

GLOBAL BROKERAGE, INC.

FORM 8-K (Current report filing)

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Industry Investment Banking & Brokerage Services
Sector Financials
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): May 25, 2017

Global Brokerage, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-34986
(Commission File Number)

27-3268672
(IRS Employer
Identification No.)

55 Water Street, FL 50 New York, NY, 10041
(Address of Principal Executive Offices) (Zip Code)

(646) 432-2986
(Registrant's Telephone Number, Including Area Code)

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

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

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

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition

On May 25, 2017, FXCM Group, LLC, in which Global Brokerage, Inc. has an indirect 37.3% ownership interest and an up to 33.5% effective economic interest, issued a press release announcing financial results for its year ended December 31, 2016 and its quarter ended March 31, 2017. A copy of this press release is furnished as Exhibit 99.1 to this Form 8-K and is hereby incorporated by reference in this Item 2.02.

The information in this Current Report on Form 8-K and the Exhibit attached hereto is furnished pursuant to the rules and regulations of the Securities and Exchange Commission and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 7.01 Regulation FD Disclosure

The information set forth under Item 2.02, “Results of Operations and Financial Condition”, is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

- (a) Financial statements of businesses acquired: None
- (b) Pro forma financial information: None
- (c) Shell company transactions: None
- (d) Exhibits: Press release, dated May 25, 2017 issued by FXCM Group, LLC.

Exhibit No. Exhibit Description

99.1** Press Release dated May 25, 2017

** Furnished herewith.

SIGNATURE

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

GLOBAL BROKERAGE INC.

By: /s/ David S. Sassoon

Name: David S. Sassoon

Title: General Counsel

Date: May 25, 2017

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated as of May 25, 2017

FXCM Group Provides Financial Information for Full Year 2016 and Q1 2017

NEW YORK, May 25, 2017 -- [FXCM Group, LLC](#) ("FXCM Group" or "FXCM"), a leading international provider of online foreign exchange trading, CFD trading, spread betting and related services, today provided selected financial information regarding its first quarter 2017 and full year 2016 results.

"In the first quarter of this year we were able to generate positive Adjusted EBITDA of \$6.7 million in a difficult environment of low volatility," said Brendan Callan, CEO of FXCM. "This is in large part due to a substantial cost reduction effort that leaves us well positioned for profitability moving forward."

"With the recently announced sale of our stake in FastMatch, we expect our balance sheet to further improve as we continue to pay down our debt to Leucadia," continued Callan. "We remain very optimistic about the future of our business."

FXCM Group, LLC (US Millions) (unaudited)

Selected Income Statement Data Three months ended March 31, 2017

Total Net Revenues	\$ 45.9
Operating Expenses ¹	\$ 39.1
Loss from Continuing Operations	(\$10.4)
Net Loss	(\$28.2)
Adjusted EBITDA – Continuing Operations ²	\$ 6.7

¹ Excludes depreciation & amortization of \$5.1 million

² See reconciliation following

Selected Balance Sheet Data As at March 31, 2017

Cash and Cash Equivalents	\$141.7
Cash and cash equivalents, held for customers	\$380.3
Total Assets	\$640.6
Credit Agreement to Leucadia	\$121.1
Total Members' Capital	\$59.0

For 2016, selected financial information is as follows:

FXCM Group, LLC (US Millions) (unaudited)

**Selected Income Statement Data
Twelve months ended December 31, 2016**

Total Net Revenues	\$235.3
Operating Expenses ¹	\$191.2
Income from Continuing Operations	\$196.0
Net Income	\$128.2
Adjusted EBITDA – Continuing Operations ²	\$ 41.0

¹ Excludes depreciation & amortization of \$21.6 million

² See reconciliation following

**Selected Balance Sheet Data
As at December 31, 2016**

Cash and Cash Equivalents	\$198.9
Cash and cash equivalents, held for customers	\$428.5
Total Assets	\$1,012.2
Credit Agreement to Leucadia	\$150.5
Total Members' Capital	\$89.9

Reconciliation of U.S. GAAP Net Income (Loss) to Adjusted EBITDA ¹ – Continuing Operations

Unaudited US Millions	Three Months Ended March 31, 2017	Twelve Months Ended December 31, 2016
Net (Loss) Income	\$ (28.2)	\$ 128.2
Adjustments:		
Net Loss attributable to non-controlling interests ²	(9.8)	(57.3)
Loss from discontinued operations, net of tax ³	27.7	125.2
Income tax (benefit) provision	(0.1)	1.2
Interest on borrowings	11.5	66.1
Loss (gain) on derivative liabilities - Leucadia financing ⁴	0.6	(206.8)
Gain on sale of investment ⁵		(37.2)
Depreciation and amortization	5.1	21.6
Total Adjustments	35.0	(87.2)
Adjusted EBITDA ¹ - Continuing Operations	\$ 6.7	\$ 41.0

¹ - Adjusted EBITDA from Continuing Operations is a Non-GAAP measure that is not prepared under any comprehensive set of accounting rules or principles and does not reflect all of the amounts associated with the Company's results of operations as determined in accordance with U.S. GAAP.

² - Represents the elimination of the share of net loss allocated among the non-controlling interests to calculate total consolidated net income (loss) from the Company's operations.

³ - Represents the elimination of the loss attributable to discontinued operations, net of tax, in order to calculate income attributable to continuing operations only.

⁴ - Represents the elimination of the loss or gain attributable to the derivative liabilities embedded in the Company's financing agreement with Leucadia, as it is a non-operating, non-cash loss or gain.

⁵ - Represents the elimination of the gain on sale of investment due to the non-recurring nature of this item.

About FXCM Group, LLC

FXCM is a leading provider of online foreign exchange (FX) trading, CFD trading, spread betting and related services. The company's mission is to provide global traders with access to the world's largest and most liquid market by offering innovative trading tools, hiring excellent trading educators, meeting strict financial standards and striving for the best online trading experience in the market. Clients have the advantage of mobile trading, one-click order execution and trading from real-time charts. In addition, FXCM offers educational courses on FX trading and provides trading tools proprietary data and premium resources. **FXCM Pro** provides retail brokers, small hedge funds and emerging market banks access to wholesale execution and liquidity, while providing high and medium frequency funds access to prime brokerage services via FXCM Prime.

Trading foreign exchange and CFDs on margin carries a high level of risk, which may result in losses that could exceed your deposits, therefore may not be suitable for all investors. [Read full disclaimer.](#)

FXCM Group is a holding company of Forex Capital Markets Limited, inclusive of all EU branches (**FXCM UK**), FXCM Australia Pty. Limited (**FXCM AU**), and all affiliates of aforementioned firms, or other firms under the FXCM group of companies [collectively "FXCM"].

This press release supersedes a press release previously issued that contained an error.

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