

NEW YORK MORTGAGE TRUST INC
Form DEF 14A
April 29, 2019
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION
(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 Under Rule 14a-12

NEW YORK
MORTGAGE
TRUST, INC.
(Name of
Registrant as
Specified in
Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.
Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

2) Aggregate number of securities to which transaction applies:

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

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

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

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

90 Park Avenue
New York, New York 10016

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 28, 2019

To Our Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders (the “Annual Meeting”) of New York Mortgage Trust, Inc. (the “Company,” “we,” “our,” or “us”) on Friday, June 28, 2019 at 9:00 a.m., local time, at the offices of Vinson & Elkins L.L.P., 666 Fifth Avenue, 26th Floor, New York, New York 10103 to consider and take action on the following:

1. To elect the seven directors nominated and recommended by the Board of Directors of the Company (the “Board of Directors”), each to serve until the 2020 Annual Meeting of Stockholders or until such time as their respective successors are elected and qualified;
2. To hold an advisory vote to approve named executive officer compensation;
3. To hold an advisory vote on the frequency of future advisory votes on named executive officer compensation;
4. To approve an amendment to the Company's 2017 Equity Incentive Plan to increase the share reserve by 7,600,000 shares of common stock; and
5. To consider and act upon a proposal to ratify, confirm, and approve the appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019.

In addition, stockholders will consider and vote upon such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

The Board of Directors has set the close of business on April 24, 2019 as the record date for determining the stockholders entitled to notice of and to vote at the Annual Meeting. Only stockholders of record on that date are entitled to notice of and to vote at the Annual Meeting and at any adjournment or postponement thereof.

We furnish our proxy materials to our stockholders over the Internet, as we believe that this “e-proxy” process expedites stockholder receipt of proxy materials while also lowering the cost and reducing the environmental impact of our Annual Meeting. In connection with this approach, on or about April 29, 2019, we mailed a Notice Regarding the Availability of Proxy Materials (the “Notice”) to holders of our common stock as of the close of business on April 24, 2019. Beginning on the date of the mailing of the Notice, all stockholders of record had the ability to access all of the proxy materials and the Company’s Annual Report on Form 10-K on a website referred to in the Notice and to complete and submit their proxy on the Internet, over the telephone or through the mail. These proxy materials are available free of charge. If you received a Notice by mail, you will not receive a printed copy of the proxy materials. Instead, the Notice provides instructions on how you can request a paper copy of the proxy materials if you desire and each of the Notice and proxy materials provide instructions on how you can vote your proxy. Please see the attached proxy statement or Notice for more details on how you can vote.

If you wish to attend the Annual Meeting in person, you must register not later than 3:00 p.m., local time, on June 25, 2019 by contacting Investor Relations by email at investorrelations@nymtrust.com or by phone at (646) 216-2363. Attendance at the Annual Meeting will be limited to persons that register in advance and present proof of stock ownership on the record date and picture identification. If you hold shares directly in your name as the stockholder of record, proof of ownership could include a copy of your account statement or a copy of your stock certificate(s). If you hold shares through an intermediary, such as a broker, bank or other nominee, proof of stock ownership could include a proxy from your broker, bank or other nominee or a copy of your brokerage or bank account statement. Additionally, if you intend to vote your shares at the Annual Meeting and hold your shares through an intermediary, you must request a "legal proxy" from your broker, bank or other nominee and bring this legal proxy to the Annual Meeting.

The Board of Directors appreciates and encourages your participation in the Annual Meeting. Whether or not you plan to attend the Annual Meeting, it is important that your shares be represented. Accordingly, please vote your shares by proxy, on the Internet, by telephone or by mail. If you attend the Annual Meeting, you may revoke your proxy and vote in person. Your proxy is revocable in accordance with the procedures set forth in this proxy statement.

By order
of the
Board of
Directors,

Steven R.
Mumma
Chairman
and Chief
Executive
Officer

New York, New York
April 29, 2019

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This proxy statement contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve numerous risks and uncertainties. The Company's actual results may differ from the Company's beliefs, expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as "anticipate," "estimate," "will," "should," "expect," "believe," "intend," "seek," "plan" and similar expressions or their negative forms, or by references to strategy, plans, or intentions. Forward-looking statements are based on the Company's beliefs, assumptions and expectations of the Company's future performance, taking into account all information currently available to it. For a discussion of these risks and uncertainties, see "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and as updated by those risk factors included in the Company's subsequent filings under the Securities Exchange Act of 1934, as amended, which can be accessed at the SEC's website at www.sec.gov. All forward-looking statements speak only as of the date on which they are made. New risks and uncertainties arise over time, and it is not possible to predict those events or how they may affect the Company. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

PROXY
SUMMARY

Proposal Roadmap

The following proposals will be voted on at the Annual Meeting of the Stockholders:

Proposal	Board Recommendation	For More Information
<p>Proposal No. 1: Election of Directors</p> <p>To elect the seven directors nominated and recommended by the Board of Directors of the Company, each to serve until the 2020 Annual Meeting of Stockholders or until such time as their respective successors are elected and qualified</p>	For each director	Page <u>6</u>
<p>Proposal No. 2: Advisory Vote to Approve Named Executive Officer Compensation</p> <p>To hold an advisory vote to approve named executive officer compensation</p>	For	Page <u>2</u>
<p>Proposal No. 3: Advisory Vote on the Frequency of Future Advisory Votes on Named Executive Officer Compensation</p> <p>To hold an advisory vote on the frequency of future advisory votes on named executive officer compensation</p>	Annually	Page <u>10</u>
<p>Proposal No. 4: Approval of an Amendment to the Company's 2017 Equity Incentive Plan</p> <p>To approve an amendment to the Company's 2017 Equity Incentive Plan to increase the share reserve by 7,600,000 shares of common stock</p>	For	Page <u>11</u>
<p>Proposal No. 5: Ratification, Confirmation and Approval of Appointment of Independent Registered Public Accounting Firm</p> <p>To consider and act upon a proposal to ratify, confirm, and approve the appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019</p>	For	Page <u>20</u>

2018 Represented a Transformational Year for the Company⁽¹⁾

What We Did	Highlights
Added a team of 18 professionals, internalizing our last externally-managed business	We moved to internalize our last externally-managed business, residential distressed credit, adding a team of 18 professionals that not only covers distressed residential assets but increases our capabilities across many other residential credit opportunities.
Hired Jason Serrano as our President	In early January 2019, we hired Jason Serrano as our President. Mr. Serrano has extensive experience in all aspects of residential investing and his leadership, ability and vision are welcome additions to our firm.
Industry leading performance	We delivered total economic return for the year ended December 31, 2018 that ranked sixth out of a mortgage REIT peer group comprised of 23 companies. ⁽²⁾
Set a new single-year record expanding our investment portfolio and capital base	We expanded our investment portfolio by 33% and our capital base by 21%, originating or acquiring over \$1.3 billion in predominately credit assets, including \$360 million in multifamily credit and \$885 million in residential credit, a new single-year record for the Company. In addition, we expanded our total stockholders' equity from approximately \$972 million to \$1.2 billion.
Our common equity market capitalization reached over \$1 billion	As a result of successful capital raises occurring during the fourth quarter of 2018 and the first quarter of 2019, the Company's common equity market capitalization reached over \$1 billion for the first time since inception.

⁽¹⁾ Unless otherwise stated, the measures used herein refer to our results as of and for the year ended December 31, 2018; all comparative metrics refer to the year ended December 31, 2018 as compared to the year ended December 31, 2017.

We define total economic return as the change in book value per common share plus common share dividends.

⁽²⁾ Please see the definition of "identified performance peer group" set forth on page 45 of this proxy statement for a list of the 23 peer mortgage REITs used for purposes of this peer group calculation.

2018 Business Highlights

• Earned net income attributable to common stockholders in 2018 of \$79.2 million, or \$0.62 per share (basic), and comprehensive income to common stockholders of \$51.5 million, or \$0.40 per share.

• Earned net interest income of \$78.7 million and portfolio net interest margin of 253 basis points.

• Delivered total economic return of 7.5% for the year ended December 31, 2018.

• Produced return on common stockholders' equity of 10.6%.

• Produced total stockholders' return of 8.4%.

• Maintained a consistent quarterly dividend of \$0.20 per common share during 2018.

• Acquired credit assets totaling \$1.2 billion.

Executive Compensation Highlights

The Compensation Committee is committed to reviewing our executive compensation program on a regular basis and making changes based on the current market compensation practices, governance trends, and the results of our advisory vote to approve our named executive officer compensation, amongst other factors. Enhancements made to our 2018 executive compensation program include:

What We Did	Highlights
Modified the 2018 Annual Incentive Plan	Modified the 2018 Annual Incentive Plan in February 2018 to reduce the number of performance measures under the quantitative component of the plan to a single measure that we believe best aligns the interests of our executives with those of our stockholders, total economic return. See “Annual Incentive Compensation” in the “Executive Compensation” section for details.
Established 2018 Long-Term Equity Incentive Program	We added a long-term equity incentive program to our overall executive compensation structure to help us reward employees for outperformance relative to our peers over the longer-term.
Amended CEO’s employment agreement to eliminate the “single trigger” for acceleration of vesting in change of control	We amended our CEO’s employment agreement during 2018 such that stock awards granted to our CEO will no longer accelerate or vest solely due to the occurrence of a change of control.

Corporate Governance Highlights

Our Board of Directors is committed to maintaining best-in-class corporate governance practices and policies that are in the best interests of our stockholders. Highlights of our corporate governance practices are provided below.

Corporate Governance Highlights

- Independent Audit, Compensation and Nominating & Corporate Governance Committees.
- Independent Lead Director.
- Independent directors met in executive sessions of our Board of Directors on five separate occasions.
- Annual election of all directors.
- Majority voting standard in uncontested director elections.
- 43% of our Board of Directors are diverse based on gender, race or ethnicity.
- Average director tenure equals 7.6 years.
- Four members of our Audit Committee qualify as “audit committee financial experts.”
- Five of our seven directors are independent.
- No shareholder rights plan or “poison pill.”
- No “related person transactions” in 2018.
- Our non-employee directors and Chief Executive Officer are subject to robust stock ownership guidelines.
- Directors and executive officers are prohibited from engaging in short-selling, pledging or hedging transactions involving our securities.
- Our Chief Executive Officer's stock awards will not accelerate or vest solely due to a change in control.

Equity Plan Highlights

Stockholders are being asked to approve an amendment to the Company's 2017 Equity Incentive Plan (the "2017 Stock Plan") to increase the share reserve by 7,600,000 shares of common stock that our Board of Directors has adopted (subject to stockholder approval) and unanimously recommends that stockholders approve. Since our 2017 Stock Plan was first approved by stockholders in May 2017 and in connection with our move to internalize our externally-managed businesses, the Company's employee headcount has more than doubled from 19 to 44, and the ranks of our management team have expanded from 6 people to 8 people. Moreover, since the beginning of the quarter in which our 2017 Stock Plan was first approved by our stockholders, our total assets have increased by 41.0% and our total stockholders' equity has increased by 39.5% . We believe that the grant of awards under the 2017 Stock Plan is a necessary tool to attract, retain and motivate employees in a highly competitive marketplace and to ensure that our executive compensation is structured in a manner that aligns our executives' interests with our success.

The following highlights some key features of the amendment to our 2017 Stock Plan and our 2017 Stock Plan overall.

Responsible Plan Costs

- Reasonable number of additional shares requested – 7,600,000 shares requested.
- The increased share reserve would not have a significant potential dilutive effect. As of April 1, 2019, our dilution (calculated as the number of shares available for grant under our 2017 Stock Plan, divided by our total number of shares outstanding) was less than 1%. Potential dilution from issuances authorized under our 2017 Stock Plan as of April 1, 2019 would be 4.9% if the amendment to our 2017 Stock Plan is approved.
- It is estimated that the increased share reserve would allow us to continue to grant awards under our 2017 Stock Plan for the next three to four years.
- Three-year average annual "burn rate" of 0.3%, which represents the percentage of outstanding, weighted average shares awarded under our 2017 Stock Plan in prior years (based on shares of restricted stock issued and performance shares earned in each of the last three fiscal years) divided by the weighted average total number of our shares outstanding for those prior years.

Stockholder-Friendly Plan Features or Grant Practices

- No reuse or "recycling" of shares used to satisfy exercise price or tax withholding obligations.
- No dividends are paid on unvested awards under our current long-term equity incentive program.
- Equity awards granted to our named executive officers under the 2017 Stock Plan are 100% performance-based.
- Restricted stock grants to officers and employees generally vest ratably over three years.
- No discounted options or related awards may be granted.
- No repricing of options or stock appreciation rights permitted without stockholder approval.
- No non-employee director may be granted during any one year awards having a value, determined on the grant date, that exceeds \$500,000.
- Awards are subject to potential reduction, cancellation, forfeiture or other clawback under certain specified circumstances.
- The Compensation Committee, which consists only of non-employee directors who are "independent" under the listing standards of the Nasdaq Stock Market, will administer the plan.

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90 Park Avenue
New York, New York 10016

PROXY STATEMENT

GENERAL INFORMATION

Important Notice Regarding the Availability of Proxy Materials
for the 2019 Stockholder Meeting to Be Held on June 28, 2019.

This proxy statement, our Annual Report on Form 10-K for the year ended December 31, 2018, and our other proxy materials are available at: <http://www.proxyvote.com>.

Proxy Solicitation

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors ("Board of Directors") of New York Mortgage Trust, Inc. (the "Company," "we," "our" or "us") for use at the Company's Annual Meeting of Stockholders (the "Annual Meeting") to be held at the offices of Vinson & Elkins L.L.P., 666 Fifth Avenue, 26 Floor, New York, New York 10103 on Friday, June 28, 2019 at 9:00 a.m., local time, and at any adjournment and postponement thereof. We mailed, through intermediaries, on or about April 29, 2019, a Notice Regarding the Availability of Proxy Materials (the "Notice") to our stockholders of record as of April 24, 2019. As a result, beginning on the date of the mailing of the Notice, all stockholders of record had the ability to access all of the proxy materials and the Company's Annual Report on Form 10-K for the year ended December 31, 2018 ("2018 Annual Report") on a website referred to in the Notice and as set forth above. If you received a Notice by mail, you will not receive a printed copy of the proxy materials in the mail. Instead, the Notice instructs you on how to access and review all of the important information contained in the proxy statement and 2018 Annual Report. The Notice also instructs you on how you may submit your proxy over the Internet. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials contained on the Notice.

The mailing address of our principal executive offices is 90 Park Avenue, New York, New York 10016. We maintain an Internet website at www.nymtrust.com. Information at or connected to our website is not and should not be considered part of this proxy statement.

We will bear the costs of this solicitation including the costs of preparing, assembling and mailing proxy materials and the handling and tabulation of proxies received. In addition to solicitation through the Internet or by mail, proxies may be solicited by our directors, officers and employees, at no additional compensation, by telephone, personal interviews or otherwise. Banks, brokers or other nominees and fiduciaries will be requested to forward the Notice and information on how to access the proxy materials to beneficial owners of our common stock and to obtain authorization for the execution of proxies. We will, upon request, reimburse such parties for their reasonable expenses in forwarding proxy materials to beneficial owners.

No person is authorized to give any information or to make any representation not contained in this proxy statement and, if given or made, you should not rely on that information or representation as having been authorized by us. The delivery of this proxy statement shall not, under any circumstances, imply that there has been no change in the information set forth since the date of this proxy statement.

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Purposes of the Annual Meeting

The principal purposes of the Annual Meeting are to: (1) elect the seven directors nominated and recommended by our Board of Directors, each to serve until the 2020 Annual Meeting of Stockholders or until such time as their respective successors are elected and qualified (“Proposal No. 1”); (2) hold an advisory vote to approve named executive officer compensation (“Proposal No. 2”); (3) hold an advisory vote regarding the frequency of future advisory votes on named executive officer compensation (“Proposal No. 3”); (4) consider and act upon a proposal to approve an amendment to the Company's 2017 Equity Incentive Plan (the “2017 Stock Plan”) to increase the share reserve by 7,600,000 shares of common stock (“Proposal No. 4”); (5) consider and act upon a proposal to ratify, confirm, and approve the appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019 (“Proposal No. 5”); and (6) transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof. Our Board of Directors knows of no other matters other than those stated above to be brought before the Annual Meeting.

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VOTING

How to Vote Your Shares

You may vote your shares at the Annual Meeting in person. If you cannot attend the Annual Meeting in person, or you wish to have your shares voted by proxy even if you do attend the Annual Meeting, you may vote by duly authorized proxy on the Internet, by telephone or by mail. We encourage you to follow the instructions on how to vote as described below and as set forth in the Notice and the proxy card. Maryland law provides that a vote by Internet or telephone carries the same validity as your completion and delivery of a proxy card. In order to vote on the Internet, you must first go to <http://www.proxyvote.com>, have your Notice or proxy card in hand and follow the instructions.

In order to vote by telephone, you must call (800) 690-6903, have your Notice or proxy card in hand and follow the instructions.

Stockholders of record may vote by signing, dating and returning a proxy card in a postage-paid envelope. You may request a proxy card postage-paid envelope from us as instructed in the Notice. Properly signed and returned proxies will be voted in accordance with the instructions contained therein.

Registered Holders, Beneficial Owners and “Broker Non-Votes”

Registered Holders. If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, LLC, you are considered the registered stockholder of record with respect to those shares, and a Notice is being sent directly to you. As the registered stockholder of record, you have the right to grant your voting proxy directly to the Company through a proxy card, through the Internet or by telephone or to vote in person at the Annual Meeting.

If you are a registered stockholder of record and you indicate when voting on the Internet or by telephone that you wish to vote as recommended by our Board of Directors, or you sign and return a proxy card without giving specific voting instructions, the proxy holders will vote your shares in the manner recommended by our Board of Directors on all matters presented in this proxy statement and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting.

Beneficial Owners and “Broker Non-Votes.” A large number of our stockholders hold their shares through a broker, trustee, bank or other nominee rather than directly in their own name. If your shares are held in a stock brokerage account or by a bank, trustee or other nominee, you are considered the beneficial owner of the shares, while the broker, trustee, bank or nominee holding your shares is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker, trustee, bank or other nominee on how to vote and are also invited to attend the Annual Meeting. If your shares are held in this manner, your broker, trustee, bank or other nominee will provide you with instructions for you to use in accessing the proxy materials and directing the broker, trustee, bank or other nominee on how to vote your shares. If your shares are not directly registered in your own name and you plan to vote your shares in person at the Annual Meeting, you must contact the bank, broker, trustee or other nominee that holds your shares to obtain a legal proxy or broker’s proxy card and bring it to the Annual Meeting in order to vote.

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If you are the beneficial owner of shares that are held in a stock brokerage account or by a bank or other nominee and you do not provide the organization that holds your shares with specific voting instructions, by rule, the organization that holds your shares may generally vote at its discretion on routine matters only. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, the organization will inform Broadridge Financial Solutions, Inc., which is receiving and tabulating the proxies, that it does not have the authority to vote your shares on non-routine matters. This is generally referred to as a “broker non-vote.” Because the proposal to ratify the appointment of Grant Thornton LLP as our independent registered public accounting firm is a routine matter for which specific instructions from beneficial owners are not required, no broker non-votes will arise in the context of voting for the ratification of the appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019. Conversely, the election of directors and the approval of an amendment to the 2017 Stock Plan are non-routine matters for which specific instructions from beneficial owners are required and thus, broker non-votes may arise. Additionally, the Securities and Exchange Commission (“SEC”) has specifically prohibited broker discretionary voting of uninstructed shares with respect to the advisory votes to approve named executive officer compensation and the frequency of advisory votes to approve named executive officer compensation. As a result, if you hold your shares through a broker, bank or other nominee, your broker, bank or other nominee cannot vote your shares on the election of directors, the proposal to approve an amendment to the Company's 2017 Stock Plan, or the advisory votes to approve named executive officer compensation and the frequency of advisory votes to approve named executive officer compensation in the absence of your specific instructions as to how to vote on these matters. In order for your vote to be counted on these matters, please make sure that you provide specific voting instructions to your broker, bank or other nominee.

How to Revoke Your Proxy

If you have already voted your proxy on the Internet or by telephone or returned your proxy to us by mail, you may revoke your proxy at any time before it is exercised at the Annual Meeting by any of the following actions:

- by notifying our Investor Relations in writing that you would like to revoke your proxy;
- by completing, at or before the Annual Meeting, a proxy card on the Internet, by telephone or by mail with a later date; or
- by attending the Annual Meeting and voting in person. (Note, however, that your attendance at the Annual Meeting, by itself, will not revoke a proxy you have already returned to us; you must also vote your shares in person at the Annual Meeting to revoke an earlier proxy.)

If your shares of common stock are held on your behalf by a broker, bank or other nominee, you must contact them to receive instructions as to how you may revoke your proxy instructions.

Record Date for Our Annual Meeting; Who Can Vote at Our Annual Meeting; Voting Procedures and Vote Required

Our Board of Directors has fixed the close of business on April 24, 2019 as the record date for the determination of stockholders entitled to receive notice of and to vote at the Annual Meeting and all adjournments or postponements thereof. On all matters to come before the Annual Meeting, each holder of record of our common stock as of the close of business on April 24, 2019 will be entitled to vote at the Annual Meeting and will be entitled to one vote for each share of common stock owned as of such date. As of the close of business on April 24, 2019, the Company had 190,091,655 shares of common stock outstanding.

The representation in person or by proxy of a majority of all the votes entitled to be cast on the matters to be considered at the meeting is necessary to provide a quorum for the transaction of business at the Annual Meeting. Your shares will be counted as present at the Annual Meeting if you are present and entitled to vote at the Annual Meeting, or you have properly submitted a proxy card or voting instruction card, or voted by telephone or over the

Internet. Both abstentions and broker non-votes are counted for purposes of determining the presence of a quorum. If a quorum is not present, the Annual Meeting may be adjourned by the vote of a majority of the shares represented at the Annual Meeting until a quorum has been obtained.

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With respect to the election of directors, because this is considered an uncontested election under our bylaws, a nominee for director is elected to our Board of Directors if he or she receives a majority of the votes cast for his or her election, meaning the number of shares voted for such nominee's election exceeds the number of shares voted against such nominee's election. Abstentions and broker non-votes will not affect the election of directors. In tabulating the voting results for the election of directors, only "for" and "against" votes are counted. If an incumbent director receives a greater number of votes against his or her election than votes for such election, such director shall tender his or her resignation as provided in our Director Resignation Policy. The Nominating & Corporate Governance Committee of our Board of Directors will then act as soon as reasonably practicable thereafter to determine whether to accept the director's tendered resignation and will submit such recommendation for consideration by our Board of Directors. In considering whether to accept or reject the tendered resignation, the Nominating & Corporate Governance Committee and the Board will consider any factors they deem relevant or appropriate. There is no cumulative voting in the election of directors.

With respect to the advisory vote to approve named executive officer compensation and the advisory vote regarding the frequency of future advisory votes on named executive officer compensation, the affirmative vote of a majority of the votes cast on these proposals at the Annual Meeting is necessary for approval, on an advisory basis, of our named executive officer compensation and the frequency of future advisory votes on named executive officer compensation. Abstentions and broker non-votes will not count as votes cast on these proposals, and thus will have no effect on the result of the vote on these proposals.

With respect to the proposal to approve an amendment to the 2017 Stock Plan, the affirmative vote of a majority of the votes cast on the proposal at the Annual Meeting will be required for approval. Pursuant to Maryland law, abstentions will not be counted as votes cast on this proposal and thus will have no effect on the result of the vote on this proposal. As discussed above, brokers and nominees do not have discretionary authority to vote on the proposal to approve an amendment to the 2017 Stock Plan and accordingly, a broker non-vote will not be counted as a vote "for" or "against" this proposal, although it will be counted as present for purposes of establishing a quorum. As a result, abstentions and broker non-votes will have the effect of reducing the number of affirmative votes required to achieve a majority for such matter by reducing the total number of shares from which the majority is calculated.

With respect to the proposal to ratify the appointment of Grant Thornton LLP as our independent registered public accounting firm, the affirmative vote of a majority of the votes cast on this matter at the Annual Meeting is necessary for ratification of the appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019. Abstentions will not count as votes cast on this proposal and thus will have no effect on the result of the vote. As noted above, no broker non-votes will arise in the context of the proposal to ratify the appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019.

Pursuant to our charter, holders of shares of our common stock are not entitled to exercise appraisal rights under the Maryland General Corporation Law unless our Board of Directors, upon the affirmative vote of a majority of our Board of Directors, shall determine that such rights apply to one or more transactions occurring after the date of such determination. Our Board of Directors has made no such determination with respect to the business to be considered at the Annual Meeting.

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PROPOSAL NO. 1: ELECTION OF DIRECTORS

The seven persons named below have been nominated to serve on our Board of Directors until the 2020 Annual Meeting of Stockholders or until such time as their respective successors are elected and qualified. Our Board of Directors is currently comprised of seven directors, five of whom are independent in accordance with our Corporate Governance Guidelines and the listing standards of the Nasdaq Stock Market (“Nasdaq”). Each nominee is currently a director of the Company and has consented to stand for election at the Annual Meeting. The Board of Directors has no reason to believe that the persons named below as nominees for directors will be unable, or will decline to serve, if elected. For additional information regarding our corporate governance and these nominees, see “Information on Our Board of Directors and Its Committees” below.

Board of Directors Considerations in Recommending These Nominees

Our Board of Directors believes that the Board of Directors, as a whole, should encompass a range of talent, skill, diversity and expertise enabling it to provide sound guidance with respect to our operations and interests. In identifying qualified director nominees, the Nominating & Corporate Governance Committee of our Board of Directors, and our Board of Directors consider, among other things, a candidate’s experience, skills, accomplishments, background, age, diversity, willingness to serve and commitment to the Company, and then review those qualities in the context of the current composition of our Board of Directors and the evolving needs of our business. Because we are listed on the Nasdaq Global Select Market, we are required to have at least a majority of our directors qualify as “independent,” as such term is defined by the Nasdaq. The Nominating & Corporate Governance Committee identifies candidates for election to our Board of Directors with input from our other directors, reviews the qualities listed above and recommends to our Board of Directors individual nominees for director.

Our Board of Directors seeks director nominees with strong reputations, experience, competence or expertise in areas relevant to the strategy and operations of our business, particularly in the finance or mortgage industries, or the proper and effective functioning of our Board of Directors. Each of the nominees for election as a director at the Annual Meeting holds or has held important positions and has operating experience or other relevant experience that meets this objective. In these positions, they have also gained experience in some or all of the following: core management skills, such as strategic and financial planning, public company financial reporting, accounting, corporate governance, risk management and leadership development.

Our Board of Directors also believes that each of the nominees listed below has other key attributes that are important to a properly functioning and effective board, including integrity and high ethical standards, sound judgment, analytical skills, the ability and desire to engage management and each other in a constructive fashion, and the commitment to devote significant time and energy to service on our Board of Directors and its committees.

Nominees for Election as Directors

The following table sets forth the names and biographical information concerning each of the directors nominated for election at the Annual Meeting:

Name	Principal Occupation	Director Since	Age
Steven R. Mumma†	Chairman and Chief Executive Officer of the Company	2007	60
Jason T. Serrano	President of the Company	2019	44
David R. Bock*	Managing Partner of Federal City Capital Advisors	2012	75
Michael B. Clement*	Chairman of the Department of Accounting at the University of Texas at Austin	2016	62
Alan L. Hailey*	Owner and Manager of Carolina Dominion, LLC	2004	72

Steven G. Norcutt*	President of Schafer Richardson, Inc.	2004	59
Lisa A. Pendergast*	Executive Director of Commercial Real Estate Finance Council	2018	57

Our Board of Directors has affirmatively determined that these director nominees currently are independent under the criteria described below in “Information on Our Board of Directors and Its Committees—Independence of Our Board of Directors” and “Information on Our Board of Directors and Its Committees—Board of Directors Leadership Structure.” Mr. Hainey is our Lead Director.

Chairman of our Board of Directors.

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Steven R. Mumma is our Chairman and Chief Executive Officer. Mr. Mumma has served as Chairman of our Board of Directors since March 2015. Mr. Mumma has served as Chief Executive Officer since February 2009. Mr. Mumma was appointed President, a role he held until May 2016, and Co-Chief Executive Officer effective March 31, 2007 and served as Chief Financial Officer from November 2006 to October 2010. Prior to serving in the above capacities, Mr. Mumma served as our Chief Investment Officer, a position to which he was named in July 2005, and as Chief Operating Officer, commencing in November 2003. From September 2000 to September 2003, Mr. Mumma was a Vice President of Natexis ABM Corp., a wholly-owned subsidiary of Natexis Banques Populaires. From 1997 to 2000, Mr. Mumma served as a Vice President of Mortgage-Backed Securities trading for Credit Agricole. Prior to joining Credit Agricole, from 1988 to 1997, Mr. Mumma was a Vice President of Natexis ABM Corp. Prior to joining Natexis ABM Corp., from 1986 to 1988, Mr. Mumma was a Controller for PaineWebber Real Estate Securities Inc., the mortgage-backed trading subsidiary of PaineWebber Inc. Prior to joining PaineWebber, from 1981 to 1985, Mr. Mumma worked for Citibank in its Capital Markets Group, as well as for Ernst & Young LLP. Mr. Mumma received a B.B.A. cum laude from Texas A&M University.

Our Board of Directors concluded that Mr. Mumma should serve as a director of the Company because of his significant operational, financial and accounting experience in, and knowledge of, the Company, which he has served since shortly after our inception in 2003, and the broader mortgage-backed securities industry, where he has worked for more than 20 years. As Chairman and Chief Executive Officer of the Company, Mr. Mumma also serves as a critical link between management and our Board of Directors.

Jason T. Serrano is our President. Mr. Serrano was named President of the Company effective January 7, 2019 and became a member of our Board of Directors on March 19, 2019. Prior to joining the Company, Mr. Serrano was a Partner at Oak Hill Advisors, L.P. (“OHA”), an alternative investment management firm, from January 2014 to December 2018 and a Managing Director at OHA from April 2008 to December 2013. While at OHA, Mr. Serrano ran the mortgage investment business. Prior to joining OHA, Mr. Serrano served as a Principal at The Blackstone Group, where he led the structured finance investment team. Before Blackstone, he spent five years at Fortress Investment Group as Vice President, assisting in the management of \$2 billion of distressed structured products and whole-loan portfolios. He also spent five years at Moody’s as a rating analyst for collateralized debt obligations and derivatives. He earned a bachelor of science degree from Oswego State University.

Our Board of Directors concluded that Mr. Serrano should serve as a director of the Company because of his experience with, and strategic insights into, managing, sourcing and creating multiple forms of single-family and multi-family credit assets, credit and market risks and financing matters and capital raising. Mr. Serrano also serves as a critical link between management and our Board of Directors and solidifies our senior management bench strength. Mr. Serrano was initially referred to the Nominating & Corporate Governance Committee as a potential addition to our Board of Directors by our Chief Executive Officer.

David R. Bock has served as a member of our Board of Directors since January 2012. Mr. Bock is a Managing Partner of Federal City Capital Advisors, a Washington, DC-based business and financial advisory services company, and has held this position since 2004. Mr. Bock has a background in international economics and finance, capital markets and organizational development, having served as a Managing Director of Lehman Brothers and in various executive roles at the World Bank, including as the chief of staff for the World Bank’s lending operations. Mr. Bock was the Chief Financial Officer of I-Trax, Inc., a publicly traded healthcare company prior to its sale to Walgreen’s in 2008, and previously the Chief Financial Officer of Pedestal Inc., an online mortgage trading platform. Mr. Bock served as interim Chief Executive Officer of Oxford Analytica in 2010. Mr. Bock began his professional career with McKinsey & Co. following completion of an advanced degree in economics from Oxford University, where he was a Rhodes Scholar. He received a B.A. in philosophy from the University of Washington. Mr. Bock currently serves on the

boards of the Amundi Pioneer Funds complex, where he serves as chairman of the audit committee, as well as various private and charitable organizations. Mr. Bock previously served on our Board of Directors from 2004 to 2009.

Our Board of Directors concluded that Mr. Bock should serve as a director of the Company because of his extensive expertise in economics, finance and accounting and his prior experiences in our industry, as well as his prior experiences as a Chief Financial Officer, Chief Executive Officer and director of other companies.

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Michael B. Clement has served as a member of our Board of Directors since June 2016. Mr. Clement is the Chairman of the Department of Accounting at the University of Texas at Austin where, since 1997, he has held the positions of professor, associate professor, and assistant professor. Mr. Clement was the Vice President of Global Investment Research for Goldman Sachs & Co. from 2002 until 2004. Mr. Clement was the Vice President of Capital Planning and Analysis from 1988 to 1991 and a Manager of the Audit Division from 1982 to 1986 at Citicorp. Prior to his employment at Citicorp, Mr. Clement was a Senior Assistant Accountant at Deloitte Haskins & Sells. Mr. Clement holds a B.B.A. in Accounting from Baruch College, an M.B.A. in Finance from the University of Chicago and a Ph.D. in Accounting from Stanford University. Mr. Clement currently serves on the board and audit committee of multiple funds that comprise the AXA Equitable funds complex.

Our Board of Directors concluded that Mr. Clement should serve as a director of the Company because of his significant expertise in accounting and his prior experience working in the finance industry.

Alan L. Hainey has served as a member of our Board of Directors since the completion of our initial public offering (“IPO”) in June 2004 and became our Lead Director in March 2015. Mr. Hainey is the owner and manager of Carolina Dominion, LLC, a real estate brokerage development and investment firm that he founded in 2004. In 2001, Mr. Hainey incorporated and funded the Merrill L. Hainey Family Foundation, a not-for-profit charitable organization dedicated to academic achievement through scholarships, where he continues to serve as President. From 1996 to 2000, Mr. Hainey operated an independent consulting practice providing advisory and marketing services to clients engaged in insurance, mortgage finance and investment management. From 1990 to 1996, Mr. Hainey served as President and Chief Operating Officer of GE Capital’s mortgage banking businesses and was a member of GE Capital’s corporate executive council. From 1983 to 1990, Mr. Hainey served as President of GE Capital Mortgage Securities. Mr. Hainey received a B.A. with honors and a J.D. from the University of Missouri and a Master of Management with distinction from the Kellogg School of Northwestern University.

Our Board of Directors concluded that Mr. Hainey should serve as a director of the Company because of his valuable business, leadership and management skills obtained during his 30-plus years in the mortgage banking business, including as President of GE Capital’s mortgage banking business and as a member of its executive council.

Steven G. Norcutt has served as a member of our Board of Directors since completion of our IPO in June 2004. Mr. Norcutt has served since October 2009 as the President of Schafer Richardson, Inc., a commercial real estate management, construction, development, leasing and investment company based in Minneapolis, Minnesota. From April 2008 to October 2009, Mr. Norcutt served as Senior Vice President – Regional Manager of Guaranteed Rate Mortgage, a residential mortgage banking company headquartered in Chicago, Illinois. Prior to joining Guaranteed Rate, Mr. Norcutt served as Executive Vice President and Chief Operating Officer of Centennial Mortgage and Funding, Inc., a residential mortgage banking company based in Minnesota. Prior to joining Centennial Mortgage and Funding, Inc., Mr. Norcutt served as Senior Vice President and Portfolio Manager of Structured Finance for Reliastar Investment Research, Inc. from 1993 through 2001. Mr. Norcutt joined Reliastar Investment Research, Inc. in 1988 as Vice President and Portfolio Manager of Residential Mortgage Loans. Mr. Norcutt received an M.B.A. in Finance from the Carlson School of Business at the University of Minnesota and a B.S. in Finance from St. Cloud State University.

Our Board of Directors concluded that Mr. Norcutt should serve as a director of the Company because of his extensive operating, business and financial experience from significant tenures in both the mortgage lending and mortgage portfolio management businesses, as well as his current role as President of a commercial real estate company.

Lisa A. Pendergast has served as a member of our Board of Directors since March 2018. Ms. Pendergast is currently Executive Director of Commercial Real Estate Finance Council, a trade organization with over 305 member companies and over 9,000 individual members that covers the commercial and multi-family real estate finance

markets, a position she has held since September 2016. Ms. Pendergast was Managing Director of the Commercial Mortgage-Backed Securities Strategy and Risk division of Jefferies LLC from 2009 to June 2016. From 2001 to 2009, Ms. Pendergast was Managing Director of the Commercial Mortgage-Backed Securities Strategy division of RBS Greenwich Capital. Prior to her employment at RBS Greenwich Capital, Ms. Pendergast was Managing Director in the Financial Strategies Group at Prudential Securities from 1987 to 2000. Ms. Pendergast holds a B.A. in English Literature and Political Science from Marymount College of Fordham University.

Our Board of Directors concluded that Ms. Pendergast should serve as a director of the Company because of her extensive relevant experience in the commercial and residential real estate markets, as well as her significant expertise in commercial credit and structured finance.

Our Board of Directors recommends that stockholders vote “FOR” the election of each of the nominees.

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PROPOSAL NO. 2: ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION

Section 14A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), added by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") provides our stockholders with an advisory vote to approve our named executive officer compensation. This advisory vote gives our stockholders the opportunity to express their views on the compensation of our named executive officers. Although this vote is advisory and is not binding, the Board of Directors and the Compensation Committee plan to take into consideration the outcome of the vote when making future executive compensation decisions.

At our 2013 Annual Meeting of Stockholders, a majority of stockholders voted in favor of having an advisory vote to approve our named executive officer compensation each year, consistent with the recommendation of our Board of Directors. After consideration of these results and our Board of Directors' recommendation, we elected to hold future advisory votes on named executive officer compensation each year until the next advisory vote on frequency occurs. We are required under the Dodd-Frank Act to hold an advisory vote on the frequency of the advisory votes to approve named executive officer compensation at least every six years.

As described in detail under "Executive Compensation—Compensation Discussion and Analysis," our compensation program for 2018 was designed to compensate our named executive officers in a manner that attracts and retains top performing employees, motivates our management team by tying compensation to our financial performance, and rewards exceptional individual performance that supports our overall objectives, while also consistent with our needs as a company to maintain an appropriate expense structure. Our Board of Directors believes that our current executive compensation program compensates our named executive officers in an appropriate manner in relation to the size and performance of the Company and properly aligns the interests of our named executive officers with those of our stockholders. We utilized the 2018 Annual Incentive Plan, a performance-based incentive compensation plan that serves as a means of linking compensation both to our overall performance and to objective and subjective performance criteria that are within the control of our named executive officers (the "2018 Annual Incentive Plan"), for determining incentive compensation payable to our named executive officers for performance in 2018.

During 2018, we also added a 2018 Long-Term Equity Incentive Program to our overall executive compensation structure to help us create and maintain a market competitive executive compensation program that will promote recruitment and retention of key employees and will reward employees for outperformance relative to our peers over the longer-term. Our 2018 Long-Term Equity Incentive Program provides for long-term equity awards that can be earned on December 31, 2020 based on the achievement of certain relative total stockholder return hurdles over a three-year performance period.

See the information set forth under "Executive Compensation—Compensation Discussion and Analysis" and "Executive Compensation—Executive Compensation Information" for more information on these elements of our named executive officer compensation program.

For these reasons, the Board of Directors strongly endorses our named executive officers compensation program and recommends that stockholders vote in favor of the following resolution:

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the Company's named executive officers, as disclosed under the compensation disclosure rules of the SEC, including the "Executive Compensation—Compensation Discussion and Analysis," compensation tables and narrative discussion contained in the proxy statement for the 2019 Annual Meeting of Stockholders."

Our Board of Directors recommends that stockholders vote "FOR" the approval, on an advisory basis, of our named executive officer compensation.

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PROPOSAL NO. 3: ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON NAMED
EXECUTIVE OFFICER COMPENSATION

In Proposal No. 2 above, we ask our stockholders to vote, on an advisory basis, to approve the compensation of our named executive officers. Section 14A of the Exchange Act also provides our stockholders with the opportunity to recommend, on an advisory basis, how frequently we should provide future advisory votes on named executive officer compensation. By voting on this Proposal No. 3, stockholders may tell us whether they would prefer to have an advisory vote on named executive officer compensation every year, every two years or every three years.

After careful consideration, our Board of Directors has determined that having an annual advisory vote on named executive officer compensation is the most appropriate policy for our Company at this time and, therefore, recommends that you vote to have future advisory votes on named executive officer compensation every year. While the Compensation Committee has attempted to design our executive compensation program in a manner that will promote a long-term connection between pay and performance, our Board of Directors recognizes that executive compensation disclosures are made annually. An annual advisory vote on named executive officer compensation is also consistent with our practice of providing stockholders with the opportunity to ratify the Audit Committee's selection of independent auditors annually. However, our stockholders should note that because the advisory vote on named executive officer compensation occurs well after the beginning of the performance year, and because the different elements of our executive compensation program are designed to operate in an integrated manner and complement one another, in many cases it may not be appropriate or feasible to change our executive compensation program in consideration of any one year's advisory vote before our next annual meeting of stockholders.

Although our Board of Directors believes that holding an advisory vote on named executive officer compensation each year currently reflects the appropriate balance, our Board of Directors may reassess this issue periodically and may vary our practice based on factors such as discussions with our stockholders and the adoption of any material changes to our compensation programs. Stockholders can choose one of four choices for this proposal on the proxy card: every "1 year," every "2 years," every "3 years" or "abstain." Stockholders are not voting to approve or disapprove our Board of Directors' recommendation.

The option of every year, every two years or every three years that receives a majority of votes cast by our stockholders will be the frequency that has been selected by the stockholders. If none of the options receive a majority of the votes cast, it is the Board of Directors intention to treat the option that receives the most votes as the option selected by the stockholders. However, because this is an advisory vote, the voting results will not be binding on the Company, the Board of Directors or the Compensation Committee, although our Board of Directors will take into account the frequency receiving the most votes when deciding how often to hold advisory votes in the future.

Our Board of Directors recommends that stockholders vote to hold future advisory votes on NEO compensation every year.

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PROPOSAL NO. 4: APPROVAL OF AN AMENDMENT TO THE COMPANY'S 2017 EQUITY INCENTIVE PLAN

At the Annual Meeting, stockholders will be asked to approve the First Amendment (the "First Amendment") to the New York Mortgage Trust, Inc. 2017 Equity Incentive Plan (also referred to herein as the 2017 Stock Plan), which increases the number of shares of our common stock that may be issued under the 2017 Stock Plan. As of April 1, 2019, assuming maximum payout of awards that may be earned under our 2018 and 2019 Long-Term Equity Incentive Programs, only 1,605,667 shares of our common stock remained available for issuance under the 2017 Stock Plan. Our Board of Directors believes that the 2017 Stock Plan has assisted in our recruitment and retention of key employees and has helped align their interests with the interests of our stockholders. Our Board of Directors believes that the First Amendment will allow us to continue to promote these interests.

On March 23, 2017 (the "Effective Date"), our Board of Directors adopted the 2017 Stock Plan. The 2017 Stock Plan became effective on May 11, 2017 following the receipt of stockholder approval at our 2017 annual meeting of stockholders. On April 22, 2019, our Board of Directors adopted the First Amendment, subject to the approval of our stockholders. The purpose of the First Amendment is to increase the number of shares of common stock that may be issued under the 2017 Stock Plan by 7,600,000 shares. If approved by our stockholders, the First Amendment will be effective as of April 22, 2019.

We believe that approval of the First Amendment will give us the flexibility to make stock-based awards and other awards permitted under the 2017 Stock Plan over the next three to four years in amounts determined appropriate by the Committee (as defined below); however, this timeline is simply an estimate used to determine the number of additional common shares requested pursuant to the First Amendment and future circumstances may require a change to expected equity grant practices. These circumstances include but are not limited to the future price of our common stock, award levels and amounts provided by our competitors and our hiring activity over the next few years. The closing market price of our shares of common stock as of April 1, 2019 was \$6.14 per share, as reported on the Nasdaq.

As of April 1, 2019, the total number of outstanding shares of common stock was 187,831,455. When our Board of Directors first approved our 2017 Stock Plan in March 2017, which reserved up to 5,570,000 shares for issuance, our dilution (which is the number of shares of common stock available for grant under the 2017 Stock Plan, divided by the total number of shares of our common stock outstanding) was approximately 5%. As of April 1, 2019, our dilution was less than 1%. Potential dilution from issuances authorized under our 2017 Stock Plan as of April 1, 2019 would be 4.9% if the First Amendment is approved by stockholders. While we are aware of the potential dilutive effect of compensatory equity awards, we also recognize the significant motivational and performance benefits that may be achieved from making such awards.

Consequences of Failing to Approve the Proposal

The First Amendment will not be implemented unless approved by stockholders. If the First Amendment is not approved by stockholders, the 2017 Stock Plan will remain in effect in its present form and we will continue to grant awards thereunder until the share reserve under the 2017 Stock Plan is exhausted. If that occurs, we may be compelled to increase significantly the cash component of our employee and director compensation, which may not necessarily align employee and director compensation interests with the investment interests of our stockholders as well as alignment provided by equity-based awards. Replacing equity awards with cash also would increase cash compensation expense and use cash that might be otherwise reinvested in our businesses or returned to our stockholders.

Description of the 2017 Stock Plan

A summary description of the material features of the 2017 Stock Plan, as amended to reflect the First Amendment, is set forth below. This summary does not purport to be a complete description of all the provisions of the 2017 Stock Plan or the First Amendment and is qualified in its entirety by reference to (i) the 2017 Stock Plan, which was filed as Exhibit 10.1 to our Current Report on Form 8-K on May 15, 2017 and is incorporated by reference herein, and (ii) the First Amendment, which is attached as Appendix A to this proxy statement and is incorporated by reference herein. The purpose of the 2017 Stock Plan is to provide incentives to our employees, non-employee directors and other

service providers to stimulate their efforts toward our continued success, long-term growth and profitability and to attract, reward and retain key personnel.

Administration

The 2017 Stock Plan is administered by the Compensation Committee of our Board of Directors, except that with respect to awards made to non-employee directors, the 2017 Stock Plan is administered by our Board of Directors. Unless otherwise determined by our Board of Directors, the Compensation Committee shall consist solely of two or more non-employee directors, each of whom is intended to qualify as a “non-employee director” as defined by Rule 16b-3 of the Securities Exchange Act of 1934 (the “Exchange Act”) and an “independent director” under the rules of any exchange on which our common stock is listed.

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The Compensation Committee may delegate to a subcommittee of directors or to one or more of our officers all or part of the Compensation Committee's authority and duties under the 2017 Stock Plan, provided that such delegation does not (a) violate state or corporate law, (b) result in a loss of exemption under Rule 16b-3(d)(1) of the Exchange Act with respect to an award or (c) cause an award intended to qualify under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code") to fail to so qualify. This summary uses the term "Committee" to refer to the Compensation Committee and any delegate of the Compensation Committee, or in the case of awards made to non-employee directors, our Board of Directors.

The 2017 Stock Plan was originally designed to allow us to provide "performance-based compensation" that was tax deductible by us without regard to the limits of Section 162(m) of the Code. However, the performance-based compensation exception under Section 162(m) of the Code was eliminated by the Tax Cuts and Jobs Act of 2017. Subject to the terms of the 2017 Stock Plan, the Committee may select participants who receive awards and will determine the types of awards and the terms and conditions of awards. The Committee also may interpret the provisions of the 2017 Stock Plan.

Number of Shares; Award Limitations

The First Amendment would increase the number of shares of our common stock available for awards under the 2017 Stock Plan by 7,600,000 shares (the "Additional Shares"). Accordingly, a total of 13,170,000 shares of our common stock would be authorized to be issued under the 2017 Stock Plan, which number also represents the maximum aggregate number of shares of common stock that may be issued under the 2017 Stock Plan through incentive stock options. This number represents approximately 7% of our outstanding common stock as of April 1, 2019. The closing sale price of a share of our common stock, as quoted on the Nasdaq on April 1, 2019, was \$6.14.

If stockholders approve the First Amendment, we intend to file, pursuant to the Securities Act of 1933, as amended, a registration statement on Form S-8 to register the Additional Shares.

Source of Shares

The shares of our common stock issuable under the 2017 Stock Plan consist of authorized but unissued shares. If any shares covered by an award are not issued or are forfeited, if an award is settled in cash or if an award otherwise terminates without issuance and delivery of any shares of common stock, then the number of shares of common stock that are forfeited, terminated or settled in cash will again be available for making awards under the 2017 Stock Plan. Shares tendered or withheld to satisfy the grant or exercise price or tax withholding obligation pursuant to any award shall not be available for future grants or awards.

The aggregate grant date fair value of all awards granted under the 2017 Stock Plan to each non-employee director in any calendar year may not exceed \$500,000.

As noted above, the 2017 Stock Plan was originally designed to allow us to provide "performance-based compensation" that was tax deductible by us without regard to the limits of Section 162(m) of the Code and included certain limitations on the awards that could be granted to participants under the 2017 Stock Plan to the extent such awards were intended to comply with the performance-based compensation exception under Section 162(m) of the Code. However, the performance-based compensation exception under Section 162(m) of the Code was eliminated by the Tax Cuts and Jobs Act of 2017 and, hence, the limitations referenced in the preceding sentence do not apply to awards granted under the 2017 Stock Plan following the enactment of the Tax Cuts and Jobs Act of 2017.

Eligibility

Awards may be made under the 2017 Stock Plan to our or our affiliates' employees, non-employee directors and to any other individual who provides services to us or an affiliate and whose participation in the 2017 Stock Plan is determined, by the Committee, to be in our best interests of our Company.

As of April 1, 2019, we currently have 4 executive officers, 40 other employees and 5 non-employee directors, all of whom are eligible to receive awards under the 2017 Stock Plan.

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Options

The 2017 Stock Plan permits the grant of options to purchase shares of common stock intended to qualify as incentive stock options under the Code, and stock options that do not qualify as incentive stock options, referred to as nonqualified stock options. The exercise price of each stock option may not be less than 100% of the fair market value of our common stock on the date of grant (110% in the case of incentive stock options granted to a participant holding 10% or more of the Company's common stock). The Committee may, in its sole discretion and without the consent of the participant, grant options in substitution for options held by employees of companies that we may acquire. In this case, the exercise price would be adjusted to preserve the acquisition date intrinsic value of the employee's stock option from his or her former employer.

The term of each stock option will be fixed by the Committee but may not exceed 10 years from the date of grant (five years in the case of incentive stock options granted to a participant holding 10% or more of the Company's common stock). The Committee will determine at what time or times each option may be exercised and the period of time, if any, after termination of employment during which options may be exercised. Except in the case of certain substitutions or certain changes in our capitalization, such as a stock dividend, stock split, extraordinary cash dividend, subdivision or consolidations of shares that affect the number of shares of our common stock or the fair market value of our common stock, the exercise price of an option may not be reduced after its grant without the approval of our stockholders. In addition, no payment may be made in cancellation of an option whose exercise price exceeds fair market value without the approval of our stockholders.

In general, an optionee may pay the exercise price of an option by cash, certified check, by tendering shares of common stock, by attestation of ownership of shares of common stock, by means of a broker-assisted cashless exercise, or in any other form or manner acceptable to the Committee. Any rights or restrictions with respect to the ability to transfer an option shall be set forth in the applicable award agreement, except that any option may be transferred by will or by the laws of descent and distribution. Incentive stock options granted under the 2017 Stock Plan are nontransferable other than by will or laws of descent and distribution.

Stock Appreciation Rights

Stock appreciation rights, or SARs, may be awarded under the 2017 Stock Plan. Stock appreciation rights entitle the participant to receive a number of shares of common stock, cash or a combination of shares and cash, based on the increase in the fair market value of the shares from their grant date fair market value. The term of any SAR will be determined by the Committee, but in no event will an SAR have a term of more than 10 years from the date of grant (five years in the case of an SAR that is related to an incentive stock option granted to a participant holding 10% or more of the Company's common stock). Any rights or restrictions with respect to the ability to transfer an SAR shall be set forth in the applicable award agreement, except that any SAR may be transferred by will or by the laws of descent and distribution. An SAR that relates to an incentive stock option is nontransferable other than by will or laws of descent and distribution.

Stock Awards

The 2017 Stock Plan also permits the grant of stock awards, either in the form of restricted stock or unrestricted common stock. A participant's rights in the stock award may be nontransferable or forfeitable or both for a period of time or subject to the attainment of certain goals tied to performance criteria. These performance goals may include, for example, a requirement that we or any of our affiliates or the participant achieve objectives based on any of the performance criteria listed below.

Restricted Stock Units

The 2017 Stock Plan also allows the grant of restricted stock units, or RSUs, meaning the right to receive common stock, cash or a combination of common stock and cash in the future. At the time the RSU is granted, the Committee will specify the terms and conditions which govern the RSU, and will specify whether dividend equivalent rights are granted in connection with the RSUs. A participant's rights in the RSU may be nontransferable or forfeitable or both for a period of time or subject to the attainment of certain goals tied to performance criteria (or a combination of the two). These performance goals may include, for example, a requirement that we or any of our affiliates or the participant achieve objectives based on any of the performance criteria listed below.

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Performance Awards

Performance awards are awards granted to participants that are based upon performance goals specified by the Committee. The Committee may designate participants to receive performance awards and may specify the number of shares of common stock or the other securities or property covered by such awards as well as the terms and conditions of the awards. At the time the performance award is granted, the Committee will specify the terms and conditions which govern the performance award and will specify whether dividend equivalent rights are granted in connection with the performance award. A participant will be entitled to receive payment pursuant to the performance award, subject to continued employment or service and/or the satisfaction of certain goals tied to performance criteria. The performance period applicable to any performance award shall be set by the Committee but may not exceed 10 years. Performance awards may be settled in cash, by the issuance of shares, by the delivery of other securities or property or a combination thereof.

As noted above, the 2017 Stock Plan contains provisions that originally allowed for the grant of performance awards intended to satisfy the requirements associated with the performance-based compensation exception under Section 162(m) of the Code (generally referred to as, "Section 162(m) Awards"). The Tax Cuts and Jobs Act of 2017 eliminated the performance-based compensation exception. Due to such legislation, we do not anticipate granting any Section 162(m) Awards in the future and such provisions are not discussed in this proposal.

Other Equity-Based Awards

Other equity-based awards means awards, other than incentive awards, options, SARs, stock awards, restricted stock unit awards, or performance awards, that entitle the participant to receive shares of common stock or rights or units valued in whole or in part by reference to, or otherwise based on, common stock or other equity interests. The Committee may designate participants to receive other equity-based awards and will specify the number of shares of common stock or the other securities or property covered by such awards as well as the terms and conditions of the awards. At the time such other equity-based award is granted, the Committee will specify the terms and conditions which govern the award and will specify whether dividend equivalent rights are granted in connection with the award. Other equity-based awards may be settled in shares of common stock, cash, or a combination of the two.

Incentive Awards

Incentive awards entitle the participant to receive a single lump sum payment which may be in cash, shares of common stock or a combination of cash and shares of common stock, in the discretion of the Committee. At the time an incentive award is granted, the Committee will specify the terms and conditions which govern the award.

Substitute Awards

Awards may be granted in substitution or exchange for any other award granted under the 2017 Stock Plan or under another plan or any other right of a participant to receive payment from us. Awards may also be granted under the 2017 Stock Plan in substitution for similar awards held by individuals who become participants as a result of a merger, consolidation, acquisition or similar transaction.

Adjustments for Stock Dividends and Similar Events

Our Board of Directors will make appropriate adjustments in the number and terms of outstanding awards and the number of shares of common stock available for issuance under the 2017 Stock Plan, including the individual limitations on awards, to reflect common stock dividends, stock splits, spin-off and other similar events listed in the 2017 Stock Plan.

Change in Control

The 2017 Stock Plan provides that the Committee is authorized to take certain actions if there is a change in control of our Company. The Committee may prescribe that (i) outstanding awards will become vested or exercisable upon the change in control, (ii) outstanding awards will be replaced with substitute awards issued by the surviving company in the change in control or (iii) outstanding awards will be canceled in exchange for a payment equal to the amount received by our stockholders in the transaction or, in the case of options and stock appreciation rights, the amount by which that value exceeds the option exercise price or initial value of the stock appreciation right.

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Under the 2017 Stock Plan, a change in control is generally defined to include (i) the acquisition by any person of the direct or indirect beneficial ownership of at least 50% of our outstanding voting securities; (ii) the transfer of all or substantially all of our assets; (iii) a merger, consolidation or statutory share exchange where our stockholders hold less than 50% of the voting power of the surviving or resulting entity; (iv) our directors, including subsequent directors recommended or approved by our directors, cease to constitute a majority of our Board of Directors; or (v) the complete liquidation of our Company or of all or substantially all of our assets.

Clawback

Any portion of the payments and benefits provided under the 2017 Stock Plan or the sale of shares of common stock shall be subject to any written clawback policies that we adopt. Such clawback policy may subject a participant's awards and amounts paid or realized with respect to awards to reduction, cancellation, forfeiture or recoupment if certain specified events or wrongful conduct occur, including but not limited to an accounting restatement due to the Company's material noncompliance with financial reporting regulations or other events or wrongful conduct specified in any such clawback policy adopted to conform to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and rules promulgated thereunder by the Securities and Exchange Commission and that we determine should apply to the 2017 Stock Plan.

Amendment or Termination of the 2017 Stock Plan

While our Board of Directors may terminate or amend the 2017 Stock Plan at any time, no amendment may adversely impair the rights of participants with respect to outstanding awards. In addition, any amendment will be contingent on approval of our stockholders to the extent required by law, the rules of the Nasdaq or other exchange on which our common stock is then listed or if the amendment would increase the benefits accruing to participants under the 2017 Stock Plan, materially increase the aggregate number of shares of common stock that may be issued under the 2017 Stock Plan (except for adjustments made in connection with a stock dividend or similar event), or materially modify the requirements as to eligibility for participation in the 2017 Stock Plan.

Unless terminated earlier, the 2017 Stock Plan will terminate on the tenth anniversary of the Effective Date, but will continue to govern unexpired awards.

Federal Income Tax Consequences

The following discussion is for general information only and is intended to summarize briefly the United States federal income tax consequences to participants arising from participation in the 2017 Stock Plan. This description is based on current law, which is subject to change (possibly retroactively). The tax treatment of a participant in the 2017 Stock Plan may vary depending on his particular situation and may, therefore, be subject to special rules not discussed below. No attempt has been made to discuss any potential foreign, state, or local tax consequences. In addition, nonqualified stock options and SARs with an exercise price less than the fair market value of shares of common stock on the date of grant, SARs payable in cash, restricted stock units, and certain other awards that may be granted pursuant to the 2017 Stock Plan, could be subject to additional taxes unless they are designed to comply with certain restrictions set forth in Section 409A of the Code and guidance promulgated thereunder.

Tax Consequences to Participants

Options and SARs. Participants will not realize taxable income upon the grant of an option or a SAR. Upon the exercise of a nonqualified stock option or a SAR, a participant will recognize ordinary compensation income (subject to withholding if an employee) in an amount equal to the excess of (i) the amount of cash and the fair market value of the shares of common stock received, over (ii) the exercise price of the award. A participant will generally have a tax basis in any shares of common stock received pursuant to the exercise of a nonqualified stock option or SAR that equals the fair market value of such shares of common stock on the date of exercise. Subject to the discussion under “-Tax Consequences to Us” below, the Company will be entitled to a deduction for federal income tax purposes that corresponds as to timing and amount with the compensation income recognized by a participant under the foregoing rules. When a participant sells the shares of common stock acquired as a result of the exercise of a nonqualified stock option or SAR, any appreciation (or depreciation) in the value of the shares of common stock after the exercise date is treated as long- or short-term capital gain (or loss) for federal income tax purposes, depending on the holding period. The shares of common stock must be held for more than 12 months to qualify for long-term capital gain treatment.

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Participants eligible to receive an option intended to qualify as an incentive option (i.e., under Section 422 of the Code) will not recognize taxable income on the grant of an incentive option. Upon the exercise of an incentive option, a participant will not recognize taxable income, although the excess of the fair market value of the shares of common stock received upon exercise of the incentive option (“ISO Shares”) over the exercise price will increase the alternative minimum taxable income of the participant, which may cause such participant to incur alternative minimum tax. The payment of any alternative minimum tax attributable to the exercise of an incentive option would be allowed as a credit against the participant’s regular tax liability in a later year to the extent the participant’s regular tax liability is in excess of the alternative minimum tax for that year.

Upon the disposition of ISO Shares that has been held for the required holding period (generally, at least two years from the date of grant and one year from the date of exercise of the incentive option), a participant will generally recognize capital gain (or loss) equal to the excess (or shortfall) of the amount received in the disposition over the exercise price paid by the participant for the ISO Shares. However, if a participant disposes of ISO Shares that have not been held for the requisite holding period (a “Disqualifying Disposition”), the participant will recognize ordinary compensation income in the year of the Disqualifying Disposition in an amount equal to the amount by which the fair market value of the ISO Shares at the time of exercise of the incentive option (or, if less, the amount realized in the case of an arm’s length disposition to an unrelated party) exceeds the exercise price paid by the participant for such ISO Shares. A participant would also recognize capital gain to the extent the amount realized in the Disqualifying Disposition exceeds the fair market value of the ISO Shares on the exercise date. If the exercise price paid for the ISO Shares exceeds the amount realized (in the case of an arm’s-length disposition to an unrelated party), such excess would ordinarily constitute a capital loss.

The Company will generally not be entitled to any federal income tax deduction upon the grant or exercise of an incentive option, unless a participant makes a Disqualifying Disposition of the ISO Shares. If a participant makes a Disqualifying Disposition, the Company will then, subject to the discussion below under “—Tax Consequences to Us,” be entitled to a tax deduction that corresponds as to timing and amount with the compensation income recognized by a participant under the rules described in the preceding paragraph.

Under current rulings, if a participant transfers previously held shares of common stock (other than ISO Shares that has not been held for the requisite holding period) in satisfaction of part or all of the exercise price of an option, whether a nonqualified stock option or an incentive option, no additional gain will be recognized on the transfer of such previously held shares of common stock in satisfaction of the nonqualified stock option or incentive option exercise price (although a participant would still recognize ordinary compensation income upon exercise of a nonqualified stock option in the manner described above). Moreover, that number of shares of common stock received upon exercise which equals the number of previously held shares of common stock surrendered in satisfaction of the nonqualified stock option or incentive option exercise price will have a tax basis that equals, and a capital gains holding period that includes, the tax basis and capital gains holding period of the previously held shares of common stock surrendered in satisfaction of the nonqualified stock option or incentive option exercise price. Any additional shares of common stock received upon exercise will have a tax basis that equals the amount of cash (if any) paid by the participant, plus the amount of compensation income recognized by the participant under the rules described above.

The 2017 Stock Plan generally prohibits the transfer of awards other than by will or according to the laws of descent and distribution or pursuant to a qualified domestic relations order, but the 2017 Stock Plan allows the Committee to permit the transfer of awards (other than incentive options), in its discretion. For income and gift tax purposes, certain transfers of nonqualified stock options should generally be treated as completed gifts, subject to gift taxation.

The Internal Revenue Service has not provided formal guidance on the income tax consequences of a transfer of nonqualified stock options (other than in the context of divorce) or SARs. However, the Internal Revenue Service has informally indicated that after a transfer of options (other than in the context of divorce pursuant to a domestic relations order), the transferor will recognize income, which will be subject to withholding, and FICA/FUTA taxes will be collectible at the time the transferee exercises the options. If a nonqualified stock option is transferred pursuant to a domestic relations order, the transferee will recognize ordinary income upon exercise by the transferee, which will be subject to withholding, and FICA/FUTA taxes (attributable to and reported with respect to the transferor) will be

collectible from the transferee at such time.

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In addition, if a participant transfers a vested nonqualified stock option to another person and retains no interest in or power over it, the transfer is treated as a completed gift. The amount of the transferor's gift (or generation-skipping transfer, if the gift is to a grandchild or later generation) equals the value of the nonqualified stock option at the time of the gift. The value of the nonqualified stock option may be affected by several factors, including the difference between the exercise price and the fair market value of the shares of common stock, the potential for future appreciation or depreciation of the shares of common stock, the time period of the nonqualified stock option and the illiquidity of the nonqualified stock option. The transferor will be subject to a federal gift tax, which will be limited by (i) the annual exclusion of \$15,000 per donee (for 2019, subject to adjustment in future years), (ii) the transferor's lifetime unified credit, or (iii) the marital or charitable deductions. The gifted nonqualified stock option will not be included in the participant's gross estate for purposes of the federal estate tax or the generation-skipping transfer tax. This favorable tax treatment for vested nonqualified stock options has not been extended to unvested nonqualified stock options. Whether such consequences apply to unvested nonqualified stock options or to SARs is uncertain and the gift tax implications of such a transfer is a risk the transferor will bear upon such a disposition.

Other Awards: Stock Awards, Restricted Stock Units, Other Equity-Based Awards, Incentive Awards and Performance Awards. A participant will recognize ordinary compensation income upon receipt of cash pursuant to an incentive award or performance award or, if earlier, at the time the cash is otherwise made available for the participant to draw upon. Individuals will not have taxable income at the time of grant of a restricted stock unit award, but rather, will generally recognize ordinary compensation income at the time he or she receives cash or shares of common stock in settlement of the restricted stock unit award, as applicable, in an amount equal to the cash or the fair market value of the shares of common stock received.

A recipient of a stock award or other equity-based award or the receipt of shares pursuant to an incentive award or performance award generally will be subject to tax at ordinary income tax rates on the fair market value of the shares of common stock when received, reduced by any amount paid by the recipient; however, if the shares of common stock are not transferable and are subject to a substantial risk of forfeiture when received, a participant will recognize ordinary compensation income in an amount equal to the fair market value of the shares of common stock (i) when the shares of common stock first become transferable and are no longer subject to a substantial risk of forfeiture, in cases where a participant does not make a valid election under Section 83(b) of the Code, or (ii) when the award is received, in cases where a participant makes a valid election under Section 83(b) of the Code. If a Section 83(b) election is made and the shares of common stock are subsequently forfeited, the recipient will not be allowed to take a deduction for the value of the forfeited shares of common stock. If a Section 83(b) election has not been made, any dividends received with respect to Restricted Stock that are subject at that time to a risk of forfeiture or restrictions on transfer generally will be treated as compensation that is taxable as ordinary income to the recipient; otherwise the dividends will be treated as dividends.

A participant who is an employee will be subject to withholding for federal, and generally for state and local, income taxes at the time he recognizes income under the rules described above. The tax basis in the shares of common stock received by a participant will equal the amount recognized by the participant as compensation income under the rules described in the preceding paragraph, and the participant's capital gains holding period in those shares of common stock will commence on the later of the date the shares of common stock are received or the restrictions lapse. Subject to the discussion below under "-Tax Consequences to Us," we will be entitled to a deduction for federal income tax purposes that corresponds as to timing and amount with the compensation income recognized by a participant under the foregoing rules.

Tax Consequences to Us

Reasonable Compensation. In order for the amounts described above to be deductible by us (or one of our subsidiaries), such amounts must constitute reasonable compensation for services rendered or to be rendered and must be ordinary and necessary business expenses.

Golden Parachute Payments. Our ability (or the ability of one of our subsidiaries) to obtain a deduction for future payments under the 2017 Stock Plan could also be limited by the golden parachute rules of Section 280G of the Code, which prevent the deductibility of certain excess parachute payments made in connection with a change in control of an employer-corporation.

Section 162(m). Our ability (or the ability of one of our subsidiaries) to obtain a deduction for amounts paid under the 2017 Stock Plan could be limited by Section 162(m) of the Code. Section 162(m) of the Code limits our ability to deduct compensation, for federal income tax purposes, paid during any year to a “covered employee” (within the meaning of Section 162(m) of the Code) in excess of \$1,000,000.

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New Plan Benefits

Because awards granted under the 2017 Stock Plan are at the discretion of the Committee, it is not possible to determine the benefits or amounts that will be received by or allocated to participants under the 2017 Stock Plan using the Additional Shares. Therefore, the New Plan Benefits Table is not provided.

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Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth certain information as of December 31, 2018 with respect to compensation plans under which our equity securities are authorized for issuance. We have no such plans that were not approved by our security holders.

Plan category	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans ⁽¹⁾
Equity compensation plans approved by security holders —		3,865,174

Number of securities remaining available for future issuance as of December 31, 2018 assumes maximum payout ⁽¹⁾ of awards that may be earned under our 2018 Long-Term EIP, but gives no effect to awards made under the 2019 Long-Term EIP, which were granted subsequent to December 31, 2018.

Board of Director Recommendation on Proposal

All members of our Board of Directors and our executive officers and other senior employees are eligible for awards under the 2017 Stock Plan and thus have a personal interest in the approval of the First Amendment.

Our Board of Directors recommends a vote “FOR” the adoption and approval of the First Amendment. The management proxy holders will vote all duly submitted proxies “FOR” adoption and approval of the First Amendment unless duly instructed otherwise.

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PROPOSAL NO. 5: RATIFICATION, CONFIRMATION AND APPROVAL OF APPOINTMENT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of our Board of Directors is directly responsible for the appointment, evaluation, compensation, retention and oversight of the independent registered public accounting firm that audits our financial statements and our internal control over financial reporting. The Audit Committee has appointed Grant Thornton LLP, or Grant Thornton, as our independent registered public accounting firm for the fiscal year ending December 31, 2019. Grant Thornton has served as our independent registered public accounting firm since December 2009.

The Audit Committee annually reviews Grant Thornton's independence and performance in deciding whether to retain Grant Thornton or engage a different independent registered public accounting firm. In the course of these reviews, the Audit Committee considers, among other things:

• Grant Thornton's historical and recent performance on our audit;

• Grant Thornton's capability and expertise in handling the breadth and complexity of our business;

• Appropriateness of Grant Thornton's fees for audit and non-audit services, on both an absolute basis and as compared to its peer firms; and

• Grant Thornton's independence and tenure as our auditor.

Based on this evaluation, the Audit Committee believes that Grant Thornton is independent and that it is in the best interests of our Company and our stockholders to retain Grant Thornton as our independent registered public accounting firm for the fiscal year ending December 31, 2019.

Although stockholder approval is not required, we desire to obtain from our stockholders an indication of their approval or disapproval of the Audit Committee's action in appointing Grant Thornton as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2019. Although we seek ratification of the appointment of Grant Thornton as our independent registered public accounting firm, the ratification of the appointment of Grant Thornton does not preclude the Audit Committee from subsequently determining to change independent registered public accounting firms if it determines such action to be in the best interests of the Company and its stockholders. If our stockholders do not ratify, confirm and approve this appointment, the appointment will be reconsidered by the Audit Committee and our Board of Directors.

We expect that a representative of Grant Thornton will be present at the Annual Meeting where the representative will be afforded an opportunity to make a statement and to respond to appropriate questions.

Our Board of Directors recommends that you vote "FOR" the ratification, confirmation and approval of the appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019.

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INFORMATION ON OUR BOARD OF DIRECTORS AND ITS COMMITTEES

Corporate Governance Highlights

Our Board of Directors is committed to maintaining best-in-class corporate governance practices and policies that are in the best interests of our stockholders. Highlights of our corporate governance practices are provided below:

Five of our seven directors are independent.

Independent Audit, Compensation and Nominating & Corporate Governance Committees.

Independent Lead Director.

Independent directors met in executive sessions of our Board of Directors on five separate occasions.

Annual election of all directors.

Majority voting standard in uncontested director elections.

43% of our Board of Directors are diverse based on gender, race or ethnicity.

Average director tenure equals 7.6 years.

Four members of our Audit Committee qualify as “audit committee financial experts.”

No shareholder rights plan or “poison pill.”

No “related person transactions” in 2018.

Our non-employee directors and Chief Executive Officer are subject to robust stock ownership guidelines.

Directors and executive officers are prohibited from engaging in short-selling, pledging or hedging transactions involving our securities.

Our Chief Executive Officer's equity awards will not accelerate or vest solely due to a change in control.

Independence of Our Board of Directors

Our Corporate Governance Guidelines and the listing standards of the Nasdaq require that a majority of our directors be independent. Our Board of Directors has adopted the categorical standards prescribed by the Nasdaq to assist our Board of Directors in evaluating the independence of each of our directors. The categorical standards describe various types of relationships that could potentially exist between a board member and the Company and sets thresholds at which such relationships would be deemed to be material. Provided that no relationship or transaction exists that would disqualify a director under the categorical standards and our Board of Directors affirmatively determines that the director has no material relationship with the Company that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, including certain business relationships for which disclosure may be required in this proxy statement, our Board of Directors will deem such person to be independent. A director shall not be independent if he or she satisfies any one or more of the following criteria:

A director who is, or who has been within the last three years, an employee of the Company, or whose immediate family member is, or has been within the last three years, employed as an executive officer of the Company;

A director who has accepted or who has an immediate family member, serving as an executive officer, who has accepted, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company (excluding compensation for board or board committee service, compensation paid to an immediate family member who is an employee of the Company (but not an executive officer of the Company), and benefits under a tax-qualified retirement plan, or non-discretionary compensation);

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A director who is, or whose immediate family member is, a current partner of a firm that is the Company's internal or external auditor, or was a partner or employee of the Company's outside auditor who worked on our Company's audit at any time during any of the past three years;

A director who is, or whose immediate family member is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of the Company served on the compensation committee of such other entity; or

A director who is, or whose immediate family member is, a partner in, or a controlling shareholder or an executive officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of that organization's consolidated gross revenues for that year, or \$200,000, whichever is greater, other than (i) payments arising solely from investments in that organization's securities, and (ii) payments under non-discretionary charitable contribution matching programs.

Our Board of Directors will also consider a director's charitable relationships when assessing director independence.

Under these criteria, our Board of Directors has determined that the following members of our Board of Directors are independent: David R. Bock, Michael B. Clement, Alan L. Hainey, Steven G. Norcutt, and Lisa A. Pendergast. We presently have seven directors, including these five independent directors.

To assist in the discharge of its responsibilities, our Board of Directors has established three standing committees: (i) the Audit Committee, (ii) the Compensation Committee and (iii) the Nominating & Corporate Governance Committee. The principal responsibilities of each committee are described below. Actions taken by any committee of our Board of Directors are reported to our Board of Directors, concurrent with or at the meeting following such action. Each standing committee has a written charter, a current copy of which is available for review on our website at www.nymtrust.com.

Audit Committee

The Audit Committee of our Board of Directors is comprised of Messrs. Clement (Chairman), Bock, Hainey and Norcutt and Ms. Pendergast. Our Board of Directors has determined that each of the Audit Committee members is independent, as that term is defined under the enhanced independence requirements for audit committee members set forth in the rules of the SEC and in accordance with the Company's independence criteria discussed under "—Independence of Our Board of Directors," and that each of the members of the Audit Committee can read and understand fundamental financial statements and as such, is financially literate, as that term is interpreted by our Board of Directors. In addition, our Board of Directors has determined that each of Messrs. Bock, Clement and Norcutt and Ms. Pendergast is an "audit committee financial expert" as that term is defined in the SEC rules. For more information regarding the relevant experience of our audit committee financial experts, see each such individual's biography set forth under "Proposal No. 1: Election of Directors—Nominees for Election as Directors." Mr. Clement also serves on the board and audit committee of multiple funds that comprise the AXA Equitable Holdings, Inc. complex. Our Board of Directors considers the AXA Equitable Holdings, Inc. complex to be one fund for purposes of the Audit Committee's charter. Mr. Bock also serves on the board and audit committee of the multiple funds that comprise the Amundi Pioneer Funds complex. Our Board of Directors considers the Amundi Pioneer Funds complex to be one fund for purposes of the Audit Committee's charter.

The Audit Committee operates under a written charter adopted by our Board of Directors. The primary purpose and responsibilities of the Audit Committee include, among other things:

- assisting our Board of Directors in fulfilling its oversight responsibility relating to:

the integrity of our financial statements and financial reporting process, our systems of internal accounting and financial controls and other financial information provided by us;

our compliance with legal and regulatory requirements; and

the evaluation of risk assessment and risk management policies;

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overseeing the audit and other services of our independent registered public accounting firm, including the selection of the lead audit engagement partner, and being directly responsible for the appointment, replacement, evaluation, independence, qualifications, compensation and oversight of our independent registered public accounting firm, who reports directly to the Audit Committee;

monitoring non-audit services provided by the independent registered public accounting firm and the related fees for such services for purposes of determining the independence of the independent registered public accounting firm;

fostering open communication, including meeting periodically with management, the internal auditor and the independent registered public accounting firm in separate executive sessions to discuss any matters that the Audit Committee or any of these groups believe should be discussed privately;

reviewing and discussing with management and the auditors our quarterly and annual financial statements and report on internal control and the independent registered public accounting firm's assessment thereof; and

- reviewing and approving related party and conflict of interest transactions and preparing the audit committee report for inclusion in our annual proxy statements for our annual stockholder meetings.

The Audit Committee met 13 times during the year ended December 31, 2018 and met four times in executive session with our independent registered public accounting firm. For more information, please see "Audit Committee Report" herein.

Compensation Committee

The Compensation Committee of our Board of Directors is comprised of Messrs. Norcutt (Chairman), Bock, Clement and Hainey and Ms. Pendergast. Our Board of Directors has determined that each of the Compensation Committee members is independent in accordance with the Company's independence criteria discussed under "—Independence of Our Board of Directors" and the independence standards of the Nasdaq that apply to Compensation Committee members. The Compensation Committee operates under a written charter adopted by our Board of Directors. In addition, the Compensation Committee administers our incentive compensation plans and equity-based compensation plans and programs. The Compensation Committee's basic responsibility is to ensure that our Chief Executive Officer and other key members of management are compensated fairly and effectively in a manner consistent with the Company's stated compensation strategy, competitive practice, applicable regulatory requirements and performance results.

The Compensation Committee met nine times during the year ended December 31, 2018.

Nominating & Corporate Governance Committee

The Nominating & Corporate Governance Committee of our Board of Directors is comprised of Messrs. Hainey (Chairman), Bock, Clement and Norcutt and Ms. Pendergast. Our Board of Directors has determined that each of the Nominating & Corporate Governance Committee members is independent in accordance with the independence criteria discussed under "—Independence of Our Board of Directors." The Nominating & Corporate Governance Committee operates under a written charter adopted by our Board of Directors. Among other duties, this committee:

identifies, selects, evaluates and recommends to our Board of Directors candidates for service on our Board of Directors;

oversees the evaluation of our Board of Directors and management; and

oversees compliance with our stock ownership guidelines for non-employee directors and our Chief Executive Officer.

The Nominating & Corporate Governance Committee met five times during the year ended December 31, 2018.

Other Committees

From time to time, our Board of Directors may establish other committees as circumstances warrant. Those committees will have the authority and responsibility as delegated to them by our Board of Directors.

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Executive Sessions of Our Independent Directors

The independent directors of our Board of Directors will occasionally meet in executive session that excludes members of the management team. During 2018, the independent directors of our Board of Directors met in executive session five times. Our Board of Directors has established a process by which the Lead Director will preside over meetings of our independent directors. Pursuant to this process, the Lead Director has the power to lead the meetings of our independent directors, set the agenda and determine the information to be provided. However, in practice, these meetings tend to be less formal procedurally and, generally, allow for each participant to raise such matters and discuss such business as that independent director deems necessary or desires. Stockholders and other interested persons may contact the Lead Director, who is independent, in writing by mail c/o New York Mortgage Trust, Inc., 90 Park Avenue, New York, New York 10016, Attention: Secretary. All such letters will be forwarded to the Lead Director. For more information on how to communicate with our other directors, see “—Communications with Our Board of Directors.”

Board of Directors Leadership Structure

Pursuant to our Corporate Governance Guidelines, our Board of Directors has not established a fixed policy regarding the separation of the roles of Chief Executive Officer and Chairman of the Board of Directors. Instead, the Board of Directors believes this determination is part of the succession planning process and should be considered upon the appointment or re-appointment of a chief executive officer.

Our Board of Directors is currently led by its Chairman, Steven R. Mumma, who also serves as our Chief Executive Officer. Mr. Mumma was appointed as the Chairman of our Board of Directors, effective March 30, 2015. In connection with Mr. Mumma’s appointment as Chairman, our Board of Directors has adopted a policy that provides that in the event our Chairman is also an executive officer of the Company, our independent directors will select a Lead Director from among themselves. Mr. Alan Hainey, an independent director of the Company since 2004, serves as our Lead Director, a role he was initially appointed to on March 30, 2015. Our Lead Director’s role exists, according to our Board of Director’s policy, (i) to provide leadership to our Board of Directors when the joint roles of Chairman and Chief Executive Officer could potentially be in conflict; (ii) to ensure that our Board of Directors operates independently of management; and (iii) to provide our directors with an independent leadership contact.

Our Lead Director’s responsibilities, as set forth in our Board of Directors’ policy, include:

- chairing an executive session during each Board of Directors meeting without management (including without our Chairman and Chief Executive Officer) present in order to give independent directors an opportunity to fully and frankly discuss issues, and to provide feedback and counsel to our Chairman and Chief Executive Officer concerning the issues considered;

- reviewing and discussing with our Chairman and Chief Executive Officer the matters to be included in the agenda for meetings of our Board of Directors;

- acting as liaison between our Board of Directors and the Chief Executive Officer;

- establishing, in consultation with our Chairman and Chief Executive Officer, and with the Nominating & Corporate Governance Committee, procedures to govern and evaluate our Board of Directors’ work, to ensure, on behalf of stockholders, that our Board of Directors is (i) appropriately approving our corporate strategy and (ii) supervising management’s progress against achieving that strategy; and

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ensuring the appropriate flow of information to our Board of Directors and reviewing the adequacy and timing of documentary materials in support of management's proposals.

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Our Board of Directors has vested the offices of Chairman and Chief Executive Officer in Mr. Mumma because it believes that combining the roles of Chairman and Chief Executive Officer facilitates the flow of information between management and our Board of Directors, while providing the appropriate balance between independent oversight of management and efficiency of the operation of our Board of Directors. Furthermore, our Board of Directors believes that having our Board of Directors' deliberation of strategic alternatives framed by the person who (i) is the most knowledgeable about the Company and its industry, (ii) has been most instrumental in transforming the Company from a vertically integrated residential mortgage origination and portfolio investment manager into a diversified investment portfolio manager, and (iii) is responsible for executing our strategy is the optimal means for our Board of Directors to discharge its responsibility of establishing strategy. For these reasons, we believe our Board of Directors leadership structure is appropriate for the Company and does not affect our Board of Directors' approach to risk oversight.

Our Board of Directors' Role in Risk Oversight

We face a variety of risks, including interest rate risk, credit risk, and liquidity risk, many of which are discussed under "Item 1A. Risk Factors," "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 7A. Quantitative and Qualitative Disclosures About Market Risk," each included in our Annual Report on Form 10-K for the year ended December 31, 2018. Our Board of Directors has oversight responsibility with regard to assessment of the major risks inherent in our business and the measures we use to address and mitigate such risks, while our Chairman and Chief Executive Officer and other members of our senior management team having responsibility for continually assessing and managing those risks. In performing its oversight role, our Board of Directors believes that an overall review of risk is inherent in its consideration of our long-term strategies and in the transactions and other matters presented to it and that an effective risk management system will (1) timely identify the material risks that we face, (2) communicate necessary information with respect to material risks to our Chairman and Chief Executive Officer or other officers of the Company and, as appropriate, to our Board of Directors or relevant committee thereof, (3) implement appropriate and responsive risk management strategies consistent with our risk profile, and (4) integrate risk management into management and our Board of Directors' decision-making.

While our Board of Directors is ultimately responsible for our risk oversight, the committees of our Board of Directors assist our Board of Directors in fulfilling its oversight responsibilities by considering the risks within their respective areas of expertise. For example, the Audit Committee assists our Board of Directors in fulfilling its oversight responsibilities relating to our financial and accounting risk management policies and procedures. As part of this process, the Audit Committee meets periodically with management to review, discuss and provide oversight with respect to our processes and controls to assess, monitor, manage and mitigate potential significant risk exposures. In providing such oversight, the Audit Committee may also discuss such processes and controls with our internal and independent auditors. The Compensation Committee likewise assists our Board of Directors in fulfilling its risk oversight responsibilities with respect to the management of risks associated with compensation program design by reviewing whether there are risks arising from our compensation programs and practices that are reasonably likely to have a material adverse effect on us. The Nominating and Governance Committee assists our Board of Directors with oversight of risk management relating to corporate governance, Board of Directors organization and Board of Directors membership.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that applies to our executive officers, including our principal executive officer and principal financial officer, and to our other employees. We have also adopted a Code of Ethics for senior financial officers, including the principal financial officer. The Code of Business Conduct and Ethics and the Code of Ethics for senior financial officers are both available on our website at www.nymtrust.com, "Corporate Governance".

Availability of Corporate Governance Materials

Stockholders may view our corporate governance materials, including the written charters of the Audit Committee, the Compensation Committee and the Nominating & Corporate Governance Committee, our Corporate Governance Guidelines, our Code of Business Conduct and Ethics and our Code of Ethics for senior financial officers, on our website at www.nymtrust.com under the “Corporate Governance” section of the website. A copy of any of these documents will be provided free of charge to any stockholder upon request by writing to New York Mortgage Trust, Inc., 90 Park Avenue, New York, New York 10016, Attention: Investor Relations. Information at or connected to our website is not and should not be considered a part of this proxy statement.

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Director Nominations

The Nominating & Corporate Governance Committee of our Board of Directors performs the functions of a nominating committee, including identifying, evaluating and recommending to our Board of Directors candidates for service on our Board of Directors who satisfy the qualification requirements described in our Corporate Governance Guidelines.

The Nominating & Corporate Governance Committee's charter provides that the committee will consider candidates recommended by stockholders for service on our Board of Directors. Stockholders should submit any such recommendations for the consideration of the Nominating & Corporate Governance Committee through the method described under "—Communications with Our Board of Directors" below. In addition, any stockholder of record entitled to vote for the election of directors at the 2020 Annual Meeting of Stockholders may nominate persons for election to our Board of Directors if that stockholder complies with the notice procedures summarized in "—Stockholder Proposals for Our 2020 Annual Meeting" below.

The Nominating & Corporate Governance Committee evaluates all director candidates in accordance with the director qualification standards described in our Corporate Governance Guidelines. The committee evaluates any candidate's qualifications to serve as a member of our Board of Directors based on various criteria, including a nominee's experience, skills, accomplishments, background, age and diversity, and then reviews those qualifications in the context of the current composition of our Board of Directors and the evolving needs of our business. In addition, the Nominating & Corporate Governance Committee will evaluate a candidate's independence, diversity, skills and experience in the context of our Board of Directors' needs.

We do not have a formal policy with regard to the consideration of diversity in identifying director nominees, but our Board of Directors and the Nominating & Corporate Governance Committee strive to nominate directors with a variety of complementary skills so that, as a group, our Board of Directors will possess the appropriate talent, skills and expertise to oversee our business. Although we have no policy regarding diversity, both our Board of Directors and the Nominating & Corporate Governance Committee seek a broad range of perspectives and consider many factors, including the personal characteristics (gender, ethnicity, age and background) and experience (industry, professional and public service) of directors and prospective nominees to our Board of Directors.

Communications with Our Board of Directors

We provide a process for stockholders to send communications to our Board of Directors. Stockholders can send communications to our Board of Directors and, if applicable, to any committee or to specified individual directors in writing to such committee or individual director, c/o New York Mortgage Trust, Inc., 90 Park Avenue, New York, New York 10016, Attention: Secretary. We do not screen mail, except when warranted for security purposes, and all such letters will be forwarded to our Board of Directors and any such specified committee or individual directors.

Stockholder Proposals for Our 2020 Annual Meeting

Our Board of Directors will provide for presentation of proposals by our stockholders at the 2020 Annual Meeting of Stockholders, provided that these proposals are submitted by eligible stockholders who have complied with the relevant regulations of the SEC regarding stockholder proposals.

Stockholders intending to submit proposals for presentation at our 2020 Annual Meeting of Stockholders, tentatively scheduled to be held in June 2020, must submit their proposals in writing, and we must receive these proposals at our executive offices on or before December 31, 2019 for inclusion in our proxy statement and the form of proxy relating to our 2020 Annual Meeting of Stockholders. We will determine whether or not to include any proposal in our proxy

statement and form of proxy on a case-by-case basis in accordance with our judgment and the regulations governing the solicitations of proxies and other relevant regulations of the SEC. We will not consider proposals received after December 31, 2019 for inclusion in our proxy materials for our 2020 Annual Meeting of Stockholders.

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Although stockholder proposals received by us after December 31, 2019 will not be included in our proxy materials for the 2020 Annual Meeting of Stockholders, stockholder proposals may be included in the agenda for the 2020 Annual Meeting of Stockholders if properly submitted in accordance with our bylaws. Our bylaws provide that in order for a stockholder to nominate a candidate for election as a director at an annual meeting of stockholders or propose business for consideration at such meeting, notice must be given in writing to our Secretary not later than 5:00 p.m., Eastern Time, on the 90th day prior to the first anniversary of the date of mailing of the notice for the preceding year's annual meeting nor earlier than 5:00 p.m., Eastern Time, on the 120th day prior to the first anniversary of the date of mailing of the notice for the preceding year's annual meeting. As a result, any notice given by or on behalf of a stockholder pursuant to the provisions of our bylaws must be delivered in writing via personal delivery or United States certified mail, postage prepaid to our Secretary c/o New York Mortgage Trust, Inc., 90 Park Avenue, New York, New York 10016, not earlier than December 31, 2019, and not later than January 30, 2020. The stockholder filing the notice of nomination must include:

•As to the stockholder giving the notice:

the name and address of such stockholder and/or stockholder associated person, as they appear on our stock ledger, and current name and address, if different;

the class, series and number of shares of stock of the Company beneficially owned by that stockholder and/or stockholder associated person; and

to the extent known, the name and address of any other stockholder supporting the nominee for election or re-election as a director, or the proposal of other business known on the date of such stockholder's notice.

•As to each person whom the stockholder proposes to nominate for election as a director:

the name, age, business address and residence address of the person;

the class, series and number of shares of stock of the Company that are beneficially owned by the person;

the date such shares were acquired and the investment intent of such acquisition;

all other information relating to the person that is required to be disclosed in solicitations of proxies for election of directors or is otherwise required by the rules and regulations of the SEC; and

the written consent of the person to be named in the proxy statement as a nominee and to serve as a director if elected.

In order for a stockholder to bring other business before a stockholder meeting, timely notice must be received by us within the time limits described above. That notice must include:

the information described above with respect to the stockholder proposing such business;

a description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting; and

any material interest of the stockholder in such business.

Directors Attendance at Meetings of our Board of Directors and Annual Meeting

Our Board of Directors held 17 meetings, including four regularly scheduled quarterly meetings, during 2018. All directors who were members of our Board of Directors for the year ended December 31, 2018 attended 75% or more of the aggregate number of meetings of the Board of Directors and its committees on which they served during 2018.

We have a policy that directors attend the Annual Meeting of Stockholders. Each member of our Board of Directors who was a director of the Company at the time of our 2018 Annual Meeting of Stockholders attended the 2018 Annual Meeting of Stockholders.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

There were no material related party transactions during 2018.

Related Person Transaction Policy

Our Board of Directors has adopted a policy regarding the approval of any “related person transaction,” which is any transaction or series of transactions in which we or any of our subsidiaries is or are to be a participant, the amount involved exceeds \$120,000 and a “related person” (as defined under SEC rules) has a direct or indirect material interest. Under the policy, a related person would need to promptly disclose to our Secretary any related person transaction and (i) all material facts about the transaction, (ii) the benefits to us of the related party transaction, (iii) if applicable, the availability of other sources of comparable products and services and (iv) an assessment of whether the proposed transaction is on terms that are comparable to the terms available to an unrelated third party or to employees generally. Our Secretary, together with outside legal counsel, would then assess whether the proposed transaction is a “related person transaction” and, if so, communicate that information to the Audit Committee. Based on its consideration of all of the relevant facts and circumstances, the Audit Committee will decide whether or not to approve such transaction. If we become aware of an existing related person transaction that has not been pre-approved under this policy, the transaction will be referred to the Audit Committee, which will evaluate all options available, including ratification, amendment or termination of such transaction. Our policy requires any member of the Audit Committee who may be interested in a related person transaction to recuse himself or herself from any consideration of such related person transaction.

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COMPENSATION OF DIRECTORS

As compensation for serving on our Board of Directors in 2018, our non-employee directors received a combination of cash retainer of \$120,000 and stock having a value of approximately \$90,000. Our Chairman and Chief Executive Officer and our President only receive compensation for their services as our officers and receive no additional compensation for their service on our Board of Directors. Our directors have been, and will continue to be, reimbursed by us for reasonable out-of-pocket expenses incurred in connection with their service on our Board of Directors and any and all committees thereof.

The following table presents information relating to the total compensation of our directors for the fiscal year ended December 31, 2018.

Name	Fees Earned or Paid in Cash	Stock Awards and Fees Earned or Paid in Common Stock ⁽¹⁾	Total
David R. Bock	\$ 120,000	\$ 90,004	\$ 210,004
Michael B. Clement	\$ 120,000	\$ 90,004	\$ 210,004
Alan L. Hainey	\$ 120,000	\$ 90,004	\$ 210,004
Steven G. Norcutt	\$ 120,000	\$ 90,004	\$ 210,004
Lisa A. Pendergast ⁽²⁾	\$ 90,000	\$ 90,004	\$ 180,004

Represents the June 2018 stock awards of 14,611 shares of common stock. All of the shares issued to our non-management directors were non-forfeitable as of the date of grant and were issued under the 2017 Stock Plan

⁽¹⁾ (as defined in “Executive Compensation—Certain Defined Terms”). The amounts shown in this column represent the grant date fair value of the stock computed in accordance with FASB Accounting Standards Codification (“ASC”) Topic 718.

⁽²⁾ Ms. Pendergast became a director in March 2018 and was paid cash fees for the final three quarters of 2018.

Non-Employee Director Stock Ownership Guidelines

Our Board of Directors believes that significant ownership of our common stock by our directors helps to align the interests of our directors with those of our stockholders and is consistent with our commitment to sound corporate governance. Pursuant to our Director Stock Ownership Guidelines approved by our Board of Directors, non-employee directors are required to hold our common stock with a value equivalent to three times their annual cash retainer, or \$360,000, and have from the later of five years from the adoption of the Director Stock Ownership Guidelines or the fifth anniversary of the date of the director’s commencement of service on our Board of Directors to comply. At any time that a director is not in compliance with these guidelines, such director will not be permitted to sell or dispose of any shares of our common stock except to the extent that such sale or disposal relates to payment of taxes associated with the vesting of restricted shares, or an award, of common stock. As of the date of this proxy statement, all non-employee directors have either exceeded their ownership requirement or remain within the five-year compliance period. For more information on the share ownership of our non-employee directors, see “Share Ownership of Certain Beneficial Owners and Our Directors and Executive Officers” herein.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Under federal securities laws, our executive officers, directors and any persons beneficially owning more than ten percent (10%) of a registered class of our equity securities are required to report their ownership and any changes in that ownership to the SEC. These persons are also required by SEC rules and regulations to furnish us with copies of these reports. Precise due dates for these reports have been established, and we are required to report in this proxy statement any failure to timely file these reports by those due dates by our directors and executive officers during 2018.

Based on our review of the reports and amendments to those reports furnished to us or written representations from our directors and executive officers that these reports were not required from those persons, we believe that all of these filing requirements were satisfied by our directors and executive officers during 2018, with the exception of one delinquent Form 4 filing for each of Steven R. Mumma, Nathan R. Reese and Kristine R. Nario-Eng each relating to one transaction occurring on February 13, 2018 that was originally filed on February 16, 2018 and subsequently amended on February 20, 2018. To our knowledge, all transactions have been reported.

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EXECUTIVE OFFICERS

The following table and biographies contain information regarding our executive officers. These officers are appointed annually by our Board of Directors and serve at the Board of Directors' discretion.

Name	Age	Position
Steven R. Mumma	60	Chairman and Chief Executive Officer
Jason T. Serrano	44	President
Nathan R. Reese	40	Chief Operating Officer and Secretary
Kristine R. Nario-Eng	39	Chief Financial Officer

For information on Messrs. Mumma and Serrano, please see their biographical descriptions provided above under the caption "Proposal No. 1: Election of Directors—Nominees for Election as Directors."

Nathan R. Reese is our Chief Operating Officer and Secretary. Mr. Reese was named Chief Operating Officer of the Company effective September 19, 2018. Mr. Reese previously served as a Managing Director and has served as Secretary of the Company since January 1, 2008. On March 25, 2009, our Board of Directors designated Mr. Reese an executive officer of the Company. In his capacity as Chief Operating Officer, Mr. Reese is responsible for the Company's operations, including certain portfolio activity, loan servicing, treasury functions, and information technology. Prior to his current position, Mr. Reese was employed by the Company as a Senior Securitization Analyst from October 2005 to October 2007 and as a Portfolio Operations Manager from April 2004 to October 2005. Before joining the Company in April 2004, Mr. Reese was a Financial Associate with The Vanguard Group based in Malvern, Pennsylvania. He holds a B.A. in Finance from La Salle University.

Kristine R. Nario-Eng is our Chief Financial Officer