assumptions, risks, and uncertainties. Statements that do not describe historical or current facts, including statements about beliefs and expectations, are forward-looking statements. The forward-looking statements are intended to be subject to the safe harbor provided by Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included in this communication that address activities, events or developments that CYS expects, believes or anticipates will or may occur in the future are forward-looking statements. Words such as “project,” “predict,” “believe,” “expect,” “anticipate,” “potential,” “create,” “estimate,” “plan,” “continue,” “intend,” “could,” “foresee,” “should,” “may,” “will,” “guidance,” “look,” “outlook,” “goal,” “future,” “assume,” “forecast,” “build,” “focus,” “work,” or the negative of such terms or other variations thereof and words and terms of similar substance used in connection with any discussion of future plans, actions, or events identify forward-looking statements. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. CYS’s ability to predict results or the actual effect of future events, actions, plans or strategies is inherently uncertain. Although CYS believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, CYS can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements.

There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements included in this communication, including, among others, risks related to the

merger. All such factors are difficult to predict and are beyond the control of CYS, including those detailed in CYS's annual reports on Form 10-K, quarterly reports on Form 10-Q and periodic reports on Form 8-K that are available on CYS's website at <http://cysiniv.com> and on the Securities and Exchange Commission's (the "SEC") website at <http://www.sec.gov>, and those detailed in the section entitled "Risk Factors" in the joint proxy statement/prospectus relating to the merger filed with the SEC on June 25, 2018.

Each of the forward-looking statements of CYS are based on assumptions that CYS believes to be reasonable but that may not prove to be accurate. Any forward-looking statement speaks only as of the date on which such statement is made, and CYS does not undertake to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.

Contacts

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