

First Foundation Inc.
Form DEF 14A
July 26, 2017

SCHEDULE 14A

(Rule 14a-101)

SCHEDULE 14A INFORMATION

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 Section 240.14a-12
FIRST FOUNDATION INC.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

- (2) Aggregate number of securities to which transaction applies:

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- (4) Proposed maximum aggregate value of transaction:

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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:

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FIRST FOUNDATION INC.

July 28, 2017

Dear Fellow Stockholder:

The Board of Directors and I would like to extend you a cordial invitation to attend the Annual Meeting of Stockholders of First Foundation Inc. (the "Company"). The Annual Meeting will be held on August 29, 2017, at 8:00 A.M. Pacific Time, at 18101 Von Karman Avenue, Suite 200, Irvine, California 92612.

The attached Notice of Annual Meeting of Stockholders and Proxy Statement describe in detail the matters to be acted on at the Annual Meeting. We also will be available to discuss the operations of the Company and its wholly-owned subsidiaries, First Foundation Bank and First Foundation Advisors.

Your vote is important. Whether or not you plan to attend the Annual Meeting, we hope you will vote as soon as possible. You will be able to vote your shares by telephone, over the Internet, or by completing and returning, by mail, a proxy or voting instruction card. Please review the instructions with respect to your voting options described in the accompanying Proxy Statement and on your proxy or voting instruction card.

At the time you vote your shares, please also let us know if you plan to attend our Annual Meeting by indicating your plans, when prompted, if you are voting on the Internet or by telephone, or by marking the appropriate box on the enclosed proxy card.

Thank you for your ongoing support. We look forward to seeing you at our Annual Meeting.

Sincerely:

Ulrich E. Keller, Jr.

Chairman of the Board

18101 Von Karman Avenue, Suite 700, Irvine, California 92612 (949) 202-4160

FIRST FOUNDATION INC.

18101 Von Karman Avenue, Suite 700,

Irvine, California 92612

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held August 29, 2017

NOTICE TO THE STOCKHOLDERS OF FIRST FOUNDATION INC.:

The 2017 Annual Meeting of Stockholders of First Foundation Inc. (the "Company") will be held on August 29, 2017, at 8:00 A.M. Pacific Time, at 18101 Von Karman Avenue, Suite 200, Irvine, California 92612, for the following purposes:

1. To elect nine members to the Board of Directors of the Company, to serve for the ensuing year and until their successors are elected and qualify to serve; and

2. To ratify the appointment of Vavrinek, Trine, Day & Co., LLP as the Company's independent registered public accounting firm for fiscal year 2017.

Only stockholders of record at the close of business on July 14, 2017 (the "Record Date") are entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement thereof.

Whether or not you plan to attend the Annual Meeting, please be sure to vote by telephone, over the Internet or by completing, signing and returning the enclosed proxy card in the accompanying postage-paid return envelope, so that your shares may be voted in accordance with your wishes. Voting by any of these methods will not prevent you from voting in person if you choose to attend the Annual Meeting.

By Order of the Board of Directors:

Ulrich E. Keller, Jr.

Chairman of the Board

July 28, 2017

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING
OF STOCKHOLDERS TO BE HELD ON AUGUST 29, 2017

The proxy materials for this Annual Meeting, which consist of this Proxy Statement, the 2016 Annual Report to Stockholders, and form of proxy, will be available over the Internet at www.proxyvote.com beginning on July 31, 2017.

FIRST FOUNDATION INC.

18101 Von Karman Avenue, Suite 700,

Irvine, California 92612

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

To Be Held August 29, 2017

INTRODUCTION

This Proxy Statement is being furnished to you in connection with the solicitation of proxies by the Board of Directors of First Foundation Inc., a Delaware corporation, for its 2017 Annual Meeting of Stockholders which will be held on August 29, 2017, at 8:00 A.M. Pacific Time, at 18101 Von Karman Avenue, Suite 200, Irvine, California 92612. This Proxy Statement will be available to our stockholders, on the Internet at www.proxyvote.com, beginning on July 31, 2017. As a matter of convenience, in this Proxy Statement we will refer to First Foundation Inc. as “FFI” or as the “Company” or “we,” “us” or “our” and our 2017 Annual Meeting of Stockholders as the “Annual Meeting.”

All stockholders are cordially invited to attend the Annual Meeting in person. However, you do not need to attend the Annual Meeting to vote your shares. Instead, you may vote your shares by telephone, over the Internet or by completing, signing and returning the enclosed proxy card in the postage-paid return enveloped enclosed for your convenience.

YOUR VOTE IS VERY IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, WE ENCOURAGE YOU TO READ THIS PROXY STATEMENT AND PROVIDE US WITH YOUR PROXY OR VOTING INSTRUCTIONS AS SOON AS POSSIBLE.

Why Did You Send Me This Proxy Statement ?

We sent you this Proxy Statement because you were an owner of record of shares of our common stock as of close of business on July 14, 2017, which is the record date for our Annual Meeting and, therefore, pursuant to applicable law, you are entitled to receive notice of and to vote your shares of common stock at the Annual Meeting. Along with this Proxy Statement, we are also sending you our 2016 Annual Report to Stockholders (the “Annual Report”).

We intend to begin mailing this Proxy Statement, the attached Notice of Annual Meeting, the enclosed proxy card and the Annual Report on or about July 28, 2017, to all stockholders of record who are entitled to vote at the Annual Meeting.

How Many Votes Do I Have?

Each share of common stock is entitled to one vote on each of the nine director nominees to be elected, one vote on the proposal to ratify the appointment of Vavrinek, Trine, Day & Co., LLP as the Company’s independent registered

public accounting firm for fiscal year 2017 and one vote on any other matter presented for a vote of the stockholders.

How Can I Vote My Shares?

If you were a stockholder of record on July 14, 2017, you may vote by any of the following methods:

Voting by Telephone or over the Internet. You may vote your shares by telephone by calling, toll-free, 1-800-690-6903. Alternatively, you may vote on the Internet by following the instructions provided at www.proxyvote.com. Telephone and Internet voting are available 24 hours a day until 11:59 P.M. Pacific Time on August 28, 2017. Our telephone and Internet voting procedures are designed to authenticate each stockholder by using an individual control number that is located on your proxy card. If you vote by telephone or on the Internet, you do not need to return your proxy card.

Voting by Mail. As in past years, stockholders may vote by mail, by completing, dating and signing and then returning the enclosed proxy card in the postage-paid return envelope included with this Proxy Statement.

Voting In Person at the Annual Meeting. As always, you may vote in person if you attend the Annual Meeting.

Even if you vote by telephone, on the Internet or by mail, you may later change your vote by taking, prior to the Annual Meeting, one of the actions described in the subsection below entitled “How Can I Revoke My Proxy and Change My Vote?” or by attending the Annual Meeting and voting in person.

All shares that are properly voted by a stockholder, whether over the Internet or by telephone or mail, and not properly revoked, will be voted at the Annual Meeting in accordance with the stockholder’s voting instructions or, if a stockholder does not provide voting instructions, then in accordance with the recommendations of the Board of Directors of the Company (the “Board”).

Voting on Other Matters. If other matters are properly presented for a vote of the stockholders at the Annual Meeting, the Board of Directors will have discretion to determine how shares for which proxies have been received will be voted on such matters. As of the date of this Proxy Statement, we did not know of any other matters to be presented for a vote of the stockholders at the Annual Meeting.

However, if your shares are held in a brokerage or bank account or by a nominee holder, please read the information below under the subsection entitled “Voting Shares Held by Brokers, Banks and Other Nominee Holders” regarding how your shares may be voted in accordance with your wishes.

Voting Shares Held by Brokers, Banks and Other Nominee Holders

If your shares are held in a brokerage account, by a bank or by a nominee holder, you are deemed to be the “beneficial owner” of those shares, holding them in “street name.” In that event, the broker, bank or other nominee holder is deemed to be the record owner of your shares and, therefore, is entitled to vote your shares. However, under rules applicable to securities brokerage firms, a broker who holds shares in “street name” for the beneficial owner of the shares does not have the authority to vote those shares on any “non-routine” proposal, except in accordance with voting instructions received from the beneficial owner of the shares. The election of directors is deemed to be a non-routine proposal.

Therefore, if you hold your shares in street name and want your shares to be voted on the election of directors, you must give voting instructions to your broker, bank or other intermediary who is the “nominee holder” of your shares. We ask brokers, banks and other nominee holders to obtain voting instructions from the beneficial owners of our common stock. Proxies that are returned to us by brokers, banks or other nominee holders on your behalf will count toward a quorum and will be voted in accordance with the voting instructions you have sent to your broker or bank or other nominee holder. If, however, you want to attend and vote your shares in person at the Annual Meeting, you will need

to obtain a legal proxy or broker's proxy card from your broker or other nominee holder and bring it with you to the Annual Meeting.

If you do not provide voting instructions to, and do not obtain a proxy from, your broker, bank or other nominee holder, your shares cannot be voted at the Annual Meeting.

What is the Recommendation of the Board and How Will the Board Vote My Proxy?

The Board of Directors unanimously recommends that the stockholders vote FOR the election of each of the director nominees named below and FOR approval of Proposal No. 2 described below.

If you grant us your proxy to vote your shares, and you do not revoke that proxy prior to or at the Annual Meeting, in accordance with the procedures set forth under “How Can I Revoke My Proxy and Change My Vote?” below, your shares will be voted as directed by you. If you do not provide any specific direction as to how your shares should be voted, your shares will be voted FOR :

1. The election of each of the nine director nominees named below (Proposal No. 1).
2. Ratification of the appointment of Vavrinek Trine Day & Co. LLP as the Company’s independent registered public accounting firm for fiscal year 2017 (Proposal No. 2).

If any other matter should be presented at the Annual Meeting upon which a vote may properly be taken, the shares represented by your proxy will be voted in accordance with the judgment of the holders of the proxy. However, if your shares are held in a brokerage account or by a nominee, please read the information above under the subsection entitled “Voting Shares Held by Brokers, Banks and Other Nominee Holders” regarding how your shares may be voted.

What is the Vote Required to Approve the Proposals that will be Voted on at the Annual Meeting?

Quorum Requirement. Our Bylaws require that a quorum — that is, the holders of a majority of all of the shares entitled to vote at the Annual Meeting — be present, either in person or by proxy, before any business may be transacted at the Annual Meeting (other than adjourning the Annual Meeting to a later date to allow time to obtain additional proxies to satisfy the quorum requirement).

Proposal No. 1. Election of Directors. The election of director nominees requires the affirmative vote of a majority of the votes cast with respect to such director in an uncontested election (meaning the number of shares voted “for” a nominee must exceed the number of shares voted “against” such nominee). If the Corporate Secretary of the Company determines that the number of director nominees exceeds the number of director nominees to be elected as of the record date for the Annual Meeting, the director nominees will be elected by vote of a plurality of the shares, present in person or by proxy and entitled to vote on the election of directors. In such event, the nine director nominees receiving the greatest numbers of votes “for” will be elected as directors without regard to the number of shares voted against such director nominees. Votes cast shall include votes “for” and “against” a nominee and exclude “abstentions” and “broker non-votes” with respect to that nominee’s election. A director who does not receive a majority of the votes cast in an uncontested election must tender an offer of resignation to the Board of Directors. The Nominating and Corporate Governance Committee will consider the resignation offer and make a recommendation to the Board of Directors whether to accept or reject the resignation or whether other action should be taken. If any such director’s resignation offer is not accepted by the Board of Directors, the Board of Directors will publicly disclose its decision, including the reasons for not accepting the resignation offer, within four business days after reaching its decision.

Proposal No. 2. Ratification of Appointment of Vavrinek, Trine, Day & Co., LLP as the Company’s independent registered public accounting firm for fiscal year 2017. The affirmative vote of a majority of the shares of common stock present in person or represented by proxy and voting at the Annual Meeting is required to approve this Proposal. As a result, broker non-votes will not affect the outcome of the vote on this Proposal.

What are Broker Non-Votes and How Will They Affect the Voting at the Annual Meeting?

Under rules applicable to securities brokerage firms, a broker who holds your shares in “street name” does not have the authority to vote those shares on any “non-routine” proposal, except in accordance with voting instructions received from you. On the other hand, your broker may vote your shares on certain “routine” proposals (such as the ratification of the appointment of independent registered public accountants), if the broker has transmitted proxy-soliciting materials to you, as the beneficial owner of the shares, but has not received voting instructions from you on such proposals. If the broker does not receive voting instructions from you, but chooses to vote your shares on a routine matter, then your shares will be deemed to be present by proxy and will count toward a quorum at the Annual Meeting, but will not be counted as having been voted on, and as a result will be deemed to constitute “broker non-votes” with respect to, non-routine proposals which, at this year’s Annual Meeting, will consist of: the Election of Directors (Proposal No. 1). Broker non-votes will have the same effect as a vote “against” a proposal if approval of the proposal requires the affirmative vote of the holders of a majority of the outstanding shares, and will be counted as present for quorum purposes.

How Can I Revoke My Proxy and Change My Vote?

If you are a registered owner and have given us your proxy (whether by mail, by telephone or over the Internet), you may change your vote by taking any of the following actions:

• Sending a written notice to us that you are revoking your proxy, addressed to the Secretary of the Company, at 18101 Von Karman Avenue, Suite 700, Irvine, California 92612, and then voting again by one of the methods described immediately below. To be effective, the notice of revocation must be received by the Company before the Annual Meeting commences. If, however, after sending us a written notice of revocation, you fail to vote your shares by any of the following methods, then none of your shares can be voted at the Annual Meeting.

• Sending us another proxy, by mail, dated at a later date than your earlier proxy. However, to be effective, that later-dated proxy must be received by the Company before the Annual Meeting commences and must be dated and signed by you. If you fail to date or fail to sign that later-dated proxy, it will not be treated as a revocation of an earlier-dated proxy and your shares will be voted in accordance with your earlier voting instructions.

• Attending the Annual Meeting and voting in person in a manner that is different than the voting instructions contained in your earlier proxy or voting instructions.

• If you submitted your proxy by telephone or over the Internet, you may change your vote or revoke your proxy with a later telephone or Internet proxy, as the case may be.

However, if your shares are held by a broker or by a bank or other nominee holder, you will need to contact your broker, bank or nominee holder if you wish to revoke your earlier voting instructions.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Set forth below is information regarding the beneficial ownership, as of July 20, 2017, of the Company's common stock by (i) each person who we knew owned, beneficially, more than 5% of the Company's outstanding shares, (ii) each of the Company's directors and each nominee standing for election to the Board at the Annual Meeting, (iii) each of the current executive officers of the Company who are named in the Summary Compensation Table below, and (iv) all of the directors and executive officers as a group. As of July 20, 2017, a total of 34,338,634 shares of our common stock were issued and outstanding.

Name and Title	As of July 20, 2017 (1)	
	Number of Shares Beneficially Owned (2)	Percent of Class
Ulrich Keller, Jr., Executive Chairman	2,672,170(3)	7.7 %
Scott Kavanaugh, Vice Chairman and CEO	1,388,417	4.0 %
James Brakke, Director	129,851	*
Max Briggs, Director	65,579 (4)	*
Warren Fix, Director	168,765 (5)	*
John Hakopian, Director and President of FFA	970,360	2.8 %
Gerald Larsen, Director	47,131	*
Mitchell M. Rosenberg, Director	56,731	*
Jacob Sonenshine, Director	70,063	*
David S. DePillo	713,311	2.1 %
John Michel	217,291	*
All Directors and executive officers as a Group (11 persons)	6,499,669	18.5 %

*Less than 1%

- (1) This table is based upon information supplied to us by our officers, directors and principal stockholders. Except as otherwise noted, we believe that each of the stockholders named in the table has sole voting and investment power with respect to all shares of common stock shown as to which he or she is shown to be the beneficial owner, subject to applicable community property laws. The percentage ownership interest of each individual or group is based upon the total number of shares of the Company's common stock outstanding plus the shares which the respective individual or group has the right to acquire within 60 days after July 20, 2017 through the exercise of stock options or pursuant to any contract or any other arrangement.
- (2) Includes shares that may be acquired within 60 days of July 20, 2017 pursuant to the exercise of stock options, as follows: Mr. Keller—191,000 shares; Mr. Kavanaugh—200,000 shares; Messrs. Brakke, Sonenshine and Dr. Rosenberg,—3,000 shares each; Mr. Hakopian—181,000 shares; Mr. Briggs—30,000 shares; Mr. Larsen—22,000 shares; Mr. Michel—154,000 shares; and all of the directors and executive officers as a group—787,000 shares.
- (3) Includes 200,000 shares beneficially owned by Mr. Keller's wife, as to which he disclaims beneficial ownership.
- (4) Includes 6,000 shares beneficially owned by Mr. Briggs' wife, as to which he disclaims beneficial ownership.
- (5) Includes 11,800 shares beneficially owned by Mr. Fix's wife, as to which he disclaims beneficial ownership.

ELECTION OF DIRECTORS

(Proposal No. 1)

The Company's Bylaws provide that the Board of Directors will consist of one or more members, which will be determined from time to time by resolution of the Board of Directors. The Board of Directors has set the authorized number of directors at nine effective as of the Annual Meeting.

Accordingly, a total of nine directors will be elected at the Annual Meeting to hold office until the next annual stockholders' meeting and until their respective successors are elected and qualify to serve. The Board of Directors has nominated for election the nine persons named in the table below, all of whom are incumbent directors. Each of the nominees has consented to serve as a director if elected at the Annual Meeting. Unless authority to vote has been withheld, the named proxy holders intend to vote the shares represented by the proxies received by them "FOR" the election of all of those nine nominees. If, prior to the Annual Meeting, any of the Board of Director's nominees becomes unable to serve, the Board of Directors either will designate a substitute nominee, in which event the proxy holders will vote the proxies received by them for his or her election, or will reduce the authorized number of directors standing for election.

Vote Required and Recommendation of the Board of Directors

The election of director nominees requires the affirmative vote of a majority of the votes cast with respect to such director in an uncontested election (meaning the number of shares voted "for" a nominee must exceed the number of shares voted "against" such nominee). If the secretary of the Company determines that the number of director nominees exceeds the number of director nominees to be elected as of the record date for the Annual Meeting, the director nominees will be elected by vote of a plurality of the shares, present in person or by proxy and entitled to vote on the election of directors. In such event, the nine director nominees receiving the greatest numbers of votes "for" will be elected as directors without regard to the number of shares voted against such director nominees. Votes cast shall include votes "for" and "against" a nominee and exclude "abstentions" and "broker non-votes" with respect to that nominee's election. A director who does not receive a majority of the votes cast in an uncontested election must tender an offer of resignation to the Board of Directors. The Nominating and Corporate Governance Committee will consider the resignation offer and make a recommendation to the Board of Directors whether to accept or reject the resignation or whether other action should be taken. If any such director's resignation offer is not accepted by the Board of Directors, the Board of Directors will publicly disclose its decision, including the reasons for not accepting the resignation offer, within four business days after reaching its decision.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE " FOR " THE ELECTION OF EACH OF THE NOMINEES NAMED BELOW.

Nominees

Set forth below is the name, age and position with the Company of each of the nominees recommended by the Nominating and Corporate Governance Committee and selected by the Board of Directors to stand for election to the Board at the Annual Meeting. All of the nominees named below were elected to the Board by the stockholders at last year's annual meeting. The business address for all of these nominees is 18101 Von Karman Avenue, Suite 700, Irvine, California 92612.

Name	Age	Positions with FFI
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Director
Since

Ulrich E. Keller, Jr., CFP 60 2007 &