
Section 1: 8-K (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported): **March 15, 2019**

Ladder Capital Corp

(Exact Name of Registrant As Specified In Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-36299
(Commission
File Number)

80-0925494
(IRS Employer
Identification No.)

345 Park Avenue, 8th Floor
New York, New York 10154
(Address of Principal Executive Offices, including Zip Code)

(212) 715-3170
(Registrant's telephone number, including area code)

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

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

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

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

Emerging growth company

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

Item 5.02 **Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On March 15, 2019, Thomas Harney retired as Head of Merchant Banking & Capital Markets of Ladder Capital Corp (“Ladder”). Mr. Harney played an integral role in Ladder’s growth to date, and the company is grateful for his years of dedicated service. Mr. Harney will continue to support Ladder in an on-going advisory capacity, while Marc Fox, Ladder’s Chief Financial Officer, will assume leadership of the Capital Markets team previously led by Mr. Harney.

In connection with Mr. Harney’s retirement as Head of Merchant Banking & Capital Markets, Ladder Capital Finance LLC (“LCF”), a subsidiary of Ladder, and Mr. Harney entered into a separation agreement, dated March 15, 2019 (the “Separation Agreement”). Pursuant to the Separation Agreement, Mr. Harney’s unvested stock that vests based on performance will continue to be outstanding from and after March 15, 2019, and will continue to vest as they would have had he continued to be employed with Ladder. Mr. Harney will be entitled to any earned but unpaid portion of his base salary and reimbursement for certain expenses.

The foregoing summary of the Separation Agreement is qualified in its entirety by reference to the actual agreement, a copy of which is filed herewith as Exhibit 10.1 and incorporated by reference herein.

Additionally, LCF has entered into a Real Estate Capital Markets Advisory Agreement (the “Advisory Agreement”) with Item Six Capital LLC, which is wholly-owned by Mr. Harney, pursuant to which Mr. Harney will provide advisory services to LCF regarding key investor relations, capital markets transactions, strategic acquisition or disposition transactions, and Ladder’s investment advisory business. Per the Advisory Agreement, Mr. Harney will remain subject to non-compete and non-solicitation provisions substantially similar to those in the Amended and Restated Employment Agreement, dated as of January 23, 2014, by and between LCF and Mr. Harney.

The foregoing summary of the Advisory Agreement is qualified in its entirety by reference to the actual agreement, a copy of which is filed herewith as Exhibit 10.2 and incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
10.1	<u>Separation Agreement, dated March 15, 2019, by Ladder Capital Corp, Ladder Capital Finance LLC and Thomas Harney.</u>
10.2	<u>Real Estate Capital Markets Advisory Agreement, dated March 15, 2019, by Ladder Capital Finance LLC and Item Six Capital LLC.</u>

SIGNATURES

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

Date: March 15, 2019

LADDER CAPITAL CORP

/s/ Marc Fox

Marc Fox

Chief Financial Officer

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Section 2: EX-10.1 (EX-10.1)

Exhibit 10.1

EXECUTION COPY

SEPARATION AGREEMENT

THIS SEPARATION AGREEMENT (this "Agreement"), dated as of March 15, 2019, is made by and among Ladder Capital Finance LLC, a Delaware limited liability company (the "Company"), Ladder Capital Corp, a Delaware corporation ("LCC") and Thomas M. Harney ("Harney").

WHEREAS, the Company and Harney are parties to that certain Amended and Restated Employment Agreement, dated as of January 23, 2014 (the "Employment Agreement"), pursuant to which Harney is currently employed by the Company as the Company's Head of Merchant Banking and Capital Markets;

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such capitalized terms in the Employment Agreement;

WHEREAS, reference is hereby made to (i) Ladder Capital Finance Holdings LLLP, a Delaware limited liability limited partnership ("Holdings") and (ii) LCC's 2014 Omnibus Incentive Plan, as in effect from time to time (the "Incentive Plan");

WHEREAS, for purposes of this Agreement, (i) the term "Ladder Companies" means LCC, Holdings, the Company and their respective direct or indirect subsidiaries, whether currently existing or hereafter acquired or formed and (ii) the term "Common Shares" means shares of LCC's Class A Common Stock;

WHEREAS, prior to the date hereof, Harney has been issued (i) certain options to purchase Common Shares pursuant to one or more Nonqualified Stock Option Award Agreements (collectively, the "Option Agreements") and (ii) certain restricted Common Shares pursuant to one or more Restricted Stock Award Agreements (collectively, the "Restricted Stock Agreements"), in each case, pursuant to the Incentive Plan, with all such options issued pursuant to such Option Agreements and all such restricted Common Shares issued pursuant to such Restricted Stock Agreements together representing Equity Incentives of Harney for purposes of the Employment Agreement (collectively, the "Harney Equity Incentives");

WHEREAS, Harney has informed the Company and LCC that Harney has determined to retire from the Ladder Companies effective as of the Separation Date (as herein defined) and, as a result thereof, Harney will resign as, and cease to be, an employee of the Company and will cease to be the Company's Head of Merchant Banking and Capital Markets on the Separation Date and the Company and LCC has accepted such resignation by Harney; and

WHEREAS, Harney, the Company and LCC have determined to enter into this Agreement to set forth their respective mutual agreement regarding such resignation by Harney.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises herein contained, the parties hereto, intending to be legally bound, hereby agree as follows.

1. Separation Date.

(a) The Company and Harney hereby agree that Harney's last day of employment with the Company will be on March 15, 2019 (the "Separation Date"). As of the Separation Date, the Employment Period will end as a result of Harney having resigned from Harney's employment by the Company without Good Reason, and with the Company hereby waiving the ninety day written notice requirement by Harney set forth in Section 4(a) of the Employment Agreement for such a resignation by Harney.

(b) The Company, LCC and Harney hereby agree that, effective as of the Separation Date (without any further action on behalf of the Company, LCC or Harney):

(i) Harney shall cease to be an employee of the Company or any other Ladder Company, and, for purposes of the Employment Agreement, the Employment Period shall end on, and the Employment Termination Date shall be, the Separation Date;

(ii) the Company shall thereafter (A) pay to Harney any Base Salary earned and unpaid as of the Separation Date, and (B) in accordance with Section 3(g) of the Employment Agreement, reimburse Harney for any out-of-pocket business expenses accrued and unreimbursed as of the Separation Date subject, in each case, to any required withholding;

(iii) in accordance with the last sentence of Section 3(c) of the Employment Agreement, since Harney has resigned his employment from Harney's position as an employee of the Company effective on a date that is on or after the date five (5) years after the IPO Date and since as of the Separation Date Harney's years of service with the Company plus Harney's age equals at least 60, any and all unvested Harney Equity Incentives that vest based on performance will continue to be outstanding from and after the Separation Date (and will not be forfeited on the Separation Date), and will be eligible to vest after the Separation Date based on the particular performance vesting criteria that is applicable to such unvested Harney Equity Incentives;

(iv) from and after the Separation Date, except as expressly provided in clause (ii) of this Section 1(b), and except as otherwise described in Section 2 hereof with respect to TH Company (as herein defined) becoming an advisor to the Company after the Separation Date pursuant to the Advisory Agreement (as herein defined), Harney shall not be entitled to receive any compensation, payments or benefits of any nature whatsoever from the Company or any other Ladder Company (and, in particular, Harney shall not receive any cash bonus or grant of restricted stock with respect to calendar year 2019 in connection with Harney having been an employee of the Company for a portion of 2019 or any severance payments); and

(v) Harney shall be deemed to have resigned from all of his positions as an officer of each Ladder Company (including the Company) and from all of his positions as a member of the board of directors of each Ladder Company, if applicable. If requested by the Company, Harney will sign and deliver written resignation statements evidencing such resignations by Harney as of the Separation Date.

2. **Advisory Agreement with TH Company.** On or promptly after the Separation Date, the Company and **Item Six Capital LLC**, which is wholly-owned by Harney ("**TH Company**") will enter into an Advisory Agreement substantially in the form attached hereto as **Exhibit A** (the "**Advisory Agreement**") pursuant to which TH Company will provide advisory services to the Company in accordance with, pursuant to the terms of, and for the time period set forth in, the Advisory Agreement.

3. **Employee Benefits; COBRA.** Harney acknowledges and agrees that, effective as of the Separation Date, Harney will no longer be entitled to any employee benefits, except for continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") that are mandated by law. Effective as of the Separation Date, as required by the continuation coverage provisions of Section 4980B of the U. S. Internal Revenue Code of 1986, as amended (the "**Code**"), Harney shall be offered the opportunity to elect continuation coverage under the group medical plan(s) of the Company ("**COBRA coverage**") at Harney's cost. On or promptly after the Separation Date, the Company shall provide Harney with the appropriate COBRA coverage notice and election form for this purpose. Harney shall notify the Company within two weeks of any change in Harney's circumstances that would warrant discontinuation of Harney's COBRA coverage and benefits. The existence and duration of Harney's rights and/or the COBRA rights of any of Harney's eligible dependents shall be determined in accordance with Section 4980B of the Code.

4. **Continuing Obligations of Harney.** Harney hereby acknowledges and agree that from and after the Separation Date, Harney will continue to be bound by, and will comply with, without limitation, the provisions of Sections 5, 7 and 9 of the Employment Agreement.

5. **Whistleblower Protections.** Nothing in this Agreement or the Employment Agreement shall prohibit or restrict Harney or Harney's attorneys from: (i) making any disclosure of relevant and necessary information or documents in any action, investigation, or proceeding relating to this Agreement, or as required by law or legal process, including with respect to possible violations of law; (ii) participating, cooperating, or testifying in any action, investigation, or proceeding with, or providing information to, any governmental agency or legislative body, any self-regulatory organization, and/or pursuant to the Sarbanes-Oxley Act; or (iii) accepting any U.S. Securities and Exchange Commission awards. In addition, nothing in this Agreement prohibits or restricts Harney from initiating communications with, or responding to any inquiry from, any regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation. Pursuant to 18 U.S.C. § 1833(b), Harney will not be held criminally or civilly liable under any Federal or state trade secret law for the disclosure of a trade secret of any Ladder Company or any affiliate of any Ladder Company that (A) is made in confidence to a Federal, state, or local government official (either directly or indirectly) or to Harney's attorney, in each case solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Harney files a lawsuit for retaliation by any Ladder Company for reporting a suspected violation of law, Harney may disclose the trade secret to Harney's attorney and use the trade secret information in the court proceeding, provided that Harney files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order. Nothing

in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

6. No Employment Relationship upon the Separation Date. Harney acknowledges and agrees that upon the occurrence of the Separation Date, Harney will no longer be an employee of the Company or any other Ladder Company.

7. Representations and Warranties.

(a) Harney hereby represents and warrants to the Company that (i) this Agreement constitutes a valid and binding obligation of Harney enforceable in accordance with its terms, except as such enforceability may be limited by (A) applicable insolvency, bankruptcy, reorganization, moratorium or other similar laws affecting creditors' rights generally, or (B) applicable equitable principles (whether considered in a proceeding at law or in equity); and (ii) the execution, delivery and performance of this Agreement by Harney will not result in any material breach of any terms or provisions of, or constitute a material default under, any material contract, agreement or instrument to which Harney is a party or by which Harney is bound. Harney acknowledges and represents that he has not been denied any leave, benefits or rights to which he may have been entitled under any federal or state law, and that he has not suffered any job-related wrongs or injuries for which he might be entitled to compensation or relief.

(b) The Company hereby represents and warrants to Harney that (i) the execution and delivery of this Agreement by the Company have been duly authorized by the Company; and (ii) this Agreement constitutes a valid and binding obligation of the Company, enforceable in accordance with its terms, except as such enforceability may be limited by (A) applicable insolvency, bankruptcy, reorganization, moratorium or other similar laws affecting creditors' rights generally, or (B) applicable equitable principles (whether considered in a proceeding at law or in equity).

(c) LCC hereby represents and warrants to Harney that (i) the execution and delivery of this Agreement by LCC have been duly authorized by LCC; and (ii) this Agreement constitutes a valid and binding obligation of LCC, enforceable in accordance with its terms, except as such enforceability may be limited by (A) applicable insolvency, bankruptcy, reorganization, moratorium or other similar laws affecting creditors' rights generally, or (B) applicable equitable principles (whether considered in a proceeding at law or in equity)

8. Governing Law. THE CONSTRUCTION AND INTERPRETATION OF THIS AGREEMENT SHALL AT ALL TIMES AND IN ALL RESPECTS BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS RULES OF CONFLICTS OF LAWS. ANY CLAIM, COMPLAINT, OR ACTION BROUGHT UNDER THIS AGREEMENT SHALL BE BROUGHT IN A COURT OF COMPETENT JURISDICTION IN THE STATE OF NEW YORK, WHOSE COURTS SHALL HAVE EXCLUSIVE JURISDICTION OVER CLAIMS, COMPLAINTS, OR ACTIONS BROUGHT UNDER THIS AGREEMENT, AND THE COMPANY, LCC, AND HARNEY HEREBY AGREE AND SUBMIT TO THE PERSONAL JURISDICTION AND VENUE THEREOF.

9. **Counterparts; Signature Transmission.** This Agreement may be executed on separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement. Signatures transmitted by facsimile or electronic mail shall be binding as evidence of each party's agreement to be bound by the terms of this Agreement.

10. **Burden and Benefit.** This Agreement shall be binding upon the Company and LCC (and, to the extent applicable, the other Ladder Companies) and Harney, and shall inure to the benefit of the Company, LCC and Harney, and, in each case, their respective heirs, personal and legal representatives, successors and permitted assigns. Harney's rights and obligations under this Agreement may not be assigned by Harney and any such assignment shall be null and void.

11. **Severability; Waiver.** The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any one or more of the provisions hereof shall not affect the validity or enforceability of the other provisions of this Agreement. Failure to insist upon strict compliance with any term, covenant, or condition of this Agreement shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of any right or power under this Agreement at any time or times be deemed a waiver or relinquishment of such right or power at any other time or times.

12. **Entire Agreement.** This Agreement (including the exhibit hereto and along with the Employment Agreement, the Option Agreements and the Restricted Stock Agreements) contains the entire agreement and understanding by and among the Company, LCC and Harney with respect to any services that Harney, has provided, or may provide, to the Company or any other Ladder Company (other than any services that may be provided by TH Company after the Separation Date pursuant to, and in accordance with, the terms of the Advisory Agreement) as well as with respect to the separation of Harney's employment with the Company as of the Separation Date, and supersedes and preempts any prior understandings, agreements or representations by or among the parties hereto, written or oral, which may have related to the subject matter hereof in any way.

13. **Remedies.** The parties hereto acknowledge and agree that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party hereto will have the right to injunctive relief and other equitable remedies, in addition to all of its other rights and remedies at law or in equity, to enforce the provisions of this Agreement.

14. **WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have duly executed this Separation Agreement effective for all purposes and in all respects as of the day and year first above written.

LADDER CAPITAL FINANCE LLC

By: /s/ Kelly Porcella

Name: Kelly Porcella

Title: General Counsel

LADDER CAPITAL CORP

By: /s/ Kelly Porcella

Name: Kelly Porcella

Title: General Counsel

/s/ Thomas M. Harney

Thomas M. Harney

FORM OF ADVISORY AGREEMENT

See attached.

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Section 3: EX-10.2 (EX-10.2)

Exhibit 10.2

EXECUTION COPY

REAL ESTATE CAPITAL MARKETS ADVISORY AGREEMENT

THIS ADVISORY AGREEMENT (this "Agreement"), dated as of March 15, 2019 is made by and between Ladder Capital Finance LLC, a Delaware limited liability company ("LCF") and Item Six Capital LLC ("Advisor").

WHEREAS, for purposes of this Agreement, the term "Ladder Companies" shall mean, collectively, Ladder Capital Corp, a Delaware corporation ("LCC"), Ladder Capital Finance Holdings LLLP, a Delaware limited liability limited partnership ("Holdings"), LCF and the direct or indirect subsidiaries of any of LCC, Holdings and/or LCF, whether currently existing or hereafter acquired or formed;

WHEREAS, as of the date hereof, LCF is an indirect wholly-owned subsidiary of Holdings; and

WHEREAS, LCF and Advisor desire to set forth in writing the terms and conditions of their agreements and understandings with respect to Advisor's provision of the Advisory Services (as defined below).

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises herein contained, the parties hereto, intending to be legally bound, hereby agree as follows.

1. Advisory Services.

(a) Term. The term of this Agreement (the "Term") shall be the period beginning on March 16, 2019 (the "Commencement Date") and ending on the Termination Date (as herein defined). For purposes of this Agreement, the term "Termination Date" shall mean the earliest to occur of (i) the resignation date specified in a written notice of resignation given at any time after the Commencement Date by Advisor to LCF (which termination date shall be no earlier than the date 30 days after the date such written notice of termination is delivered to LCF; provided that from and after such a delivery by Advisor of such a written notice of termination to LCF, LCF may elect to have the Termination Date be any date after such delivery that is prior to the termination date specified by Advisor in such written notice of termination), (ii) the termination date specified in a written notice of termination given at any time after the Commencement Date by LCF to Advisor (which termination date shall be no earlier than the date 30 days after the date such written notice of termination is delivered to Advisor) and (iii) the date on which Thomas M. Harney ("Tom Harney") ceases to own all of the outstanding ownership interests of Advisor, or ceases to be an employee of Advisor.

(b) Ownership of Advisor: Tom Harney. Advisor hereby represents and warrants to LCF that Tom Harney owns all of the outstanding ownership interests of Advisor. Advisor hereby agrees that at all times during the Term, (i) the only owner of outstanding ownership interests of Advisor will be Tom Harney, (ii) Tom Harney will be an employee of Advisor and (iii) Advisor will cause Tom Harney to provide the Advisory Services (as herein defined) on behalf of Advisor.

(c) Description of Advisory Services. During the Term, Advisor shall be an advisor to LCF and shall provide the following advisory services (collectively, the "Advisory Services"): (i) advisory services as requested from time to time by LCF regarding key investor relations, capital markets transactions, strategic acquisition or disposition transactions, and the investment advisory business, including the mutual fund known as "Ladder Select Bond Fund", all of which will generally entail Advisor providing capital market related assistance to LCF and the other Ladder Companies in such manner as, and

only as, may be reasonably requested from time to time by any of LCF's Chief Executive Officer, President, Chief Financial Officer or Chief Administrative Officer and (ii) as and when reasonably requested by LCF and reasonably scheduled in conjunction with Tom Harney, (A) attending up to six key investor meetings or calls that have been arranged by LCF, (B) attending up to four investor conferences of LCF per year, (C) attending LCC's quarterly earnings and equity analysts calls and (D) participating in preparation meetings and discussions with members of the management team of LCC in advance of LCC's quarterly board meetings and LCC's quarterly earnings and equity analysts calls. During the Term and without in any way limiting the terms of this Section 1(c), Advisor and LCF may describe Advisor's or Tom Harney's position with LCF as a "Senior Real Estate Capital Markets Advisor". Nothing herein may be construed as authorizing or requiring Advisory Services to be performed by Advisor if such Advisory Services would require a broker-dealer registration with the Securities and Exchange Commission or any state regulatory authority.

(d) Performance of Advisory Services. Advisor agrees that, during the Term, Advisor shall (i) provide the Advisory Services to the best of Advisor's and Tom Harney's ability and in compliance with the written rules, regulations, policies and procedures of the Ladder Companies as shall be in effect from time to time, (ii) as and when reasonably requested by LCF, participate in periodic strategic planning sessions held by the Ladder Companies, (iii) interact from time to time with senior management of the Ladder Companies and (iv) perform the other Advisory Services described in Section 1(c) hereof. Advisor agrees that Advisor shall cause Tom Harney to provide a reasonable amount of time during the Term providing Advisory Services (which is expected to be approximately 30 to 40 days per annum); provided that the times during which Advisor provides the Advisory Services to the Ladder Companies shall be set by Advisor; provided further that, as and when reasonably requested by LCF and with Advisor's approval (not to be unreasonably withheld or delayed), certain Advisory Services are to be provided at LCF's New York office (with such a request by LCF being for matters such as attendance at certain in-person meetings of the type described above that are held at LCF's New York office). As a point of clarity, during the Term, LCF shall not be required to have office space available for Advisor or Tom Harney at LCF's New York office. With respect to Advisor being an advisor to the Company, and in performing the Advisory Services, Advisor and Tom Harney will each comply with all applicable policies and procedures of the Ladder Companies, as in effect from time to time.

(e) Limits on Authority. Each of Advisor and Tom Harney is not authorized to assume or create any obligation or responsibility on behalf of or in the name of any of the Ladder Companies and shall not misrepresent his or its status or authority. Without limiting the generality of the foregoing, by acceptance of this Agreement, Advisor hereby acknowledges and agrees that each of Advisor and Tom Harney does not have authority to act on behalf of, or otherwise bind, LCF or any other Ladder Company. Accordingly, each of Advisor and Tom Harney may not enter into any agreements on behalf of or purport to bind LCF or any other Ladder Company, or represent to any person that Advisor or Tom Harney has the power to create any obligation, express or implied, on behalf of any Ladder Company.

(f) Annual Fee. In consideration of Advisor's provision of the Advisory Services, LCF shall pay to Advisor a fee of \$250,000 per annum (the "Annual Fee") during the Term. The Annual Fee shall be paid by LCF, bi-weekly, in arrears, during the Term; provided, that with respect to the payment of the Annual Fee to be made with respect to any bi-weekly period in which the Term is not in effect for the entire bi-weekly period, such payment shall be pro-rated based on the number of days in such bi-weekly period during which the Term was in effect. If the Term ends for any reason, Advisor shall be entitled only to (i) the accrued but unpaid portion of the Annual Fee as of the Termination Date and (ii) all accrued but unreimbursed expenses of Advisor that are subject to reimbursement by LCF pursuant to Section 1(h) through the Termination Date, but shall not be entitled to any further Annual Fee or any other compensation of any kind, nature or amount.

(g) **Success Fee.** In addition to the Annual Fee, if the Termination Date has not occurred on or prior to the last day of a calendar year during which the Term remains in effect, then LCF may determine, in its sole discretion, that the Advisory Services performed by Advisor during such calendar year have been of such a nature that Advisor should be paid a success fee with respect to such calendar year of an amount, if any, to be determined by LCF, in its sole discretion (a “**Success Fee**”), which would be paid to Advisor by no later than 60 days after the end of such calendar year; **provided** that Advisor hereby acknowledges and agrees that Advisor has no right to receive any Success Fee, as the payment of any Success Fee (including the amount thereof, if any) shall be as determined by LCF, in its sole discretion.

(h) **Reimbursement of Expenses.** LCF shall reimburse Advisor for all reasonable, documented travel and other out-of-pocket expenses (including for entertainment) that Advisor may incur in regard to Advisor’s provision of the Advisory Services during the Term; **provided** that any travel or entertainment related expense that would be for an amount in excess of \$500 individually, and any expense reimbursement that would result of in excess of \$5,000 of aggregate expense reimbursement during any calendar year, will require prior written approval of LCF in order for such expense to be reimbursable pursuant to this **Section 1(h)**. Such expenses shall be reimbursed as soon as practicable following receipt by LCF of documentation from Advisor evidencing such expenses, consistent with LCF’s policies relating to expense reimbursement as in effect from time to time.

(i) **Other Compensation.** Except as expressly provided in **Section 1(f)**, each of Advisor and Tom Harney is not entitled to any compensation in connection with the provision of the Advisory Services.

(j) **No Right to Continue to be a Advisor.** Advisor acknowledges and agrees that Advisor may be terminated as an advisor to LCF at any time for any reason. Nothing in this Agreement creates any obligation on the part of LCF or any other Ladder Company to continue Advisor’s position as an advisor to LCF.

(k) **Taxes/Benefits.** Advisor shall bear sole responsibility for payment on behalf of Advisor of any federal, state, provincial and local income tax withholding, social security taxes, workers’ compensation coverage, unemployment insurance, liability insurance, health and/or disability insurance, retirement benefits or other welfare or pension benefits, and/or other payments and expenses (“**Charges**”) related to amounts paid hereunder. Advisor understands and agrees that, unless otherwise agreed with LCF in writing, with respect to Advisor being engaged as an advisor to LCF pursuant to this Agreement, each of Advisor and Tom Harney is not eligible for, and each of Advisor and Tom Harney hereby waives any claim to, wages, compensation incentives, profit sharing participation, stock options/grants, health coverage, disability benefits, unemployment benefits or any other benefits provided to employees of any of the Ladder Companies. Advisor agrees to indemnify and hold LCF harmless from and against any losses and expenses (including without limitation, court costs and reasonable attorneys’ fees), taxes, interest and/or penalties incurred by any of the Ladder Companies as a result of the failure of Advisor to timely pay any Charges properly owed by Advisor.

2. Conflict of Interest; Securities Law Obligations.

(a) **Conflict of Interest.** During the Term, with respect to any transaction, potential transaction or other matter that is considered by LCF or any other Ladder Company in which Advisor has, or is reasonably likely to have a conflict of interest, Advisor shall promptly disclose to LCF’s Chief Executive Officer and LCF’s President, in reasonable detail, the nature of such conflict of interest.

(b) **Securities Law Obligations.** Advisor and Tom Harney understand and agree that they are each aware that, under certain circumstances, the federal and state securities laws prohibit any

person who has material, non-public information about a company from purchasing or selling securities of such a company or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell those securities, and that in no event will Advisor or Tom Harney purchase or sell any securities of LCC or any other Ladder Company at a time when Advisor or Tom Harney has material, non-public information about any Ladder Company, and in no event will Advisor or Tom Harney communication any such material, non-public information to any person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell any securities of LCC or any other Ladder Company.

3. Confidentiality. Advisor acknowledges and agrees that the non-public information and data obtained by Advisor concerning the business or affairs of the Ladder Companies (“Confidential Information”) are the property of the Ladder Companies. Therefore, except as may be otherwise required by law or legal process, Advisor agrees that, during the Term and at all times thereafter, without the prior consent of LCF, Advisor shall not disclose to any person or use for Advisor’s own or any third-party’s purposes any Confidential Information without the prior written consent of LCF other than in a good faith effort during the Term to promote the interests of the Ladder Companies in connection with providing the Advisory Services. Advisor shall deliver to LCF, at any time LCF may request, all memoranda, notes, plans, records, reports, computer files and related back-ups, printouts, software, and other documents and data (and copies thereof) relating to the Confidential Information, or the business of any Ladder Company and any other property of any Ladder Company, in each case, that Advisor may then possess or have under Advisor’s control. Notwithstanding anything to the contrary in this Section 3, Confidential Information shall not include: (i) information to the extent that it is or becomes generally available to the public (other than as a result of a disclosure by Advisor) and (ii) information to the extent that it is disclosed to Advisor by a party or person that is not under any obligation to keep such information confidential. If Advisor is required to disclose or discuss Confidential Information by order of a court of competent jurisdiction, Advisor may disclose such Confidential Information (provided that in such case, Advisor shall promptly inform LCF of such order and shall only disclose Confidential Information to the extent necessary to comply with any such court order). Ladder will provide Tom Harney with the opportunity to review and comment on any language relating to this Agreement included in any press release and public filing by Ladder Companies.

4. No Employment Relationship. Nothing in this Agreement is intended or shall be deemed to create any employment, partnership, agency or joint venture relationship between the parties. The parties specifically acknowledge that Advisor is an independent contractor and not an employee of LCF, and that Tom Harney is not any employee of LCF.

5. Representations and Warranties of Advisor. Advisor represents and warrants to LCF that, neither Advisor nor Tom Harney is a party to any agreement containing a noncompetition provision or other restriction which could restrict the ability of Advisor to perform any of the Advisory Services which Advisor is reasonably expected to perform or conduct for LCF (or any other Ladder Company) under this Agreement.

6. Intellectual Property. All copyrightable works that Advisor creates shall be considered “work made for hire” as such term is defined in 17 U.S.C. Section 101. Advisor hereby waives any so-called “moral rights of authors” in connection with all copyrights, patents, trade secrets or other intellectual property rights associated with any ideas, concepts, techniques, inventions, processes or works of authorship developed or created by Advisor during his course of dealings with LCF in connection with the Advisory Services (“Work Product”). In addition, Advisor hereby acknowledges and agrees that LCF may use, exploit, distribute, reproduce, advertise, promote, publicize, alter, modify or edit the Work Product or combine the Work Product with other works, in LCF’s sole discretion, in any format or medium hereafter

devised. Advisor further waives any and all rights to seek or obtain any injunctive or equitable relief in connection with the Work Product.

7. Other Activities During the Term.

(a) During the Term, neither Tom Harney, Advisor nor any other affiliate of Tom Harney will for himself, itself or on behalf of or in conjunction with any other person, persons, company, partnership, corporation, business or other entity of whatever nature, engage in any respect, whether as an officer, director, employee, independent contractor, advisor, sales representative, consultant, shareholder, owner, partner, manager or in any other capacity, in the lending business (other than a Ladder Company) of any Ladder Company, including any business that provides commercial mortgages, mezzanine financing or any other similar types of financing to, or with respect to, commercial real estate properties. During the Term and for two (2) years following the Termination Date, neither Tom Harney, Advisor nor any other affiliate of Tom Harney will for himself, itself or on behalf of or in conjunction with any other person, persons, company, partnership, corporation, business or other entity of whatever nature, solicit, hire, retain as an employee or independent contractor, or interfere with any Ladder Company's relationship with any employee, investor, or customer of any Ladder Company (or any person who was an employee, investor, or customer of any Ladder Company within the past twelve months). The restrictions set forth in this Section 7(a) shall not prohibit or restrict Advisor or Tom Harney from directly or indirectly owning less than 5% of the publicly traded securities of any publicly traded company.

(b) In the event of the breach by Tom Harney or Advisor of any of the provisions of this Section 7, LCF shall be entitled, in addition to all other available rights and remedies, to withhold any or all of the amounts otherwise payable to Advisor hereunder. If, at the time of enforcement of this Section 7, a court shall hold that the duration or scope restrictions stated herein are unreasonable under circumstances then existing, the parties agree that the maximum duration or scope reasonable under such circumstances shall be substituted for the stated duration or scope and that the court shall be allowed to revise the restrictions contained herein to cover the maximum period and scope permitted by law.

8. Remedies. In addition and supplementary to other rights and remedies existing in its favor, LCF may apply to the court of law or equity of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce or prevent any violations of the provisions hereof, including Sections 3 and 7 hereof.

9. Governing Law. THE CONSTRUCTION AND INTERPRETATION OF THIS AGREEMENT SHALL AT ALL TIMES AND IN ALL RESPECTS BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS RULES OF CONFLICTS OF LAWS. ANY CLAIM, COMPLAINT, OR ACTION BROUGHT UNDER THIS AGREEMENT SHALL BE BROUGHT IN A COURT OF COMPETENT JURISDICTION IN THE STATE OF NEW YORK, WHOSE COURTS SHALL HAVE EXCLUSIVE JURISDICTION OVER CLAIMS, COMPLAINTS, OR ACTIONS BROUGHT UNDER THIS AGREEMENT, AND COMPANY AND ADVISOR HEREBY AGREE AND SUBMIT TO THE PERSONAL JURISDICTION AND VENUE THEREOF.

10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT.

11. Counterparts; Signature Transmission. This Agreement may be executed on separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and

the same agreement. Signatures transmitted by facsimile or electronic mail shall be binding as evidence of each party's agreement to be bound by the terms of this Agreement.

12. Burden and Benefit. This Agreement shall be binding upon LCF and Advisor, and shall inure to the benefit of LCF and Advisor, and, in each case, their respective heirs, personal and legal representatives, successors and permitted assigns. Advisor's rights and obligations under this Agreement may not be assigned by Advisor and any such assignment shall be null and void.

13. Severability. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any one or more of the provisions hereof shall not affect the validity or enforceability of the other provisions of this Agreement.

14. Entire Agreement; Amendment. This Agreement contains the entire agreement and understanding by and between LCF and Advisor with respect to the provision of the Advisory Services or any other matters covered by this Agreement, and supersedes and preempts any prior understandings, agreements or representations by or among the parties hereto, written or oral, which may have related to the subject matter hereof in any way.

15. Waiver. Failure to insist upon strict compliance with any term, covenant, or condition of this Agreement shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of any right or power under this Agreement at any time or times be deemed a waiver or relinquishment of such right or power at any other time or times.

IN WITNESS WHEREOF, the parties hereto have duly executed this Advisory Agreement effective for all purposes and in all respects as of the day and year first above written.

LADDER CAPITAL FINANCE LLC

By: /s/ Kelly Porcella

Name: Kelly Porcella

Title: General Counsel

ITEM SIX CAPITAL LLC

By: /s/ Thomas M. Harney

Name: Thomas M. Harney

Title: Member

Acknowledged and agreed, including for purposes of Section 7 hereof:

/s/ Thomas M. Harney

Thomas M. Harney

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