

HomeStreet, Inc.  
Form DEFC14A  
April 17, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate Box:

Preliminary Proxy Statement

Confidential for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

HomeStreet, Inc.

(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total Fee Paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:



April 17, 2018

It is my distinct pleasure to invite you to attend the 2018 annual meeting of shareholders of HomeStreet, Inc. The meeting will be held at 10:00 A.M. Pacific Time on May 24, 2018 at the Hilton Seattle Hotel, located at 1301 Sixth Avenue, Seattle, Washington, 98101.

With this letter, we are including the notice for the annual meeting, the proxy statement, our annual report for the fiscal year ended December 31, 2017 and a proxy card. You may also find copies of these items online at [www.homestreet.com/proxy](http://www.homestreet.com/proxy).

The matters to be voted on are: the election of Scott M. Boggs, Mark R. Patterson and Douglas I. Smith as Class I directors, the approval on an advisory (non-binding) basis of the compensation of the Company's named executive officers, the approval on an advisory (non-binding) basis of the frequency of future advisory shareholder votes on executive compensation, and the ratification on an advisory (non-binding) basis of the appointment of our independent auditors for 2018. Our Board of Directors recommends that you vote "FOR" each of its nominees (Scott M. Boggs, Mark R. Patterson and Douglas I. Smith), that you vote for an advisory (non-binding) shareholder vote on the compensation of our named executive officers every "ONE YEAR," that you vote "FOR" the approval on an advisory (non-binding) basis of the compensation of our named executive officers and that you vote "FOR" each of the other proposals as set forth in the enclosed proxy statement by using the enclosed **WHITE** proxy card.

On April 11, 2018, Roaring Blue Lion Capital Management, L.P. ("Roaring Blue Lion Capital") informed the Company that it intends to solicit votes "AGAINST" certain Board nominees and one or more of the Company's proposals. **OUR BOARD OF DIRECTORS URGES YOU TO VOTE ONLY FOR OUR BOARD'S PROPOSED NOMINEES BY USING THE ENCLOSED WHITE PROXY CARD, TO DISREGARD ANY MATERIALS SENT TO YOU BY OR ON BEHALF OF ROARING BLUE LION CAPITAL OR ANY OF ITS AFFILIATES AND NOT TO SIGN, RETURN OR VOTE ANY PROXY CARD SENT TO YOU BY OR ON BEHALF OF ROARING BLUE LION CAPITAL OR ANY OF ITS AFFILIATES.** The Company is not responsible for the accuracy of any information provided by or relating to Roaring Blue Lion Capital or any of its affiliates contained in any proxy solicitation materials filed or disseminated by, or on behalf of, Roaring Blue Lion Capital or any of its affiliates or any other statements that they may otherwise make.

**We urge you NOT to sign or return any proxy cards sent by or on behalf of Roaring Blue Lion Capital or any of its affiliates.** If you have already voted using a proxy card sent to you by Roaring Blue Lion Capital, you can revoke it by (1) executing and delivering the **WHITE** proxy card, voting over the Internet using the Internet address on the **WHITE** proxy card or voting by telephone using the toll-free number on the **WHITE** proxy card or (2) voting in person at the annual meeting. Only your last-dated proxy submitted will count, and any proxy may be revoked at any time prior to its exercise at the annual meeting as described in the accompanying proxy statement.

Your vote is important. Whether or not you plan to attend the annual meeting, we hope you will vote as soon as possible so that your shares are represented. We urge you to complete, sign and date the enclosed **WHITE** proxy card and promptly return it in the postage-paid envelope provided or vote using the Internet or telephone. Returning your **WHITE** proxy card will not prevent you from voting in person, but will ensure that your vote is counted if you are unable to attend.

If you would like to receive electronic notification of documents we file with the Securities and Exchange Commission and our issuance of press releases, you may subscribe to our e-mail alerts at <http://ir.homestreet.com>.

Thank you for your ongoing support of and continued interest in HomeStreet, Inc.

Sincerely,

Mark K. Mason  
Chairman of the Board, President  
and Chief Executive Officer

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

to be Held on May 24, 2018

The Annual Meeting of Shareholders (the “Annual Meeting”) of HomeStreet, Inc., a Washington corporation (the “Company”), will be held at 10:00 A.M., Pacific Time, on May 24, 2018, at the Hilton Seattle Hotel, located at 1301 Sixth Avenue, Seattle, Washington, 98101, in order to consider and vote upon the following matters:

1. The election of Scott M. Boggs, Mark R. Patterson and Douglas I. Smith as Class I directors to serve until the 2021 annual meeting of shareholders, or until their respective successors are elected and qualified;
2. The approval on an advisory (non-binding) basis the compensation of the Company’s named executive officers;
3. The approval on an advisory (non-binding) basis the frequency of future advisory (non-binding) shareholder votes on executive compensation;
4. The ratification on an advisory (non-binding) basis the appointment of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2018; and
5. The transaction of such other business that may properly come before the Annual Meeting or any adjournment or postponement thereof.

Pursuant to the Company’s Amended and Restated Bylaws, the Board of Directors of the Company has determined that a *bona fide* election contest does not exist, and therefore, the director candidates that shall be elected are those receiving a majority of votes cast (as described in the attached proxy statement).

Only shareholders of record at the close of business on April 5, 2018, are entitled to notice of, and to vote at, the Annual Meeting, and at any adjournment or postponement thereof.

It is important that your voice be heard and your shares be represented at the Annual Meeting whether or not you are able to attend in person. **We urge you to vote TODAY by completing, signing and dating the WHITE proxy card and mailing it in the enclosed, postage pre-paid envelope or by following the instructions on the WHITE proxy card to vote by telephone or the Internet.** Additionally, we hope that you can attend the meeting in person. If you submit your proxy and later wish to change your vote you may do so, either by submitting a new proxy or by voting in person at the meeting. If you are unable to attend the meeting and vote in person, please submit a proxy as soon as possible, so that your shares can be voted at the meeting in accordance with your instructions. Please refer to the questions and answers section commencing on page 2 of the attached proxy statement and the instructions on the WHITE proxy card.

Our Mailing Address:  
HomeStreet, Inc.  
601 Union Street, Suite 2000  
Seattle, WA 98101

Godfrey B. Evans  
Executive Vice President, General Counsel,  
Chief Administrative Officer and Corporate Secretary

April 17, 2018

IMPORTANT

On April 11, 2018, Roaring Blue Lion Capital Management, L.P. (“Roaring Blue Lion Capital”) informed the Company that it intends to solicit votes “AGAINST” certain Board nominees and one or more of the Company’s proposals. The Company’s Board of Directors urges you NOT to sign any proxy card sent to you by or on behalf of Roaring Blue Lion Capital. If you have already signed any proxy card provided by or on behalf of Roaring Blue Lion Capital, you have every legal right to change your vote by using the enclosed **WHITE** proxy card to vote TODAY – by telephone or by Internet using the instructions on the **WHITE** proxy card or by signing, dating and returning the **WHITE** proxy card in the postage-paid envelope provided.

**If you have any questions or need any assistance in voting your shares, please contact our proxy solicitor:**

**OKAPI PARTNERS LLC**

1212 Avenue of the Americas, 24th Floor

New York, NY 10036

Toll-Free: (877) 566-1922

Email: [info@okapipartners.com](mailto:info@okapipartners.com)

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON MAY 24, 2018: THE PROXY STATEMENT FOR THE ANNUAL MEETING AND THE ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017 ARE AVAILABLE FREE OF CHARGE ON OUR WEBSITE AT [WWW.HOMESTREET.COM](http://WWW.HOMESTREET.COM).**

The notice of annual meeting of shareholders and the attached proxy statement are first being made available to shareholders on or about April 17, 2018.



**Table of Contents**

	<b>Page</b>
<u>DATE, TIME, PLACE AND PURPOSE OF HOMESTREET'S ANNUAL MEETING</u>	1
<u>QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND ANNUAL MEETING</u>	2
<u>Why am I receiving these materials?</u>	2
<u>Who is entitled to vote?</u>	2
<u>How many shares are entitled to vote at the meeting?</u>	2
<u>How many votes do I have?</u>	2
<u>What matters will be voted on at the Annual Meeting?</u>	2
<u>What is the voting requirement to approve each of the matters to be voted on at the Annual Meeting?</u>	3
<u>How does the Board of Directors recommend I vote?</u>	3
<u>How long will each of the directors elected at the Annual Meeting continue to serve?</u>	3
<u>Who is a registered shareholder and who is a beneficial shareholder?</u>	4
<u>How do I vote?</u>	4
<u>What happens if I sign and return my proxy card, but don't mark my votes?</u>	5
<u>Can I revoke my proxy?</u>	5
<u>What happens if additional matters are presented at the Annual Meeting?</u>	5
<u>Who will count the votes?</u>	5
<u>Where can I find the results of the Annual Meeting?</u>	5
<u>What does it mean if I get more than one proxy card?</u>	5
<u>What constitutes a "quorum"?</u>	6
<u>What vote is required to elect directors?</u>	6
<u>What vote is required to approve the advisory (non-binding) proposal on the compensation of the Company's named executive officers?</u>	6
<u>What vote is required for the advisory (non-binding) proposal on the frequency of future advisory (non-binding) shareholder votes on executive compensation?</u>	7
<u>What vote is required to approve the advisory (non-binding) proposal on the ratification of the appointment of the Company's independent registered public accountants?</u>	7
<u>Has the Company been notified that a shareholder intends to propose alternative director nominees or other business at the Annual Meeting?</u>	7
<u>What percentage of outstanding shares do the directors and executive officers beneficially own?</u>	7

**Table of Contents**

(continued)

	<b>Page</b>
<u>Who is paying the cost of preparing, assembling and mailing the notices of the Annual Meeting, Proxy Statement and form of proxy card and the solicitation of the proxies?</u>	7
<u>What is the deadline for nominating directors and submitting shareholder proposals for consideration at the Company's next annual meeting of the shareholders?</u>	8
<u>Who can help answer any other questions I may have?</u>	9
<b><u>ANNUAL MEETING PROCEDURES</u></b>	<b>10</b>
<u>Annual Meeting Admission</u>	10
<u>Who Can Vote, Outstanding Shares</u>	10
<u>Voting Procedures</u>	10
<u>Proxy Card</u>	11
<u>Record Date</u>	11
<u>Quorum</u>	11
<u>Required Vote</u>	11
<u>Broker Non-Votes</u>	12
<u>Revocability of Proxy</u>	13
<u>Appraisal Rights</u>	13
<u>Shareholder List</u>	13
<u>Other Matters</u>	13
<b><u>OTHER INFORMATION</u></b>	<b>14</b>
<u>Participants in the Solicitation</u>	14
<u>Costs of Solicitation</u>	14
<b><u>FORWARD-LOOKING STATEMENTS</u></b>	<b>15</b>
<b><u>BACKGROUND TO THE SOLICITATION</u></b>	<b>16</b>
<b><u>PROPOSAL 1 ELECTION OF DIRECTORS</u></b>	<b>21</b>
<u>Introduction</u>	21
<u>Nominees for Director</u>	21
<u>Information Regarding the Board of Directors and Nominees</u>	22
<u>Directors of HomeStreet</u>	22
<u>Key Qualifications</u>	23
<u>Nominees for Election as Directors at the Annual Meeting</u>	23
<u>Directors Continuing in Office</u>	24

**Table of Contents**

(continued)

	<b>Page</b>
<u>SHAREHOLDER ENGAGEMENT</u>	27
<u>Shareholder Outreach Program</u>	27
<u>2017 Shareholder Outreach</u>	27
<u>Roaring Blue Lion Capital Management</u>	28
<u>Ongoing Shareholder Engagement</u>	28
<u>CORPORATE GOVERNANCE</u>	29
<u>Code of Ethics</u>	29
<u>Whistleblower Policy</u>	29
<u>Principles of Corporate Governance</u>	30
<u>Board Diversity</u>	30
<u>Director Independence</u>	30
<u>Board Leadership Structure</u>	30
<u>Board Role in Risk Oversight</u>	31
<u>Employee Compensation Risks</u>	32
<u>Board Meetings and Committees</u>	32
<u>2017 Committee Membership of Directors of HomeStreet, Inc</u>	32
<u>Executive Committee</u>	32
<u>Audit Committee</u>	33
<u>Enterprise Risk Management Committee</u>	33
<u>Human Resources and Corporate Governance Committee</u>	34
<u>Interaction with Consultants</u>	35
<u>Human Resources and Corporate Governance Committee Interlocks and Insider Participation</u>	36
<u>Process for Recommending Candidates for Election to the Board of Directors</u>	36
<u>Attendance at Annual Meetings of Shareholders by the Board of Directors</u>	37
<u>Insider Trading Policy and Rule 10b5-1 Trading Plans</u>	37
<u>Contacting the Board of Directors</u>	37
<u>Director Compensation</u>	38
<u>Non-Employee Director Compensation</u>	38
<u>Compensation Through May 31, 2017</u>	38
<u>Compensation Beginning June 1, 2017</u>	38
<u>Director Stock Ownership Guidelines</u>	39
<u>Directors' Deferred Compensation Plan</u>	39
<u>Compensation for Employee Directors</u>	39
<u>2017 Director Compensation Table</u>	40

**Table of Contents**

(continued)

	<b>Page</b>
<u>EXECUTIVE OFFICERS</u>	41
<u>EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS (“CD&amp;A”)</u>	45
<u>Introduction</u>	45
<u>Executive Summary</u>	45
<u>2017 Business Highlights</u>	45
<u>2017 Financial Highlights</u>	46
<u>2017 Executive Compensation Highlights</u>	47
<u>2017 Shareholder Engagement</u>	48
<u>2017 Advisory Vote on Executive Compensation</u>	48
<u>Summary of Executive Compensation Practices</u>	48
<u>What Guides Our Program</u>	49
<u>Compensation Philosophy and Practices</u>	49
<u>Elements of the Executive Compensation Program</u>	50
<u>Target Total Direct Compensation</u>	51
<u>The Decision-Making Process</u>	52
<u>2017 Executive Compensation Program in Detail</u>	54
<u>Base Salary</u>	54
<u>Annual Incentive Plan Awards (Short-Term Incentives)</u>	55
<u>Commissioned NEOs Incentive Plan Arrangements</u>	58
<u>Long-Term Incentives</u>	59
<u>Other Practices, Policies and Guidelines</u>	62
<u>Clawback Provisions</u>	62
<u>Health and Welfare Benefits</u>	62
<u>401(k) Savings Plan</u>	62
<u>Perquisites and Other Personal Benefits</u>	63
<u>2017 Risk Assessment</u>	63
<u>Tax and Accounting Considerations</u>	63
<u>Executive Employment Agreements</u>	63
<u>Human Resources and Corporate Governance Committee Report</u>	65
<u>2017 Summary Compensation Table</u>	66
<u>2017 Grants of Plan-Based Awards</u>	67
<u>Outstanding Equity Awards at 2017 Fiscal Year-End</u>	68
<u>2017 Stock Option Exercises and Stock Vested</u>	69

**Table of Contents**

(continued)