

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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): November 14, 2024

CHERRY HILL MORTGAGE INVESTMENT
CORPORATION

(Exact name of registrant as specified in its charter)

Maryland	001-36099	46-1315605
(State or other jurisdiction of incorporation)	Commission File Number	(IRS Employer Identification No.)

4000 Route 66, Suite 310
Tinton Falls, NJ 07753

(Address of principal executive offices, including zip code)
877.870.7005

(Registrant's telephone number, including area code)
(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.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	CHMI	NYSE
8.20% Series A Cumulative Redeemable Preferred Stock, \$0.01 par value	CHMI-PRA	NYSE
8.250% Series B Fixed-to-Floating Rate Cumulative Redeemable	CHMI-PRB	NYSE

Item 1.02. Termination of a Material Definitive Agreement.

On November 14, 2024, the Board of Directors (the “Board”) of Cherry Hill Mortgage Investment Corporation (the “Company”), following the conclusion of its previously announced review of strategic alternatives by a special committee comprised entirely of independent and disinterested members of the Board (the “Special Committee”) and based upon the recommendation of the Special Committee, unanimously determined that it is in the best interests of the Company to cease being externally managed and to continue to pursue management’s execution of the Company’s residential mortgage investment strategy as an internally managed company (the “Internalization”).

Effective as of November 14, 2024, the Company completed an “Internalization Event” within the meaning of the Amended and Restated Management Agreement, dated as of September 24, 2013 (as amended, the “Management Agreement”), by and among the Company and its consolidated subsidiaries and Cherry Hill Mortgage Management, LLC, the Company’s external manager (the “Manager”). Upon consummation of the Internalization Event, the Management Agreement terminated in accordance with its terms. No termination fee is payable to the Manager in connection with the termination of the Management Agreement, and the Company will not pay management fees to the Manager from and after November 14, 2024, the effective date of termination of the Management Agreement. The Company will pay the Manager the management fees that have accrued up to the effective date of termination and will reimburse the Manager for reimbursable expenses, if any, incurred by the Manager on behalf of the Company up to the effective date of termination.

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

In connection with the Internalization and as part of the Internalization Event triggering termination of the Management Agreement, the Company employed a senior management team comprised of its current executive officers, Jeffrey B. Lown II, the Company’s President and Chief Executive Officer, Michael A. Hutchby, the Company’s Chief Financial Officer, and Julian B. Evans, the Company’s Chief Investment Officer. Each executive officer’s employment with the Company commenced on November 14, 2024. Each executive officer is an employee at will and his employment with the Company can be terminated at any time for any reason.

Until December 31, 2025, Mr. Lown will receive an initial annual base salary of \$1,235,000, Mr. Hutchby will receive an initial annual base salary of \$600,000 and Mr. Evans will receive an initial annual base salary of \$550,000. Mr. Evans is also eligible to receive a bonus of \$275,000 in the first quarter of 2025. Each executive officer is being paid the same amount and form of compensation as was previously paid to him in connection with his prior employment arrangement with an affiliate of the Company’s former Manager.

Beginning in January 2026, Messrs. Lown, Hutchby and Evans will each be eligible to participate in any non-equity incentive plan approved by the Board’s compensation committee and receive an annual discretionary cash bonus at year-end, subject to the terms of any bonus plan approved by the Board’s compensation committee. The payment of non-equity incentive plan compensation and discretionary cash bonus compensation in future years is not guaranteed, and each executive officer must be employed by the Company on the date any such compensation is paid to be eligible to receive such compensation.

Mr. Lown’s offer letter with the Company is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference herein. Mr. Hutchby’s offer letter with the Company is filed as Exhibit 10.2 to this Current Report on Form 8-K and incorporated by reference herein. Mr. Evans’s offer letter with the Company is filed as Exhibit 10.3 to this Current Report on Form 8-K and incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*

<u>Exhibit Number</u>	<u>Description</u>
<u>10.1</u>	Offer Letter to Jeffrey B. Lown II, dated November 14, 2024.
<u>10.2</u>	Offer Letter to Michael A. Hutchby, dated November 14, 2024.
<u>10.3</u>	Offer Letter to Julian B. Evans, dated November 14, 2024.
<u>99.1</u>	Press Release, dated November 14, 2024.

SIGNATURES

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

CHERRY HILL MORTGAGE INVESTMENT CORPORATION

Date: November 20, 2024

By: /s/ Michael Hutchby

Michael Hutchby

Chief Financial Officer, Treasurer and Secretary

November 14, 2024

Jeffrey (Jay) B. Lown

Dear Jay,

We are pleased to present you with an offer to join Cherry Hill Mortgage Investment Corporation (CHMI) in New York. This letter describes the terms of your employment.

Start Date: Your employment will begin at the close of business on November 14, 2024 or as soon as practicable thereafter.

Job Title: Your title will be Chief Executive Officer, and you will report to the Board of Directors of Cherry Hill Mortgage Investment Corporation.

Compensation: The basic elements of your initial compensation package include the following:

1. Fixed Compensation: CHMI will pay you on a bi-weekly basis equivalent to \$1,235,000 per year until December 31, 2025.
2. Base Salary: Beginning January 2026, CHMI will pay you on a bi-weekly basis equivalent to an amount to be determined by December 31, 2025.
3. Bonus: Beginning January 2026, you will be eligible to participate in any non-equity incentive plan approved by the compensation committee of the CHMI board of directors and you will be eligible to receive an annual discretionary cash bonus at year-end, subject to the terms of any bonus plan approved by the compensation committee of the CHMI board of directors. The payment of non-equity incentive plan compensation and discretionary cash bonus compensation is not guaranteed, and you must be employed on the date any such compensation is paid to be eligible to receive such compensation.

Benefits: You are eligible to participate in the company's benefits plans, including, without limitation, the company's 2023 Equity Incentive Plan, and programs in accordance with our company policy, and subject to the terms and conditions set forth in the benefit programs themselves. Please refer to the benefits summary plan descriptions for further information. CHMI reserves the right to modify, add to or eliminate any employment benefits.

At-Will Employment: This letter sets forth your compensation package and other selected initial details of your employment with CHMI. It is not a comprehensive statement of the terms of your employment, nor it is a contract of employment for any term. Neither this letter nor any representation by CHMI management constitutes a promise of continued employment. Your employment is at-will and may be terminated by you or CHMI at any time for any reason. CHMI reserves the right to alter any term of your employment, and all compensation is subject to continued employment.

Jay, we believe you will be a valuable contributor to the company and look forward to working with you. Please acknowledge the acceptance of the terms of this employment offer by signing and returning a copy of this letter to me as soon as possible, but no later than the close of business on November 14, 2024.

/s/ Joseph Murin

Joseph Murin
Lead Director, Board of Directors
Cherry Hill Mortgage Investment Company

/s/ Robert C. Mercer

Robert C. Mercer
Director, Board of Directors
Cherry Hill Mortgage Investment Company

/s/ Sharon L. Cook

Sharon L. Cook
Director, Board of Directors
Cherry Hill Mortgage Investment Company

Accepted: /s/ Jeffrey B. Lown

Jeffrey B. Lown

Date: 11/14/2024

Employment with Cherry Hill Mortgage Investment Corporation is contingent on the satisfactory results in CHMI's sole determination of: (1) evidence of resignation of your current employment with Freedom Mortgage Corporation on or before the close of business on November 14, 2024; (2) execution of a customary confidentiality and non-solicitation agreement in the form provided by Cherry Hill Mortgage Investment Corporation within 30 days of your first day of employment at CHMI; (3) routine check and/or verification of information included in your employment application; (4) review of your U-4 and/or form U-5 (if applicable); and (5) background and reference checks and/or verification, and in most cases, a credit check. If your position required licensing, your employment with CHMI also is contingent upon the successful transfer of your securities license(s) and registration(s) under FINRA rules and the requirements of the states in which you require licenses.

Providing, upon your first day of employment, satisfactory proof of identity and legal authorization to work in the United States, and your completion of an Employment Eligibility Verification Form I-9. Enclosed, you will find a form outlining suitable forms of identification for submission.

November 14, 2024

Michael Hutchby

Dear Michael,

We are pleased to present you with an offer to join Cherry Hill Mortgage Investment Corporation (CHMI) in New York. This letter describes the terms of your employment.

Start Date: Your employment will begin at the close of business on November 14, 2024 or as soon as practicable thereafter.

Job Title: Your title will be Chief Financial Officer, and you will report to the Chief Executive Officer.

Compensation: The basic elements of your initial compensation package include the following:

1. Fixed Compensation: CHMI will pay you on a bi-weekly basis equivalent to \$600,000 per year until December 31, 2025.
2. Base Salary: Beginning January 2026, CHMI will pay you on a bi-weekly basis equivalent to an amount to be determined by December 31, 2025.
3. Bonus: Beginning January 2026, you will be eligible to participate in any non-equity incentive plan approved by the compensation committee of the CHMI board of directors and you will be eligible to receive an annual discretionary cash bonus at year-end, subject to the terms of any bonus plan approved by the compensation committee of the CHMI board of directors. The payment of non-equity incentive plan compensation and discretionary cash bonus compensation is not guaranteed, and you must be employed on the date any such compensation is paid to be eligible to receive such compensation.

Benefits: You are eligible to participate in the company's benefits plans, including, without limitation, the company's 2023 Equity Incentive Plan, and programs in accordance with our company policy, and subject to the terms and conditions set forth in the benefit programs themselves. Please refer to the benefits summary plan descriptions for further information. CHMI reserves the right to modify, add to or eliminate any employment benefits.

At-Will Employment: This letter sets forth your compensation package and other selected initial details of your employment with CHMI. It is not a comprehensive statement of the terms of your employment, nor it is a contract of employment for any term. Neither this letter nor any representation by CHMI management constitutes a promise of continued employment. Your employment is at-will and may be terminated by you or CHMI at any time for any reason. CHMI reserves the right to alter any term of your employment, and all compensation is subject to continued employment.

Michael, we believe you will be a valuable contributor to the company and look forward to working with you. Please acknowledge the acceptance of the terms of this employment offer by signing and returning a copy of this letter to me as soon as possible, but no later than the close of business on November 14, 2024.

Jay Lown
Chief Executive Officer
Cherry Hill Mortgage Investment Company

Accepted: /s/ Michael Hutchby

Michael Hutchby

Date: 11/14/2024

Employment with Cherry Hill Mortgage Investment Corporation is contingent on the satisfactory results in CHMI's sole determination of: (1) evidence of resignation of your current employment with Freedom Mortgage Corporation on or before the close of business on November 14, 2024; (2) execution of a customary confidentiality and non-solicitation agreement in the form provided by Cherry Hill Mortgage Investment Corporation within 30 days of your first day of employment at CHMI; (3) routine check and/or verification of information included in your employment application; (4) review of your U-4 and/or form U-5 (if applicable); and (5) background and reference checks and/or verification, and in most cases, a credit check. If your position required licensing, your employment with CHMI also is contingent upon the successful transfer of your securities license(s) and registration(s) under FINRA rules and the requirements of the states in which you require licenses.

Providing, upon your first day of employment, satisfactory proof of identity and legal authorization to work in the United States, and your completion of an Employment Eligibility Verification Form I-9. Enclosed, you will find a form outlining suitable forms of identification for submission.

November 14, 2024

Julian Evans

Dear Julian,

We are pleased to present you with an offer to join Cherry Hill Mortgage Investment Corporation (CHMI) in New York. This letter describes the terms of your employment.

Start Date: Your employment will begin at the close of business on November 14, 2024 or as soon as practicable thereafter.

Job Title: Your title will be Chief Investment Officer, and you will report to the Chief Executive Officer.

Compensation: The basic elements of your initial compensation package include the following:

1. **Fixed Compensation:** CHMI will pay you on a bi-weekly basis equivalent to \$550,000 per year until December 31, 2025. CHMI will pay you a bonus of \$275,000 in the first quarter of 2025.
2. **Base Salary:** Beginning January 2026, CHMI will pay you on a bi-weekly basis equivalent to an amount to be determined by December 31, 2025.
3. **Bonus:** Beginning January 2026, you will be eligible to participate in any non-equity incentive plan approved by the compensation committee of the CHMI board of directors and you will be eligible to receive an annual discretionary cash bonus at year-end, subject to the terms of any bonus plan approved by the compensation committee of the CHMI board of directors. The payment of non-equity incentive plan compensation and discretionary cash bonus compensation is not guaranteed, and you must be employed on the date any such compensation is paid to be eligible to receive such compensation.

Benefits: You are eligible to participate in the company's benefits plans, including, without limitation, the company's 2023 Equity Incentive Plan, and programs in accordance with our company policy, and subject to the terms and conditions set forth in the benefit programs themselves. Please refer to the benefits summary plan descriptions for further information. CHMI reserves the right to modify, add to or eliminate any employment benefits.

At-Will Employment: This letter sets forth your compensation package and other selected initial details of your employment with CHMI. It is not a comprehensive statement of the terms of your employment, nor it is a contract of employment for any term. Neither this letter nor any representation by CHMI management constitutes a promise of continued employment. Your employment is at-will and may be terminated by you or CHMI at any time for any reason. CHMI reserves the right to alter any term of your employment, and all compensation is subject to continued employment.

Julian, we believe you will be a valuable contributor to the company and look forward to working with you. Please acknowledge the acceptance of the terms of this employment offer by signing and returning a copy of this letter to me as soon as possible, but no later than the close of business on November 14, 2024.

Jay Lown
Chief Executive Officer
Cherry Hill Mortgage Investment Company

Accepted: /s/ Julian Evans

Julian Evans

Date: 11/14/2024

Employment with Cherry Hill Mortgage Investment Corporation is contingent on the satisfactory results in CHMI's sole determination of: (1) evidence of resignation of your current employment with Freedom Mortgage Corporation on or before the close of business on November 14, 2024; (2) execution of a customary confidentiality and non-solicitation agreement in the form provided by Cherry Hill Mortgage Investment Corporation within 30 days of your first day of employment at CHMI; (3) routine check and/or verification of information included in your employment application; (4) review of your U-4 and/or form U-5 (if applicable); and (5) background and reference checks and/or verification, and in most cases, a credit check. If your position required licensing, your employment with CHMI also is contingent upon the successful transfer of your securities license(s) and registration(s) under FINRA rules and the requirements of the states in which you require licenses.

Providing, upon your first day of employment, satisfactory proof of identity and legal authorization to work in the United States, and your completion of an Employment Eligibility Verification Form I-9. Enclosed, you will find a form outlining suitable forms of identification for submission.



**CHERRY HILL MORTGAGE INVESTMENT CORPORATION INTERNALIZES
MANAGEMENT, TERMINATES MANAGEMENT AGREEMENT AND CONCLUDES
STRATEGIC ALTERNATIVES REVIEW PROCESS**

TINTON FALLS, NJ, November 14, 2024 – Cherry Hill Mortgage Investment Corporation (NYSE: CHMI) (the “Company”) today announced that the Company has commenced operations as a fully integrated, internally managed mortgage REIT and has terminated the management agreement with its external manager, Cherry Hill Mortgage Management, LLC (the “Manager”), effective as of November 14, 2024.

The management agreement was terminated upon the completion of an internalization event in which, among other things, the Company entered into employment arrangements with the Company’s senior management team and other personnel supporting the Company’s business. No termination fee is payable to the Manager, and the Company will not pay management fees to the Manager from and after the effective date of termination of the management agreement.

“We are very pleased to have completed the internalization process and begin our evolution as a fully integrated mortgage REIT,” said Jay Lown, President and CEO of Cherry Hill Mortgage Investment Corporation. “As an internally managed REIT moving forward, we expect to reduce expenses and enhance our earnings profile, thereby better aligning management and the investment community. I want to thank our team for all of their relentless work to complete the process.”

Additional details regarding the employment arrangements for the Company’s senior management, termination of the management agreement and related matters will be contained in a Current Report on Form 8-K to be filed by the Company with the U.S. Securities and Exchange Commission by no later than November 20, 2024.

The Company also announced today that the special committee of the Board of Directors, which is comprised entirely of independent and disinterested directors, has concluded its previously announced review of strategic alternatives. Following a thorough review of strategic alternatives, the Board of Directors, based on the recommendation of the special committee, unanimously determined that it is in the best interests of the Company to continue to pursue management’s execution of the Company’s residential mortgage investment strategy as an internally managed company.

About Cherry Hill Mortgage Investment Corporation

Cherry Hill Mortgage Investment Corporation is a real estate finance company that acquires, invests in and manages residential mortgage assets in the United States. For additional information, visit www.chmireit.com.

Forward-Looking Statements

This communication contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time and are beyond our control. The Company does not assume any duty or obligation (and does not undertake) to update or supplement any forward-looking statements. Because forward-looking statements are, by their nature, to different degrees, uncertain and subject to numerous assumptions, risks and uncertainties, actual results or future events, circumstances or developments could differ, possibly materially, from those that the Company anticipated in its forward-looking statements, and future results and performance could differ materially from historical performance. No assurance can be given that the Company will realize the intended benefits of the internalization. Certain risks that may adversely impact the Company's ability to realize the intended benefits of the internalization include: the inability to successfully retain the Company's senior management team and other personnel supporting the Company's business; unforeseen or higher than anticipated general and administrative expenses following the internalization; potential disruptions to the Company's ordinary course operations, financing relationships and internal procedures; the diversion of management's attention caused by the internalization and the process of transitioning from an externally managed to an internally managed company. Factors that could cause or contribute to such differences include, but are not limited to, those set forth in the section entitled "Risk Factors" in the Company's most recent Annual Report on Form 10-K and other reports filed by the Company with the SEC, copies of which are available on the SEC's website, www.sec.gov.

Contact:

Investor Relations
(877) 870-7005
InvestorRelations@CHMIreit.com
