

B. Riley Financial, Inc.
Form 424B5
December 18, 2018
Filed Pursuant to 424(b)(5)
File No. 333-228731

PROSPECTUS SUPPLEMENT
(To prospectus dated December 17, 2018)

Up to \$75,000,000

7.25% Senior Notes due 2027

7.50% Senior Notes due 2027

7.375% Senior Notes due 2023

6.875% Senior Notes due 2023

7.50% Senior Notes due 2021

We have entered into an At Market Issuance Sales Agreement (the “Sales Agreement”) with B. Riley FBR, Inc. (“B. Riley FBR” or the “Agent”), on December 18, 2018, under which we may offer and sell, from time to time, our 7.25% Senior Notes due 2027 (the “7.25% 2027 Notes”), our 7.50% Senior Notes due 2027 (the “7.50% 2027 Notes”), our 7.375% Senior Notes due 2023 (the “7.375% 2023 Notes”), our 6.875% Senior Notes due 2023 (the “6.875% 2023 Notes”) and our 7.50% Senior Notes due 2021 (the “2021 Notes” and together with our 7.25% 2027 Notes, our 7.50% 2027 Notes, our 7.375% 2023 Notes and our 6.875% 2023 Notes, the “Notes”), as described in this prospectus supplement and the accompanying prospectus. In accordance with the terms of our at the market program, we may offer and sell from time to time through the Agent, as our sales agent, our Notes having an aggregate offering price of up to \$75,000,000. This prospectus supplement should be read in conjunction with the prospectus dated December 17, 2018, which will be delivered with this prospectus supplement.

The 7.25% 2027 Notes, 7.50% 2027 Notes, 7.375% 2023 Notes, 6.875% 2023 Notes and 2021 Notes will mature on December 31, 2027, May 31, 2027, May 31, 2023, September 30, 2023 and October 31, 2021, respectively. Interest will be paid quarterly in arrears on January 31, April 30, July 31 and October 31 of each year. Interest on the Notes will accrue from the most recent interest payment date immediately preceding the respective dates of issuance of the Notes, except that Notes purchased after the record dates noted below, but prior to the interest payment date immediately following such record date (or if settlement of a purchase of Notes otherwise occurs after such record date but prior to the interest payment date immediately following such record date), will not begin to accrue interest

until the interest payment date immediately following such record date. The interest payable on each interest payment date will be paid only to holders of record of the Notes at the close of business on January 15, April 15, July 15 and October 15 of each year, as the case may be, immediately preceding the applicable interest payment date. As a general matter, holders of the Notes will not be entitled to receive any payments of principal on the Notes prior to the stated maturity date. We may redeem the 7.25% 2027 Notes, 7.50% 2027 Notes and 2021 Notes in whole or in part on or after December 31, 2020, May 31, 2020, and October 31, 2018, respectively, at our option, at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest to, but excluding, the date of redemption, as described under “Description of the Notes—Optional Redemption.” We may redeem the 7.375% 2023 Notes in whole or in part at our option (i) on or after May 31, 2020 and prior to May 31, 2021, at a price equal to \$25.75 per note, plus accrued and unpaid interest to, but excluding, the date of redemption, (ii) on or after May 31, 2021 and prior to May 31, 2022, at a price equal to \$25.375 per note, plus accrued and unpaid interest to, but excluding, the date of redemption, and (iii) on or after May 31, 2022 and prior to maturity, at a price equal to 100% of their principal amount, plus accrued and unpaid interest to, but excluding the date of redemption, as described under “Description of the Notes—Optional Redemption.” We may redeem the 6.875% 2023 Notes in whole or in part at our option (i) on or after September 30, 2020 and prior to September 30, 2021, at a price equal to \$25.50 per note, plus accrued and unpaid interest to, but excluding, the date of redemption, (ii) on or after September 30, 2021 and prior to September 30, 2022, at a price equal to \$25.25 per note, plus accrued and unpaid interest to, but excluding, the date of redemption, and (iii) on or after September 30, 2022 and prior to maturity, at a price equal to 100% of their principal amount, plus accrued and unpaid interest to, but excluding the date of redemption, as described under “Description of the Notes—Optional Redemption.” The Notes will be issued in denominations of \$25 and in integral multiples thereof.

The up to \$75,000,000 in aggregate principal amount of 7.25% 2027 Notes, 7.50% 2027 Notes, 7.375% 2023 Notes, 6.875% 2023 Notes and 2021 Notes that we may offer and sell under this prospectus supplement and the accompanying prospectus constitutes a further issuance of and are fungible with the \$100,441,100 in aggregate principal amount of 7.25% Senior Notes due 2027 that we have issued to date (the “Initial 7.25% 2027 Notes”), the \$108,791,925 in aggregate principal amount of 7.50% Senior Notes due 2027 that we have issued to date (the “Initial 7.50% 2027 Notes”), the \$111,528,025 in aggregate principal amount of 7.375% Senior Notes due 2023 that we have issued to date (the “Initial 7.375% 2023 Notes”), the \$100,050,000 in aggregate principal amount of 6.875% Senior Notes due 2023 (the “Initial 6.875% 2023 Notes”) and the \$46,407,275 in aggregate principal amount of 7.50% Senior Notes due 2021 that we have issued to date (the “Initial 2021 Notes” and, together with the Initial 7.25% 2027 Notes, the Initial 7.50% 2027 Notes, the Initial 7.375% 2023 Notes, and the Initial 6.875% 2023 Notes, the “Initial Notes”), respectively, and form a single series of debt securities with the Initial 7.25% 2027 Notes, Initial 7.50% 2027 Notes, Initial 7.375% 2023 Notes, Initial 6.875% 2023 Notes and Initial 2021 Notes, respectively. Unless the context requires otherwise, references to the “Notes,” “7.25% 2027 Notes,” “7.50% 2027 Notes,” “7.375% 2023 Notes,” “6.875% 2023 Notes” “2021 Notes” will not include the Initial 7.25% 2027 Notes, Initial 7.50% 2027 Notes, Initial 7.375% 2023 Notes, Initial 6.875% 2023 Notes or Initial 2021 Notes. The 7.25% 2027 Notes, 7.50% 2027 Notes, 7.375% 2023 Notes, 6.875% 2023 Notes and 2021 Notes will have terms identical to the Initial 7.25% 2027 Notes, Initial 7.50% 2027 Notes, Initial 7.375% 2023 Notes, Initial 6.875% 2023 Notes and Initial 2021 Notes, respectively, and will have the same CUSIP number as, and will be fungible and vote together with, the Initial 7.25% 2027 Notes, Initial 7.50% 2027 Notes, Initial 7.375% 2023 Notes, Initial 6.875% 2023 Notes and Initial 2021 Notes, respectively, immediately upon issuance.

The Notes will be our senior unsecured obligations and will rank equal in right of payment with all of our existing and future senior unsecured and unsubordinated indebtedness. The Notes will be effectively subordinated in right of payment to all of our existing and future secured indebtedness, and the Notes will be structurally subordinated to all existing and future indebtedness (including trade payables) of our subsidiaries.

The 7.25% 2027 Notes are quoted on the Nasdaq Global Market (“Nasdaq”) under the symbol “RILYG,” the 7.50% 2027 Notes are quoted on Nasdaq under the symbol “RILYZ,” the 7.375% 2023 Notes are quoted on Nasdaq under the symbol “RILYH,” the 6.875% 2023 Notes are quoted on Nasdaq under the symbol “RILYI” and the 2021 Notes are quoted on Nasdaq under the symbol “RILYL.” On December 17, 2018, the last reported sale price per \$25 principal amount of 7.25% 2027 Note was \$23.98, the last reported sale price per \$25 principal amount of 7.50% 2027 Note was \$24.00, the last reported sale price per \$25 principal amount of 7.375% 2023 Note was \$25.20, the last reported sale price per \$25 principal amount of 6.875% 2023 Note was \$24.50 and the last reported sale price per \$25 principal amount of 2021 Note was \$25.36.

Sales of the Notes, if any, under this prospectus supplement and the accompanying prospectus may be made in transactions that are deemed to be “at the market offerings” as defined in Rule 415 under the Securities Act of 1933, as amended (the “Securities Act”). The Agent is not required to sell any specific number of the Notes, but the Agent will make all sales using commercially reasonable efforts consistent with its normal trading and sales practices on mutually agreed terms between the Agent and us. See “Plan of Distribution.”

The securities to which this prospectus supplement and the accompanying prospectus relate will be offered and sold through the Agent over a period of time and from time to time. Under the Sales Agreement, the Agent will be entitled

to compensation of up to 2.0% of the gross proceeds of all Notes sold through it as our agent. In connection with the sale of the Notes on our behalf, the Agent will be deemed to be an “underwriter” within the meaning of the Securities Act, and the compensation of the Agent will be deemed to be underwriting commissions or discounts. There is no arrangement to place proceeds of the offering in escrow, trust or similar arrangement. See “Plan of Distribution.”

Delivery of the Notes in book-entry form only through The Depository Trust Company will be made on or about the second trading date following the date of purchase.

Investing in the Notes involves a high degree of risk. You should carefully consider the risks described under “Risk Factors” beginning on page S-14 of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

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

B. Riley FBR

The date of this prospectus supplement is December 18, 2018.

TABLE OF CONTENTS

Prospectus Supplement

Page

<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	S-1
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	S-2
<u>PROSPECTUS SUPPLEMENT SUMMARY</u>	S-4
<u>THE OFFERING</u>	S-9
<u>RISK FACTORS</u>	S-14
<u>USE OF PROCEEDS</u>	S-18
<u>DESCRIPTION OF THE NOTES</u>	S-19
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS</u>	S-34
<u>PLAN OF DISTRIBUTION</u>	S-39
<u>CONFLICTS OF INTEREST</u>	S-40
<u>EXPERTS</u>	S-41
<u>LEGAL MATTERS</u>	S-41
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	S-41

Prospectus

	<u>Page</u>
<u>ABOUT B. RILEY FINANCIAL, INC.</u>	1
<u>RISK FACTORS</u>	3
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	17
<u>DETERMINATION OF OFFERING PRICE</u>	18
<u>USE OF PROCEEDS</u>	18
<u>SECURITIES WE MAY OFFER</u>	18
<u>DESCRIPTION OF CAPITAL STOCK</u>	19
<u>DESCRIPTION OF WARRANTS</u>	21
<u>DESCRIPTION OF DEBT SECURITIES</u>	21
<u>DESCRIPTION OF UNITS</u>	27
<u>PLAN OF DISTRIBUTION</u>	28
<u>LEGAL MATTERS</u>	30
<u>EXPERTS</u>	30
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	30
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	31

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission (“SEC”) utilizing a “shelf” registration process. This document is in two parts. The first part is this prospectus supplement, including the documents incorporated by reference, which describes the specific terms of this offering. The second part, the accompanying prospectus, including the documents incorporated by reference, provides more general information. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. We urge you to carefully read this prospectus supplement and the accompanying prospectus, and the documents incorporated by reference herein and therein, before buying any of the securities being offered under this prospectus supplement. This prospectus supplement may add or update information contained in the accompanying prospectus and the documents incorporated by reference therein. To the extent that any statement we make in this prospectus supplement is inconsistent with statements made in the accompanying prospectus or any documents incorporated by reference therein that were filed before the date of this prospectus supplement, the statements made in this prospectus supplement will be deemed to modify or supersede those made in the accompanying prospectus and such documents incorporated by reference therein.

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus, or incorporated by reference herein or therein. Neither we nor the Agent have authorized anyone to provide you with different information. No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus supplement and the accompanying prospectus. You should not rely on any unauthorized information or representation. This prospectus supplement is an offer to sell only the securities offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. You should assume that the information in this prospectus supplement and the accompanying prospectus is accurate only as of the date on the front of the applicable document and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference, regardless of the date of delivery of this prospectus supplement or the accompanying prospectus, or any sale of a security.

As used in this prospectus, unless the context indicates or otherwise requires, “the Company,” “B. Riley,” “we,” “us” or “our” refer to the combined business of B. Riley Financial, Inc. and its consolidated subsidiaries.

S-1

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Forward-looking statements may include, but are not limited to, statements relating to our future financial performance, the growth of the market for our services, expansion plans and opportunities and statements regarding our intended uses of the proceeds of the securities offered hereby. In some cases, you can identify forward-looking statements by terminology such as “anticipates,” “believes,” “can,” “continue,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “should,” “will,” “would,” the negative of such term or comparable terminology. The statements we make regarding the following subject matters are forward-looking by their nature:

plans, objectives, expectations and intentions and other factors discussed in “Risk Factors” contained in this prospectus.

The forward-looking statements contained in this prospectus supplement reflect our current views about future events, are based on assumptions, and are subject to known and unknown risks and uncertainties. Many important factors could cause actual results or achievements to differ materially from any future results or achievements expressed in or implied by our forward-looking statements, including the factors listed below. Many of the factors that will determine future events or achievements are beyond our ability to control or predict. Certain of these are important factors that could cause actual results or achievements to differ materially from the results or achievements reflected in our forward-looking statements, including, but not limited to:

volatility in our revenues and results of operations;

changing conditions in the financial markets;

our ability to generate sufficient revenues to achieve and maintain profitability;

the short term nature of our engagements;

the accuracy of our estimates and valuations of inventory or assets in “guarantee” based engagements;

competition in the asset management business;

potential losses related to our auction or liquidation engagements;

our dependence on communications, information and other systems and third parties;

potential losses related to purchase transactions in our auction and liquidations business;

the potential loss of financial institution clients;

potential losses from or illiquidity of our proprietary investments;

changing economic and market conditions;

potential liability and harm to our reputation if we were to provide an inaccurate appraisal or valuation;

potential mark-downs in inventory in connection with purchase transactions;

S-2

failure to successfully compete in any of our segments;

loss of key personnel;

our ability to borrow under our credit facilities as necessary;

failure to comply with the terms of our credit agreements;

our ability to meet future capital requirements;

our ability to realize the benefits of our completed acquisitions, including our ability to achieve anticipated opportunities and operating cost savings, and accretion to reported earnings estimated to result from completed acquisitions in the time frame expected by management or at all;

our ability to realize the expected benefits of our acquisition of magicJack; and

the diversion of management time on acquisition-related issues.

The forward-looking statements contained in this prospectus supplement reflect our views and assumptions only as of the date of this prospectus supplement. You should not place undue reliance on forward-looking statements. Except as required by law, we assume no responsibility for updating any forward-looking statements nor do we intend to do so. Our actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements. The risks included in this section are not exhaustive. Additional factors that could cause actual results to differ materially from those described in the forward-looking statements are set forth in the section entitled "Risk Factors" beginning on page S-14.

PROSPECTUS SUPPLEMENT SUMMARY

This summary is not complete and does not contain all of the information that you should consider before investing in the securities offered by this prospectus supplement and accompanying prospectus. You should read this summary together with the entire prospectus supplement and the accompanying prospectus, including our financial statements, the notes to those financial statements and the other documents that are incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision. See “Risk Factors” beginning on page S-14 of this prospectus supplement for a discussion of the risks involved in investing in our securities.

Our Business

B. Riley Financial, Inc. (Nasdaq: RILY) and its subsidiaries provide collaborative financial services and solutions through several operating subsidiaries, including:

B. Riley FBR, Inc. (“B. Riley FBR”) is a leading, full service investment bank providing financial advisory, corporate finance, research, securities lending and sales and trading services to corporate, institutional and high net worth individual clients. B. Riley FBR was formed in November 2017 through the merger of B. Riley & Co, LLC (“BRC”) and FBR Capital Markets & Co.; the name of the combined broker dealer was subsequently changed to B. Riley FBR, Inc. FBR Capital Markets & Co. was acquired by B. Riley Financial in June 2017.

Wunderlich Securities, Inc., acquired by B. Riley Financial in July 2017, provides comprehensive wealth management and brokerage services to individuals and families, corporations and non-profit organizations, including qualified retirement plans, trusts, foundations and endowments. In June 2018, Wunderlich Securities, Inc. changed its name to B. Riley Wealth Management, Inc.

B. Riley Capital Management, LLC, a SEC registered investment advisor, which includes:

B. Riley Asset Management, an advisor to certain private funds and to institutional and high net worth investors;

B. Riley Wealth Management, 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 (“GACP”), the general partner of two private funds, GACP I, L.P. and GACP II, L.P., both direct lending funds that provides senior secured loans and second lien secured loan facilities to middle market public and private U.S. companies.

GlassRatner Advisory & Capital Group LLC (“GlassRatner”), a specialty financial advisory services firm we acquired on July 31, 2018, provides consulting services to shareholders, creditors and companies, including due diligence, fraud investigations, corporate litigation support, crisis management and bankruptcy services. The addition of GlassRatner, strengthens B. Riley’s diverse platform and compliments the restructuring services provided by B. Riley FBR;

Great American Group, LLC, a leading provider of asset disposition and auction solutions to a wide range of retail and industrial clients;

Great American Group Advisory and Valuation Services, LLC, a leading provider of appraisal and valuation services for asset based lenders, private equity firms and corporate clients.

We also pursue a strategy of investing in or acquiring companies which we believe have attractive investment return characteristics. On July 1, 2016 and November 14, 2018, we acquired United Online, Inc. (“UOL”) and magicJack VocalTec Ltd. (“magicJack”), respectively, as part of our principal investment strategy.

UOL is a communications company that offers subscription services and products, consisting of Internet access services and devices under the NetZero and Juno brands primarily sold in the United States.

magicJack is a Voice over IP (“VoIP”) cloud-based technology and services communications provider.

We are headquartered in Los Angeles with offices in major cities throughout the United States including New York, Chicago, Boston, Memphis, and Metro Washington D.C.

For financial reporting purposes we classify our businesses into four segments: (i) Capital Markets, (ii) Auction and Liquidation, (iii) Valuation and Appraisal and (iv) Principal Investments - United Online and magicJack.

Capital Markets Segment. Our Capital Markets segment provides a full array of investment banking, corporate finance, consulting, research, securities lending, wealth management, sales and trading services to corporate, institutional and high net worth clients. Our corporate finance and investment banking services include merger and acquisitions as well as restructuring advisory services to public and private companies, initial and secondary public offerings, and institutional private placements. In addition, we trade equity securities as a principal for our account, including investments in funds managed by our subsidiaries. Our Capital Markets segment also includes our asset management businesses that manage various private and public funds for institutional and individual investors.

Auction and Liquidation Segment. Our Auction and Liquidation segment utilizes our significant industry experience, a scalable network of independent contractors and industry-specific advisors to tailor our services to the specific needs of a multitude of clients, logistical challenges and distressed circumstances. Furthermore, our scale and pool of resources allow us to offer our services across North American as well as parts of Europe, Asia and Australia. Our Auction and Liquidation segment operates through two main divisions, retail store liquidations and wholesale and industrial assets dispositions. Our wholesale and industrial assets dispositions division operates through limited liability companies that are controlled by us.

Valuation and Appraisal Segment. Our Valuation and Appraisal segment provides valuation and appraisal services to financial institutions, lenders, private equity firms and other providers of capital. These services primarily include the valuation of assets (i) for purposes of determining and monitoring the value of collateral securing financial transactions and loan arrangements and (ii) in connection with potential business combinations. Our Valuation and Appraisal segment operates through limited liability companies that are majority owned by us.

Principal Investments. Our Principal Investments segment consists of businesses which have been acquired primarily for attractive investment return characteristics. Currently, this segment includes UOL, a company that offers consumer subscription services consisting of Internet access under the NetZero and Juno brands and magicJack which provides VoIP communication services and related subscription services. Internet access includes paid dial-up, mobile broadband and DSL subscription services. We also offer email, Internet security, web hosting services, and other services.

Recent Developments

We believe a key differentiator of our business is the ability to pursue a diversified strategy of utilizing our balance sheet for the purchase of assets, for equity investments, to provide backstop commitments, and to assist our clients in closing transactions. We have employed this strategy throughout our history. We aim to structure these transactions to mitigate our downside risk and provide for returns consistent with our past performance. GACP from time to time participates in and provides capital for these transactions. In 2018, we have backstopped the \$240.0 million rights offering by Babcock & Wilcox Enterprises, Inc., formed a joint venture to purchase the rights to assets of The Bon-Ton Stores, Inc. for a cash purchase price of approximately \$560.0 million, as further described below, and closed a \$65.0 million bought deal equity transaction. We are currently exploring other opportunities to utilize our balance sheet and deploy capital in a manner consistent with our diversified strategy and complimentary to the transactions that we have closed in 2018.

On November 14, 2018, and pursuant to the Agreement and Plan of Merger, dated as of November 9, 2017, as amended by Amendment No. 1 thereto, dated as of May 8, 2018, by and among the Company, B.R. Acquisition Ltd., an Israeli corporation and an indirect wholly-owned subsidiary of the Company (“Merger Sub”), and magicJack, Merger Sub merged with and into magicJack with magicJack continuing as the surviving corporation as an indirect wholly-owned subsidiary of the Company. Subject to the terms and conditions of the Agreement and Plan of Merger, each outstanding share of magicJack was converted into the right to receive \$8.71 in cash without interest, representing approximately \$143 million in aggregate merger consideration.

On June 17, 2018, we entered into various agreements pursuant to which we agreed to provide financial support to Vintage Capital Management, LLC (“Vintage Capital”) in an indirect acquisition of Rent-A-Center, Inc. (“Rent-A-Center”). Specifically, Vintage Capital, through its affiliates Vintage Rodeo Parent, LLC, a Delaware limited liability company (the “Parent”), and Vintage Rodeo Acquisition, Inc., a Delaware corporation and a wholly-owned subsidiary of the Parent (the “Merger Sub”), entered into an Agreement and Plan of Merger with Rent-A-Center, dated as of June 17, 2018 (the “Merger Agreement”), pursuant to which the Merger Sub will merge with and into Rent-A-Center, whereby Rent-A-Center will be the surviving corporation and become a wholly-owned subsidiary of the Parent. Vintage Capital agreed to pay \$15.00 per share in cash for each common share of Rent-A-Center, which including the assumption of net debt, represents a total transaction value of approximately \$1.365 billion. We, along with Vintage Capital, our subsidiary GACP, and affiliates of Guggenheim Corporate Funding, LLC (“Guggenheim”), entered into a Debt Commitment Letter dated June 17, 2018, pursuant to which we agreed to provide an aggregate principal amount of approximately \$1.1 billion in debt to finance the transaction. We also entered into an Equity Commitment Letter, dated as of June 17, 2018, with Vintage Rodeo, L.P. (the “Partnership”) and the Parent, pursuant to which we agreed to contribute equity in an amount of up to \$429 million (the “Equity Commitment”). Additionally, we entered into a corresponding Subscription Agreement and Side Letter Agreement, each dated as of June 17, 2018, pursuant to which the Equity Commitment will be allocated to cash subscriptions of limited partnership interest for up to (i) \$315 million of common limited partnership interests of the Partnership, and (ii) \$114 million of 13% PIK preferred limited partnership interests of the Partnership. Further, we entered into a Limited Guarantee on June 17, 2018, in favor of Rent-A-Center, pursuant to which we, together with Vintage RTO, L.P., agreed to guarantee, jointly and severally, the due and punctual payment, performance and discharge when required by the Parent or the Merger Sub to Rent-A-Center of all of the liabilities and obligations of the Parent or Merger Sub under the Merger Agreement. We are also parties to a Mutual Indemnity/Contribution Agreement, dated as of June 17, 2018, pursuant to which (i) we agreed to indemnify and hold harmless Vintage RTO, L.P. and Samjor Family, LP (collectively, the “Vintage Guarantors”) from damages and liabilities arising out of obligations under the Limited Guarantee caused by a default in funding by us or our affiliates, and (ii) the Vintage Guarantors agreed, jointly and severally, to indemnify and hold harmless us and our affiliates from damages and liabilities arising out of all other obligations under the Limited Guarantee.

On April 18, 2018, the United States Bankruptcy Court for the District of Delaware issued an order (the “Order”) approving the sale of certain rights to the assets of The Bon-Ton Stores, Inc. and its affiliates (the “Debtors”) and granted certain other relief to GA Retail, Inc. (“GA”), an indirect wholly owned subsidiary of the Company, Tiger Capital Group, LLC (“Tiger”), and the indenture trustee (the “Indenture Trustee”; together with GA and Tiger, the “Joint Venture”) under the Second Lien Indenture (as defined in the Order). Among other things, the Order approved the Joint Venture’s right to act as the Debtors’ exclusive agent to conduct the sale of substantially all of the Debtors’ assets on the terms and conditions set forth in that certain agency agreement dated April 18, 2018 by and among the Debtors and the Joint Venture (the “Agency Agreement” and the related transactions, the “Bon-Ton Transactions”).

Pursuant to the Agency Agreement, the Joint Venture agreed to pay (a) a cash purchase price of approximately \$560.0 million (the “Cash Purchase Price”), which includes all amounts due and owing by the Debtors to the lenders under that certain debtor in possession financing facility, the cash amounts used to collateralize certain letters of credit and an amount to fund the payment of certain fees and expenses incurred by the Debtors’ professionals, (b) a credit bid of

\$125.0 million, and (c) \$93.8 million to pay for certain administrative expenses of the Debtors as reflected in an agreed upon wind down budget. In exchange for such payments and the payment of certain expenses, the Joint Venture received the right to receive all proceeds (cash or otherwise) of any of the Debtors' Assets except as otherwise set forth in the Agency Agreement (the "Proceeds"). The sale of inventory and certain of the assets of Bon-Ton through a going-out-of-business sale was completed on August 31, 2018. The Joint Venture continues to wind down the business activities of Bon-Ton and sale of certain real property, among other items, in accordance with the Agency Agreement.

S-6

To fund GA's portion of the Cash Purchase Price, GA borrowed (i) \$300.0 million from Wells Fargo Bank, N.A. ("Wells Fargo Bank") pursuant to an amended and restated consent dated April 19, 2018 to that certain credit agreement among GA, its affiliates and Wells Fargo Bank, as amended (the "Credit Agreement"), and (ii) approximately \$51.0 million from GACP II, L.P., a direct lending fund managed by GACP, an affiliate of GA and a wholly owned subsidiary of the Company. Each of these loans is to be repaid from the Proceeds after the payment of certain expenses incurred by the Joint Venture in connection with the sale. In connection with the borrowing from Wells Fargo Bank, the maximum borrowing limit under the Credit Agreement was increased solely for purposes of the Bon-Ton Transactions from \$200.0 million to \$300.0 million and reverted back to \$200.0 million upon repayment of the amounts borrowed in connection with the Bon-Ton Transactions. The amounts borrowed in connection with the Bon-Ton Transaction were fully repaid as of September 30, 2018.

On March 15, 2018, the Company was a party to a Secondary Stock Purchase Agreement with ACP BD Investments, LLC ("ACP") which required the Company to purchase 950,000 shares of the Company's common stock at \$18.25 per share or approximately \$17.3 million in cash. The stock was repurchased from ACP on April 2, 2018 and retired by the Company.

On January 12, 2018, the Company converted a loan receivable from bebe stores, inc. ("bebe") in the amount of \$16.9 million in principal and accrued interest into 2,819,528 shares of common stock of bebe, representing a conversion price at \$6.00 per share. On January 12, 2018, the Company also purchased 500,000 shares of bebe common stock at \$6.00 per share of which 250,000 shares were newly issued common stock by bebe and 250,000 shares were purchased from the majority shareholder of bebe. In total, the Company acquired 3,319,528 shares of bebe common stock. In connection with such transactions, bebe fixed the size of its board of directors at five members of which two employees of the Company were newly appointed to the bebe board. At September 30, 2018, the Company had an ownership of approximately 30.1% of bebe's outstanding common shares.

Our Corporate Information

We are a Delaware corporation. Our executive offices are located at 21255 Burbank Blvd, Suite 400, Woodland Hills, California 91367, and the telephone number at our principal executive office is (818) 884-3737. Our website addresses are <http://www.greatamerican.com>, <http://www.brileyfin.com>, <http://www.unitedonline.net>, <http://www.magicjack.com> and <http://www.vocaltec.com>. We have not incorporated by reference into this prospectus supplement and accompanying prospectus the information on our website, and you should not consider it to be a part of this document.

S-8

THE OFFERING

The following is a brief summary of some of the terms of the offering and is qualified in its entirety by reference to the more detailed information appearing elsewhere in this prospectus supplement and the accompanying prospectus. For a more complete description of the terms of the Notes, see the “Description of the Notes” section in this prospectus supplement.

Issuer	B. Riley Financial, Inc.
Notes Offered	Up to \$75,000,000 aggregate principal amount of 7.25% Senior Notes due 2027, 7.50% Senior Notes due 2027, 7.375% Senior Notes due 2023, 6.875% Senior Notes due 2023 and 7.50% Senior Notes due 2021.
	The 7.25% 2027 Notes, 7.50% 2027 Notes, 7.375% 2023 Notes, 6.875% 2023 Notes and 2021 Notes offered hereby are a further issuance of, form of a single series with and will have the same terms as the Initial 7.25% 2027 Notes, Initial 7.50% 2027 Notes, Initial 7.375% 2023 Notes, Initial 6.875% 2023 Notes and Initial 2021 Notes, respectively.
Manner of offering	“At the market offering” that may be made from time to time through the Agent, as sales agent, subject to our instruction as to amount and timing. The Agent is not required to sell any specific principal amount of the Notes, but the Agent will make all sales using commercially reasonable efforts consistent with its normal trading and sales practices on mutually agreed terms between the Agent and us. See “Plan of Distribution” on page S-39.
Maturity	The 7.25% 2027 Notes will mature on December 31, 2027, the 7.50% 2027 Notes will mature on May 31, 2027, the 7.375% 2023 Notes will mature on May 31, 2023, the 6.875% 2023 Notes will mature on September 30, 2023 and the 2021 Notes will mature on October 31, 2021, each unless redeemed prior to maturity.
Interest Rate and Payment Dates	7.25% interest per annum on the principal amount of the 7.25% 2027 Notes, 7.50% interest per annum on the principal amount of the 7.50% 2027 Notes, 7.375% interest per annum on the principal amount of the 7.375% 2023 Notes, 6.875% interest per annum on the principal amount of the 6.875% 2023 Notes and 7.50% interest per annum on the principal amount of the 2021 Notes will accrue from the most recent interest payment date immediately preceding the date of issuance of the 7.25% 2027 Notes, 7.50% 2027 Notes, 7.375% 2023 Notes, 6.875% 2023 Notes and 2021 Notes, respectively, except that Notes purchased after the record dates noted below, but prior to the interest payment date immediately following such record date (or if settlement of a purchase of Notes otherwise occurs after such record date but prior to the interest payment date immediately following such record date), such Notes will not begin to accrue interest until the interest payment date immediately following such record date. Interest will be paid quarterly in arrears on January 31, April 30, July 31 and October 31 of each year. The interest payable on each interest payment date will be paid only to holders

Edgar Filing: B. Riley Financial, Inc. - Form 424B5

of record of the Notes at the close of business on January 15, April 15, July 15 and October 15 of each year, as the case may be, immediately preceding the applicable interest payment date. As a general matter, holders of the Notes will not be entitled to receive any payments of principal on the Notes prior to the stated maturity date.

S-9

Guarantors None.

Ranking The Notes will be our senior unsecured obligations and will rank equal in right of payment with all of our existing and future senior unsecured and unsubordinated indebtedness. The Notes will be effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness. The Notes will be structurally subordinated to all existing and future indebtedness (including trade payables) of our subsidiaries.

The indenture governing the Notes does not limit the amount of indebtedness that we or our subsidiaries may incur or whether any such indebtedness can be secured by our assets.

S-10

Optional Redemption We may redeem the 7.25% 2027 Notes, in whole or in part, on or after December 31, 2020, the 7.50% 2027 Notes, in whole or in part, on or after May 31, 2020, and the 2021 Notes, in whole or in part, on or after October 31, 2018, at our option, at any time and from time to time, prior to maturity at a price equal to 100% of their principal amount, plus accrued and unpaid interest to, but excluding, the date of redemption. We may redeem the 7.375% 2023 Notes in whole or in part at our option (i) on or after May 31, 2020 and prior to May 31, 2021, at a price equal to \$25.75 per note, plus accrued and unpaid interest to, but excluding, the date of redemption, (ii) on or after May 31, 2021 and prior to May 31, 2022, at a price equal to \$25.375 per note, plus accrued and unpaid interest to, but excluding, the date of redemption, and (iii) on or after May 31, 2022 and prior to maturity, at a price equal to 100% of their principal amount, plus accrued and unpaid interest to, but excluding the date of redemption. We may redeem the 6.875% 2023 Notes in whole or in part at our option (i) on or after September 30, 2020 and prior to September 30, 2021, at a price equal to \$25.50 per note, plus accrued and unpaid interest to, but excluding, the date of redemption, (ii) on or after September 30, 2021 and prior to September 30, 2022, at a price equal to \$25.25 per note, plus accrued and unpaid interest to, but excluding, the date of redemption, and (iii) on or after September 30, 2022 and prior to maturity, at a price equal to 100% of their principal amount, plus accrued and unpaid interest to, but excluding the date of redemption. See “Description of the Notes — Optional Redemption” for additional details.

Sinking Fund The Notes will not be subject to any sinking fund (i.e., no amounts will be set aside by us to ensure repayment of the Notes at maturity).

Use of Proceeds We expect to use the net proceeds of this offering for general corporate purposes. See “Use of Proceeds.”

Events of Default Events of default generally will include failure to pay principal, failure to pay interest, failure to observe or perform any other covenant or warranty in the Notes or in the indenture, and certain events of bankruptcy, insolvency or reorganization. See “Description of the Notes — Events of Default.”

Certain Covenants The indenture that governs the Notes contains certain covenants, including, but not limited to, restrictions on our ability to merge or consolidate with or into any other entity. See “Description of the Notes — Covenants.”

No Financial Covenants The indenture relating to the Notes does not contain financial covenants.

Additional Notes We may create and issue additional notes ranking equally and ratably with the 7.25% 2027 Notes, 7.50% 2027 Notes, 7.375% 2023 Notes, 6.875% 2023 Notes and 2021 Notes in all respects, so that such additional notes will constitute and form a single series with the 7.25% 2027 Notes, 7.50% 2027 Notes, 7.375% 2023 Notes, 6.875% 2023 Notes and 2021 Notes, as applicable, and will have the same terms as to status, redemption or otherwise (except the price to public, the issue date and, if applicable, the initial interest payment date) as such Notes. We will not issue any such additional notes unless such issuance would constitute a “qualified reopening” for U.S. federal income tax purposes.

Defeasance	The Notes are subject to legal and covenant defeasance by us. See “Description of the Notes — Defeasance” for more information.
Listing	The 7.25% 2027 Notes, 7.50% 2027 Notes, 7.375% 2023 Notes, 6.875% 2023 Notes and 2021 Notes, when issued, are quoted on Nasdaq under the symbols “RILYG,” “RILYZ,” “RILYH,” “RILYI” and “RILYL,” respectively.
Form and Denomination	The Notes will be issued in book-entry form in minimum denominations of \$25 and integral multiples in excess thereof. The Notes will be represented by a permanent global certificate deposited with the trustee as custodian for The Depository Trust Company (“DTC”) and registered in the name of a nominee of DTC. Beneficial interests in any of the Notes will be shown on, and transfers will be effected only through, records maintained by DTC and its direct and indirect participants and any such interest may not be exchanged for certificated securities, except in limited circumstances.
Trustee	U.S. Bank National Association.
Governing Law	The Notes and the indenture governing the Notes will be governed by the laws of the State of New York.
Risk Factors	An investment in the Notes involves significant risks. Please refer to “Risk Factors” beginning on page S-14 and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should carefully consider before investing in the Notes.

Conflicts of
Interest

B. Riley FBR is an affiliate of B. Riley Financial, Inc. and, as such, may be deemed to have a &#