

HomeStreet, Inc.  
Form PREM14A  
December 10, 2014  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**  
**(Rule 14a-101)**  
**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.
- x 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:

Common stock of Simplicity Bancorp Inc., par value \$0.01 per share

2) Aggregate number of securities to which transaction applies:

a) 7,393,308 shares of Simplicity common stock;

b) 88,932 options to purchase shares of Simplicity common stock that are in-the-money, with a weighted average exercise price of \$11.21 per share; and

c) At an assumed average closing price of \$16.335 per share for HomeStreet common stock (as described below), an additional 87,691 options to purchase Simplicity common stock having an exercise price greater than \$16.335 per share will be cancelled in the transaction without payment of any consideration.

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):

So long as the average closing price (as defined in the merger agreement) of HomeStreet, Inc. common stock is between \$15 and \$20, the merger agreement sets forth (a) an exchange rate of one share of HomeStreet, Inc. common stock, no par value, for each share of Simplicity common stock outstanding at the closing of the transaction and (b) payment of the difference between the average closing price and the exercise price on a per-share basis for each option that is in-the-money at the closing of the transaction. For purposes of this preliminary proxy statement, in accordance with Exchange Act Rule 0-11(a)(4), we have used \$16.335, which was the average of the high and low price of HomeStreet common stock on December 5, 2014, as the value of HomeStreet common stock to be issued in the merger and the value to be paid for options that are in-the-money. The actual average closing price of HomeStreet common stock on the closing date may be higher or lower than \$16.335 per share, as described in this proxy statement.

4) Proposed maximum aggregate value of transaction:

\$121,239,619.42

5) Total Fee Paid:



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December 1, 2014

Dear HomeStreet Shareholder:

It is my distinct pleasure to invite you to attend a special meeting of shareholders of HomeStreet, Inc. The meeting will be held at 10 a.m. Pacific Time on January 13, 2015 at the downtown Seattle Hilton Hotel, Winward Room, located at 1301 Sixth Avenue, Seattle Washington. A map and directions to the meeting location can be found at the back of the attached joint proxy statement. The purpose of this meeting is to consider and vote upon the issuance of up to 7,479,964 shares of HomeStreet common stock in connection with our merger with Simplicity Bancorp, Inc., and the related merger of our wholly owned subsidiary, HomeStreet Bank, with Simplicity's wholly owned subsidiary, Simplicity Bank. Simplicity is headquartered in Covina, California, and Simplicity Bank has branches serving much of the Los Angeles basin.

With this letter, we are including the notice of the HomeStreet special meeting, the joint proxy statement and a proxy card. You may also find these documents online at <http://ir.homestreet.com>.

The boards of directors of HomeStreet and HomeStreet Bank have approved the merger and the transactions related to it, including the issuance of shares of HomeStreet common stock to Simplicity stockholders upon completion of the merger. Because we are acquiring Simplicity Bancorp, and we will be the surviving company in the transaction, your approval of the merger is not required under the Washington Business Corporation Act. However, we are soliciting your approval of the issuance of shares of HomeStreet common stock upon completion of the merger. This distinction is important because the resolution we are submitting for your approval requires the affirmative vote of a majority of shares voting on the matter, rather than the approval of two-thirds of our outstanding common stock that would be required if we were required to seek shareholder approval of the merger. The Board of Directors believes the proposals are in the best interests of HomeStreet and its shareholders and accordingly, recommends that you vote FOR each of the proposals set forth in the enclosed proxy statement.

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

Your vote is important. Whether or not you plan to attend the special meeting, we hope you will vote as soon as possible so that your shares are represented. We urge you to complete, sign and date your proxy card and promptly return it in the postage-paid envelope provided. This will not prevent you from voting in person, but will ensure that your vote is counted if you cannot attend. Thank you for your ongoing support of and continued interest in HomeStreet, Inc.

David A. Ederer

Chairman of the Board

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**To be Held on January , 2015**

You are hereby notified of a special meeting of shareholders of HomeStreet, Inc., a Washington corporation ( HomeStreet ), that will be convened at 10:00 a.m., Pacific Standard Time, on January , 2015, in the Winward Room of the Hilton Hotel, 1301 Sixth Avenue, Seattle, Washington 98101(the HomeStreet special meeting ), in order to consider and vote upon the following proposals:

1. To approve the issuance of up to 7,479,964 shares of HomeStreet common stock in connection with a proposed merger between HomeStreet and Simplicity Bancorp, Inc., a Maryland corporation whose principal place of business is in Covina, California, pursuant to an Agreement and Plan of Merger dated September 27, 2014; and
2. To transact such other business as may properly come before the HomeStreet special meeting or any adjournment or postponement thereof.

Only shareholders of record at the close of business on December , 2014 (the record date for the HomeStreet special meeting), are entitled to notice of the meeting and an opportunity to vote.

We are asking that you provide HomeStreet s board of directors with your vote prior to the meeting by completing and returning the enclosed proxy card as soon as possible, or by submitting your proxy by telephone or Internet voting by following the instructions in the accompanying joint proxy statement and on the enclosed proxy card. 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 cannot attend the meeting and vote in person, please submit a proxy as soon as possible so that your shares can be voted as you instruct. Please submit your proxy in accordance with the specific instructions set forth on the enclosed proxy card. You may vote by mail, by telephone or via the Internet. Please refer to the questions and answers section commencing on page 11 of the accompanying joint proxy statement, the section of the joint proxy statement entitled Summary of the Transaction beginning on page 4, and the instructions on the proxy card.

Godfrey B. Evans

Executive Vice President, General Counsel

and Corporate Secretary

December , 2014

**IMPORTANT NOTE: We are soliciting your vote to approve the issuance of HomeStreet common stock in the merger as further described in the accompanying joint proxy statement. Under Nasdaq rules, we must obtain the approval of the holders of a majority of HomeStreet s common stock voting at the meeting, prior to issuing the shares that represent the merger consideration, and we cannot complete the merger in the absence of such**

**approval. However, the Washington Business Corporation Act does not require shareholder approval for the merger, and we are not seeking your approval of the merger or soliciting your proxy for that purpose.**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR HOMESTREET S SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON \_\_\_\_\_, 2015: This joint proxy statement, as well as HomeStreet s annual and periodic reports, are available on HomeStreet s website at [ir.homestreet.com](http://ir.homestreet.com). In accordance with SEC rules, our proxy materials posted on this website do not contain any cookies or other tracking features. The SEC maintains a website located at [www.sec.gov](http://www.sec.gov) that also contains this information. The information on HomeStreet s website and the SEC s website are not part of this joint proxy statement.**

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December 1, 2014

Dear Stockholder:

We cordially invite you to attend a special meeting of the stockholders of Simplicity Bancorp, Inc. ( Simplicity ), the parent company of Simplicity Bank. The special meeting will be held at the Hilton Hotel Pasadena, located at 168 South Los Robles, Pasadena, California 91101, at 5:30 p.m., local time, on January 1, 2015.

The purpose of this meeting is to consider and vote upon a proposal to approve an Agreement and Plan of Merger pursuant to which Simplicity will merge with and into HomeStreet, Inc., a Seattle-based savings and loan holding company, and Simplicity Bank will merge with and into HomeStreet's wholly owned subsidiary, HomeStreet Bank. If the merger is completed, Simplicity stockholders will be entitled to receive one share of HomeStreet common stock for each share of Simplicity common stock they own at the effective time, subject to certain adjustments if HomeStreet's average closing price during a specified measurement period prior to the effective time is more than \$20, and subject to adjustment or termination if HomeStreet's average closing price during that period is less than \$15 per share. We believe that the merger will allow our stockholders to become a part of a rapidly growing, dynamic and service-oriented company that will continue to serve our customers and our markets, while also diversifying Simplicity's capabilities and providing a significantly more capable full-service banking and mortgage banking franchise. We are enthusiastic about this opportunity, and the accompanying proxy statement provides the reasons for this transaction and the process we employed before selecting HomeStreet as our merger partner. We also are seeking your approval on a non-binding, advisory resolution pertaining to certain payments to be made to our named executive officers upon consummation of the merger.

For the reasons set forth in the accompanying joint proxy statement, Simplicity's directors have determined that the merger agreement, the merger and the related transactions (including the payments to be made to our named executive officers in connection with the merger) are in the best interests of Simplicity and its stockholders. Our board of directors has unanimously approved the transactions and recommends that you cast your vote FOR the approval of the merger agreement, the merger and the related transactions and FOR the non-binding, advisory resolution pertaining to certain payments to be made to our named executive officers upon consummation of the merger.

You may vote your shares by Internet, telephone, regular mail or in person at the special meeting. Instructions regarding the various methods of voting are contained on the notice and on the proxy card.

On behalf of our board of directors, we urge you to vote your shares of common stock as soon as possible even if you currently plan to attend the special meeting. This will not prevent you from voting in person, but will assure that your vote is counted if you are unable to attend the special meeting.

Sincerely,

Dustin Luton

President and Chief Executive Officer

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**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**To be Held on January 14, 2015**

You are hereby notified of a special meeting of stockholders of Simplicity Bancorp, Inc., a Maryland corporation ( Simplicity ), that will be convened at 5:30 p.m., Pacific Standard Time, on January 14, 2015, at the Hilton Pasadena Hotel, 168 South Los Robles, Pasadena, California 91101 (the Simplicity special meeting ), in order to consider and vote upon the following proposals:

1. To approve the Agreement and Plan of Merger dated September 27, 2014 between Simplicity and HomeStreet, Inc., a Washington corporation and a registered savings and loan holding company, and the transactions contemplated thereby.
2. To approve an advisory (non-binding) resolution approving certain payments to be made to Simplicity s named executive officers in connection with the transactions contemplated by proposal 1 above.
3. To transact such other business that may properly come before the Simplicity special meeting or any adjournment or postponement thereto.

Only stockholders of record at the close of business on December 15, 2014 (the record date for the Simplicity special meeting), are entitled to notice of the meeting and an opportunity to vote.

We are requesting that you provide Simplicity s board of directors your vote prior to the meeting by completing and returning the enclosed proxy card as soon as possible, or by telephone or Internet voting by following the instructions in the accompanying joint proxy statement and on the enclosed proxy card. 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 submit your proxy by mail, by telephone or via the Internet in accordance with the specific instructions set forth in the enclosed proxy card. Please refer to the questions and answers section commencing on page 11 of the accompanying joint proxy statement, the section of the joint proxy statement entitled Summary of the Transaction beginning on page 4, and the instructions on the proxy card.

Dustin Luton

President and Chief Executive Officer

December 15, 2014



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**BEFORE THE  
CALIFORNIA DEPARTMENT  
OF  
BUSINESS OVERSIGHT**

In the Matter of the Application of	)	
HOMESTREET, INC.	)	NOTICE OF HEARING PURSUANT TO
For Permit Authorizing Sale and Issuance of Securities Pursuant to Sections 25121 and 25142 of the Corporate Securities Laws of 1968, as amended	)	SECTION 25142 OF THE CALIFORNIA CORPORATIONS CODE
	)	FILE NO. -
	)	
	)	
	)	

TO: All Holders of Outstanding Shares of Common Stock of

Simplicity Bancorp, Inc., a Maryland corporation ( Simplicity )

**THIS NOTICE DOES NOT CONSTITUTE A RECOMMENDATION ON, OR A SOLICITATION OF, A STOCKHOLDER S VOTE ON THE MERGER. SHORTLY AFTER THE HEARING AND THE ISSUANCE OF A PERMIT, SIMPLICITY BANCORP STOCKHOLDERS WILL BE ASKED TO VOTE ON THE MERGER AGREEMENT AND THE PRINCIPAL TERMS OF THE MERGER AT A SPECIAL MEETING OF THE STOCKHOLDERS OF SIMPLICITY BANCORP, INC.**

Notice is hereby given that on January , 2015 at the hour of a.m. (Los Angeles time), a public hearing will be held before , a Hearing Officer for the California Commissioner of the California Department of Business Oversight (the California Commissioner ) at 320 West Fourth Street Suite 750, Los Angeles, California 90013, upon the application filed on December , 2014 by HomeStreet, Inc., a Washington corporation and a registered savings and loan holding company ( HomeStreet or the Applicant ) for a permit (the Permit ) authorizing the issuance of its common stock pursuant to an Application for Qualification of Securities by Permit pursuant to Section 25121 of the Corporate Securities Law of 1968 (the Corporations Code ).

**FACTS GIVING RISE TO HEARING**

The purpose of the hearing is to enable the California Commissioner to determine, pursuant to Section 25142 of the Corporations Code, whether the terms and conditions of the transaction described or incorporated by reference herein are fair, just and equitable. Accompanying this Notice is a Definitive Joint Proxy Statement on Schedule 14A filed by

HomeStreet and Simplicity with the United States Securities and Exchange Commission on December 1, 2014. Certain portions of the contents of the joint proxy statement are incorporated herein by reference as further described below, and we urge Simplicity's stockholders to read that document and any documents incorporated by reference carefully in their entirety.

**A FINDING BY THE CALIFORNIA COMMISSIONER THAT THE PROPOSED TRANSACTION IS FAIR, JUST AND EQUITABLE, AND THE ISSUANCE OF A PERMIT BASED ON THOSE FINDINGS, IS NOT A RECOMMENDATION OF THE PROPOSED TRANSACTION, NOR DOES IT CONSTITUTE THE SOLICITATION OR RECOMMENDATION OF A PROXY IN CONNECTION THEREWITH.**

Pursuant to an Agreement and Plan of Merger between HomeStreet and Simplicity dated September 27, 2014 (the merger agreement), a copy of which is included herewith as Annex A to the joint proxy statement, HomeStreet proposes to acquire Simplicity and Simplicity Bank by having Simplicity merge into HomeStreet (the merger) and, immediately thereafter, by having Simplicity Bank to merge into HomeStreet Bank, whereupon the separate existence of Simplicity and Simplicity Bank will cease. HomeStreet would be the

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surviving corporation in the merger and HomeStreet Bank would be the resulting bank in the bank merger. Simplicity stockholders will be entitled to receive one share of HomeStreet common stock for each share of Simplicity common stock they own at the effective time, subject to certain adjustments if HomeStreet's average closing price during a specified measurement period prior to the effective time is more than \$20, and subject to adjustment or termination as described herein if HomeStreet's average closing price during that period is less than \$15 per share.

**APPLICANT'S DESCRIPTION OF THE MATERIAL FEATURES OF THE MERGER.**

The material features of the merger are described in detail in the joint proxy statement. The table below provides, for purposes of this Notice, the information required to be set forth herein, including page and section references to the joint proxy statement. The information set forth in the corresponding section of the joint proxy statement is incorporated herein by reference.

<b>Terms</b>	<b>Page</b>	<b>Section</b>
<u>Effect on Capital Stock.</u>	5	Summary of the Transaction The Transaction.
	111	The Merger Summary of the Merger Merger Consideration; Conversion of Shares.
<u>Fractional Shares.</u>	112	The Merger Summary of the Merger Fractional Shares.
<u>Dissenters' Rights.</u>	8	Summary of the Transaction Dissenters Rights.
	113	The Merger Summary of the Merger Dissenters' Rights.
<u>Expected Closing.</u>	6	Summary of the Transaction The Transaction Anticipated Closing.
	112	The Merger Summary of the Merger Closing and Effective Time.

**The description of the merger incorporated by reference above is not complete and is qualified by its entirety by the language of the merger agreement. Readers should refer to the merger agreement and its exhibits for a complete understanding of the merger.**

**APPLICANT'S DESCRIPTION OF THE OTHER MATERIAL PROVISIONS OF THE MERGER AGREEMENT.**

<b>Terms</b>	<b>Page</b>	<b>Section</b>
<u>Representations and Warranties.</u>	6	Summary of the Transaction Representations and Warranties.

	114	The Merger	Summary of the Merger	Representations and Warranties.
<u>Actions Pending Acquisition.</u>	115	The Merger	Summary of the Merger	Covenants and Agreements; Regulatory Matters; Employee Benefit Matters; Certain Additional Covenants.
<u>Conditions to Consummation of the Merger.</u>	7	Summary of the Transaction	Closing Conditions.	
	128	The Merger	Summary of the Merger	Conditions to Complete the Merger.
<u>Termination.</u>	7	Summary of the Transaction	Termination and Breakup Fees; Specific Performance.	
	129	The Merger	Summary of the Merger	Termination of the Merger Agreement; Effect of Termination; Termination Fees; Specific Performance.

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**BACKGROUND OF AND REASONS FOR THE MERGER.**

The information set forth in the joint proxy statement under the headings Background of and Reasons for the Merger (beginning at page 79), Background of and Reasons for the Merger Reasons of Simplicity for the Merger (beginning at page 84), and Background of and Reasons for the Merger Reasons of HomeStreet for the Merger (beginning at page 86) is incorporated herein by reference.

**APPLICANT S DESCRIPTION OF THE GENERAL EFFECT UPON THE RIGHTS OF EXISTING SHAREHOLDERS.**

The information set forth in the joint proxy statement under the headings Background of and Reasons for the Merger (beginning at page 79), The Merger General (beginning at page 111), The Merger Summary of the Merger Merger Consideration (beginning at page 111), and The Merger Summary of the Merger Fractional Shares (beginning at page 112) is incorporated herein by reference.

**APPLICANT S DESCRIPTION OF NUMBER OF SHAREHOLDERS; VOTE REQUIRED.**

***Applicant.** The issuance of the Applicant s common stock as merger consideration requires the affirmative vote of the holders of a majority of the shares of HomeStreet common stock voting at the HomeStreet special meeting. As of the record date for the HomeStreet special meeting there were \_\_\_\_\_ shares of HomeStreet common stock outstanding and held by approximately \_\_\_\_\_ shareholders of record.*

***Simplicity.** The approval of the principal terms of the merger agreement and the merger requires the affirmative vote of the holders of a majority of the shares of Simplicity common stock outstanding and entitled to vote. The advisory vote on certain compensation payable to named executive officers will be approved if the holders of a majority of the votes cast of Simplicity common stock vote to adopt the proposal. As of the record date for the Simplicity special meeting there were \_\_\_\_\_ shares of Simplicity common stock outstanding and held by approximately \_\_\_\_\_ stockholders of record.*

**APPLICANT S DESCRIPTION OF CERTAIN FEDERAL INCOME TAX CONSIDERATIONS.**

The information set forth in the joint proxy statement under the heading United States Federal Income Tax Consequences of the Merger (beginning at page 136) is incorporated herein by reference.

**DESCRIPTION OF BUSINESS OF APPLICANT AND SIMPLICITY.**

**HomeStreet.**

The information set forth in the joint proxy statement under the headings Information about HomeStreet Business (beginning at page 139) is incorporated herein by reference.

**Simplicity.**

The information set forth in the joint proxy statement under the headings Information about Simplicity (beginning at page 277) is incorporated herein by reference.

**FURTHER INFORMATION.**

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Further information concerning the merger can be found in the Applicant's permit application file and the documents filed in connection therewith at the California Department of Business Oversight, 320 West 4<sup>th</sup> Street, Suite 750, Los Angeles, California 90013. Copies of the joint proxy statement are available from the SEC's website at <http://www.sec.gov>, or from the Applicant by writing to Godfrey B. Evans, Executive Vice President, General Counsel and Corporate Secretary, HomeStreet, Inc., 601 Union Street Suite 2000, Seattle, Washington 98101.

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**HEARING.**

Any interested persons may attend the hearing, may (but need not) be represented by legal counsel, and will be given an opportunity to be heard. Any interested person will be entitled to the issuance of subpoenas to compel the attendance of witnesses and the production of books, documents and other items by applying for such subpoenas to the California Department of Business Oversight, 320 West 4<sup>th</sup> Street, Suite 750, Los Angeles, California 90013. If you are interested in this matter, you may appear at the hearing in favor of or in opposition to the granting of the Permit. Whether or not you plan to attend, you are invited to make your views known by sending correspondence for receipt prior to the date of the hearing to Theresa Leets, Senior Corporations Counsel for the California Commissioner of the California Department of Business Oversight, 320 West 4<sup>th</sup> Street, Suite 750, Los Angeles, California 90013.

The hearing will be held for the purpose of enabling the California Commissioner to determine the fairness of the terms and conditions of the issuance of the securities of the Applicant pursuant to the merger agreement and the merger and will be based upon the application and all papers and documents filed in connection therewith. Section 25142 of the California Securities Law authorizes the California Commissioner to hold such hearing when securities will be issued in exchange for other outstanding securities (whether or not the security of transaction is exempt from qualification), to approve the terms and conditions of such issuance and exchange, and to determine whether such terms and conditions are fair, just and equitable.

A FINDING BY THE CALIFORNIA COMMISSIONER THAT THE PROPOSED TRANSACTION IS FAIR, JUST AND EQUITABLE, AND THE ISSUANCE OF A PERMIT THEREAFTER, IS NOT A RECOMMENDATION OF THE PROPOSED TRANSACTION, NOR IS IT A SOLICITATION OF A PROXY OR A RECOMMENDATION AS TO HOW A STOCKHOLDER SHOULD VOTE.

Los Angeles, California

Jan Lynn Owen  
Commissioner of Business Oversight

By:  
Title:

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**JOINT PROXY STATEMENT**

This joint proxy statement is being furnished to the shareholders of HomeStreet, Inc., a Washington corporation and a registered savings and loan holding company whose principal place of business is in Seattle, Washington ( HomeStreet ), and the stockholders of Simplicity Bancorp, Inc., a Maryland corporation and a registered savings and loan holding company whose principal place of business is in Covina, California ( Simplicity ) in connection with special meetings of HomeStreet s shareholders and Simplicity s stockholders, respectively, pursuant to an Agreement and Plan of Merger between HomeStreet and Simplicity dated September 27, 2014 (the merger agreement ). Upon the approval of HomeStreet s shareholders and Simplicity s stockholders at the respective special meetings called for such purpose, and the satisfaction of certain other conditions set forth in the merger agreement, Simplicity will merge with and into HomeStreet with HomeStreet as the surviving corporation (the merger ). Simplicity stockholders will receive, as merger consideration, one share of HomeStreet common stock for each share of Simplicity common stock, subject to adjustment as described herein. Immediately after the merger, the parties wholly owned subsidiary banks will merge: Simplicity Bank into HomeStreet Bank, with HomeStreet Bank as the resulting bank. The parties to the Merger Agreement are:

HomeStreet, Inc.	Simplicity Bancorp, Inc.
Two Union Square Suite 2000	1359 N. Grand
601 Union Street	Covina, California 91724
Seattle, Washington 98101	

Each of the parties to the merger agreement is convening a special meeting of its shareholders to consider and vote upon proposals relating to the merger. HomeStreet is seeking the approval of the holders of a majority of the shares of its common stock voting at the HomeStreet special meeting on a proposal to approve the issuance of up to 7,479,964 shares of common stock as consideration to the Simplicity stockholders upon consummation of the Merger (such shares, the merger consideration ). Simplicity is seeking the approval of a proposal approving the merger agreement, the merger and certain related transactions as further described herein, by the holders of shares representing a majority of its common stock outstanding and entitled to vote. Simplicity is also seeking the vote of its stockholders on an advisory proposal pertaining to the approval of certain compensation payable to its named executive officers in connection with the merger. Approval of this proposal will require the affirmative vote of a majority of the votes cast on the proposal. The meetings will take place at the times and places set forth below:

HomeStreet, Inc.	Simplicity Bancorp, Inc.
10:00 a.m. Pacific Standard Time	5:30 p.m. Pacific Standard Time
, January , 2015	, January , 2015
Hilton Hotel	Hilton Pasadena Hotel
1301 Sixth Avenue	168 South Los Robles

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Seattle, Washington 98101

Pasadena, California 91101

The record date for both the HomeStreet special meeting and the Simplicity special meeting is December , 2014. In the event there are not sufficient votes for a quorum, or to approve any matter being presented at the time of the special meeting, either of the special meetings may be adjourned to permit the further solicitation of proxies.

In addition, prior to the Simplicity special meeting, the California Commissioner of the California Department of Business Oversight, Division of Finance and Corporate Securities (the California Commissioner ), will convene a hearing (the Fairness Hearing ) at 320 West Street, Suite 750, Los Angeles, California 90013, at a.m. Pacific Standard Time on January , 2015. The purpose of the Fairness Hearing is to seek approval of a plan to register, pursuant to Sections 25121 and 25142 of the California Corporations Code, the shares of HomeStreet

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common stock that are to be issued as merger consideration. At the Fairness Hearing, HomeStreet and Simplicity will be seeking a registration permit to be issued by the California Commissioner (such determination, the Permit ) based upon her determination that the plan to issue HomeStreet common stock as merger consideration pursuant to the merger agreement is fair, just and equitable. HomeStreet, as the proponent of a plan to issue securities upon consummation of the merger, and Simplicity, as a constituent of the merger, will present evidence in support of such a determination. Accompanying this joint proxy statement as mailed to Simplicity's stockholders is a formal notice of the Fairness Hearing (the Fairness Hearing Notice ), and certain portions of the contents of this joint proxy statement are incorporated by reference into the Fairness Hearing Notice as further described therein.

A vote in favor of the merger by the stockholders of Simplicity, and a vote to approve the issuance of shares representing the merger consideration by the shareholders of HomeStreet, are investment decisions that involve risks and uncertainties. You should carefully review this joint proxy statement and the materials delivered herewith, particularly that section of this joint proxy statement entitled Risk Factors beginning at page 37, before deciding how to vote.

**Neither the Securities and Exchange Commission nor the California Department of Business Oversight, nor the securities commissioner or administrator of any other jurisdiction, has passed upon the accuracy or adequacy of this joint proxy statement. Any contrary representation is a criminal offense.**

**The Permit, if and when issued by the California Department of Business Oversight, will not constitute a recommendation of the proposed transaction, nor does this Fairness Hearing Notice constitute a solicitation of proxies or a recommendation as to how you should vote on the proposals presented at the special meetings.**



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**JOINT PROXY STATEMENT**

**HOMESTREET, INC.**  
**601 Union Street, Suite 2000**  
**Seattle, WA 98101**  
**(206) 623-3050**

**Simplicity Bancorp, Inc.**  
**1359 N. Grand**  
**Covina, California 91724**  
**(800) 524-2274**

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**SUMMARY OF THE TRANSACTION**

**The Parties**

**About HomeStreet:** HomeStreet is a diversified financial services company founded in 1921 and headquartered in Seattle, Washington. HomeStreet serves customers primarily in the Pacific Northwest, California and Hawaii. HomeStreet is principally engaged in real estate lending, including mortgage banking activities, and in commercial and consumer banking. HomeStreet's primary subsidiaries are HomeStreet Bank and HomeStreet Capital Corporation. HomeStreet Bank is a Washington chartered savings bank that provides residential and commercial loans, deposit products and services, non-deposit investment products, private banking and cash management services. HomeStreet Capital Corporation, a Washington corporation, originates, sells and services multifamily mortgage loans under the Fannie Mae Delegated Underwriting and Servicing Program ( DU<sup>®</sup>) in conjunction with HomeStreet Bank. At September 30, 2014, HomeStreet had total assets of \$3.5 billion, deposits of \$2.4 billion and shareholders' equity of \$294.6 million.

At November 3, 2014, HomeStreet Bank had 33 bank branches in the Puget Sound, Eastern and Southwest regions of Washington state, and in Portland, Oregon and Hawaii, as well as 55 stand-alone lending centers located in these same areas and in California, Arizona, the Eugene and Salem regions of Oregon, and the Boise and northern regions of Idaho. WMS LLC provides point-of-sale loan origination services at 44 Windermere Real Estate offices in Washington and Oregon.

On November 1, 2013, HomeStreet completed its acquisitions of Fortune Bank and of YNB Financial Services Corp., the parent company of Yakima National Bank. On December 6, 2013, HomeStreet acquired two retail deposit branches and certain related assets from AmericanWest Bank.

**About Simplicity:** Simplicity, formerly known as Kaiser Federal Financial Group, Inc., is a Maryland corporation that owns all of the outstanding common stock of Simplicity Bank, a federally chartered savings bank formerly known as Kaiser Federal Bank. Simplicity converted from the mutual holding company structure to a stock holding company structure in November 2010. Simplicity's sole operating subsidiary is Simplicity Bank, and unless the context otherwise requires, all references to Simplicity include Simplicity and Simplicity Bank on a consolidated basis. At September 30, 2014, Simplicity had consolidated assets of \$863.4 million, deposits of \$656.5 million and stockholders' equity of \$137.5 million.

Simplicity traces its history to 1953, and now operates as a community-oriented financial institution offering a variety of financial services to meet the needs of the communities it serves. Simplicity is headquartered in Covina, California, with branches in Glendora, Downey, Harbor City, Los Angeles, Panorama City and Pasadena to serve Los Angeles County and a branch in Fontana that serves San Bernardino county. Simplicity has a network of 45 ATMs located in Southern California and in the San Francisco Metropolitan Area.

Simplicity Bank's principal business activity consists of attracting retail deposits from the general public and originating or purchasing primarily loans secured by first mortgages on owner-occupied one-to-four family residences and multi-family residences located in its market area and, to a lesser extent, automobile, commercial real estate and other consumer loans. Simplicity Bank also engages in mortgage banking activities which primarily consists of the origination and sale of fixed rate conforming one-to-four family residential real estate loans in the secondary market

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Shares of HomeStreet's common stock are traded on the Nasdaq Global Select Market under the symbol HMST.

with servicing primarily retained.

Shares of Simplicity's common stock are traded on the Nasdaq Global Select Market under the symbol SMPL.

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### **The Transaction**

Important Note: This section and various other portions of this joint proxy statement contain summaries of the merger agreement and the transactions contemplated by the merger agreement. These summaries are not complete, and they may omit information that you might consider important. You should read the merger agreement, which is included as Annex A to this joint proxy statement, for a complete understanding of the actual terms of that agreement. Likewise, the descriptions of these provisions in this joint proxy statement do not modify, limit or qualify the terms or conditions of the merger agreement.

### **Structure**

Upon consummation of the merger, Simplicity will merge with and into HomeStreet with HomeStreet as the surviving corporation. Immediately following that merger, Simplicity Bank will merge with and into HomeStreet Bank with HomeStreet Bank as the resulting bank. Both mergers will occur outside banking hours, so HomeStreet will never operate Simplicity Bank as a separate entity. References in this joint proxy statement to the merger relate only to the merger of the parent companies unless expressly indicated otherwise. See The Merger Summary of the Merger. The merger is intended to qualify as a tax-free reorganization under Section 368(a) of the Internal Revenue Code, and Simplicity stockholders who are U.S. persons therefore generally will not recognize gain or loss upon consummation of the merger and will retain a basis in the shares of HomeStreet common stock received as merger consideration equal to their adjusted basis in the Simplicity shares they held as of the effective time.

### **Merger Consideration**

Upon consummation of the merger, each share of Simplicity common stock will be canceled and will represent only the right to receive the merger consideration (defined below) together with any accrued but unpaid dividends payable in respect of such share. The merger consideration will be a number of shares of HomeStreet common stock determined in accordance with an exchange ratio that may be adjusted based upon HomeStreet's average closing price. References in this joint proxy statement to the average closing price means the arithmetic average of HomeStreet's closing stock price, as reported by Nasdaq, for the ten consecutive trading days ending on (and excluding) the fifth trading day prior to the effective time. So long as the average closing price is equal to or greater than \$15.00 per share and equal to or less than \$20.00 per share, the exchange ratio will be one-for-one. In other words, if HomeStreet's average closing price falls within that range, each share of Simplicity common stock will be converted into a right to receive one share of HomeStreet common stock.

If HomeStreet's average closing price is more than \$20.00 per share, then the exchange ratio will be reduced such that each share of Simplicity common stock is converted into a right to receive a fraction of a share of HomeStreet common stock equal to (i) \$20.00, divided by (ii) HomeStreet's average closing price.

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If HomeStreet's average closing price during the measurement period is less than \$15.00 per share, HomeStreet is permitted, but not required, to increase the exchange ratio such that each share of Simplicity common stock will be converted into a number of shares of HomeStreet common stock equal to (i) \$15.00, divided by (ii) the average closing price. If HomeStreet elects not to increase the exchange ratio under those circumstances, then Simplicity has the option to terminate the merger agreement.

References in this joint proxy statement to the exchange ratio mean the one-for-one ratio described above, adjusted (as applicable) in accordance with the foregoing.

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**Vote Required**

The approval of the merger agreement and the merger requires the affirmative vote of the holders of a majority of the shares of Simplicity common stock outstanding and entitled to vote upon the proposal. The advisory proposal on certain executive compensation payable to Simplicity's named executive officers (the Merger-Related Executive Compensation ) will be approved if the holders of a majority of the votes cast of Simplicity common stock vote to adopt the proposal. The record date for determining Simplicity shares entitled to notice of the Simplicity special meeting, and to vote upon the proposals considered there, is December , 2014.

A vote of HomeStreet's shareholders is not required for the approval of the merger agreement or the merger under the Washington Business Corporations Act. However, the Nasdaq listing qualifications rules require the approval of the holders of a majority of HomeStreet's common stock voting on the matter prior to the issuance of 20% or more of any listed class of securities in connection with a business combination transaction. The merger consideration will represent no less than 33% of HomeStreet's common stock, and thus HomeStreet cannot complete the merger without obtaining the approval of the issuance of the merger consideration by holders of a majority of the shares of HomeStreet common stock voting on the proposal at the HomeStreet special meeting. The record date for determining HomeStreet shares entitled to notice of the HomeStreet special meeting, and to vote upon the proposals considered there, is December , 2014.

In the event there are not sufficient votes for a quorum, or to approve any matter being presented at the time of the special meeting, either of the special meetings may be adjourned to permit the further solicitation of proxies.

**Effect of the Merger on HomeStreet Shareholders**

Holders of HomeStreet common stock will continue to hold their existing shares following the effective time of the merger. However, upon completion of the merger, current holders of HomeStreet common stock will experience dilution of their equity and voting power. The Simplicity shareholders will own approximately % of HomeStreet's outstanding common stock based on the number of shares of HomeStreet common stock outstanding as of December , 2014 and after giving effect to the merger.

**Resales of Securities**

Shares of HomeStreet common stock representing the merger consideration will be issued under an exemption from registration under the Securities Act of 1933, as amended (the Securities Act ) set forth in Securities Act Section 3(a)(10), and will be listed for inclusion on the Nasdaq Global Select Market. Such shares, when held by persons who are not affiliates of HomeStreet, may be resold without registration under the Securities Act.

**Anticipated Closing**

The merger is expected to close shortly after the receipt of the requisite approvals of Simplicity's stockholders and HomeStreet's shareholders, the issuance of the Permit by the California Commissioner, the receipt of all required regulatory approvals, and the satisfaction or waiver of other conditions to closing set forth in the merger agreement. Assuming the shareholder meetings result in approval of the requisite proposals, we expect to consummate the merger on or about February 28, 2015.

**Representations and Warranties**

Each party has made customary representations and warranties to the other party in order to induce the respective parties to enter into and perform their obligations under the merger agreement. **You should not construe the representations and warranties described below, and contained in the merger agreement, to constitute assertions of fact upon which you may rely in making an investment decision.** The representations and warranties are subject to limitations, qualifications, exceptions and exclusions agreed to by the parties, and certain of the representations and warranties are established solely

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or primarily to allocate risk between the parties. As such, they do not, and are not intended to, give rise to private remedies or serve as a basis for a shareholder's reliance in making an investment decision. The representations and warranties are briefly described in The Merger Summary of the Merger Representations and Warranties, beginning at page 114 below, and are set forth in Articles 4 and 5 of the merger agreement.

**Operating**

The merger agreement contains certain affirmative covenants requiring either or both parties to take specified actions during the period between signing and closing, and certain negative covenants prohibiting or restricting one or both parties from taking specified actions during that period. The parties believe that those covenants, which are set forth in Article 6 of the merger agreement, are appropriate and are customary for a transaction of this type. See The Merger Summary of the Merger Covenants and Agreements; Regulatory Matters; Employee Benefit Matters; Director and Officer Voting Agreements; Indemnification and Insurance; and Certain Additional Covenants, beginning at page 115 below.

**Covenants**

**Closing Conditions**

The closing of the merger is conditioned upon, among other things:

the continuing accuracy of each party's representations and warranties;

the receipt of Simplicity stockholder approval and HomeStreet shareholder approval;

the issuance of the Permit by the California Commissioner;

the receipt of all required regulatory approvals, including but not limited to the approvals of bank regulatory authorities;

the compliance by each party with its covenants as set forth in the merger agreement;

there being no injunction from any governmental entity;

the listing of the HomeStreet shares representing the merger consideration on the Nasdaq Global Select Market;



the HomeStreet closing price being at least \$15.00 (unless HomeStreet has agreed to increase the number of shares to be issued as merger consideration so that the value of the merger consideration is equal to \$15.00 per share);

actions have been taken to terminate certain of Simplicity's employee benefit plans; and

each party having complied with certain operating restrictions.

See "The Merger Summary of the Merger Conditions to Complete the Merger" beginning at page 128 below, and Article 7 of the merger agreement.

**Termination and  
Breakup Fees;  
Specific Performance**

The merger agreement contains customary termination provisions, including the ability of the parties to terminate by mutual agreement (whether or not the shareholder approvals have been obtained), the ability of one party to terminate because of a breach by the other party, the ability of HomeStreet to terminate the merger agreement if a third party commences a tender offer for more than 15% of Simplicity's common stock and Simplicity's Board fails to recommend publicly, within ten calendar days thereafter, that holders of Simplicity Common Stock refrain from tendering their shares, or if Simplicity (directly or by action of its affiliates or representatives) solicits or entertains an alternative transaction other than in compliance with the merger agreement, and the ability of Simplicity to terminate if its board of directors, in consultation with its

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financial advisor and legal counsel, determines that the board's fiduciary duties require Simplicity to terminate the merger agreement in order to accept a superior proposal. If Simplicity's board of directors fails to convene the Simplicity special meeting and submit a proposal to approve the merger and the merger agreement for a vote of Simplicity's stockholders, or if Simplicity's board of directors withdraws or qualifies its recommendation that Simplicity's stockholders vote their shares of Simplicity common stock in favor of the merger agreement and the merger, and Simplicity consummates another business combination under certain circumstances within twelve months after termination, then Simplicity must pay HomeStreet a termination fee of \$5,272,612, which is approximately 4% of the transaction value using HomeStreet's average stock price over a ten-day measurement period that ended on (and excluded) the fifth trading day prior to the date of the merger agreement. This fee is also payable by Simplicity on the second business day following termination if the merger agreement is terminated in connection with Simplicity's acceptance of a superior proposal or if HomeStreet terminates the merger agreement after a third party commences a tender offer for 15% or more of Simplicity's common stock, unless Simplicity's board had previously reaffirmed its recommendation in favor of the merger agreement and the transactions contemplated thereby.

Additionally, each party may obtain injunctive relief to prevent a breach or wrongful termination of the merger agreement; provided, however, that HomeStreet may not seek or obtain injunctive relief at a time when Simplicity's board of directors is considering an acquisition proposal or to prevent Simplicity's board of directors from exercising its fiduciary out.

See The Merger Summary of the Merger Termination of the Merger Agreement; Effect of Termination; Termination Fee and Specific Performance.

**Dissenters' Rights** Dissenters' rights are not available to the shareholders of either party to this transaction.

**Interests of Simplicity's Directors and Executive Officers in the Merger.** Simplicity's directors and executive officers may have interests in the merger that are different from, or in addition to, the interests of Simplicity stockholders generally. These include:

the cancellation of stock options in exchange for a cash payment equal to the average closing price of HomeStreet's common stock (but not less than \$15 or more than \$20 per share) minus the exercise price for each option;

the acceleration of vesting of outstanding restricted stock awards, which will be exchanged for the merger consideration;

severance payments and benefits that certain executive officers may receive under certain severance arrangements and benefit plans;

the appointment of one director of Simplicity to the board of directors of HomeStreet and HomeStreet Bank following the completion of the merger; and

provisions in the merger agreement relating to directors' and officers' insurance for directors and officers of Simplicity for events occurring before the merger and the assumption of Simplicity's existing obligations under indemnification agreements with directors and executive officers.

Simplicity's board of directors was aware of these interests and took them into account in approving the merger. See "The Merger - Summary of the Merger - Interests of Simplicity's Directors and Executive Officers in the Merger."

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This joint proxy statement and other publicly available documents, including the documents incorporated herein and therein by reference, contain, and our officers and representatives may from time to time make, forward-looking statements within the meaning of the safe harbor provisions of the Sections 21D and 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can be identified by words such as: anticipate, intend, plan, goal, seek, believe, project, estimate, expect, strategy, future, likely, may, should, will and periods. Examples of forward-looking statements include statements about:

projections of revenues, estimated operating expenses or other financial items, including but not limited to pro forma financial statements;

statements of the plans and objectives of management of HomeStreet for future operations or programs;

statements regarding future operations, plans, or regulatory or shareholder approvals;

statements concerning proposed new products or services;

statements regarding the anticipated financial impact of completion of the merger, including but not limited to impacts to future cash flows, cost savings that may be achieved by integration of the companies and expected changes to shareholder value as a result of the merger;

statements regarding legal or regulatory changes or developments affecting financial institutions generally and our business specifically;

strategies for customer retention, growth, product development, market position, financial results and reserves, and the intended or expected effects of strategies;

risk management strategies; and

statements regarding future economic conditions or performance, and any statements or assumptions underlying any of the foregoing.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on the current beliefs, expectations and assumptions of the executive management of the party making the statement. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Actual results and actions may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements as guarantees of a given outcome or assurances that either party will take

an expected action. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following:

our ability to complete the merger, including resolving or disposing of any related litigation, and effectively integrate the operations of Simplicity and HomeStreet

expected cost savings, revenue enhancements, synergies and other financial benefits from the proposed merger which might not be realized within the expected time frames and costs or difficulties relating to integration matters which might be greater than expected;

the ability of Simplicity and HomeStreet to obtain requisite shareholder and federal and state regulatory approvals for the transaction;

the ability of HomeStreet and Simplicity to execute their respective business plans prior to the merger;

general economic conditions, either nationally or in our market area, including increases in mortgage interest rates, declines in housing refinance activities, employment trends, business contraction, consumer confidence, real estate values and other recessionary pressures;

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costs associated with the integration of Simplicity into HomeStreet and any other acquisitions or growth initiatives that may be pursued by the combined company;

time and attention required of our respective management teams to complete the merger and integrate our operations;

each party's ability to control costs while meeting operational needs and retaining key members of its senior management team and other key managers and business producers;

HomeStreet's ability to grow its geographic footprint and its various lines of business, and to manage that growth effectively, including its effectiveness in managing the associated costs and generating the expected revenues and strategic benefits;

compliance with existing and future regulatory requirements, including laws and regulations such as those related to the Dodd-Frank Act and new rules being promulgated under that Act, Basel III capital requirements and related regulations, as well as restrictions that may be imposed by the parties' federal and state regulatory authorities, including the extent to which regulatory initiatives may affect capital, liquidity and earnings;

the impact of and ability to anticipate and respond effectively to changes in the levels of general interest rates, mortgage interest rates, deposit interest rates, our net interest margin and funding sources;

each party's ability to manage the credit risks of lending activities, including potential increases in loan delinquencies, nonperforming assets and write offs, decreased collateral values, inadequate loan reserve amounts and the effectiveness of hedging strategies;

each party's ability to implement and maintain appropriate disclosure controls and procedures and internal controls over financial reporting;

the effect on mortgage origination and resale operations of changes in mortgage markets generally, including the uncertain impact on the market for non-qualified mortgage loans resulting from regulations which took effect in January 2014, as well as in monetary policies and economic trends and initiatives as those events affect our mortgage origination and servicing operations;

compliance with requirements of private investors and/or government-owned or sponsored entities, including Fannie Mae, Freddie Mac, Ginnie Mae, the Federal Housing Administration the Department of Housing and Urban Development, and the Department of Veterans' Affairs;

each party's ability to maintain our data security, including unauthorized electronic access, physical custody and inadvertent disclosure, and including potential reputational harm and litigation risks;

each party's ability to compete on price and other factors with other financial institutions; and

such other factors as are discussed throughout the "Risk Factors" sections of this joint proxy statement and in the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as the factors described in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in each party's most recent 10-K and 10-Q.

Any forward-looking statement made by HomeStreet or Simplicity in this joint proxy statement is made in good faith and is based only on information currently available to that party and speaks only as of the date on which it is made. The parties undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

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**QUESTIONS AND ANSWERS ABOUT THE TRANSACTIONS  
AND THE SPECIAL MEETINGS**

***Who are the parties to the merger?***

HomeStreet is a 92-year-old financial institution with its principal place of business in Seattle, Washington. HomeStreet is a Washington corporation and a registered savings and loan holding company whose common stock is traded on the Nasdaq Global Select Market under the symbol HMST. HomeStreet's primary operating subsidiary, HomeStreet Bank, provides deposit products, commercial and consumer loans, and a broad range of banking products through its 33 branches and 55 lending centers in Washington, Oregon, California, Idaho and Hawaii. HomeStreet Capital Corporation sells and services multifamily mortgage loans under the Fannie Mae Delegated Underwriting and Servicing Program (DUS)<sup>1</sup> and is one of only 24 participants in that nationwide program. As of September 30, 2014, HomeStreet had total assets of \$3.47 billion, total deposits of \$2.43 billion and shareholders' equity of \$294.6 million. See Information about HomeStreet.

Simplicity Bank is a 61-year-old financial institution with its principal place of business in Covina, California. Simplicity is a Maryland corporation and a registered savings and loan holding company whose common stock is traded on the Nasdaq Global Select Market under the symbol SMPL. Simplicity Bank's principal business activity consists of attracting retail deposits from the general public and originating or purchasing primarily loans secured by first mortgages on owner-occupied one-to-four family residences and multi-family residences located in its market area and, to a lesser extent, automobile, commercial real estate and other consumer loans. Simplicity Bank also engages in mortgage banking activities which primarily consists of the origination and sale of fixed rate conforming one-to-four family residential real estate loans in the secondary market with servicing primarily retained. At September 30, 2014, Simplicity had consolidated assets of \$863.4 million, deposits of \$656.5 million and stockholders' equity of \$137.5 million. See Information about Simplicity.

***What am I being asked to vote upon?***

*Simplicity*

Simplicity stockholders are being asked to vote upon a proposal to approve the merger agreement and the merger. The approval of the merger agreement and the merger requires the affirmative vote of the holders of a majority of the shares of Simplicity's common stock outstanding and entitled to vote on the matter. Abstentions and broker non-votes will thus have the same effect as a vote against the proposal to approve the merger and the merger agreement. Simplicity stockholders also are being asked to vote upon a non-binding advisory resolution regarding compensation payable to certain of Simplicity's named executive officers in connection with the merger (which we sometimes refer to as the Merger-Related Executive Compensation proposal). The Merger-Related Executive Compensation proposal will be approved if the holders of a majority of the votes cast of Simplicity common stock vote in favor of the proposal. Abstentions and broker non-votes will have no effect upon the Merger-Related Executive Compensation proposal. The Simplicity board of directors recommends Simplicity stockholders vote their shares FOR the approval of the merger agreement and the merger and FOR the Merger-Related Executive Compensation proposal.

*HomeStreet*

HomeStreet shareholders are being asked to vote upon a proposal to approve the issuance of up to 7,479,964 shares of HomeStreet common stock comprising the merger consideration. This proposal requires the affirmative vote of the holders of a majority of the shares of HomeStreet's outstanding common stock voting on the matter. The approval of



HomeStreet's shareholders is not required for approval of the merger agreement or the merger under the Washington Business Corporations Act. However, because the shares

<sup>1</sup> DUS® is a registered trademark of Fannie Mae.

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expected to comprise the merger consideration will exceed 20% of the number of shares of HomeStreet's common stock outstanding prior to the transaction, applicable Nasdaq listing qualifications rules provide that the merger cannot be completed without the shareholders' approval of the issuance of the shares of HomeStreet common stock to be issued as merger consideration. Assuming the presence of a quorum at the HomeStreet special meeting, abstentions and broker non-votes will have no effect upon the matters submitted for a vote of the HomeStreet shareholders. The HomeStreet board of directors recommends HomeStreet shareholders vote their shares FOR the authorization of the issuance of the shares comprising the merger consideration.

### ***What will be the effect of the merger?***

If the merger occurs, Simplicity will merge into HomeStreet with HomeStreet being the surviving corporation. Immediately thereafter, Simplicity Bank will merge with HomeStreet Bank with HomeStreet Bank as the resulting bank. The merger of the banking subsidiaries does not require the approval of the shareholders of HomeStreet or Simplicity stockholders.

### ***What will Simplicity stockholders receive in the merger?***

Simplicity stockholders will receive one share of HomeStreet common stock for each share of Simplicity common stock they hold as of the effective time. This exchange ratio will be adjusted downward if HomeStreet's average closing stock price during the ten consecutive trading day period ending on and excluding the fifth trading day prior to the effective time is greater than \$20 per share. In such an instance, the exchange ratio will be computed by dividing \$20 by the average closing price during that ten trading day measurement period. In this joint proxy statement we refer to HomeStreet's average closing stock price during the ten consecutive trading day period ending on and excluding the fifth trading day prior to the effective time as the average closing price.

Additionally, if HomeStreet's average closing price is below \$15 per share, HomeStreet has the right but not the obligation to increase the exchange ratio to the quotient of \$15 divided by the average closing price. If HomeStreet does not increase the exchange ratio under that circumstance, Simplicity's board of directors has the option to terminate the merger agreement. If due to an adjustment in the exchange ratio Simplicity Stockholders were to be entitled to fractional shares, cash will be paid in lieu of any such fractional shares. For more information, see The Merger General; Summary of the Merger Merger Consideration; and Summary of the Merger Conversion of Shares.

### ***What happens to Simplicity stock options in the merger?***

Immediately prior to the effective time, each outstanding option to purchase a share of Simplicity common stock, whether or not then vested, will be cancelled and the option holder will be entitled to receive a cash payment from Simplicity equal to the excess (if any) of the average closing price over the exercise price per share of the option, without interest and net of any withholding taxes. Any option which has an exercise price equal to or greater than the average closing price will be cancelled without payment.

### ***What happens to Simplicity restricted stock awards in the merger?***

Any shares of Simplicity common stock that are subject to restricted stock award agreements at the effective time will become fully vested and no longer subject to forfeiture. All shares of Simplicity restricted stock will be treated the same as any other outstanding share of Simplicity common stock, and thus will be exchanged for merger consideration as described herein.

### ***Why are the companies proposing to merge?***

The purpose of the Proposed Transaction is for HomeStreet Bank to establish a retail deposit presence in certain areas in the Southern California market and to increase its lending business in that market. HomeStreet Bank does not currently have any retail deposit taking bank branches in California. Simplicity Bank has seven branches in Southern California. Six are located in Los Angeles County and one is located in San Bernardino County. Although it has no retail deposit taking bank branches in California, HomeStreet

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Bank does have 17 home loan centers located in California. Seven of these home loan centers are in the Southern California market: four in San Diego County, two in Orange County and one in Los Angeles County. The remaining ten home loan centers are located in Northern California. Simplicity Bank has no lending offices other than at its branch locations.

HomeStreet believes that the merger will result in a combination of Simplicity Bank's strong Southern California retail franchise and HomeStreet Bank's growing regional consumer mortgage, residential construction and commercial real estate lending that will benefit both current and future customers. HomeStreet Bank's long history of exemplary corporate citizenship and community service will be leveraged to enhance the communities currently served by Simplicity Bank. The combination is also expected to improve HomeStreet's earnings diversification, provide opportunities to increase revenue as a result of higher lending limits and an expanded offering of products and services, and increase HomeStreet and HomeStreet Bank's tangible common equity significantly. This excess capital will be available to support HomeStreet's growth strategy. In addition, HomeStreet believes that significant consolidation of support operations will lead to meaningful operational efficiencies resulting in lower non-interest expense. *See* Background of and Reasons for the Merger.

### ***Who will manage the combined company?***

The board of directors of HomeStreet following the merger will consist of 11 directors, one of whom will be chosen from among the former Simplicity directors. All shareholders of the combined company will vote on directors as their terms of office expire. Following the merger, HomeStreet Bank will be managed by a board of 10 directors, one of whom will be chosen from among the former Simplicity directors, all of whom are elected by HomeStreet as the sole shareholder of HomeStreet Bank. *See* The Merger Resulting Boards of Directors of HomeStreet and HomeStreet Bank for the identity and background of the directors. Mark K. Mason, President, CEO and Vice Chairman of HomeStreet and President, CEO and Chairman of HomeStreet Bank, will continue in those positions with the combined organization. Simplicity's executive officers and (other than as noted above) directors will not continue with the surviving company or the resulting bank.

### ***What will happen if Simplicity stockholders do not approve the Merger-Related Executive Compensation proposal?***

The Merger-Related Executive Compensation proposal is a vote separate and apart from the vote to approve the merger agreement and the merger and related transactions. You may vote for the proposal to approve the merger and the merger agreement and against the advisory proposal relating to named executive officer compensation matters, or vice versa. Because the vote on this proposal is advisory only, it will not be binding on Simplicity or HomeStreet and will have no impact on whether the merger is consummated or whether any contractually obligated payments are made to Simplicity's named executive officers.

### ***What do I need to do now?***

Please read this joint proxy statement and then mail your signed proxy card in the enclosed return envelope, or submit your vote telephonically or through the Internet, as described in this joint proxy statement and on the accompanying proxy card, as soon as possible so that your shares can be represented at the HomeStreet special meeting or the Simplicity special meeting. The HomeStreet special meeting will take place on January 14, 2014 at 10:00 a.m., Pacific Standard Time, at the Hilton Hotel, 1301 Sixth Avenue, Seattle, Washington 98101. The Simplicity special meeting will take place on January 14, 2014 at 5:30 p.m., Pacific Standard Time, at the Hilton Pasadena Hotel, 168 South Los Robles Avenue, Pasadena, California 91101. *See* The HomeStreet special meeting or Simplicity special meeting, as appropriate.



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### ***Can I change my vote after I have mailed my signed proxy card?***

Yes. You may change your vote at any time before your shares are voted at the applicable special meeting. You can do this in one of four ways. First, you can send a written notice stating that you would like to revoke your proxy. Second, you can complete and submit a new proxy card. If you choose either of these two methods, you must submit your notice of revocation or your new proxy card to HomeStreet or Simplicity, as the case may be. Third, you may submit a subsequent vote via telephone or the Internet as instructed on the accompanying proxy card, which will have the effect of canceling your previous vote. Finally, you may attend the special meeting and inform the Corporate Secretary that you wish to vote in person. Simply attending the meeting, however, will not revoke your proxy. If you hold your shares through a broker, nominee or other custodian, you must instruct that person to revoke your proxy, and you must comply with any procedures they may have established for revoking or replacing a previously executed proxy.

### ***If my shares are held in *street name* by my broker, will my broker vote my shares for me?***

Your broker may vote your shares only if you provide instructions on how to vote. Please tell your broker how you wish your shares to be voted. If you do not tell your broker how to vote, your broker cannot vote your shares.

### ***What constitutes a quorum ?***

A quorum refers to the number of shares that must be represented at a meeting in order to lawfully conduct business. A majority of the outstanding common shares entitled to vote at the Simplicity special meeting, present in person or represented by proxy, will constitute a quorum at the Simplicity special meeting. Without a quorum, no business may be transacted at the Simplicity special meeting.

A majority of the outstanding common shares entitled to vote at the HomeStreet special meeting, present in person or represented by proxy, will constitute a quorum at the HomeStreet special meeting. Without a quorum, no business may be transacted at the HomeStreet special meeting. However, whether or not a quorum exists, a majority of the voting power of those present at the HomeStreet special meeting may adjourn the HomeStreet special meeting to another date, time and place.

### ***How are abstentions and broker nonvotes treated?***

Abstentions and broker nonvotes will be counted at each meeting for the purpose of determining the presence or absence of a quorum for the transaction of business. Approval of the merger agreement and the merger at the Simplicity special meeting requires the approval of a majority of the shares of Simplicity's common stock outstanding and entitled to vote upon the proposal. Accordingly, an abstention or a broker nonvote will have the same effect as a vote against the merger agreement and the merger. The Merger-Related Executive Compensation proposal will be approved (on an advisory basis) if holders of a majority of the votes cast of Simplicity common stock vote to adopt the proposal. Thus abstentions and broker nonvotes will have no effect upon the Merger-Related Executive Compensation proposal.

The approval of the issuance of the merger consideration by HomeStreet's shareholders requires the affirmative vote of the holders of shares representing a majority of the shares of HomeStreet common stock voting on the proposal. Accordingly, assuming the presence of a quorum, abstentions or broker non-votes will not affect the results of the matters to be considered at the HomeStreet special meeting.

### ***What is the Fairness Hearing?***

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In order to comply with federal securities laws regarding the issuance of HomeStreet shares to Simplicity stockholders, HomeStreet has asked the California Commissioner to convene a Fairness Hearing before a hearing officer designated by the California Commissioner. At the Fairness Hearing, a hearing officer

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designated by the California Commissioner will consider the fairness of the terms and conditions of the merger and, if the California Commissioner finds that the merger is fair, just and equitable, she will approve it subject to any conditions, limitations or restrictions she finds necessary or appropriate.

### *Need I attend the Fairness Hearing?*

Attendance at the Fairness Hearing is not required, but Simplicity stockholders are invited to attend the hearing if they choose. The Fairness Hearing will be public and one need not be a shareholder of either party to be admitted. Simplicity stockholders who wish to make comments on the record regarding the proposed merger may do so at the hearing or in writing as set forth in the notice sent to Simplicity stockholders with this joint proxy statement.

### *When do you expect the merger to be completed?*

HomeStreet and Simplicity are working to complete the merger as quickly as possible. In addition to the Fairness Hearing and the requisite shareholder approvals, the parties must satisfy certain other conditions, including obtaining certain regulatory approvals, and there are other conditions to be satisfied before completing the merger. HomeStreet and Simplicity expect the merger to be completed during the first quarter of 2015. See The Merger Conditions to the Merger.

### *Will I still receive regular cash dividends?*

The merger agreement permits Simplicity to continue paying regular quarterly dividends of not more than \$0.09 per share unless the Simplicity board of directors determines that such dividends are not in the best interest of Simplicity or its stockholders. HomeStreet does not have a dividend policy and does not expect to declare dividends during the period between the date of this joint proxy statement and the effective time of the merger. Dividends declared after completion of the merger would be paid to all shareholders as of the record date for such dividend at the time and in the amounts determined by the surviving company's board of directors.

### *What are the tax consequences of the merger?*

The merger is intended to qualify as a tax free reorganization. United States residents generally will not recognize gain or loss for federal income tax purposes, and will maintain a basis in the shares of HomeStreet common stock issued as merger consideration equal to their adjusted basis in the Simplicity stock as of the effective time. To review the tax consequences to Simplicity stockholders in greater detail, see United States Federal Income Tax Consequences of the Merger. The contents of this joint proxy statement are not tax advice, and you should consult your own tax advisor to assess the specific tax consequences to you.

### *Do the board of directors recommend approval of these proposals?*

Simplicity's board of directors has approved the merger agreement and related merger and has unanimously recommended that Simplicity's stockholders vote **FOR** the merger agreement and related merger. Simplicity's board of directors also unanimously recommends that stockholders vote **FOR** the Merger-Related Executive Compensation proposal.

HomeStreet's board of directors has approved the merger agreement and has unanimously recommended that HomeStreet's shareholders vote **FOR** the approval of the issuance of HomeStreet common stock comprising the merger consideration.



***Did Simplicity's board of directors receive a fairness opinion with respect to the merger?***

Yes. In connection with the merger, Simplicity's financial advisor, Keefe, Bruyette & Woods, Inc. ( KBW ), delivered a written opinion, dated September 27, 2014, to the Simplicity board of directors as to

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the fairness, from a financial point of view and as of the date of the opinion, to the holders of Simplicity common stock of the exchange ratio in the proposed merger. The full text of the opinion, which describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion, is attached as Annex D to this joint proxy statement. **The opinion was for the information of, and was directed to, the Simplicity board (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion did not address the underlying business decision of Simplicity to engage in the merger or enter into the merger agreement or constitute a recommendation to the Simplicity board in connection with the merger, and it does not constitute a recommendation to any holder of Simplicity common stock or any shareholder of any other entity as to how to vote in connection with the merger or any other matter.**

*Did HomeStreet's board of directors receive a fairness opinion with respect to the merger?*

Yes. HomeStreet's board of directors received the opinion of MJ Capital Partners, L.P., a Los Angeles-based financial advisory firm whose principals have substantial experience in mergers and acquisitions involving financial institutions, that the issuance of the shares of HomeStreet common stock comprising the merger consideration is fair, from a financial point of view, to HomeStreet's shareholders. The full text of MJCP's written opinion is attached as Annex E to this joint proxy statement.

**The opinion was for the information of, and was directed to, the HomeStreet board (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion did not address the underlying business decision of HomeStreet to engage in the merger or enter into the merger agreement or constitute a recommendation to the HomeStreet board in connection with the merger, and it does not constitute a recommendation to any holder of HomeStreet common stock or any shareholder of any other entity as to how to vote in connection with the approval of the issuance of additional shares of HomeStreet common stock or any other matter.**

*What if I just want cash for my shares?*

Under Maryland law, Simplicity's stockholders do not have the right to dissent from the merger and obtain payment for the appraised value of their shares. Similarly, the merger does not give HomeStreet shareholders the right to dissent from the transaction and obtain payment for their shares under Washington law. You may sell your shares in the stock market or in a privately negotiated transaction if you wish. See The Merger Summary of the Merger Dissenters Rights.

*How do I vote?*

You can vote on matters that properly come before the HomeStreet special meeting or the Simplicity special meeting, as the case may be, in one of four ways:

*You may vote by mail.*

You do this by marking, signing and dating the proxy card and mailing it in the enclosed, prepaid and addressed envelope or otherwise mailing it to us at our mailing address on the cover page of this joint proxy statement prior to the shareholder meeting. If you mark your voting instructions on the proxy card, your shares will be voted as you instruct.

*You may vote by telephone.*

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To vote by telephone, please follow the instructions for telephone voting included on the enclosed proxy card, using the toll-free number printed there, so that your shares will be voted as you instruct.

*You may vote via the Internet.*

To vote via the Internet, please follow the instructions for Internet voting included on the enclosed proxy card, using the website address printed there, so that your shares will be voted as you instruct.

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*You may vote in person at the meeting.*

You can vote in person at the meeting. However, if you hold your shares in street name (in the name of a brokerage firm, bank or other nominee), you must request and receive a legal proxy from the record owner prior to the meeting in order to vote at the meeting.

In order to facilitate an orderly meeting, we request that you provide your board of directors your vote prior to the meeting by completing and returning the enclosed proxy card as soon as possible.

### ***Who may attend the special meeting?***

For each of the special meetings, only the shareholders of record of that company, the duly appointed proxy holders of such shareholders of record, and other invitees of the board of directors or management of such company may attend that special meeting.

### ***Can I vote shares of restricted stock that I hold pursuant to a restricted stock award?***

If you hold shares of restricted stock issued under any equity compensation plan of Simplicity or HomeStreet that were outstanding on the record date, you have the right to vote your shares to approve the proposal or proposals to be voted on at the relevant special meeting regardless of whether or not the award is fully vested. You can vote your shares of restricted stock the same as any other shares of that company's common stock, according to the instructions provided on your proxy card.

### ***If I hold stock options, a restricted stock unit or a performance stock unit, do I have any voting rights?***

If you hold stock options exercisable for either company's common stock, you may not vote the shares issuable upon exercise of the option unless you properly exercise the option on or before the record date for that company's special meeting. If you hold a restricted stock unit or a performance stock unit issued under an equity compensation plan of either company that had not vested and converted into a share of common stock as of the record date, you do not have any right to vote the shares underlying that award, even if the award subsequently vested and shares of restricted stock were issued to you in connection with such vesting.

### ***What if my shares are held in street name?***

If you are the beneficial owner of shares held by a broker in street name, your broker, as the record holder of the shares, is required to vote the shares in accordance with your instructions. If you do not give instructions to your broker, your broker will not be permitted to vote your shares with respect to the proposal to approve the merger and the Merger-Related Executive Compensation proposal (as to the Simplicity special meeting) or to approve the issuance of shares comprising the merger consideration (as to the HomeStreet special meeting).

If your shares are held in street name, you will need proof of ownership to be admitted to the shareholder meeting. A recent brokerage statement or a letter from the record holder of your shares is an example of proof of ownership. If you want to vote shares held in street name in person at the shareholder meeting, you will have to get a written proxy in your name from the broker, bank or other nominee who holds your shares.

### ***What happens if I sign and return my proxy card, but don't mark my votes?***

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In the case of Simplicity stockholders who submit a signed proxy without marking a vote on the proxy card, Simplicity's board of directors, will vote your shares: FOR the approval of the merger agreement, the merger and the related transactions and FOR the non-binding, advisory resolution pertaining to certain payments to be made to our named executive officers upon consummation of the merger.

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In the case of HomeStreet shareholders who submit a signed proxy without marking a vote on the proxy card, David A. Ederer, Chairman of the Board of Directors, and Godfrey B. Evans, our Corporate Secretary, General Counsel and Chief Administrative Officer, will vote your shares as recommended by HomeStreet's board of directors: FOR the approval of the resolution authorizing the issuance of shares comprising the merger consideration.

### ***What happens if additional matters are presented at my shareholder meeting?***

If any other matters are properly presented for consideration at the shareholder meetings, including, among other things, consideration of a motion to adjourn the meeting to another time or place (including, without limitation, for the purpose of soliciting additional proxies), the persons named as proxy holders will have discretion to vote on those matters in accordance with their best judgment. We do not currently anticipate that any other matters will be raised at either meeting.

### ***Who will count the votes?***

American Stock Transfer & Trust Company, LLC, HomeStreet's stock transfer agent, will serve as the inspector of elections at the HomeStreet special meeting and in that capacity will count and tabulate the votes. Broadridge, Simplicity's stock transfer agent, will serve as the inspector of elections at the Simplicity special meeting and in that capacity will count and tabulate the votes.

### ***Where can I find the results of the shareholder meetings?***

We intend to announce preliminary voting results at each meeting, and each company will publish final results in a Current Report on Form 8-K, which will be filed with the Securities and Exchange Commission within four (4) business days after the respective meeting.

### ***What does it mean if I get more than one proxy card?***

It means that you own both Simplicity and HomeStreet common stock, or that you have multiple stock ownership accounts in either or both companies. For example, you may own shares directly as a record holder and through one or more brokers, trustees or other nominees as a beneficial owner, in which case your broker or other nominee will solicit your instructions as to how you wish those shares to be voted. Please mark, sign and return all proxy cards or comply with the telephonic or Internet voting instructions on each card to ensure that all your shares are voted.

### ***What percentage of stock do the directors and executive officers own?***

Simplicity's directors and executive officers had or shared the right to vote or dispose of approximately \_\_\_\_\_ shares of Simplicity's common stock as of the record date for the Simplicity special meeting. Each Simplicity director has entered into a voting agreement pursuant to which he or she is obligated to vote in favor of the merger all shares of Simplicity common stock owned or acquired, and he or she is prohibited from transferring shares of Simplicity common stock with limited exceptions for certain gifts and estate planning transfers. HomeStreet's directors and executive officers had or shared the right to vote or dispose of approximately \_\_\_\_\_ shares of HomeStreet's common stock as of the record date for the HomeStreet special meeting. HomeStreet's directors are expected to vote their shares of HomeStreet common stock in favor of the resolution to approve the issuance of the merger consideration, although none of them is obligated to do so.

### ***Who is paying the cost of preparing, assembling and mailing the notices of the shareholder meetings, this joint proxy statement and form of proxy, and the solicitation of the proxies?***

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HomeStreet is paying all such costs for the HomeStreet special meeting and Simplicity is paying such costs for the Simplicity special meeting. Each company may reimburse brokerage firms, custodians, nominees, fiduciaries and other persons representing beneficial owners for their reasonable expenses in forwarding

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solicitation material to that company's beneficial owners. Each company's directors, officers and employees may also solicit proxies in person or by other means of communication. Such directors, officers and employees will not be additionally compensated but may be reimbursed for reasonable out-of-pocket expenses in connection with such solicitation.

***Who can help answer any other questions I may have?***

Simplicity stockholders should please contact Simplicity's stockholder relations by calling (800) 524-2274, or by writing to Simplicity Bancorp, Inc., attn.: Stockholder Relations at 1359 North Grand Avenue, Covina, California 91724 or by electronic email at [ir@simplicitybank.com](mailto:ir@simplicitybank.com)

HomeStreet shareholders should please contact HomeStreet's investor relations department by calling 206-264-4200, by writing to HomeStreet, Inc., attn.: Investor Relations, 2000 Two Union Square, 601 Union Street, Seattle, Washington 98101 or by electronic mail at [ir@homestreet.com](mailto:ir@homestreet.com)



Table of Contents**SELECTED FINANCIAL DATA****HomeStreet, Inc.**

The following selected consolidated financial information as of and for the fiscal years ended December 31, 2009 through December 31, 2013 is derived from audited consolidated financial statements of HomeStreet. The consolidated financial information as of and for the nine months ended September 30, 2014 and 2013 is derived from unaudited consolidated financial statements and, in the opinion of HomeStreet's management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of these data for those dates. The results of operations for the nine months ended September 30, 2014 are not necessarily indicative of the results that may be expected for the entire fiscal year ending December 31, 2014. You should not assume the results of operations for any past periods indicate results for any future period. You should read this information in conjunction with HomeStreet's consolidated financial statements and related notes thereto included in HomeStreet's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, and in its Quarterly Report on Form 10-Q for the period ended September 30, 2014, which are incorporated by reference into this joint proxy statement. See [Where You Can Find More Information](#).

	<b>At or For the Nine Months Ended September 30,</b>		<b>At or for the Year Ended December 31,</b>				
	<b>2014</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
(dollars in thousands, except share data)							
Income statement data (for the period ended):							
Net interest income	\$ 71,167	\$ 53,062	\$ 74,444	\$ 60,743	\$ 48,494	\$ 39,276	\$ 31,502
Provision (reversal of provision) for credit losses	(1,500)	900	900	11,500	3,300	37,300	153,515
Noninterest income	134,170	154,673	190,745	238,020	97,205	90,474	59,230
Noninterest expense	183,220	170,627	229,495	183,591	126,494	126,000	94,448
Net income (loss) before tax expense (benefit)	23,617	36,208	34,794	103,672	15,905	(33,550)	(157,231)
Income tax expense (benefit)	6,979	11,538	10,985	21,546	(214)	697	(46,955)
Net income (loss)	\$ 16,638	\$ 24,670	\$ 23,809	\$ 82,126	\$ 16,119	\$ (34,247)	\$ (110,276)