



Current Report

Date: March 11, 2014

On March 11, 2014, Rialto Holdings, LLC (“Rialto”) and Rialto Corporation (together with Rialto, the “Issuers”) completed an offering of \$100 million aggregate principal amount of 7.000% senior notes due 2018 (the “Notes”) to an initial purchaser who is a qualified institutional buyer, and qualified purchaser for the purposes of the Investment Company Act of 1940, in a transaction that is exempt from the registration requirements of the Securities Act of 1933, as amended, under Securities and Exchange Commission (“SEC”) Rule 144A. The Notes have an interest rate of 7.000% and were issued at a price of 102.25% of their face value. The Issuers previously issued \$250 million of 7.000% Senior Notes due 2018 on November 14, 2013. The additional \$100 million of Notes will be part of the same issue, and will have the same CUSIP number, as the Notes that were issued in November. The Issuers received net proceeds of approximately \$101.7 million from the sale of the Notes in this offering after deducting the initial purchaser discount and expenses of the offering.

The Notes are governed by the terms of the Indenture, dated November 14, 2013, previously filed by Lennar Corporation, the parent of the Issuers, in a Form 8-K with the SEC on November 14, 2013. Interest on the Notes will be paid on June 1 and December 1 of each year, commencing June 1, 2014. The Notes will mature on December 1, 2018. The Notes are currently guaranteed by all of Rialto’s 100% owned subsidiaries, except any Rialto subsidiary that is a party to a repurchase obligation financing line, but those guarantees may be released under certain circumstances. The Notes may be redeemed on or after December 1, 2015 at the redemption prices described in the Indenture, plus accrued and unpaid interest through, but not including, the date of redemption. Some or all of the Notes may be redeemed at any time before December 1, 2015, at a redemption price equal to 100% of their principal amount, plus a make-whole premium as set forth in the Indenture and accrued and unpaid interest. Before December 1, 2015, up to 35% of the aggregate principal amount of the Notes may be redeemed with the proceeds of public offerings of equity at a redemption price equal to 107% of the principal amount of the Notes, plus accrued and unpaid interest.

Rialto intends to use the net proceeds from the offering of the Notes primarily to provide working capital to its subsidiary, Rialto Mortgage Finance, LLC, and may use some of the net proceeds to make investments in funds or entities managed or advised by Rialto's subsidiary, Rialto Capital Management, LLC or its subsidiaries. To the extent the proceeds are not used for these purposes, Rialto will add the proceeds to its working capital and use them for general corporate purposes.