

Eagle Bulk Shipping Inc.
Form PRE 14A
May 03, 2016
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No. [])

Filed by the Registrant [x]
Filed by a Party other than the Registrant []

Check the appropriate box:

[x] 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

EAGLE BULK SHIPPING 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)(4) 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 fee 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:

Eagle Bulk Shipping Inc.

300 First Stamford Place, 5th Floor

Stamford, Connecticut 06902

(203) 276-8100

, 2016

Dear Shareholder:

You are cordially invited to attend a Special Meeting of Shareholders of Eagle Bulk Shipping Inc., which will be held at the offices of Akin Gump Strauss Hauer & Feld LLP, 44th Floor, One Bryant Park, New York, New York 10036 at [:] a.m., local time, on , 2016 (the “*Special Meeting*”). On the following pages you will find the formal Notice of Special Meeting of Shareholders and proxy statement.

The actions expected to be taken at the Special Meeting are described in detail in the accompanying Notice of Special Meeting of Shareholders and proxy statement.

Whether or not you plan to attend the Special Meeting in person, it is important that your shares be represented and voted at the Special Meeting. Accordingly, please sign, date and mail the enclosed proxy card as soon as possible in the envelope provided or vote using the toll-free telephone number or via the Internet by following the instructions included on the enclosed proxy card. If you decide to attend the Special Meeting in person, you will be able to vote in person, even if you have previously submitted a proxy.

I hope that you will attend the Special Meeting, and I look forward to seeing you there.

Sincerely,

Paul M. Leand, Jr.

Chairman of the Board

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Eagle Bulk Shipping Inc.

300 First Stamford Place, 5th Floor

Stamford, Connecticut 06902

(203) 276-8100

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON , 2016

NOTICE IS HEREBY GIVEN that a Special Meeting of Shareholders (the “*Special Meeting*”) of Eagle Bulk Shipping Inc., a Republic of the Marshall Islands corporation (“*Eagle Bulk Shipping*,” the “*Company*,” “*we*,” “*us*,” or “*our*”), will be held on , 2016, at [:] a.m., local time, at the offices of Akin Gump Strauss Hauer & Feld LLP, 44th Floor, One Bryant Park, New York, New York 10036, for the following purposes:

To ratify, for purposes of complying with The NASDAQ Stock Market LLC (“*NASDAQ*”) Listing Rule 5635(d), the issuance of shares of our common stock, par value US\$0.01 per share (“*Common Stock*”), in connection with the entry into a Second Lien Loan Agreement (the “*Second Lien Loan Agreement*”), dated as of March 30, 2016, by and among Eagle Shipping LLC, a limited liability company organized under the laws of the Republic of the Marshall Islands and a wholly-owned subsidiary of the Company (“*Eagle Shipping*”), as borrower, certain of its subsidiaries, as guarantors, certain lenders thereunder (the “*Second Lien Lenders*”) and Wilmington Savings Fund Society, FSB as agent for the Second Lien Lenders (the “*Agent*”), in an amount equal to 20% or more of our Common Stock outstanding before the issuance of such shares;

To ratify, for purposes of complying with NASDAQ Listing Rule 5635(c), the issuance of shares of our Common Stock, in connection with the entry into the Second Lien Loan Agreement, to certain directors and officers of the Company;

3.

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To approve an amendment to Article FOURTH of the Company's Second Amended and Restated Articles of Incorporation to increase the number of authorized shares of Common Stock from 150,000,000 to 700,000,000;

To approve an amendment to Article FOURTH of the Company's Second Amended and Restated Articles of Incorporation to effect a reverse stock split of the Company's issued and outstanding shares of Common Stock by a ratio of between 1-for-10 and 1-for-50, inclusive; and

To approve one or more adjournments to the Special Meeting, if necessary or appropriate, to establish a quorum or
5. to permit further solicitation of proxies if there are not sufficient votes at the time of the Special Meeting cast in favor of Proposals No. 1, No. 2, No. 3 or No. 4.

The Board of Directors has fixed the close of business on May 10, 2016 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Special Meeting (the “**Record Date**”). Only shareholders of record as of the Record Date will be entitled to vote at the Special Meeting or any adjournments or postponements thereof. A list of such shareholders will be available at the Special Meeting.

Important Notice Regarding the Availability of Proxy Materials for the

Special Meeting to be Held on , 2016:

Pursuant to the proxy rules of the Securities and Exchange Commission (the “**SEC**”), the Company is required to post its proxy materials on the Internet, and we are permitted to provide only a Notice of Internet Availability of Proxy Materials to shareholders. However, for this Special Meeting, we have chosen to follow the SEC’s “full set” delivery option, and therefore, although we are posting a full set of our proxy materials on the Internet, we are also sending a full set of our proxy materials to our shareholders by mail.

The proxy statement for the Special Meeting, together with the accompanying form of proxy, are available on the Internet at www.proxyvote.com.

Whether or not you expect to attend the Special Meeting in person, and no matter how many shares you own, please vote your shares as promptly as possible. Submitting a proxy now will help assure a quorum.

If you plan to attend in person, please arrive at least 30 minutes before the meeting begins in order to check in with security, where you will be asked to present valid picture identification, such as a driver’s license or passport.

By Order of the Board of Directors,

Adir Katzav

Chief Financial Officer and Secretary

Stamford, Connecticut

, 2016

Eagle Bulk Shipping Inc.

300 First Stamford Place, 5th Floor

Stamford, Connecticut 06902

(203) 276-8100

PROXY STATEMENT

FOR THE SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD , 2016

This proxy statement is furnished to shareholders of Eagle Bulk Shipping Inc. (“*Eagle Bulk Shipping*,” the “*Company*,” “*we*,” “*us*,” or “*our*”) in connection with the solicitation of proxies, in the accompanying form, by the Board of Directors of Eagle Bulk Shipping (the “*Board of Directors*”) for use in voting at the Special Meeting of Shareholders (the “*Special Meeting*”) to be held at the offices of Akin Gump Strauss Hauer & Feld LLP, 44th Floor, One Bryant Park, New York, New York 10036, on , 2016, at [:] a.m., local time, and at any adjournment or postponement thereof. If you plan to attend in person, please arrive at least 30 minutes before the meeting begins in order to check in with security, where you will be asked to present valid picture identification such as a driver’s license or passport.

This proxy statement for the Special Meeting, together with the accompanying form of proxy, are first being mailed or otherwise distributed to shareholders on or about , 2016.

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QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING

Why did I receive a full set of proxy materials?

Pursuant to rules promulgated by the Securities and Exchange Commission (the “**SEC**”), we have chosen to follow the “full set” delivery option to disseminate our proxy materials, and therefore, although we are posting a full set of our proxy materials on the Internet, we are also sending a full set of our proxy materials, including a proxy card, to our shareholders by mail.

Why am I receiving these proxy materials?

Our Board of Directors has sent you this proxy statement and the enclosed proxy card because you owned shares of the Company’s common stock, par value US\$0.01 per share (“**Common Stock**”), as of the close of business on May 10, 2016, the record date for the determination of shareholders entitled to notice of, and to vote at, the Special Meeting (the “**Record Date**”). Your proxy is being solicited by our Board of Directors for use at the Special Meeting. You are invited to attend the Special Meeting and are requested to vote on the proposals described in this proxy statement. However, you do not need to attend the Special Meeting in person to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card, as described below. If you vote by telephone or over the Internet, you do not need to mail back your proxy card.

What is included in these proxy materials?

These materials include:

this proxy statement for the Special Meeting; and

the proxy card for the Special Meeting.

Can I find additional information on the Company’s website?

Yes. Our website is www.eagleships.com. Although the information contained on our website is not part of this proxy statement, you can view additional information on the website, such as our Second Amended and Restated Articles of Incorporation and Second Amended and Restated By-Laws. The Company also makes available on its website its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the SEC. You may read and copy any document we file with the SEC at the SEC's public reference facilities maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information on the public reference facilities. Our SEC filings are also available to the public at the SEC's web site at www.sec.gov. The information on our website is not incorporated by reference into this proxy statement.

What is the purpose of the Special Meeting?

At the Special Meeting, shareholders will be asked to consider and vote upon the following matters:

To ratify, for purposes of complying with The NASDAQ Stock Market LLC (“**NASDAQ**”) Listing Rule 5635(d), the issuance of shares of our Common Stock, in connection with the entry into a Second Lien Loan Agreement (the “**Second Lien Loan Agreement**”), dated as of March 30, 2016, by and among Eagle Shipping LLC, a limited liability company organized under the laws of the Republic of the Marshall Islands and a wholly-owned subsidiary of the Company (“**Eagle Shipping**”), as borrower, certain of its subsidiaries, as guarantors, certain lenders thereunder (the “**Second Lien Lenders**”) and Wilmington Savings Fund Society, FSB as agent for the Second Lien Lenders (the “**Agent**”), in an amount equal to 20% or more of our Common Stock outstanding before the issuance of such shares (“**Proposal No. 1**”);

To ratify, for purposes of complying with NASDAQ Listing Rule 5635(c), the issuance of shares of our Common Stock, in connection with the entry into the Second Lien Loan Agreement, to certain directors and officers of the Company (“**Proposal No. 2**”);

To approve an amendment to Article FOURTH of the Company’s Second Amended and Restated Articles of Incorporation to increase the number of authorized shares of Common Stock from 150,000,000 to 700,000,000, (“**Proposal No. 3**”);

To approve an amendment to Article FOURTH of the Company’s Second Amended and Restated Articles of Incorporation to effect a reverse stock split of the Company’s issued and outstanding shares of Common Stock by a ratio of between 1-for-10 and 1-for-50, inclusive (“**Proposal No. 4**”); and

To approve one or more adjournments to the Special Meeting, if necessary or appropriate, to establish a quorum or to permit further solicitation of proxies if there are not sufficient votes at the time of the Special Meeting cast in favor of Proposals No. 1, No. 2, No. 3 or No. 4 (“**Proposal No. 5**”).

The Board of Directors of the Company is seeking shareholder approval of Proposals No. 1, No. 2, No. 3 and No. 4 primarily so that the Company may comply with its obligations under the Second Lien Loan Agreement. If Proposals No. 1, No. 2, No. 3 and No. 4 are approved, the Company will first implement Proposal No. 3 to increase the number of authorized shares of Common Stock, issue and deliver the shares of Common Stock under the Second Lien Loan Agreement for which approval is being sought under Proposals No. 1 and No. 2, and finally effect a reverse stock split under Proposal No. 4.

Who is entitled to vote at the Special Meeting?

Only shareholders of record as of the Record Date will be entitled to vote at the Special Meeting or any adjournments or postponements thereof. As of the Record Date, Eagle Bulk Shipping had 38,287,504 shares of Common Stock issued and outstanding and entitled to vote. In compliance with interpretations of NASDAQ Listing Rule 5635, this amount does not include any of the 2L Shares (as defined below) issued to the Second Lien Lenders under the Second Lien Loan Agreement.

How many votes do I have?

Each share of Common Stock outstanding on the Record Date, except for the 2L Shares (as defined below), will be entitled to one vote on each matter submitted to a vote of the shareholders. Cumulative voting by shareholders is not permitted.

What are the Board of Directors' voting recommendations?

The Board of Directors recommends that you vote:

(1) “**FOR**” Proposal No. 1;

(2) “**FOR**” Proposal No. 2;

(3) “**FOR**” Proposal No. 3;

(4) “**FOR**” Proposal No. 4; and

(5) “**FOR**” Proposal No. 5, if necessary or appropriate.

How can I vote my shares?

You can vote either in person at the Special Meeting or by proxy whether or not you attend the Special Meeting. You can vote by proxy as follows:

by mail – If you are a shareholder of record, you may submit your proxy by dating and signing the proxy card that is included in the paper proxy materials that was first mailed to you on , 2016 and mailing it in the enclosed, postage paid envelope or, if you are a beneficial owner of shares held in “street name,” you may submit your proxy by filling out the voting instruction form provided by your broker, trustee or other nominee, and mailing it in the enclosed, postage paid envelope. Votes submitted by written proxy must be received by 5:00 p.m. local time on the day before the Special Meeting.

by telephone or by Internet – If you have telephone or Internet access, you may submit your proxy via our electronic voting platform at www.proxyvote.com or submit a proxy by telephone at (800) 690-6903 until 11:59 p.m. local time on the day before the Special Meeting by following the instructions provided in the Notice, or if you received a

printed version of our proxy materials by mail, by following the instructions provided with your proxy materials and on your proxy card or voting instruction form.

If your shares are held in the name of a bank, broker or other nominee, you will receive instructions from the holder of record that you must follow for your shares to be voted. Please follow their instructions carefully.

If you attend the Special Meeting, you may vote in person, even if you have previously submitted a proxy. Your attendance at the Special Meeting will not revoke your proxy unless you give written notice of revocation to the Secretary of the Company before your proxy is exercised or unless you vote your shares in person at the Special Meeting. If you require directions to attend the meeting, please send a written request to Adir Katzav, Secretary of Eagle Bulk Shipping Inc., at 300 First Stamford Place, 5th Floor, Stamford, Connecticut 06902, telephone (203) 276-8100.

What do I need to bring to be admitted to the Special Meeting?

If you plan to attend the Special Meeting in person, please arrive at least 30 minutes before the meeting begins in order to check in with security, where you will be asked to present valid picture identification, such as a driver's license or passport. In addition, if your shares are held in the name of your broker, trustee or other nominee and you wish to attend the Special Meeting, you must bring an account statement or letter from the broker, trustee or other nominee indicating that you were the owner of the shares as of the Record Date.

How may I vote my shares in person at the Special Meeting?

If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., you are considered, with respect to those shares, the shareholder of record. As the shareholder of record, you have the right to vote in person at the Special Meeting. If your shares are held in a brokerage account or by another nominee or trustee, you are considered the beneficial owner of shares held in “street name.” As the beneficial owner, you are also invited to attend the Special Meeting. Since a beneficial owner is not the shareholder of record, you may not vote these shares in person at the Special Meeting unless you obtain and present to us a “legal proxy” from your broker, trustee or other nominee that holds your shares, giving you the right to vote the shares at the meeting.

If I am the beneficial owner of shares held in “street name” by my broker, will my broker automatically vote my shares for me?

Rules applicable to broker-dealers grant your broker discretionary authority to vote your shares without receiving your instructions on certain routine matters, including the approval of an amendment to the Company’s Second Amended and Restated Articles of Incorporation to increase the number of the Company’s authorized shares of Common Stock (Proposal No. 3) and to effect a reverse stock split of the Company’s issued and outstanding shares of Common Stock (Proposal No. 4). Your broker does not have discretionary authority to vote your shares without receiving your instructions with respect to Proposals No. 1 and No. 2, the ratification of the Additional Share Issuance (as defined below) in connection with the entry into the Second Lien Loan Agreement and the ratification of the Director and Officer Issuance (as defined below) to certain directors and officers of the Company, respectively.

How will my voting instructions be treated?

If you provide specific voting instructions, your shares will be voted as instructed.

If you hold shares as the shareholder of record and sign and return a proxy card or vote by telephone or Internet without giving specific voting instructions, then your shares will be voted as recommended by our Board of Directors.

If you are the beneficial owner of shares held through a broker, trustee or other nominee, and you do not give instructions to that nominee on how you want your shares voted, then generally your nominee can vote your shares on certain “routine” matters. At our Special Meeting, Proposals No. 3 and No. 4 are considered routine, which means that your broker, trustee or other nominee can vote your shares on Proposals No. 3 and No. 4 if you do not timely provide instructions to vote your shares.

If you are the beneficial owner of shares held through a broker, trustee or other nominee, and that nominee does not have discretion to vote your shares on a particular proposal and you do not give your broker instructions on how to vote your shares, then the votes will be considered broker non-votes. A broker “non-vote” will be treated as unvoted for purposes of determining approval for the proposal and will have the effect of neither a vote for nor a vote against the proposal.

What is a broker “non-vote” and how would it affect the vote?

A broker non-vote occurs when a broker or other nominee who holds shares for another person does not vote on a particular proposal because that holder does not have discretionary voting power for the proposal and has not received voting instructions from the beneficial owner of the shares. Under rules applicable to broker-dealers, Proposals No. 3 and No. 4, concerning approval of an amendment to the Company’s Second Amended and Restated Articles of Incorporation to increase the number of the Company’s authorized shares of Common Stock and to effect a reverse stock split of the Company’s issued and outstanding shares of Common Stock, respectively, are items on which brokerage firms may vote in their discretion on behalf of their clients, even if such clients have not furnished voting instructions. Thus, we do not expect there to be any broker “non-votes” on Proposals No. 3 and No. 4. Brokerage firms may not vote with respect to Proposals No. 1 and No. 2, concerning the ratification of the Additional Share Issuance (as defined in below) in connection with the entry into the Second Lien Loan Agreement and the ratification of the Director and Officer Issuance (as defined below) to certain directors and officers of the Company, respectively, without their clients having furnished voting instructions. Thus, there may be broker “non-votes” with respect to Proposals No. 1 and No. 2, but they will have no effect on Proposals No. 1 and No. 2.

What is an “abstention” and how would it affect the vote?

An “abstention” occurs when a shareholder sends in a proxy with explicit instructions to decline to vote regarding a particular matter. Abstentions are counted as present for purposes of determining a quorum. Abstentions will not be counted as having been voted and will have the same impact as a vote that is marked “AGAINST” for purposes of Proposals No. 1, No. 2, No. 3 and No. 4.

Who will count the votes?

The Company’s proxy processor and tabulator, Broadridge Financial Solutions, Inc., will serve as proxy tabulator and count the votes. The results will be certified by the inspector of election.

Could other matters be decided at the Special Meeting?