

FOSTER L B CO
Form 4
March 15, 2016

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Kelly Brian H

(Last) (First) (Middle)
415 HOLIDAY DRIVE
(Street)

PITTSBURGH, PA 15220

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
FOSTER L B CO [FSTR]

3. Date of Earliest Transaction (Month/Day/Year)
03/13/2016

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	03/13/2016		F		82	D	\$ 16.4
Common Stock					526	I	

L.B. Foster Company 401(k) Plan Shares

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code V (A) (D)		Date Exercisable Expiration Date	Title or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kelly Brian H 415 HOLIDAY DRIVE PITTSBURGH, PA 15220			Vice President	

Signatures

/s/ Brian H. Kelly by Amelia L. Beck,
attorney-in-fact

03/15/2016

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
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Common shares subscribed

441 4,404,559 4,405,000

Net loss

(30,154) (30,154)

Balances, December 31, 2010

441 4,404,559 (30,154) 4,374,846

Common shares issued

1,059 10,593,941 10,595,000

Net loss

(1,190,214) (1,190,214)

Balances, December 31, 2011

\$1,500 \$14,998,500 \$(1,220,368) \$13,779,632

See Notes to Financial Statements

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Table of Contents**ORCHID ISLAND CAPITAL, INC.****STATEMENTS OF CASH FLOWS**

For the Year Ended December 31, 2011 and the Period from November 24, 2010 (date operations commenced) through December 31, 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (1,190,214)	\$ (30,154)
Adjustments to reconcile net loss to net cash used in operating activities:		
Losses on mortgage backed securities	1,134,343	55,307
Changes in operating assets and liabilities:		
Accrued interest receivable	(281,234)	(93,326)
Prepaid expenses and other assets	(9,964)	
Accrued interest payable	7,089	4,407
Accounts payable, accrued expenses and other	14,583	
Due to Bimini Capital Management, Inc.	217,973	20,088
NET CASH USED IN OPERATING ACTIVITIES	(107,424)	(43,678)
CASH FLOWS FROM INVESTING ACTIVITIES:		
From mortgage-backed securities investments:		
Purchases	(71,494,481)	(25,949,180)
Sales	33,534,660	
Principal repayments	6,666,558	51,209
Net change in restricted cash	(90,750)	
NET CASH USED IN INVESTING ACTIVITIES	(31,384,013)	(25,897,971)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from repurchase agreements	189,968,641	30,021,684
Principal payments on repurchase agreements	(168,376,325)	(7,289,000)
Proceeds from the issuance of common shares	10,595,000	4,405,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	32,187,316	27,137,684
NET INCREASE IN CASH AND CASH EQUIVALENTS	695,879	1,196,035
CASH AND CASH EQUIVALENTS, beginning of the period	1,196,035	
CASH AND CASH EQUIVALENTS, end of the period	\$ 1,891,914	\$ 1,196,035
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	\$ 89,134	\$ 779

See Notes to Financial Statements

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ORCHID ISLAND CAPITAL, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 and 2010

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Business Description

Orchid Island Capital, Inc. (Orchid or the Company) was incorporated in Maryland on August 17, 2010 for the purpose of creating and managing a leveraged investment portfolio consisting of residential mortgage-backed securities (MBS). From incorporation through December 31, 2011, Orchid was a wholly owned subsidiary of Bimini Capital Management, Inc. (Bimini). Orchid began operations on November 24, 2010 (the date of commencement of operations). From incorporation through November 24, 2010, Orchid's only activity was the issuance of common stock to Bimini. Bimini has elected to be taxed as a real estate investment trust (REIT) under the Internal Revenue Code of 1986, as amended (the Code), and Orchid is currently a qualified REIT subsidiary of Bimini under the Code. REITs are generally not subject to federal income tax on their REIT taxable income provided that they distribute to their stockholders at least 90% of their REIT taxable income on an annual basis. In addition, a REIT must meet other provisions of the Code to retain its tax status.

Basis of Presentation and Use of Estimates

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant estimates affecting the accompanying financial statements are the fair values of MBS and Eurodollar futures contracts.

Statement of Comprehensive Income (Loss)

In accordance with the Financial Accounting Standards Board's Accounting Standards Codification (FASB ASC) Topic 220, *Comprehensive Income*, a statement of comprehensive income has not been included as the Company has no items of other comprehensive income. Comprehensive loss is the same as net loss for the periods presented.

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents include cash on deposit with financial institutions and highly liquid investments with original maturities of three months or less. Restricted cash, totaling \$90,750 at December 31, 2011, represents cash held on deposit as collateral with the repurchase agreement counterparty, which may be used to make principal and interest payments on the related repurchase agreements and cash held by a broker as margin on Eurodollar futures contracts.

The Company maintains cash balances at two banks, and, at times, balances may exceed federally insured limits. The Company has not experienced any losses related to these balances. All non-interest bearing cash balances were fully insured at December 31, 2011 and 2010 due to a temporary federal program in effect from December 31, 2010 through December 31, 2012. Under the program, there is no limit to the amount of insurance for eligible accounts. Beginning in 2013, insurance coverage will revert to \$250,000 per depositor at each financial institution, and our non-interest bearing cash balances may again exceed federally insured limits.

Mortgage-Backed Securities

The Company invests primarily in mortgage pass-through (PT) certificates, collateralized mortgage obligations, and interest only (IO) securities or inverse interest only (IIO) securities representing interest in or obligations backed by pools of mortgage-backed loans (collectively, MBS). MBS transactions are recorded

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on the trade date. These investments meet the requirements to be classified as available for sale under ASC 320-10-25, *Debt and Equity Securities* (which requires the securities to be carried at fair value on the balance sheet with changes in fair value charged to other comprehensive income, a component of stockholder's equity). However, the Company has elected to account for its investment in MBS under the fair value option. Electing the fair value option allows the Company to record changes in fair value in the statement of operations, which, in management's view, more appropriately reflects the results of our operations for a particular reporting period and is consistent with the underlying economics and how the portfolio is managed.

The fair value of the Company's investments in MBS is governed by FASB ASC 820, *Fair Value Measurements and Disclosures*. The definition of fair value in FASB ASC 820 focuses on the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability either occurs in the principal market for the asset or liability, or in the absence of a principal market, occurs in the most advantageous market for the asset or liability. Estimated fair values for MBS are based on the average of third-party broker quotes received and/or independent pricing sources when available.

Income on PT MBS securities is based on the stated interest rate of the security. Premiums or discounts present at the date of purchase are not amortized. For IO securities, the income is accrued based on the carrying value and the effective yield. Cash received is first applied to accrued interest and then to reduce the carrying value. At each reporting date, the effective yield is adjusted prospectively from the reporting period based on the new estimate of prepayments and the contractual terms of the security. For IIO securities, effective yield and income recognition calculations also take into account the index value applicable to the security. Changes in fair value of MBS during each reporting period are recorded in earnings and reported as gains or losses on mortgage-backed securities in the accompanying statements of operations.

Derivative Financial Instruments

The Company has entered into Eurodollar futures contracts to manage interest rate risk, facilitate asset/liability strategies and manage other exposures, and it may continue to do so in the future. The Company has elected to not treat any of its derivative financial instruments as hedges. FASB ASC Topic 815, *Derivatives and Hedging*, requires that all derivative instruments are carried at fair value. Changes in fair value are recorded in earnings for each period.

Financial Instruments

FASB ASC 825, *Financial Instruments*, requires disclosure of the fair value of financial instruments for which it is practicable to estimate that value, either in the body of the financial statements or in the accompanying notes. MBS and Eurodollar futures contracts are accounted for at fair value in the balance sheet. The methods and assumptions used to estimate fair value for these instruments are presented in Note 7 of the financial statements.

The estimated fair value of cash and cash equivalents, restricted cash, accrued interest receivable, prepaid expenses and other assets, repurchase agreements, accrued interest payable, accounts payable, accrued expenses and others and due to Bimini Capital Management, Inc. generally approximates their carrying values as of December 31, 2011 and 2010 due to the short-term nature of these financial instruments.

Repurchase Agreements

The Company finances the acquisition of the majority of its PT MBS through the use of repurchase agreements. Repurchase agreements are treated as collateralized financing transactions and are carried at their contractual amounts, including accrued interest, as specified in the respective agreements. Although structured as a sale and repurchase obligation, a repurchase agreement operates as a financing under which securities are pledged as collateral to secure a short-term loan equal in value to a specified percentage (generally between 90

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and 95 percent) of the market value of the pledged collateral. While used as collateral, the borrower retains beneficial ownership of the pledged collateral, including the right to distributions. At the maturity of a repurchase agreement, the borrower is required to repay the loan and concurrently receive the pledged collateral from the lender or, with the consent of the lender, renew such agreement at the then prevailing financing rate. Margin calls, whereby a lender requires that the Company pledge additional securities or cash as collateral to secure borrowings under its repurchase agreements with such a lender, are expected to be routinely experienced by the Company when the value of the MBS pledged as collateral declines, or as a result of principal amortization, or due to changes in market interest rates, spreads or other market conditions.

The Company's repurchase agreements typically have terms ranging from 24 days to six months at inception, with some having longer terms. Should a counterparty decide not to renew a repurchase agreement at maturity, the Company must either refinance with another lender or be in a position to satisfy the obligation. If, during the term of a repurchase agreement, a lender should file for bankruptcy, the Company might experience difficulty recovering its pledged assets, which could result in an unsecured claim against the lender for the difference between the amount loaned to the Company plus interest due to the counterparty and the fair value of the collateral pledged to such lender, including the accrued interest receivable. At December 31, 2011, the Company had outstanding balances under repurchase agreements with three lenders with a maximum amount at risk (the difference between the amount loaned to the Company, including interest payable, and the fair value of securities pledged and cash posted by the Company as collateral, including accrued interest on such securities) of \$2.5 million.

Earnings Per Share

The Company follows the provisions of FASB ASC 260, *Earnings Per Share*. Basic earnings per share (EPS) is calculated as net income (loss) attributable to common stockholders divided by the weighted average number of common shares outstanding or subscribed during the period. Diluted EPS is calculated using the if converted method for common stock equivalents, if any. However, the common stock equivalents are not included in computing diluted EPS if the result is anti-dilutive.

Income Taxes

Bimini has elected to be taxed as a REIT under the Code. For tax purposes, for the period ended December 31, 2010 and the year ended December 31, 2011, Orchid is considered to be a qualified REIT subsidiary of Bimini, and therefore, Orchid is included in the federal income tax return filed by Bimini. Orchid's income tax attributes, as discussed in Note 9, are calculated as if Orchid filed on a separate return basis.

Orchid recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. Under that guidance, Orchid assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. All of Orchid's tax positions are categorized as highly certain. There is no accrual for any tax, interest or penalties related to Orchid's tax position assessment. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change.

Recent Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board (the FASB) issued Accounting Standards Update 2011-12 (ASU) *Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05*, deferring and superseding certain portions of ASU 2011-05 that relate to the presentation of reclassification adjustments to allow the Board time to redeliberate whether to present on the face of the financial statements the effects of reclassification adjustments out of accumulated other comprehensive income on the components of net income and other comprehensive income for all periods presented. The provisions of this amendment are

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effective for annual and interim periods beginning after December 15, 2011. We anticipate that the adoption of this ASU will have no effect on the Company's financial statements.

In December 2011, the FASB issued ASU 2011-11, *Disclosures about Offsetting Assets and Liabilities*, requiring improved information about financial instruments and derivative instruments that are either (1) offset in accordance with ASC 210-20-45 or ASC 815-10-45 or (2) subject to an enforceable master netting arrangement. This information will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements on an entity's financial position, including the effect or potential effect of rights of setoff associated with certain financial instruments and derivative instruments in the scope of this ASU. The Company is required to apply the amendments for annual periods beginning on or after January 1, 2013, and interim periods within those annual periods. The disclosures required will be provided retrospectively for all comparative periods presented. We anticipate that the adoption of this ASU will have no effect on the Company's financial statements.

In June 2011, the FASB issued ASU 2011-05, *Presentation of Comprehensive Income*, amending the authoritative guidance to allow an entity the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. This ASU eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity, but does not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. The provisions of this amendment require retrospective application, and are effective for annual and interim periods beginning after December 15, 2011 for public entities, and after December 31, 2012 for non-public entities. We anticipate that the adoption of this ASU will have no effect on the Company's financial statements.

In May 2011, the FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, further converging U.S. GAAP and International Financial Reporting Standards (IFRS). The ASU changes the wording used to describe many of the requirements in GAAP for measuring fair value and for disclosing information about fair value measurements to ensure consistency between GAAP and IFRSs as well as expand the disclosures for Level 3 measurements. The ASU is to be applied prospectively, and is effective for annual and interim periods beginning after December 15, 2011. We anticipate that the adoption of this ASU will not have a material effect on the Company's financial statements.

In April 2011, the FASB issued ASU 2011-03, *Reconsideration of Effective Control for Repurchase Agreements*, which changes the assessment of whether repurchase agreement transactions should be accounted for as sales or secured financings. In a typical repurchase agreement transaction, an entity transfers financial assets to a counterparty in exchange for cash with an agreement for the counterparty to return the same or equivalent financial assets for a fixed price in the future. Prior to this ASU, one of the factors in determining whether sale treatment could be used was whether the transferor maintained effective control of the transferred assets and in order to do so, the transferor must have the ability to repurchase such assets. Based on this ASU, the FASB concluded that the assessment of effective control should focus on a transferor's contractual rights and obligations with respect to transferred financial assets, rather than whether the transferor has the practical ability to perform in accordance with those rights or obligations. Therefore, this ASU removes the transferor's ability to perform criterion from consideration of effective control. This ASU is effective for the first interim or annual period beginning on or after December 15, 2011. Since the Company records repurchase agreements as secured borrowings and not sales, this ASU will have no effect on the Company's financial statements.

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The following table presents the Company's MBS portfolio as of December 31, 2011 and 2010:

(in thousands)

	December 31,	
	2011	2010
Pass-Through Certificates, at fair value:		
Adjustable-rate Mortgages	\$	\$ 7,732
Hybrid adjustable-rate Mortgages	25,466	
Fixed-rate Mortgages	21,174	16,689
Total Pass-Through Certificates	46,640	24,421
Structured MBS Certificates, at fair value:		
Interest only securities	1,638	
Inverse interest only securities	7,724	1,422
Total Structured MBS Certificates	9,362	1,422
Totals	\$ 56,002	\$ 25,843

The following table summarizes the Company's MBS portfolio as of December 31, 2011 and 2010, according to their contractual maturities. Actual maturities of MBS investments are generally shorter than stated contractual maturities and are affected by the contractual lives of the underlying mortgages, periodic payments of principal, and prepayments of principal.

(in thousands)

	December 31,	
	2011	2010
Greater than five years and less than ten years	\$ 2,014	\$
Greater than or equal to ten years	53,988	25,843
Totals	\$ 56,002	\$ 25,843

NOTE 3. REPURCHASE AGREEMENTS

As of December 31, 2011, Orchid had outstanding repurchase obligations of approximately \$44.3 million with a net weighted average borrowing rate of 0.44%. These agreements were collateralized by MBS with a fair value, including accrued interest, of approximately \$46.8 million. As of December 31, 2010, Orchid had outstanding repurchase obligations of approximately \$22.7 million with a net weighted average borrowing rate of 0.32%. These agreements were collateralized by MBS with a fair value, including accrued interest, of approximately \$24.5 million.

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As of December 31, 2011 and 2010, Orchid's repurchase agreements had remaining maturities as summarized below:

(in thousands)

	OVERNIGHT (1 DAY OR LESS)	BETWEEN 2 AND 30 DAYS	BETWEEN 31 AND 90 DAYS	GREATER THAN 90 DAYS	TOTAL
December 31, 2011					
Agency MBS:					
Fair market value of securities sold, including accrued interest receivable	\$	\$ 46,788	\$	\$	\$ 46,788
Repurchase agreement liabilities associated with these securities	\$	\$ 44,325	\$	\$	\$ 44,325
Net weighted average borrowing rate		0.44%			0.44%
December 31, 2010					
Agency MBS:					
Fair market value of securities sold, including accrued interest receivable	\$	\$ 8,990	\$ 15,506	\$	\$ 24,496
Repurchase agreement liabilities associated with these securities	\$	\$ 8,020	\$ 14,713	\$	\$ 22,733
Net weighted average borrowing rate		0.27%	0.35%		0.32%
Summary information regarding the Company's amounts at risk with individual counterparties greater than 10% of the Company's equity at December 31, 2011 and 2010 is as follows:					

(in thousands)

Repurchase Agreement Counterparties	Amount at Risk⁽¹⁾	Weighted Average Maturity of Repurchase Agreements in Days
December 31, 2011		
Nomura	\$ 2,100	30
December 31, 2010		
MF Global, Inc.	\$ 1,760	46

⁽¹⁾ Equal to the fair value of securities sold, cash posted as collateral, plus accrued interest receivable, minus the sum of repurchase agreement liabilities and accrued interest payable.

NOTE 4. CAPITAL STOCK

The total number of shares of capital stock which the Company has the authority to issue is 1,000,000 shares of \$0.01 par value common stock.

Subsequent to its organization and through December 31, 2010, the Company received aggregate net proceeds of \$4,405,000 from Bimini for the subscription to purchase 44,050 shares of the Company's common stock. Orchid had 44,050 shares of common stock subscribed for issuance as of December 31, 2010. During March 2011, Bimini contributed \$3,095,000 in cash to the Company for the subscription to purchase an aggregate of 30,950 additional shares of common stock of the Company. On April 29, 2011, 75,000 shares of the Company's common stock were issued to Bimini.

During July 2011, Bimini contributed \$7,500,000 in cash to the Company for 75,000 additional shares of common stock of the Company.

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The table below reconciles the numerator and denominator of the EPS for the periods ended December 31, 2011 and 2010.

	The Period Ended December 31,	
	2011	2010
Net loss	\$ (1,190,214)	\$ (30,154)
Common shares outstanding at December 31, 2011	150,000	150,000
Loss per common share	\$ (7.93)	\$ (0.20)

For the initial period ended December 31, 2010 and the year ended December 31, 2011, the number of shares outstanding or subscribed at December 31, 2011 is used for the EPS computation, as Bimini has been the sole stockholder during the entire period.

NOTE 6. DERIVATIVE FINANCIAL INSTRUMENTS

In connection with the Company's interest rate risk management strategy, during the first quarter of 2011 the Company began to economically hedge a portion of its interest rate risk by entering into derivative financial instrument contracts. The Company did not elect hedging treatment under GAAP, and as such all gains and losses on these instruments are reflected in earnings for the period presented.

As of December 31, 2011, such instruments are comprised entirely of Eurodollar futures contracts. Eurodollar futures are cash settled futures contracts on an interest rate, with gains and losses credited and charged to the Company's account on a daily basis. A minimum balance, or margin, is required to be maintained in the account on a daily basis. The Company is exposed to the changes in value of the futures by the amount of margin held by the broker. The total amount of margin at December 31, 2011 was approximately \$34,000 and is reflected in restricted cash.

The Company's Eurodollar futures contracts with a notional amount of \$20 million attempt to achieve a fixed interest rate related to a portion of its repurchase agreement obligations. As of December 31, 2011, the Company has effectively locked in a weighted-average fixed LIBOR rate of 0.74% on \$20.0 million of its repurchase agreement obligations through December 2012.

For the year ended December 31, 2011, the Company recorded losses of approximately \$139,000 on Eurodollar futures contracts.

NOTE 7. FAIR VALUE

Authoritative accounting literature establishes a framework for using fair value to measure assets and liabilities and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) as opposed to the price that would be paid to acquire the asset or received to assume the liability (an entry price). A fair value measure should reflect the assumptions that market participants would use in pricing the asset or liability, including the assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset and the risk of nonperformance. Required disclosures include stratification of balance sheet amounts measured at fair value based on inputs the Company uses to derive fair value measurements. These stratifications are:

Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume),

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Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and

Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Company-specific data. These unobservable assumptions reflect the Company's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

MBS and Eurodollar futures contracts were recorded at fair value on a recurring basis during the periods ended December 31, 2011 and 2010. When determining fair value measurements, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset. When possible, the Company looks to active and observable markets to price identical assets. When identical assets are not traded in active markets, the Company looks to market observable data for similar assets. The following table presents financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2011 and 2010:

(in thousands)

	Fair Value Measurements	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2011				
Mortgage-backed securities	\$ 56,002	\$	\$ 56,002	\$
Eurodollar futures contracts	34	34		
December 31, 2010				
Mortgage-backed securities	\$ 25,843	\$	\$ 25,843	\$

NOTE 8. EXPENSES

The table below presents the Company's operating expenses for the periods ended December 31, 2011 and 2010.

	The Period Ended December 31,	
	2011	2010
Legal fees	\$ 8,627	\$ 7,087
Other professional fees	1,106,090	9,955
Direct REIT operating expenses	344,705	5,500
Other administrative expenses	132,658	16,459
Total Expenses	\$ 1,592,080	\$ 39,001

During the year ended December 31, 2011, the Company withdrew its Form S-11 Registration Statement related to a proposed initial public offering of its common stock. The Registration Statement was withdrawn due to market conditions. Included in other professional fees for the year ended December 31, 2011 are approximately \$1.1 million of expenses related to this attempted initial public offering.

NOTE 9. INCOME TAXES

REIT taxable income (loss) is computed in accordance with the Code, which is different than Orchid's financial statement net income (loss) computed in accordance with GAAP. These differences can be substantial. For the year ended December 31, 2011, Orchid has estimated REIT taxable loss of approximately \$637,000. For

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the period ended December 31, 2010, Orchid's REIT taxable income was approximately \$25,000. The differences from the GAAP losses, as reported in the statements of operations are attributable to the fair value adjustments on MBS and Eurodollar futures recorded for GAAP totaling \$1,673,000 and \$55,000 for the periods ended December 31, 2011 and 2010, respectively. During 2011, a GAAP financial statement loss on MBS of \$1,134,000 was recorded, which included both realized capital gains and losses, and unrealized fair value adjustments. For tax purposes, realized capital gains for the year ended December 31, 2011 were \$85,000. The unrealized fair value adjustments are not taken into account for tax purposes until the underlying security is actually sold and any gain or loss is realized.

Bimini and Orchid will generally not be subject to federal income tax on their REIT taxable income to the extent that Bimini distributes its REIT taxable income to its stockholders and satisfies the ongoing REIT requirements, including meeting certain asset, income and stock ownership tests. A REIT must generally distribute at least 90% of its REIT taxable income to its stockholders, of which 85% generally must be distributed within the taxable year, in order to avoid the imposition of an excise tax. The remaining balance may be distributed up to the end of the following taxable year, provided the REIT elects to treat such amount as a prior year distribution and meets certain other requirements. At December 31, 2011, management believes that Bimini and Orchid have complied with the Code requirements and that Bimini continues to qualify as a REIT.

NOTE 10. RELATED PARTY TRANSACTIONS**Management Agreement**

Orchid has entered into a management agreement with Bimini, which provided for an initial term through December 31, 2011 with automatic one-year extension options and subject to certain termination rights. The agreement was extended under the option to December 31, 2012. The Company pays Bimini a monthly management fee equal to 1.50% per annum of the gross Stockholders' Equity (as defined in the management agreement) of Orchid.

Orchid is obligated to reimburse Bimini for its costs incurred under the management agreement. In addition, Orchid is required to pay Bimini a monthly fee of \$7,200, which represents an allocation of overhead expenses for items that include, but are not limited to, occupancy costs, insurance and administrative expenses. These expenses are allocated based on the ratio of Orchid's assets and Bimini's consolidated assets. Total expenses recorded during the year ended December 31, 2011 and the period from November 24, 2010 (commencement of operations) to December 31, 2010 for the management fee and costs incurred was \$252,900 and \$20,088, respectively. At December 31, 2011 and 2010, approximately \$238,100 and \$20,100 was due to Bimini.

During the year ended December 31, 2011, the Company purchased MBS with a fair value of \$1,071,000, including \$15,000 of accrued interest, from Bimini. During the period from November 24, 2010 (commencement of operations) to December 31, 2010, the Company purchased MBS with a fair value of \$15,576,000, including \$3,000 of accrued interest, from Bimini. The MBS purchases were in the ordinary course of business and on substantially the same terms, including prices, as comparable transactions available in the market.

NOTE 11. COMMITMENTS AND CONTINGENCIES

From time to time, the Company may become involved in various claims and legal actions arising in the ordinary course of business. Management is not aware of any reported or unreported contingencies at December 31, 2011.

NOTE 12. SUBSEQUENT EVENTS

Subsequent events were evaluated through March 27, 2012, the date which the financial statements were available to be issued, and Orchid has determined that no events occurred subsequent to December 31, 2011 that require disclosure.

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Until _____, 2012 (25 days after the commencement of this offering), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This delivery is in addition to the dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to its unsold allotments or subscriptions.

Shares

Common Stock

Prospectus

, 2012

Ladenburg Thalmann & Co. Inc.

Table of Contents**PART II****INFORMATION NOT REQUIRED IN PROSPECTUS****Item 31. Other Expenses of Issuance and Distribution.**

The following table itemizes the expenses incurred by us in connection with the issuance and registration of the securities being registered hereunder. All amounts shown are estimates except the Securities and Exchange Commission registration fee.

Securities and Exchange Commission registration fee	\$ 6,138
FINRA filing fee	8,000
NYSE MKT fees	*
Printing and engraving fees	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer Agent and Registrar fees	*
Miscellaneous expenses	*
Total	\$ *

* To be furnished by amendment.

Item 32. Sales to Special Parties.

See response to Item 33.

Item 33. Recent Sales of Unregistered Securities.

On August 23, 2010, November 3, 2010, November 12, 2010, November 30, 2010, December 7, 2010, December 17, 2010, December 31, 2010, March 28, 2011, March 31, 2011, July 12, 2011 and July 13, 2011, Bimini Capital Management, Inc. made aggregate capital contributions of \$15,000,000. These capital contributions were made as consideration to purchase 150,000 shares of our common stock at a price of \$100 per share, which were issued on April 29, 2011 and July 8, 2011 in reliance on the exemption from registration under the Securities Act of 1933, as amended, or the Securities Act, afforded by Section 4(2) of the Securities Act. During July 2012, Bimini acquired 4,110 additional shares at a price of \$100 per share in satisfaction of amounts owed to Bimini at June 30, 2012 of approximately \$411,000 for prior management fees, overhead allocations and direct expense reimbursements in reliance on the exemption from registration afforded by Section 4(2) of the Securities Act.

Item 34. Indemnification of Directors and Officers.

The Maryland General Corporation Law (MGCL) permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages, except for liability resulting from (1) actual receipt of an improper benefit or profit in money, property or services or (2) active and deliberate dishonesty that is established by a final judgment and is material to the cause of action. Our charter contains a provision that eliminates such liability to the maximum extent permitted by Maryland law.

The MGCL requires a corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service in that capacity. The MGCL permits a corporation to indemnify its present and former directors and officers, among

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others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made, or threatened to be made, a party by reason of their service in those or other capacities unless it is established that:

the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith or (2) was the result of active and deliberate dishonesty;

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the director or officer actually received an improper personal benefit in money, property or services; or

in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under the MGCL, a Maryland corporation may not indemnify a director or officer for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received by such director or officer, unless in either case a court orders indemnification, and then only for expenses. In addition, the MGCL permits a Maryland corporation to advance reasonable expenses to a director or officer upon its receipt of:

a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation; and

a written undertaking by the director or officer or on the director's or officer's behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the director or officer did not meet the standard of conduct.

Our charter will authorize us and our bylaws will obligate us, to the maximum extent permitted by Maryland law in effect from time to time, to indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, pay or reimburse reasonable expenses in advance of final disposition of such a proceeding to:

any present or former director or officer of the Company who is made, or threatened to be made, a party to the proceeding by reason of his or her service in that capacity; and

any individual who, while a director or officer of the Company and at our request, serves or has served as a director, officer, partner, trustee, member or manager of another corporation, real estate investment trust, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made, or threatened to be made, a party to the proceeding by reason of his or her service in that capacity.

Our charter and bylaws will also permit us, with the approval of our Board of Directors, to indemnify and advance expenses to any individual who served our predecessor in any of the capacities described above and to any employee or agent of the Company or our predecessor.

Upon completion of this offering, we intend to enter into indemnification agreements with each of our directors and executive officers that will provide for indemnification to the maximum extent permitted by Maryland law.

Insofar as the foregoing provisions permit indemnification of directors, officers or persons controlling us for liability arising under the Securities Act, we have been informed that in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 35. *Treatment of Proceeds from Stock Being Registered.*

None of the proceeds of this offering will be credited to an account other than the appropriate capital share account.

Item 36. *Financial Statements and Exhibits.*

(A) Financial Statements. See page F-1 for an index to the financial statements included in the registration statement.

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(B) Exhibits. The following is a complete list of exhibits filed as part of the registration statement, which are incorporated herein:

Exhibit No.	Description
1.1	Form of Underwriting Agreement by and among Orchid Island Capital, Inc. and the underwriters named therein*
3.1	Articles of Amendment and Restatement of Orchid Island Capital, Inc.*
3.2	Amended and Restated Bylaws of Orchid Island Capital, Inc.*
4.1	Specimen Certificate of common stock of Orchid Island Capital, Inc.*
5.1	Opinion of Venable LLP as to the legality of the securities being registered*
8.1	Opinion of Hunton & Williams LLP as to certain U.S. federal income tax matters*
10.1	Form of Management Agreement*
10.2	Form of Investment Allocation Agreement*
10.3	2012 Equity Incentive Plan*
10.4	Form of Indemnification Agreement*
10.5	Form of Master Repurchase Agreement*
23.1	Consent of BDO USA, LLP**
23.2	Consent of Venable LLP (included in Exhibit 5.1)*
23.3	Consent of Hunton & Williams LLP (included in Exhibit 8.1)*
24.1	Power of Attorney (included on the signature page)
99.1	Consent of W Coleman Bitting to being named as a director nominee**
99.2	Consent of John B. Van Heuvelen to being named as a director nominee**
99.3	Consent of Ava L. Parker to being named as a director nominee**
99.4	Consent of Frank P. Filippis to being named as a director nominee**

* To be filed by amendment.

** Filed herewith.

Compensatory plan or arrangement.

Item 37. Undertakings.

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers or controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933, as amended, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in

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connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933, as amended, and will be governed by the final adjudication of such issue.

(c) The undersigned Registrant hereby further undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, as amended, the information omitted from the form of prospectus filed as part of this registration statement in reliance under Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933, as amended, shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, as amended, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Table of Contents**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that the registrant meets all of the requirements for filing on Form S-11 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Vero Beach, in the State of Florida, on this 22nd day of October, 2012.

ORCHID ISLAND CAPITAL MANAGEMENT, INC.

By: /s/ ROBERT E. CAULEY

Name: Robert E. Cauley

Title: Chairman, Chief Executive Officer and

Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Robert E. Cauley and G. Hunter Haas, IV and each of them, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement, and any additional related registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (including post-effective amendments to the registration statement and any such related registration statements), and to file the same, with all exhibits thereto, and any other documents in connection therewith, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities indicated on the 22nd day of October, 2012.

Name	Title	Date
/s/ ROBERT E. CAULEY Robert E. Cauley	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	October 22, 2012
/s/ G. HUNTER HAAS, IV G. Hunter Haas IV	Chief Financial Officer and Director (Principal Financial Officer)	October 22, 2012
/s/ JERRY SINTES Jerry Sintes	Controller (Principal Accounting Officer)	October 22, 2012

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