

CHIMERA INVESTMENT CORP
Form DEF 14A
September 10, 2014

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 (Amendment No.)

Filed by the Registrant x
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Check the appropriate box:

- o Preliminary Proxy Statement
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- x Definitive Proxy Statement
- o Definitive Additional Materials
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Chimera Investment Corporation
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be Held October 23, 2014

To the Stockholders of Chimera Investment Corporation:

We will hold the annual meeting of the stockholders of Chimera on October 23, 2014, at 3:00 p.m., New York time, at the Warwick Hotel, 65 West 54th Street, New York, New York 10019, to consider and vote on the following proposals:

To elect three Class I directors to serve until our annual meeting of stockholders in 2017 and until his or her successor is duly elected and qualified;

To elect two Class II directors to serve until our annual meeting of stockholders in 2015 and until his or her successor is duly elected and qualified;

To elect two Class III directors to serve until our annual meeting of stockholders in 2016 and until his or her successor is duly elected and qualified;

To approve a non-binding advisory resolution on our executive compensation;

To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2014; and

To transact such other business as may properly come before our annual meeting or any adjournment or postponement thereof.

Only our common stockholders of record at the close of business on August 28, 2014, the record date for the annual meeting, may vote at the annual meeting and any adjournments or postponements of it.

Your vote is very important. Please exercise your right to vote.

If you attend the annual meeting in person, you will need to present your admission ticket, or an account statement showing your ownership of our common stock as of the record date, and valid government issued photo identification. The indicated portion of your proxy card or voter instruction card will serve as your admission ticket.

Our board of directors recommends that you vote:

“FOR” the election of each of the nominees as directors;

“FOR” approval of the non-binding advisory resolution on executive compensation; and

“FOR” the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2014.

By order of the board of directors,

Secretary

September 10, 2014

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for the Stockholder Meeting October 23, 2014.

Our Proxy Statement and 2013 Annual Report to Stockholders are available at www.proxyvote.com.

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1211 AVENUE OF THE AMERICAS, SUITE 2902
NEW YORK, NEW YORK 10036

2014 ANNUAL MEETING OF STOCKHOLDERS

PROXY STATEMENT

Chimera Investment Corporation (“Chimera”, “we”, “our” or “us”) is furnishing this proxy statement in connection with our solicitation of proxies to be voted at our 2014 annual meeting of stockholders. We will hold the annual meeting at the Warwick Hotel, 65 West 54th Street, New York, New York 10019, on October 23, 2014 at 3:00 p.m. New York time, and any postponements or adjournments thereof. We are sending this proxy statement and the enclosed proxy to our stockholders commencing on or about September 10, 2014.

QUESTIONS AND ANSWERS ABOUT THE MEETING

Q: What am I voting on?

A: (1) Election of directors as follows

Election of three Class I directors, Paul Donlin, Mark Abrams and Gerard Creagh, to serve until our annual meeting of stockholders in 2017 and until his or her successor is duly elected and qualified;

Election of two Class II directors, Dennis M. Mahoney and Paul A. Keenan, to serve until our annual meeting of stockholders in 2015 and until his or her successor is duly elected and qualified;

Election of two Class III directors, John P. Reilly and Matthew Lambiase, to serve until our annual meeting of stockholders in 2016 and until his or her successor is duly elected and qualified;

(2) Approval of a non-binding advisory resolution on our executive compensation; and

(3) Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2014.

Q: How does the board of directors recommend that I vote on these proposals?

A: Our board of directors recommends that you vote:

(1) “FOR” the election of each of the nominees as directors;

(2) “FOR” approval of the non-binding advisory resolution on executive compensation; and

(3) “FOR” the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2014.

Q: Who is entitled to vote at the meeting?

A: Only common stockholders of record as of the close of business on August 28, 2014, the record date, are entitled to vote at the meeting.

Q: What quorum is required for the meeting?

A: A quorum will be present at the annual meeting if a majority of the votes entitled to be cast are present, in person or by proxy. Since there were 1,027,559,175 outstanding shares of common stock, each entitled to one vote per share, as of the record date, we will need at least 513,779,588 votes present in person or by proxy at the annual meeting for a quorum to exist. If a quorum is not present at the annual meeting, we expect that the annual meeting will be adjourned to solicit additional proxies.

Q: What are the voting requirements that apply to the proposals discussed in this proxy statement?

A: The voting requirements are as follows:

Proposal	Vote Required	Discretionary Voting Allowed?
(1) Election of directors	Majority on a per director basis	No
(2) Advisory vote on our executive compensation	Majority of votes cast	No
(3) Ratification of the appointment of Ernst & Young LLP	Majority of votes cast	Yes

“Majority of votes cast” means a majority of the votes cast at the annual meeting on the proposal.

“Majority on a per director basis” means the affirmative vote of a majority of all the votes cast on the election of a director on a per director basis at a meeting of stockholders duly called and which a quorum is present shall be sufficient to elect such director.

Q: What is the effect of abstentions and broker “non-votes”?

A: An abstention is the voluntary act of not voting by a stockholder who is present at a meeting and entitled to vote. Abstentions will be treated as shares that are present and entitled to vote for purposes of determining the presence of a quorum.

Discretionary voting occurs when a bank, broker, or other holder of record does not receive voting instructions from the beneficial owner and votes those shares in its discretion on any proposal as to which the rules of the New York Stock Exchange permit such bank, broker, or other holder of record to vote. When banks, brokers, and other holders of record are not permitted under the New York Stock Exchange rules to vote the beneficial owner’s shares on a proposal, and there is at least one other proposal on which discretionary voting is allowed, the affected shares are referred to as broker “non-votes.” Broker “non-votes” will be treated as present and entitled to vote for purposes of determining the presence of a quorum at the annual meeting.

Abstentions and broker non-votes, if any, will have no effect on the election of the directors (Proposal No. 1), the advisory vote on our executive compensation (Proposal No. 2) or the ratification of the appointment of Ernst & Young LLP (Proposal No. 3).

Q: How will my shares be voted if I do not specify how they should be voted?

A: Properly executed proxies that do not contain voting instructions will be voted as follows:

- (1) Proposal No. 1: FOR the election of directors;
- (2) Proposal No. 2: FOR the advisory vote on our executive compensation; and
- (3) Proposal No. 3: FOR the ratification of Ernst & Young LLP as our independent registered public accounting firm.

The individuals named as proxies by a stockholder may vote for one or more adjournments of the annual meeting, including adjournments to permit further solicitations of proxies.

We do not expect that any matter other than the proposals described above will be brought before the annual meeting. If, however, other matters are properly presented at the annual meeting, the individuals named as proxies will vote in their discretion.

Q: What do I do if I want to change my vote?

A: You may revoke a proxy at any time before it is voted by filing with us a duly executed revocation of proxy, by submitting a duly executed proxy to us with a later date or by appearing at the annual meeting and voting in person. You may revoke a proxy by any of these methods, regardless of the method used to deliver your previous proxy. Attendance at the annual meeting without voting will not itself revoke a proxy.

Q: How will voting on any other business be conducted?

A: Other than the three proposals described in this proxy statement, we know of no other business to be considered at the annual meeting. If any other matters are properly presented at the meeting, your signed proxy card authorizes Matthew Lambiase, our Chief Executive Officer and President, and Rob Colligan, our Chief Financial Officer and Secretary, to vote on those matters in their discretion.

Q: Who will count the vote?

A: Representatives of Broadridge Financial Solutions, Inc., the independent Inspector of Elections, will count the votes.

Q: Who can attend the annual meeting?

A: All stockholders of record as of the close of business on August 28, 2014 can attend the annual meeting, although seating is limited. If your shares are held through a broker and you would like to attend, please either (1) write us at Investor Relations, Chimera Investment Corporation, 1211 Avenue of the Americas, Suite 2902, New York, New York 10036 or email us at investor@chimerareit.com, or (2) bring to the meeting a copy of your brokerage account statement or an omnibus proxy (which you can get from your broker).

In addition, you must bring valid, government issued photo identification, such as a driver's license or a passport. If you plan to attend, please check the box on your proxy card and return it as directed on the proxy card. In addition, if you are a record holder of common stock, your name is subject to verification against the list of our record holders on the record date prior to being admitted to the annual meeting. If you are not a record holder but hold shares in street name, that is, with a broker, dealer, bank or other financial institution that serves as your nominee, you should be

prepared to provide proof of beneficial ownership on the record date, or similar evidence of ownership. If you do not provide valid government issued photo identification or comply with the other procedures outlined above upon request, you will not be admitted to the annual meeting.

Security measures will be in place at the meeting to help ensure the safety of attendees. Metal detectors similar to those used in airports may be located at the entrance to the auditorium and briefcases, handbags and packages may be inspected. No cameras or recording devices of any kind, or signs, placards, banners or similar materials, may be brought into the meeting. Anyone who refuses to comply with these requirements will not be admitted.

Q: How will we solicit proxies for the annual meeting?

A: We are soliciting proxies by mailing this proxy statement and proxy card to our stockholders. We will pay the expenses incurred in connection with the printing and mailing of this proxy statement. In addition to solicitation by mail, our directors and officers and employees of our subsidiaries and Fixed Income Discount Advisory Company (our “Manager”), who will not be specially compensated, may solicit proxies from our stockholders by telephone, facsimile or other electronic means or in person. Arrangements also will be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation materials to the beneficial owners of shares held of record by these persons, and we will reimburse them for their reasonable out-of-pocket expenses. We will bear the total cost of soliciting proxies.

We have retained Innisfree M&A Incorporated, a proxy solicitation firm, to assist us in the solicitation of proxies in connection with the annual meeting. We will pay Innisfree a fee of \$12,500 for its services. In addition, we may pay Innisfree additional fees depending on the extent of additional services requested by us and will reimburse Innisfree for expenses Innisfree incurs in connection with its engagement by us. In addition to the fees paid to Innisfree, we will pay all other costs of soliciting proxies.

Stockholders have the option to vote over the internet or by telephone. Please be aware that if you vote over the internet, you may incur costs such as telephone and access charges for which you will be responsible.

Q: What is “Householding” and does Chimera do this?

A: Householding is a procedure approved by the Securities and Exchange Commission (the “SEC”) under which stockholders who have the same address and last name and do not participate in electronic delivery of proxy materials receive only one copy of a company’s proxy statement and annual report from a company, bank, broker or other intermediary, unless one or more of these stockholders notifies the company, bank, broker or other intermediary that they wish to continue to receive individual copies. We engage in this practice, which is known as “householding,” as it reduces our printing and postage costs. However, if a stockholder of record residing at such an address wishes to receive a separate annual report or proxy statement, he or she may request it orally or in writing by contacting us at Chimera Investment Corporation, 1211 Avenue of the Americas, Suite 2902, New York, New York 10036, Attention: Investor Relations, by emailing us at investor@chimerareit.com, or by calling us at (646) 454-3759, and we will promptly deliver to the stockholder the requested annual report or proxy statement. If a stockholder of record residing at such an address wishes to receive a separate annual report or proxy statement in the future, he or she may contact us in the same manner. If you are an eligible stockholder of record receiving multiple copies of our annual report and proxy statement, you can request householding by contacting us in the same manner. If you own your shares through a bank, broker or other nominee, you can request householding by contacting the nominee.

Q: Could the Annual Meeting be postponed or adjourned?

A: Our bylaws permit the chairman of the meeting to postpone or adjourn the meeting, without notice other than an announcement.

Q: Who can help answer my questions?

A: If you have any questions or need assistance voting your shares or if you need additional copies of this proxy statement or the enclosed proxy card, you should contact:

Chimera Investment Corporation
1211 Avenue of the Americas
Suite 2902
New York, NY 10036
Phone: (646) 454-3759
Facsimile: (212) 696-9809
Email: investor@chimerareit.com
Attention: Investor Relations

Our principal executive offices are located at 1211 Avenue of the Americas, Suite 2902, New York, New York 10036.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information that we file with the SEC at the SEC's public reference room at Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549.

Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. These SEC filings are also available to the public from commercial document retrieval services and at the Internet worldwide web site maintained by the SEC at <http://www.sec.gov>. Reports, proxy statements and other information concerning us may also be inspected at the offices of the New York Stock Exchange, which is located at 20 Broad Street, New York, New York 10005.

Our website is www.chimerareit.com. We make available on this website under "Investor Relations - SEC Filings," free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports as soon as reasonably practicable after we electronically file or furnish such materials to the SEC.

PROPOSAL 1
ELECTION OF DIRECTORS

At the annual meeting, the stockholders will vote to elect three class I directors, two class II directors and two class III directors.

We have three classes of directors. The term of the current class I directors (comprised of Messrs. Donlin, Abrams and Creagh) will expire at our annual meeting of stockholders; the term of the class II directors (comprised of Messrs. Mahoney and Keenan) was to expire at our 2012 annual meeting of stockholders; and the term of the class III directors (comprised of Messrs. Lambiase and Reilly) was to expire at our 2013 annual meeting of stockholders. Because we did not hold a 2012 or 2013 annual meeting of stockholders, class II and class III directors were not elected in 2012 and 2013, respectively, and accordingly, class II and class III directors will be elected at this annual meeting of stockholders.

Our board of directors currently consists of seven directors. Mathew Lambiase was previously classified as a class II director; however, our Board has reclassified Mr. Lambiase as a class III director.

Our class I directors to be elected at the annual meeting will serve until our annual meeting of stockholders in 2017, and until their successors are duly elected and qualify. Our class II directors to be elected at the annual meeting will serve until our annual meeting of stockholders in 2015, and until their successors are duly elected and qualify. Our class III directors to be elected at the annual meeting will serve until our annual meeting of stockholders in 2016, and until their successors are duly elected and qualify.

OUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PAUL DONLIN, MARK ABRAMS AND GERARD CREAGH AS DIRECTORS TO HOLD OFFICE UNTIL OUR ANNUAL MEETING OF STOCKHOLDERS IN 2017 AND UNTIL THEIR RESPECTIVE SUCCESSORS ARE DULY ELECTED AND QUALIFY. OUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR DENNIS M. MAHONEY AND PAUL A. KEENAN AS DIRECTORS TO HOLD OFFICE UNTIL OUR ANNUAL MEETING OF STOCKHOLDERS IN 2015 AND UNTIL THEIR RESPECTIVE SUCCESSORS ARE DULY ELECTED AND QUALIFY. OUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR MATTHEW LAMBIASE AND JOHN P. REILLY AS DIRECTORS TO HOLD OFFICE UNTIL OUR ANNUAL MEETING OF STOCKHOLDERS IN 2016 AND UNTIL THEIR RESPECTIVE SUCCESSORS ARE DULY ELECTED AND QUALIFY. THE PERSONS NAMED IN THE ENCLOSED PROXY WILL VOTE YOUR PROXY IN FAVOR OF THESE NOMINEES UNLESS YOU INSTRUCT YOUR PROXY TO WITHHOLD ACTION AS TO ONE OR MORE OF THE NOMINEES.

Set forth below are the names and certain biographical information on each of our nominees for our class I directors, class II directors and class III directors.

Name	Class	Age	Independent	Director Since	Committee Memberships
Paul Donlin					