

Regional Management Corp.
Form SC 13D/A
January 30, 2018

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 13D/A

Under the Securities Exchange Act of 1934
(Amendment No. 1)*

Regional Management Corp.

(Name of Issuer)

Common Stock, \$0.10 Par Value

(Title of Class of Securities)

75902K106
(CUSIP Number)

Matthew Lindenbaum
Basswood Capital Management, L.L.C.
645 Madison Avenue, 10th Floor
New York, NY 10022
(212) 521-9500

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

(with copies to)
Michael E. Brandt, Esq.
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019
(212) 728-8000

January 26, 2018

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box:

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 240.13d-7 for other parties to whom copies are to be sent.

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* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

POWER
0

10 SHARED
DISPOSITIVE
POWER
1,511,995 (see
Item 5)

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON
1,511,995 (see Item 5)

12 CHECK IF THE
AGGREGATE
AMOUNT IN ROW
(11) EXCLUDES
CERTAIN
SHARES (SEE
INSTRUCTIONS)

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
12.96%

14 TYPE OF REPORTING
PERSON (SEE
INSTRUCTIONS)
IA

SOLE
DISPOSITIVE
POWER
0

10 SHARED
DISPOSITIVE
POWER
407,549 (see
Item 5)

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON
407,549 (see Item 5)

12 CHECK IF THE
AGGREGATE
AMOUNT IN ROW
(11) EXCLUDES
CERTAIN
SHARES (SEE
INSTRUCTIONS)

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
3.49%

14 TYPE OF REPORTING
PERSON (SEE
INSTRUCTIONS)
OO

0

10 SHARED
DISPOSITIVE
POWER
124,930 (see
Item 5)

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON
124,930 (see Item 5)

12 CHECK IF THE
AGGREGATE
AMOUNT IN ROW
(11) EXCLUDES
CERTAIN
SHARES (SEE
INSTRUCTIONS)

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
1.07%

14 TYPE OF REPORTING
PERSON (SEE
INSTRUCTIONS)
PN

0

10 SHARED
DISPOSITIVE
POWER
78,548 (see
Item 5)

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON
78,548 (see Item 5)

12 CHECK IF THE
AGGREGATE
AMOUNT IN ROW
(11) EXCLUDES
CERTAIN
SHARES (SEE
INSTRUCTIONS)

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
0.67%

14 TYPE OF REPORTING
PERSON (SEE
INSTRUCTIONS)
CO

POWER
0

10 SHARED
DISPOSITIVE
POWER
25,984 (see
Item 5)

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON
25,984 (see Item 5)

12 CHECK IF THE
AGGREGATE
AMOUNT IN ROW
(11) EXCLUDES
CERTAIN
SHARES (SEE
INSTRUCTIONS)

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
0.22%

14 TYPE OF REPORTING
PERSON (SEE
INSTRUCTIONS)
PN

CUSIP No. 75902K106
Page 7
of 15
Pages

1 NAME OF REPORTING
PERSON

Basswood Enhanced Long Short
GP, LLC

2 CHECK THE
APPROPRIATE BOX (a)
IF A MEMBER OF A (b)
GROUP

3 SEC USE ONLY

4 SOURCE OF FUNDS
AF

5 CHECK IF
DISCLOSURE OF
LEGAL
PROCEEDINGS IS
REQUIRED
PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF
ORGANIZATION
Delaware

7 SOLE
VOTING
POWER
0

NUMBER
OF
SHARES
BENEFICIALLY
OWNED
BY
EACH
REPORTING
PERSON⁹
WITH
SHARED
VOTING
POWER
690,180 (see
Item 5)

SOLE
DISPOSITIVE

POWER
0

10 SHARED
DISPOSITIVE
POWER
690,180 (see
Item 5)

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON
690,180 (see Item 5)

12 CHECK IF THE
AGGREGATE
AMOUNT IN ROW
(11) EXCLUDES
CERTAIN
SHARES (SEE
INSTRUCTIONS)

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
5.92%

14 TYPE OF REPORTING
PERSON (SEE
INSTRUCTIONS)
OO

CUSIP No. 75902K106
Page 8
of 15
Pages

1 NAME OF REPORTING
PERSON

Basswood Enhanced Long Short
Fund, LP

2 CHECK THE
APPROPRIATE BOX (a)
IF A MEMBER OF A (b)
GROUP

3 SEC USE ONLY

4 SOURCE OF FUNDS
WC

5 CHECK IF
DISCLOSURE OF
LEGAL
PROCEEDINGS IS
REQUIRED
PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF
ORGANIZATION
Delaware

7 SOLE
VOTING
POWER
0

NUMBER
OF
SHARES⁸
BENEFICIALLY
OWNED
BY
EACH
REPORTING
PERSON
WITH
SHARED
VOTING
POWER
690,180 (see
Item 5)

9 SOLE
DISPOSITIVE
POWER
0

10 SHARED
DISPOSITIVE
POWER
690,180 (see
Item 5)

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON
690,180 (see Item 5)

12 CHECK IF THE
AGGREGATE
AMOUNT IN ROW
(11) EXCLUDES
CERTAIN
SHARES (SEE
INSTRUCTIONS)

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
5.92%

14 TYPE OF REPORTING
PERSON (SEE
INSTRUCTIONS)
PN

SOLE
DISPOSITIVE
POWER
0

10 SHARED
DISPOSITIVE
POWER
256,635 (see
Item 5)

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON
256,635 (see Item 5)

12 CHECK IF THE
AGGREGATE
AMOUNT IN ROW
(11) EXCLUDES
CERTAIN
SHARES (SEE
INSTRUCTIONS)

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
2.20%

14 TYPE OF REPORTING
PERSON (SEE
INSTRUCTIONS)
PN

POWER
0

10 SHARED
DISPOSITIVE
POWER
27,525 (see
Item 5)

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON
27,525 (see Item 5)

12 CHECK IF THE
AGGREGATE
AMOUNT IN ROW
(11) EXCLUDES
CERTAIN
SHARES (SEE
INSTRUCTIONS)

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
0.24%

14 TYPE OF REPORTING
PERSON (SEE
INSTRUCTIONS)
CO

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1 NAME OF REPORTING
PERSON

Matthew Lindenbaum

2 CHECK THE
APPROPRIATE BOX (a)
IF A MEMBER OF A (b)
GROUP

3 SEC USE ONLY

4 SOURCE OF FUNDS
AF

5 CHECK IF
DISCLOSURE OF
LEGAL
PROCEEDINGS IS
REQUIRED
PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF
ORGANIZATION
United States

7 SOLE
VOTING
POWER
0

NUMBER
OF
SHARES
BENEFICIALLY
OWNED
BY
EACH
REPORTING
PERSON⁹
WITH
SHARED
VOTING
POWER
1,511,995 (see
Item 5)
SOLE
DISPOSITIVE

POWER
0

10 SHARED
DISPOSITIVE
POWER
1,511,995 (see
Item 5)

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON
1,511,995 (see Item 5)

12 CHECK IF THE
AGGREGATE
AMOUNT IN ROW
(11) EXCLUDES
CERTAIN
SHARES (SEE
INSTRUCTIONS)

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
12.96%

14 TYPE OF REPORTING
PERSON (SEE
INSTRUCTIONS)
IN

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Pages

1 NAME OF REPORTING
PERSON

Bennett Lindenbaum

2 CHECK THE
APPROPRIATE BOX (a)
IF A MEMBER OF A (b)
GROUP

3 SEC USE ONLY

4 SOURCE OF FUNDS
AF

5 CHECK IF
DISCLOSURE OF
LEGAL
PROCEEDINGS IS
REQUIRED
PURSUANT TO
ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF
ORGANIZATION
United States

7 SOLE
VOTING
POWER
0

NUMBER
OF
SHARES
BENEFICIALLY
OWNED
BY
EACH
REPORTING
PERSON⁹
WITH
SHARED
VOTING
POWER
1,511,995 (see
Item 5)
SOLE
DISPOSITIVE

POWER
0

10 SHARED
DISPOSITIVE
POWER
1,511,995 (see
Item 5)

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON
1,511,995 (see Item 5)

12 CHECK IF THE
AGGREGATE
AMOUNT IN ROW
(11) EXCLUDES
CERTAIN
SHARES (SEE
INSTRUCTIONS)

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)
12.96%

14 TYPE OF REPORTING
PERSON (SEE
INSTRUCTIONS)
IN

EXPLANATORY NOTE

Pursuant to Rule 13d-2 promulgated under the Act, this Amendment No. 1 to Schedule 13D (this "Amendment No. 1") is being filed with respect to the common stock, \$0.10 par value per share (the "Common Stock"), of Regional Management Corp., a Delaware corporation (the "Issuer"), to amend the Schedule 13D filed on December 15, 2017 (the "Original Schedule 13D" and, as amended by this Amendment No. 1, the "Schedule 13D"). Capitalized terms used herein but not otherwise defined have the meanings ascribed to such terms in the Original Schedule 13D.

Item 4. Purpose of Transaction.

Item 4 of the Schedule 13D is hereby amended to include the following:

On January 26, 2018, the Management Company entered into a Cooperation Agreement with the Issuer (a copy of which is attached as Exhibit 99.2 hereto) pursuant to which the Issuer appointed Jonathan D. Brown, a representative of the Management Company, to the Board, effective January 26, 2018. The Issuer also agreed that, subject to the conditions set forth in the Cooperation Agreement, the Board will nominate Mr. Brown for election to the Board at the Issuer's 2018 annual meeting of stockholders.

Pursuant to the Cooperation Agreement, Mr. Brown (or any successor designee of the Management Company to the Board) must offer to resign from the Board if (i) the Management Company and its affiliates, collectively, no longer beneficially own an aggregate "net long position" of at least 874,705 shares of Common Stock (subject to adjustment for stock splits, reverse stock splits, stock dividends, and similar adjustments), or (ii) the Management Company fails to comply with or breaches any of the terms of the Cooperation Agreement in any material respect and, if capable of being cured, such material breach or failure has not been cured within 15 days after receipt by the Management Company of written notice from the Issuer specifying such material breach or failure; provided that the Issuer is not in material breach of the Cooperation Agreement at such time (each, a "Resignation Trigger"). The Cooperation Agreement also provides that, if requested by the Management Company, the Issuer is obligated to appoint Mr. Brown to any existing or newly created committee of the Board that may be designated to oversee or review strategic alternatives (including an extraordinary transaction).

In the Cooperation Agreement, in addition to certain confidentiality and non-disparagement provisions, the Management Company has agreed to various customary standstill provisions for the duration of the Standstill Period (as defined below), which provide, among other things, that the Management Company and its affiliates will not (i) acquire beneficial ownership of 19.9% or more of the outstanding shares of Common Stock, (ii) participate in a proxy solicitation with respect to the voting of any Common Stock, (iii) submit a proposal for or offer of any extraordinary transaction or propose a change in the structure, size, or composition of the Board or executive officers of the Issuer, or (iv) subject to certain exceptions for open market and underwritten transactions, sell Common Stock to a third party or group that to the Management Company's knowledge would result in such third party or group owning 5% or more of the outstanding shares of Common Stock.

The Management Company has also agreed that, during the Standstill Period, it shall cause the shares of Common Stock beneficially owned by it and its affiliates to be voted (i) in favor of each director nominated by the Board for election, and (ii) in accordance with the Board's recommendations on all other matters; provided that the Management Company and its affiliates may vote their shares of Common Stock in their sole discretion with respect to (a) a proposal to authorize or approve an extraordinary transaction, (b) matters related to the

implementation of takeover defenses, (c) new or amended incentive compensation plans submitted for stockholder approval, or (d) any other proposal if either Institutional Shareholder Services Inc. or Glass Lewis & Co., LLC do not recommend voting in accordance with the Board's recommendation with respect to such proposal (other than with respect to the election or removal of directors) at any annual or special meeting of stockholders.

Pursuant to the Cooperation Agreement, the "Standstill Period" is defined to mean the period commencing on January 26, 2018 and ending on the earliest of (i) 12:01 a.m. (New York time) on the date that is 20 days prior to the nomination deadline for the 2019 annual meeting of stockholders (the "2019 Annual Meeting"), (ii) if the Issuer fails to comply with or breaches any of the terms of the Cooperation Agreement in any material respect and, if capable of being cured, such material breach or failure has not been cured within 15 days after receipt by the Issuer of written notice from the Management Company specifying such material breach or failure, provided that the Management Company is not in material breach of the Cooperation Agreement at such time, (iii) the consummation of an extraordinary transaction following which consummation the director designated by the Management Company no longer serves on the Board, and (iv) a reorganization of the Issuer under any federal or state law relating to bankruptcy or insolvency. If the Issuer provides written notice to the Management Company that it will nominate a director designated by the Management Company for election to the Board at the 2019 Annual Meeting or for any annual meeting of stockholders of the Issuer subsequent thereto (each, an "Applicable Meeting") at least 20 days prior to the nomination deadline for such Applicable Meeting, and the Management Company has agreed in advance to such nomination, then the Standstill Period will be automatically extended until the date that is 20 days prior to the nomination deadline for the annual stockholders meeting subsequent to such Applicable Meeting.

The Cooperation Agreement terminates upon the expiration of the Standstill Period (subject to any extensions as provided in the Cooperation Agreement), provided that the confidentiality provisions of the Cooperation Agreement will survive for a period of eighteen months following the date upon which no director designated by the Management Company serves as a director of the Issuer.

The foregoing description of the Cooperation Agreement is not complete and is qualified in its entirety by reference to the Cooperation Agreement attached as Exhibit 99.2 to this Amendment No. 1, which is incorporated herein by reference.

Except as set forth herein, the Reporting Persons have no present plan or proposal that would relate to or result in any of the matters set forth in subparagraphs (a)-(j) of the instructions to Item 4 of Schedule 13D, although the Reporting Persons reserve the right to develop such plans or proposals.

Item 5. Interest in Securities of the Issuer.

Items 5(a) - 5(c) of this Schedule 13D is hereby amended and restated as follows:

(a) As of the date of this Amendment No. 1, each of the Reporting Persons beneficially owns shares of Common Stock in such numbers as set forth on the cover pages of this Schedule 13D. The total number of shares each of the Reporting Persons beneficially owns represents such percentages as set forth on the cover pages to this Schedule 13D of the Common Stock outstanding. The percentages used in this Schedule 13D are calculated based upon the 11,662,737 shares of Common Stock outstanding as of January 26, 2018, as disclosed by the Issuer to the Reporting Persons.

(b) The Management Company, Matthew Lindenbaum and Bennett Lindenbaum share voting and dispositive power over the 1,511,995 shares of Common Stock held directly by the Funds and the managed accounts. Basswood Partners, the Management Company, Matthew Lindenbaum and Bennett Lindenbaum share voting and dispositive power over the 407,549 shares of Common Stock held directly by Basswood Financial Fund, LP, Basswood Opportunity Partners, LP and Basswood Financial Long Only Fund, LP. Basswood Long Short GP, the Management Company, Matthew Lindenbaum and Bennett Lindenbaum share voting and dispositive power over the 690,180 shares of Common Stock held directly by Basswood Enhanced Long Short Fund, LP.

By virtue of the relationships among the Reporting Persons, as described in this Schedule 13D, the Reporting Persons may be deemed to be a “group” under the Federal securities laws. If the Reporting Persons were deemed to be such a “group,” such group would collectively beneficially own 1,511,995 shares of Common Stock. Except as otherwise set forth in this Schedule 13D, (i) each Fund expressly disclaims voting and investment power with respect to the shares of Common Stock beneficially owned by each other Reporting Person and (ii) each of Basswood Partners and Basswood Long Short GP expressly disclaims voting and investment power with respect to the shares of Common Stock beneficially owned by each other Reporting Person, other than the shares of Common Stock held directly by the Fund or Funds for which each, respectively, serves as general partner, and the filing of this Statement shall not be construed as an admission, for the purposes of Sections 13(d) and 13(g) or under any provision of the Exchange Act or the rules promulgated thereunder or for any other purpose, that any such person is a beneficial owner of any shares as to which it disclaims voting and dispositive power.

(c) Schedule I hereto sets forth all transactions with respect to the Common Stock effected by the Reporting Persons since the filing of the Original Schedule 13D. All such transactions were effected in the open market, and per share prices include any commissions paid in connection with such transactions.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Item 6 of this Schedule 13D is hereby amended to include the following:

Item 4 of this Amendment No. 2 is incorporated by reference herein.

Other than as described herein, there are no contracts, arrangements, understandings or relationships (legal or otherwise) between the Reporting Persons and any other person with respect to the securities of the Issuer.

Item 7. Material to be filed as Exhibits.

Item 7 of this Schedule 13D is hereby amended to include the following:

Exhibit 99.2 – Cooperation Agreement, dated January 26, 2018, by and between Basswood Capital Management, L.L.C. and Regional Management Corp. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Regional Management Corp., filed on January 29, 2018).

SIGNATURES

After reasonable inquiry and to the best of each of the undersigned's knowledge and belief, each of the undersigned, severally and not jointly, certifies that the information set forth in this statement is true, complete and correct.

Dated: January 30, 2018 BASSWOOD CAPITAL MANAGEMENT,
L.L.C.

By: /s/ Matthew Lindenbaum
Name: Matthew Lindenbaum
Title: Managing Member

Dated: January 30, 2018 BASSWOOD PARTNERS, L.L.C.

By: /s/ Matthew Lindenbaum
Name: Matthew Lindenbaum
Title: Managing Member

Dated: January 30, 2018 BASSWOOD ENHANCED LONG SHORT GP,
LLC

By: /s/ Matthew Lindenbaum
Name: Matthew Lindenbaum
Title: Managing Member

Dated: January 30, 2018 BASSWOOD ENHANCED LONG SHORT
FUND, LP
By: Basswood Capital Management, L.L.C.

By: /s/ Matthew Lindenbaum
Name: Matthew Lindenbaum
Title: Managing Member

Dated: January 30, 2018 BASSWOOD FINANCIAL FUND, LP
By: Basswood Capital Management, L.L.C.

By: /s/ Matthew Lindenbaum
Name: Matthew Lindenbaum
Title: Managing Member

Dated: January 30, 2018 BASSWOOD FINANCIAL LONG ONLY
FUND, LP
By: Basswood Capital Management, L.L.C.

By: /s/ Matthew Lindenbaum
Name: Matthew Lindenbaum
Title: Managing Member

Dated: January 30, 2018 BASSWOOD FINANCIAL FUND, INC.
By: Basswood Capital Management, L.L.C.

By: /s/ Matthew Lindenbaum
Name: Matthew Lindenbaum
Title: Managing Member

Dated: January 30, 2018 BASSWOOD OPPORTUNITY PARTNERS,
LP
By: Basswood Capital Management, L.L.C.

By: /s/ Matthew Lindenbaum
Name: Matthew Lindenbaum
Title: Managing Member

Dated: January 30, 2018 BASSWOOD OPPORTUNITY FUND, INC.
By: Basswood Capital Management, L.L.C.

By: /s/ Matthew Lindenbaum
Name: Matthew Lindenbaum
Title: Managing Member

Dated: January 30, 2018 /s/ Matthew Lindenbaum
Matthew Lindenbaum

Dated: January 30, 2018 /s/ Bennett Lindenbaum
Bennett Lindenbaum

Schedule I

Fund	Trade Date	Shares Purchased (Sold)	Price
Basswood Managed Account	12/29/2017	77,881	\$26.40
Basswood Financial Fund, LP	01/02/2018	(4,222)	\$25.99
Basswood Financial Long Only Fund, LP	01/02/2018	(1,486)	\$25.99
Basswood Financial Fund, Inc.	01/02/2018	2,355	\$26.18
Basswood Opportunity Fund, Inc.	01/02/2018	3,550	\$26.18
Basswood Managed Account	01/19/2018	(4,163)	\$27.84
Basswood Managed Account	01/22/2018	(21,799)	\$27.50