

HRG GROUP, INC.
Form S-4
January 15, 2016

As filed with the Securities and Exchange Commission on January 15, 2016
Registration No. 333-

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

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

HRG GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	3690	74-1339132
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

450 Park Avenue, 29th Floor
New York, NY 10022
(212) 906-8555
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Ehsan Zargar
Senior Vice President, General Counsel and Corporate Secretary
450 Park Avenue, 29th Floor
New York, NY 10022
(212) 906-8555
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:
Raphael M. Russo, Esq.
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019
(212) 373-3000

Approximate Date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer		Accelerated filer
Non-accelerated filer	(Do not check if a smaller reporting company)	Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

- Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
 - Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)
-

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price (1)	Amount of registration fee (2)
7.750% Senior Notes due 2022	\$140,000,000	100%	\$140,000,000	\$14,098
7.875% Senior Secured Notes due 2019	\$260,000,000	100%	\$260,000,000	\$26,182

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) of the Securities Act of 1933, as amended.

(2) The registration fee has been calculated pursuant to Rule 457(f) under the Securities Act of 1933, as amended.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED January 15, 2016
PRELIMINARY PROSPECTUS

Exchange Offer for
\$140,000,000 7.750% Senior Notes due 2022
(CUSIP Nos.: 40434J AB6/U4428L AC0)
\$260,000,000 7.875% Senior Secured Notes due 2019
(CUSIP Nos.: 40434J AA8/U4428L AA4 and U4428L AB2)

The Notes

We are offering to exchange \$140,000,000 of our outstanding 7.750% Senior Notes due 2022, which were issued in a private offering on May 19, 2015, which we refer to as the “2022 initial notes,” for a like aggregate amount of our registered 7.750% Senior Notes due 2022, which we refer to as the “2022 exchange notes.” The 2022 exchange notes will be issued under the indenture dated as of January 21, 2014, which we refer to as the “2022 notes indenture.” We refer to the 2022 initial notes and the 2022 exchange notes collectively as the “2022 notes.”

We are offering to exchange \$100,000,000 of our outstanding 7.875% Senior Secured Notes due 2019 and \$160,000,000 of our outstanding 7.875% Senior Secured Notes due 2019, which were issued in separate private offerings on April 14, 2015 and May 19, 2015, respectively, which we collectively refer to as the “2019 initial notes,” for a like aggregate amount of our registered 7.875% Senior Secured Notes due 2019, which we refer to as the “2019 exchange notes.” The 2019 exchange notes will be issued under the indenture dated as of December 24, 2012, as supplemented by the supplemental indenture dated as of May 23, 2014, which we refer to as the “2019 notes indenture.” We refer to the 2022 notes indenture and 2019 notes indenture collectively as the “indentures.” We refer to the 2019 initial notes and the 2019 exchange notes collectively as the “2019 notes.”

We refer to the 2022 initial notes and the 2019 initial notes, collectively or individually, as the context requires, as the “initial notes.” We refer to the 2022 exchange notes and the 2019 exchange notes, collectively or individually, as the context requires, as the “exchange notes.” We refer to the initial notes and the exchange notes collectively as the “notes.” The 2022 exchange notes will mature on January 15, 2022. We will pay interest on the 2022 exchange notes semi-annually on January 15 and July 15 of each year, at a rate of 7.750% per annum, to holders of record on the January 1 or July 1 immediately preceding the interest payment date.

The 2019 exchange notes will mature on July 15, 2019. We will pay interest on the 2019 exchange notes semi-annually on January 15 and July 15 of each year, at a rate of 7.875% per annum, to holders of record on the January 1 or July 1 immediately preceding the interest payment date.

Our obligations under the 2019 exchange notes will be secured, together with the obligations under any 2019 initial notes, by a first priority lien on all of our assets, other than excluded property, and subject to certain permitted collateral liens. See “Description of 2019 Notes.”

Terms of the Exchange Offer

The exchange offer will expire at 5:00 p.m., New York City time, on , 2016 (the “expiration date”), unless we extend it. If all of the conditions to this exchange offer are satisfied, we will exchange all of our initial notes that are validly tendered and not withdrawn for the exchange notes.

You may withdraw your tender of initial notes at any time before the expiration of this exchange offer.

The exchange notes that we will issue you in exchange for your initial notes will be substantially identical to your initial notes, except that, unlike your initial notes, the exchange notes will have no transfer restrictions or registration rights.

The exchange notes that we will issue you in exchange for your initial notes have a limited trading market and no assurances can be made that the trading market will be maintained, will further develop or that such market will be liquid.

Before participating in this exchange offer, please refer to the section in this prospectus entitled “Risk Factors” commencing on page 11.

Neither the Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We have not applied, and do not intend to apply, for listing or quotation of the notes on any national securities exchange or automated quotation system.

Each broker-dealer that receives exchange notes for its own account pursuant to this exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act of 1933, as amended (the “Securities Act”). This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for initial notes where such initial notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration date (as defined herein), we will make this prospectus available to any broker-dealer for use in connection with any such resale. See “Plan of Distribution.”

The date of this prospectus is , 2016.

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We have not authorized anyone to give you any information or to make any representations about us or the transactions we discuss in this prospectus other than those contained in this prospectus. If you are given any information or representations about these matters not discussed in this prospectus, you must not rely on such information or representations. This prospectus is not an offer to sell or a solicitation of an offer to buy securities anywhere or to anyone where or to whom we are not permitted to offer or sell securities under applicable law. The delivery of this prospectus does not, under any circumstances, mean that there has not been a change in our affairs since the date of this prospectus. Subject to our obligation to amend or supplement this prospectus as required by law and the rules and regulations of the SEC, the information contained in this prospectus is correct only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of these securities.

Each prospective purchaser of the exchange notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the notes or possesses or distributes this prospectus and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the exchange notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and we shall not have any responsibility therefor.

INCORPORATION OF DOCUMENTS BY REFERENCE

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy these documents at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. Our SEC filings are also available over the Internet at the SEC's website at <http://www.sec.gov>.

The SEC allows us to "incorporate by reference" information into this prospectus, which means that we can disclose important information to you by referring to those documents. We hereby "incorporate by reference" the documents listed below, which means that we are disclosing important business and financial information to you by referring you to those documents.

Our (i) Annual Report on Form 10-K for the year ended September 30, 2015, filed with the SEC on November 20, 2015 (as amended, the "2015 Annual Report"); and (ii) Amendment Number 1 to the 2015 Annual Report on Form 10-K/A, filed with the SEC on January 13, 2016;

Current Reports on Form 8-K filed with the SEC on October 14, 2015, December 3, 2015 and December 28, 2015;

Current Reports on Form 8-K/A filed with the SEC on August 6, 2015 and December 7, 2015; and

Future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than the portions of those made pursuant to Item 2.02 or Item 7.01 of Form 8-K or other information "furnished" and not filed with the SEC) after the date of this prospectus and before the termination of this exchange offer.

Upon your oral or written request, we will provide you with a copy of any of these filings at no cost. Requests should be directed to Ehsan Zargar, Senior Vice President, General Counsel and Corporate Secretary, HRG Group, Inc., 450 Park Avenue, 29th Floor, New York, NY 10022, Telephone No. (212) 906-8555.

To obtain timely delivery, you must request the filings no later than five business days before the expiration date of the exchange offer. That means that you must request the filings before 5:00 p.m., New York City time, on , .

Except as expressly provided above, no other information, including none of the information on our website, is incorporated by reference into this prospectus.

PROSPECTUS SUMMARY

The following summary highlights basic information about us, the exchange offer and the exchange notes. It may not contain all of the information that is important to you. For a more comprehensive understanding of our business and the offering, you should read this entire prospectus and the documents incorporated by reference herein, including the sections entitled “Risk Factors” included or incorporated by reference herein and the historical financial statements included or incorporated by reference herein. Certain statements in this summary are forward-looking statements. See “Special Note Regarding Forward-Looking Statements.”

Unless otherwise indicated in this prospectus or the context requires otherwise, in this prospectus, references to the “Company,” “HRG,” “we,” “us” or “our” refer to HRG Group, Inc. (formerly, Harbinger Group Inc.) and, where applicable, its consolidated subsidiaries; “Asset Managers” refers collectively to the business conducted by CorAmerica, EIC, and Salus (each referred to individually as an “Asset Manager”); “Compass” refers to Compass Production GP, LLC (“Compass GP”) and Compass Production Partners, LP (“Compass Limited Partnership”) and, where applicable, their consolidated subsidiaries; “CorAmerica” refers to CorAmerica Capital, LLC and, where applicable, its consolidated subsidiaries; “EIC” refers to Energy & Infrastructure Capital, LLC and, where applicable, its consolidated subsidiaries; “FGH” refers to Fidelity & Guaranty Life Holdings, Inc. (formerly, Old Mutual U.S. Life Holdings, Inc.) and, where applicable, its consolidated subsidiaries; “FGL” refers to Fidelity & Guaranty Life (formerly, Harbinger F&G, LLC) and, where applicable, its consolidated subsidiaries; “Front Street” refers to Front Street Re (Delaware) Ltd. and, where applicable, its consolidated subsidiaries; “Front Street Cayman” refers to Front Street Re Cayman Ltd. and, where applicable, its consolidated subsidiaries; “HAMCO” refers to HGI Asset Management Holdings, LLC (which holds our interest in CorAmerica, EIC and Salus) and, where applicable, its consolidated subsidiaries; “HGI Energy” refers to HGI Energy Holdings, LLC (which holds our interests in Compass) and, where applicable, its consolidated subsidiaries; “HGI Funding” refers to HGI Funding, LLC and, where applicable, its consolidated subsidiaries; “Salus” refers to Salus Capital Partners, LLC and, where applicable, its consolidated subsidiaries; “SBI” refers to Spectrum Brands, Inc. and, where applicable, its consolidated subsidiaries; and “Spectrum Brands” refers to Spectrum Brands Holdings, Inc. and, where applicable, its consolidated subsidiaries.

Our Company

We are a diversified holding company focused on owning businesses that we believe can generate sustainable free cash flow or attractive returns on investment. As of September 30, 2015, our principal operating subsidiaries include the following assets: (i) Spectrum Brands, our subsidiary that provides global branded consumer products; (ii) FGL, our subsidiary that provides life insurance and annuity products; (iii) Front Street, our subsidiary engaged in the business of providing long-term reinsurance, including reinsurance to the specialty insurance sector of fixed, deferred and payout annuities; (iv) HAMCO, which, through its subsidiaries, provides financing and engages in asset management across a range of industries; and (v) Compass, our subsidiary that is engaged in the business of owning, operating, acquiring, exploiting and developing conventional oil and natural gas assets.

On November 8, 2015, FGL, Anbang Insurance Group Co., Ltd. (“Anbang”), AB Infinity Holding, Inc., a wholly owned subsidiary of Anbang (“AB Infinity”), and AB Merger Sub, Inc., a wholly-owned subsidiary of AB Infinity (“Merger Sub”), entered into the Agreement and Plan of Merger (the “FGL Merger Agreement” and such merger, the “FGL Merger”). Pursuant to the FGL Merger Agreement and subject to the terms and conditions set forth therein, Merger Sub will merge with and into FGL, with FGL continuing as the surviving entity, which will become a direct, wholly-owned subsidiary of AB Infinity and an indirect, wholly-owned subsidiary of Anbang. Pursuant to the FGL Merger Agreement, at the effective time of the FGL Merger, each issued and outstanding share of FGL common stock will be cancelled and converted automatically into the right to receive \$26.80 in cash, without interest, other than any shares of common stock owned by FGL as treasury stock or otherwise or owned by Anbang, AB Infinity or Merger Sub (which will be cancelled and no payment will be made with respect thereto), shares of common stock granted pursuant to FGL’s equity plans and those shares of common stock with respect to which appraisal rights under Delaware law are properly exercised and not withdrawn. See Part I, Item I. “Business—Our Operating Subsidiaries—FGL—the FGL Merger” of our 2015 Annual Report.

On December 1, 2015, pursuant to the Purchase Agreement, dated as of October 8, 2015 (the “Purchase Agreement”), between Compass Energy Operating, LLC (“Compass Energy”) and Indigo Minerals LLC, Compass Energy completed the sale of certain of its oil and gas interests located in the Holly, Waskom and Danville Fields in East Texas and North Louisiana to Indigo Resources LLC (as successor to Indigo Minerals LLC, the “Buyer”). At closing, proceeds from the transaction, which were approximately \$147.5 million, less estimated expenses of \$1.9 million, were used primarily to reduce borrowings under Compass Energy’s existing credit facility. Following the closing, pursuant to the terms of the Purchase Agreement, Compass received an additional \$4.2 million in connection with resolving certain title and consent matters.

We were incorporated in Delaware in 1954 under the name Zapata Corporation and reincorporated in Nevada in April 1999 under the same name. On December 23, 2009, we reincorporated in Delaware under the name “Harbinger Group Inc.” Effective March 9, 2015, we changed our name from Harbinger Group Inc. to HRG Group, Inc. Our common stock trades on the New York Stock Exchange (“NYSE”) under the symbol “HRG.”

Corporate Structure

The following diagram represents a simplified HRG corporate structure, depicting only our principal subsidiaries:

- (1) Certain non-operating subsidiaries, including Zap.Com Corporation, a 97.9% owned subsidiary of HRG, are not reflected in the structure chart above.
- (2) Direct and indirect subsidiaries of this entity are not reflected.

Corporate Information

We are a Delaware corporation and the address of our principal executive office is 450 Park Avenue, 29th Floor, New York, New York 10022. Our telephone number is (212) 906-8555. Our website address is www.hrggroup.com. Information contained on our website is not part of this prospectus.

Summary of the Exchange Offer

In connection with the closing of the offering of each of the 2022 initial notes and the 2019 initial notes, we entered into a registration rights agreement (as more fully described below) with the initial purchasers of the 2022 initial notes and 2019 initial notes, as applicable. You are entitled to exchange in the exchange offer your initial notes for exchange notes.

Exchange Offer	<ul style="list-style-type: none"> • We are offering to exchange \$140.0 million aggregate principal amount of our 2022 exchange notes and \$260.0 million aggregate principal amount of our 2019 exchange notes for a like aggregate principal amount of our 2022 initial notes and 2019 initial notes, respectively. • In order to exchange your initial notes, you must properly tender them and we must accept your tender. We will exchange all outstanding initial notes that are validly tendered and not validly withdrawn. Initial notes may be exchanged only for a minimum principal denomination of \$2,000 and in integral multiples of \$1,000 in excess thereof.
Expiration Date	<p>This exchange offer will expire at 5:00 p.m., New York City time on _____, 2016, (the “expiration date”), unless we decide to extend it.</p>
Exchange Notes	<p>The exchange notes will be identical in all material respects to the initial notes, except that:</p> <ul style="list-style-type: none"> • the exchange notes have been registered under the Securities Act and will be freely tradable by persons who are not affiliates of ours or subject to restrictions due to being broker-dealers; • the 2022 exchange notes are not entitled to the registration rights applicable to the 2022 initial notes under the applicable registration rights agreement dated May 19, 2015 (the “2022 Registration Rights Agreement”); • the 2019 exchange notes are not entitled to the registration rights applicable to the 2019 initial notes under the applicable registration rights agreements dated April 14, 2015 and May 19, 2015 (together, the “2019 Registration Rights Agreements” and, together with the 2022 Registration Rights Agreement, the “Registration Rights Agreements”); and • our obligation to pay additional interest on the initial notes due to the failure to consummate the exchange offer by a prior date does not apply to the exchange notes.
Conditions to the Exchange Offer	<p>We will complete this exchange offer only if:</p> <ul style="list-style-type: none"> • there is no change in the laws and regulations which would impair our ability to proceed with this exchange offer for such series of notes; • there is no change in the current interpretation of the staff of the SEC which permits resales of such series of exchange notes; • there is no stop order issued by the SEC or any state securities authority suspending the effectiveness of the registration statement, which includes this prospectus or the qualification of the applicable indenture governing the exchange notes under the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”), and there are no proceedings initiated or, to our knowledge, threatened for that purpose; • there is no action or proceeding instituted or threatened in any court or before any governmental agency or body that would reasonably be expected to prohibit, prevent or otherwise impair our ability to proceed with this exchange offer for such series of notes; and • we obtain all the governmental approvals that we in our sole discretion deem necessary to complete this exchange offer for such series of notes.

Please refer to the section in this prospectus entitled “The Exchange Offer—Conditions to the Exchange Offer.”

Procedures for Tendering Initial Notes

To participate in this exchange offer, you must complete, sign and date the letter of transmittal or its facsimile and transmit it, together with your initial notes to be exchanged and all other documents required by the letter of transmittal, to Wells Fargo Bank, National Association, as exchange agent (the “exchange agent”), at its address indicated under “The Exchange Offer—Exchange Agent.” In the alternative, you can tender your initial notes by book-entry delivery following the procedures described in this prospectus. For more information on tendering your initial notes, please refer to the section in this prospectus entitled “The Exchange Offer—Procedures for Tendering Initial Notes.”

Special Procedures for Beneficial Owners

If you are a beneficial owner of initial notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your initial notes in the exchange offer, you should contact the registered holder promptly and instruct that person to tender on your behalf.

Guaranteed Delivery Procedures	<p>If you wish to tender your initial notes and you cannot get the required documents to the exchange agent on time, you may tender your initial notes by using the guaranteed delivery procedures described under the section of this prospectus entitled “The Exchange Offer—Procedures for Tendering Initial Notes—Guaranteed Delivery Procedure.”</p>
Withdrawal Rights	<p>You may withdraw the tender of your initial notes at any time before 5:00 p.m., New York City time, on the expiration date of the exchange offer. To withdraw, you must send a written or facsimile transmission notice of withdrawal to the exchange agent at its address indicated under “The Exchange Offer—Exchange Agent” before 5:00 p.m., New York City time, on the expiration date of the exchange offer.</p>
Acceptance of Initial Notes and Delivery of Exchange Notes	<p>If all of the conditions to the completion of this exchange offer are satisfied, we will accept any and all initial notes that are properly tendered in this exchange offer before 5:00 p.m., New York City time, on the expiration date. We will return any initial notes that we do not accept for exchange to you without expense promptly after the expiration date. We will deliver the exchange notes to you promptly after the expiration date and acceptance of your initial notes for exchange. Please refer to the section in this prospectus entitled “The Exchange Offer—Acceptance of Initial Notes for Exchange; Delivery of Exchange Notes.”</p>
U.S. Federal Income Tax Considerations Relating to the Exchange Offer	<p>Exchanging your initial notes for exchange notes will not be a taxable event to you for United States federal income tax purposes. Please refer to the section of this prospectus entitled “Certain U.S. Federal Income Tax Considerations.”</p>
Exchange Agent	<p>Wells Fargo Bank, National Association, is serving as exchange agent in the exchange offer.</p>
Fees and Expenses	<p>We will bear the expenses of soliciting tenders in this exchange offer, including fees and expenses of the exchange agent and trustee and accounting, legal, printing and related fees and expenses. Please refer to the section of this prospectus entitled “The Exchange Offer—Fees and Expenses.”</p>
Use of Proceeds	<p>We will not receive any proceeds from the issuance of the exchange notes. We are making this exchange offer solely to satisfy certain of our obligations under the Registration Rights Agreements. See “Use of Proceeds.”</p>
Consequences to Holders Who Do Not Participate in the Exchange Offer	<p>If you do not participate in this exchange offer:</p> <ul style="list-style-type: none"> • except as set forth in the next paragraph, you will not necessarily be able to require us to register your initial notes under the Securities Act; • you will not be able to resell, offer to resell or otherwise transfer your initial notes unless they are registered under the Securities Act or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act; and • the trading market for your initial notes will become more limited to the extent other holders of initial notes participate in the exchange offer. <p>You will not be able to require us to register your initial notes under the Securities Act unless:</p> <ul style="list-style-type: none"> • because of any change in law or in applicable interpretations thereof by the SEC staff, we are not permitted to effect the exchange offer for the applicable series of notes; • (i) with respect to the 2022 initial notes, the exchange offer is not consummated by the 450th day after May 19, 2015 and (ii) with respect to the \$100.0 million aggregate principal amount of 2019 initial notes issued on April 14, 2105, the exchange offer is not consummated by the 450th day after April 14, 2015 and with respect to the \$160.0 million aggregate principal amount of 2019 initial notes issued

on May 19, 2105, the exchange offer is not consummated by the 450th day after May 19, 2015;

- you request with respect to your initial notes that are not eligible to be exchanged for exchange notes in this exchange offer; or
- you (so long as you are not an exchanging dealer) are not eligible to participate in this exchange offer or you (so long as you are not an exchanging dealer) participate in the exchange offer but do not receive freely tradable exchange notes on the date of the exchange and, in each case, you so request.

In these cases, the Registration Rights Agreements requires us to file a registration statement for a continuous offering in accordance with Rule 415 under the Securities Act for the benefit of the holders of the initial notes described in this paragraph. We do not currently anticipate that we will register under the Securities Act any initial notes that remain outstanding after completion of the exchange offer.

Please refer to the section of this prospectus entitled “The Exchange Offer—Your Failure to Participate in the Exchange Offer May Have Adverse Consequences.”

Resales

It may be possible for you to resell the exchange notes without compliance with the registration and prospectus delivery provisions of the Securities Act, subject to the conditions described under “—Obligations of Broker-Dealers” below.

To tender your initial notes in this exchange offer and resell the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act, you must make the following representations:

- you are authorized to tender the initial notes and to acquire exchange notes, and that we will acquire good and unencumbered title thereto;
- the exchange notes acquired by you are being acquired in the ordinary course of business;
- you have no arrangement or understanding with any person to participate in a distribution (within the meaning of the Securities Act) of the exchange notes and are not participating in, and do not intend to participate in, the distribution of such exchange notes;
- you are not an “affiliate” (as defined in Rule 405 under the Securities Act) of ours, or if you are an “affiliate,” you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable;
- if you are not a broker-dealer, you are not engaging in, and do not intend to engage in, a distribution of exchange notes; and
- if you are a broker-dealer, and the initial notes to be exchanged were acquired by you as a result of market-making or other trading activities, you will deliver a prospectus in connection with any resale of such exchange notes.

We have agreed that, for a period of 180 days after the exchange offer is consummated, we will make additional copies of this prospectus and any amendment or supplement to this prospectus available to any broker-dealer for use in connection with any resales of the exchange notes.

Please refer to the sections of this prospectus entitled “The Exchange Offer—Procedure for Tendering Initial Notes—Proper Execution and Delivery of Letters of Transmittal,” “Risk Factors—Risks Related to the Exchange Offer—Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes” and “Plan of Distribution.”

Obligations of Broker-Dealers

If you are a broker-dealer that receives exchange notes, you must acknowledge that you will deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of the exchange notes. If you are a broker-dealer who acquired the initial notes as a result of market-making or other trading activities, you may use the exchange offer prospectus as supplemented or amended, in connection with resales of the exchange notes. If you are a broker-dealer who acquired the initial notes directly from us in the initial offering and not as a result of market-making and trading activities, you must, in the absence of an exemption, comply with the registration and prospectus delivery requirements of the Securities Act in connection with resales of the exchange notes.

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Summary of Terms of the 2022 Exchange Notes

The following is a summary of the terms of the 2022 exchange notes. For a more complete description of the 2022 notes as well as the definitions of certain capitalized terms used below, see “Description of 2022 Notes” in this prospectus.

Issuer	HRG Group, Inc. (formerly known as Harbinger Group Inc.) \$140.0 million aggregate principal amount of 7.750% Senior Notes due 2022. The forms and terms of the 2022 exchange notes are the same as the form and terms of the 2022 initial notes, except that the issuance of the 2022 exchange notes is registered under the Securities Act, the 2022 exchange notes will not bear legends restricting their transfer and the 2022 exchange notes will not be entitled to registration rights under the 2022 Registration Rights Agreement. The 2022 exchange notes will evidence the same debt as the 2022 initial notes, and both the 2022 initial notes and the 2022 exchange notes will be governed by the 2022 notes indenture.
Exchange Notes	
Maturity	January 15, 2022.
Interest	Interest will be payable in cash on January 15 and July 15 of each year. On or after January 15, 2017, we may redeem some or all of the 2022 notes at any time at the redemption prices set forth in “Description of 2022 Notes—Optional Redemption.” In addition, prior to January 15, 2017, we may redeem the 2022 notes at a redemption price equal to 100% of the principal amount of the 2022 notes plus a “make-whole” premium.
Optional Redemption	Before January 15, 2017, we may redeem up to 35% of the 2022 notes, including additional notes, with the proceeds of equity sales at a price of 107.750% of principal plus accrued and unpaid interest, provided that at least 65% of the original aggregate principal amount of the 2022 notes issued under the 2022 notes indenture remains outstanding after the redemption, as further described in “Description of 2022 Notes—Optional Redemption.”
Change of Control	Upon a change of control (as defined under “Description of 2022 Notes”), we will be required to make an offer to purchase the 2022 notes. The purchase price will equal 101% of the principal amount of the 2022 notes on the date of purchase plus accrued and unpaid interest. We may not have sufficient funds available at the time of any change of control to make any required debt repayment (including repurchases of the 2022 notes). See “Risk Factors—Risks Related to the Notes—We may be unable to repurchase the notes upon a change of control.”
Guarantors	Any subsidiary that guarantees our debt will guarantee the 2022 notes. You should not expect that any subsidiaries will guarantee the 2022 notes.
Ranking	The 2022 exchange notes will be our unsecured obligations and will: <ul style="list-style-type: none"> • rank equally in right of payment to all of our existing and future unsubordinated debt; • be effectively subordinated to all our secured debt to the extent of the value of the collateral securing that debt; • be effectively subordinated to all liabilities of our subsidiaries; and • rank senior in right of payment to all of our and our guarantors’ future debt that expressly provides for its subordination to the 2022 notes and the note guarantees. <p>As of September 30, 2015, HRG had no debt other than the \$864.4 million aggregate principal amount of our 2019 notes and \$890.0 million aggregate principal amount of the 2022 notes. All of the 2019 notes will be effectively senior to the 2022 exchange notes to the extent of the value of the collateral securing such indebtedness. As of September 30, 2015, the total liabilities of Spectrum Brands were approximately \$5.7</p>

billion, including trade payables. As of September 30, 2015, the total liabilities of FGL were approximately \$23.4 billion, including approximately \$17.8 billion in annuity contractholder funds, approximately \$3.5 billion in future policy benefits and approximately \$300.0 million of indebtedness under FGH's 6.375% Senior Notes due 2021 (the "FGH Notes"). As of September 30, 2015, the total liabilities of HAMCO were approximately \$1.4 million and were approximately \$379.4 million when consolidated with the Asset Managers. As of September 30, 2015, the total liabilities of HGI Energy were approximately \$502.0 million. As a result of HRG's holding company structure, claims of creditors of HRG's subsidiaries will generally have priority as to the assets of HRG's subsidiaries over claims of HRG and over claims of the holders of HRG's indebtedness, including the 2022 exchange notes.

As of September 30, 2015, our total liabilities on an unconsolidated and consolidated basis were \$1.8 billion and \$30.7 billion, respectively.

Certain Covenants

The 2022 notes indenture contains covenants, subject to specified exceptions, limiting our ability and, in certain cases, our subsidiaries' ability to:

- incur additional indebtedness;

- create liens or engage in sale and leaseback transactions;
- pay dividends or make distributions in respect of capital stock;
- make certain restricted payments;
- sell assets;
- engage in certain transactions with affiliates, except on an arms'-length basis; or
- consolidate or merge with, or sell substantially all of our assets to, another person.

We are also required to maintain compliance with a minimum liquidity covenant. You should read “Description of 2022 Notes—Certain Covenants” for a description of these covenants.

Use of Proceeds

We will not receive any proceeds from the issuance of the 2022 exchange notes. We are making this exchange offer solely to satisfy our obligations under the 2022 Registration Rights Agreement. See “Use of Proceeds.”

Limited Public Market for the Exchange Notes

The 2022 exchange notes will be issued as part of the same class as 2022 notes previously issued under the 2022 notes indenture, but the trading market for the 2022 exchange notes is expected to be limited. We cannot assure you that the market for the 2022 exchange notes will be liquid. Please refer to the section of this prospectus entitled “Risk Factors—Risks Related to the Exchange Offer—There is a limited trading market for the exchange notes.”

Form of the Exchange Notes

The 2022 exchange notes will be represented by one or more permanent global securities in registered form deposited on behalf of The Depository Trust Company (“DTC”) with Wells Fargo Bank, National Association, as custodian. You will not receive 2022 exchange notes in certificated form unless one of the events described in the section of this prospectus entitled “Book Entry; Delivery and Form—Exchange of Book-Entry Notes for Certificated Notes” occurs. Instead, beneficial interests in the 2022 exchange notes will be shown on, and transfers of these 2022 exchange notes will be effected only through, records maintained in book-entry form by DTC with respect to its participants.

Risk Factors

Investing in the 2022 notes involves substantial risks and uncertainties. See “Risk Factors” and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in any notes, including the 2022 exchange notes.

Summary of Terms of the 2019 Exchange Notes

The following is a summary of the terms of the 2019 exchange notes. For a more complete description of the 2019 notes as well as the definitions of certain capitalized terms used below, see “Description of 2019 Notes” in this prospectus.

Issuer	HRG Group, Inc. (formerly known as Harbinger Group Inc.) \$260.0 million aggregate principal amount of 7.875% Senior Secured Notes due 2019. The forms and terms of the 2019 exchange notes are the same as the form and terms of the 2019 initial notes, except that the issuance of the 2019 exchange notes is registered under the Securities Act, the 2019 exchange notes will not bear legends restricting their transfer and the 2019 exchange notes will not be entitled to registration rights under the 2019 Registration Rights Agreements. The 2019 exchange notes will evidence the same debt as the 2019 initial notes, and both the 2019 initial notes and the 2019 exchange notes will be governed by the 2019 notes indenture.
Exchange Notes	
Maturity	July 15, 2019.
Interest	Interest will be payable in cash on January 15 and July 15 of each year. On or after January 15, 2016, we may redeem some or all of the 2019 notes at any time at the redemption prices set forth in “Description of 2019 Notes—Optional Redemption.” In addition, prior to January 15, 2016, we may redeem the 2019 notes at a redemption price equal to 100% of the principal amount of the 2019 notes plus a “make-whole” premium.
Optional Redemption	Before January 15, 2016, we may redeem up to 35% of the 2019 notes, including additional notes, with the proceeds of equity sales at a price of 107.875% of principal plus accrued and unpaid interest, provided that at least 65% of the original aggregate principal amount of the 2019 notes issued under the 2019 notes indenture remains outstanding after the redemption, as further described in “Description of 2019 Notes—Optional Redemption.”
Change of Control	Upon a change of control (as defined under “Description of 2019 Notes”), we will be required to make an offer to purchase the 2019 notes. The purchase price will equal 101% of the principal amount of the 2019 notes on the date of purchase plus accrued and unpaid interest. We may not have sufficient funds available at the time of any change of control to make any required debt repayment (including repurchases of the 2019 notes). See “Risk Factors—Risks Related to the Notes—We may be unable to repurchase the notes upon a change of control.”
Guarantors	Any subsidiary that guarantees our debt will guarantee the 2019 notes. You should not expect that any subsidiaries will guarantee the 2019 notes.
Ranking	The 2019 exchange notes will be our senior secured obligations and will: <ul style="list-style-type: none"> • rank senior in right of payment to our and our guarantors’ future debt and other obligations that expressly provide for their subordination to the 2019 notes and the notes guarantees; • rank equally in right of payment to all of our existing and future unsubordinated debt and be effectively senior to all of our unsecured debt to the extent of the value of the collateral; and • be effectively subordinated to all liabilities of our non-guarantor subsidiaries. <p>As of September 30, 2015, HRG had no debt other than the \$864.4 million aggregate principal amount of our 2019 notes and \$890.0 million aggregate principal amount of the 2022 notes. All of the 2019 notes will be effectively senior to the 2022 exchange notes to the extent of the value of the collateral securing such indebtedness. As of September 30, 2015, the total liabilities of Spectrum Brands were approximately \$5.7</p>

billion, including trade payables. As of September 30, 2015, the total liabilities of FGL were approximately \$23.4 billion, including approximately \$17.8 billion in annuity contractholder funds, approximately \$3.5 billion in future policy benefits and approximately \$300.0 million of indebtedness under the FGH Notes. As of September 30, 2015, the total liabilities of HAMCO were approximately \$1.4 million and were approximately \$379.4 million when consolidated with the Asset Managers. As of September 30, 2015, the total liabilities of HGI Energy were approximately \$502.0 million. As a result of HRG's holding company structure, claims of creditors of HRG's subsidiaries will generally have priority as to the assets of HRG's subsidiaries over claims of HRG and over claims of the holders of HRG's indebtedness, including the 2019 exchange notes. As of September 30, 2015, our total liabilities on an unconsolidated and consolidated basis were \$1.8 billion and \$30.7 billion, respectively.

Collateral	<p>Our obligations under the 2019 exchange notes will be, and the 2019 initial notes and 2019 notes indenture are, secured by a first priority lien on all of our assets (except for certain “Excluded Property” as defined under “Description of 2019 Notes”), including without limitation:</p> <ul style="list-style-type: none"> • all equity interests of our directly held subsidiaries and related assets; • all cash and investment securities owned by us; • all general intangibles owned by us; and • any proceeds thereof (collectively, the “collateral”). <p>We will be able to incur a limited amount of additional debt in the future that could equally and ratably share in the collateral. The amount of such debt is limited by the covenants described under “Description of 2019 Notes—Certain Covenants—Limitation on Debt and Disqualified Stock” and “Description of 2019 Notes—Limitation on Liens.”</p>
Certain Covenants	<p>The 2019 notes indenture contains covenants, subject to specified exceptions, limiting our ability and, in certain cases, our subsidiaries’ ability to:</p> <ul style="list-style-type: none"> • incur additional indebtedness; • create liens or engage in sale and leaseback transactions; • pay dividends or make distributions in respect of capital stock; • make certain restricted payments; • sell assets; • engage in certain transactions with affiliates, except on an arms’-length basis; or • consolidate or merge with, or sell substantially all of our assets to, another person. <p>We are also required to maintain compliance with certain financial tests, including minimum liquidity and collateral coverage ratios.</p> <p>You should read “Description of 2019 Notes—Certain Covenants” for a description of these covenants.</p>
Use of Proceeds	<p>We will not receive any proceeds from the issuance of the 2019 exchange notes. We are making this exchange offer solely to satisfy our obligations under the 2019 Registration Rights Agreements. See “Use of Proceeds.”</p>
Limited Public Market for the Exchange Notes	<p>The 2019 exchange notes will be issued as part of the same class as 2019 notes previously issued under the 2019 notes indenture, but the trading market for the 2019 exchange notes is expected to be limited. We cannot assure you that the market for the 2019 exchange notes will be liquid. Please refer to the section of this prospectus entitled “Risk Factors—Risks Related to the Exchange Offer—There is a limited trading market for the exchange notes.”</p>
Form of the Exchange Notes	<p>The 2019 exchange notes will be represented by one or more permanent global securities in registered form deposited on behalf of DTC with Wells Fargo Bank, National Association, as custodian. You will not receive 2019 exchange notes in certificated form unless one of the events described in the section of this prospectus entitled “Book Entry; Delivery and Form—Exchange of Book-Entry Notes for Certificated Notes” occurs. Instead, beneficial interests in the 2019 exchange notes will be shown on, and transfers of these 2019 exchange notes will be effected only through, records maintained in book-entry form by DTC with respect to its participants.</p>
Risk Factors	<p>Investing in the 2019 notes involves substantial risks and uncertainties. See “Risk Factors” and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in any notes, including the 2019 exchange notes.</p>

RISK FACTORS

Before investing in the notes, you should carefully consider the risk factors discussed below and the risk factors incorporated by reference into this prospectus. See “Incorporation of Documents by Reference.” Any of these risk factors could materially and adversely affect our or our subsidiaries’ business, financial condition and results of operations. These risk factors are not the only risks that we or our subsidiaries may face. Additional risks and uncertainties not presently known to us or our subsidiaries or that are not currently believed to be material also may adversely affect us or our subsidiaries. These risk factors may be amended, supplemented or superseded from time to time in supplements to this prospectus and by other reports we file with the SEC in the future.

Risks Related to the Notes

We are a holding company and our only material assets are our equity interests in our operating subsidiaries and our other investments; as a result, our principal source of revenue and cash flow is distributions from our subsidiaries; our subsidiaries may be limited by law and by contract in making distributions to us.

As a holding company, our only material assets are our cash on hand, the equity interests in our subsidiaries and other investments. As of September 30, 2015, excluding cash, cash equivalents and investments held by our subsidiaries, we had approximately \$331.3 million in cash, cash equivalents and investments, which includes \$33.2 million held by our wholly-owned subsidiary, HGI Funding. Our principal source of revenue and cash flow is distributions from our subsidiaries. Thus, our ability to service our debt, finance acquisitions and pay dividends to our stockholders in the future is dependent on the ability of our subsidiaries to generate sufficient net income and cash flows to make upstream cash distributions to us. Our subsidiaries are and will continue to be separate legal entities, and although they may be wholly-owned or controlled by us, they have no obligation to make any funds available to us, whether in the form of loans, dividends, distributions or otherwise. The boards of directors of our subsidiaries may consider a range of factors and consider their stockholders’ constituencies (including public stockholders) as a whole when making decisions about dividends or other payments. The ability of our subsidiaries to distribute cash to us will also be subject to, among other things, restrictions that are contained in our subsidiaries’ financing agreements, availability of sufficient funds in such subsidiaries and applicable state laws and regulatory restrictions. Claims of creditors of our subsidiaries generally will have priority as to the assets of such subsidiaries over our claims and claims of our creditors and stockholders. To the extent the ability of our subsidiaries to distribute dividends or other payments to us could be limited in any way, our liquidity and ability to grow, pursue business opportunities or make acquisitions that could be beneficial to our businesses, or otherwise fund and conduct our business could be materially limited.

As an example, our subsidiary Spectrum Brands is a holding company with limited business operations of its own and its main assets are the capital stock of its subsidiaries, principally SBI. The terms of SBI’s indebtedness may limit its ability to pay dividends to Spectrum Brands and to us. See Part I, Item IA. “Risk Factors—Risks Related to Spectrum Brands’ Business—Spectrum Brands’ substantial indebtedness may limit its financial and operating flexibility, and Spectrum Brands may incur additional debt, which could increase the risks associated with its substantial indebtedness.” and Part I, Item IA. “Risk Factors—Risks Related to Spectrum Brands’ Business—Restrictive covenants in the SBI Senior Secured Facilities and the SBI Indentures may restrict SBI’s ability to pursue its business strategies.” contained in our 2015 Annual Report.

Our subsidiary, FGL, is also a holding company with limited business operations of its own. Its main assets are the capital stock of its subsidiaries, which are principally regulated insurance companies, whose ability to pay dividends is limited by applicable insurance laws. Accordingly, FGL’s payment of dividends is dependent, to a significant extent, on the generation of cash flow by its subsidiaries and their ability to make such cash available to FGL, by dividend or otherwise. FGL’s subsidiaries may not be able to, or may not be permitted to, make distributions to enable FGL to meet its obligations and pay dividends. Each subsidiary is a distinct legal entity and legal and contractual restrictions may also limit FGL’s ability to obtain cash from its subsidiaries. See Part I, Item 1. “Business—Our Operating Subsidiaries—FGL—Regulation—Financial Regulation—Dividend and Other Distribution Payment Limitations” and Part I, Item IA. “Risk Factors—Risks Related to FGL’s and Front Street’s Businesses—The agreements and instruments governing FGL’s debt contain significant operating and financial restrictions, which may prevent FGL from capitalizing on business opportunities.” in our 2015 Annual Report. As discussed in our 2015 Annual Report, while the agreements

governing the FGL Merger permit FGL to pay a regular quarterly cash dividend on its common stock in an amount not in excess of \$0.065 per share, per quarter, FGL may not pay any other dividends without the consent of Anbang. In addition, if the FGL Merger is consummated, while we will receive the proceeds from the sale of our shares of FGL common stock, we will no longer receive dividends from FGL.

Additionally, the terms of Compass' indebtedness and recent declines in oil and gas prices may continue to adversely affect Compass' cash flow, may further limit Compass' business operations, may prevent Compass from remaining in compliance with the covenants in its credit facility agreement, and/or further limit Compass' ability to pay distributions to us. Compass may also require additional equity infusions or other support in the near or long term future. In November 2015, HGI Funding provided a limited guaranty with respect to a portion of Compass' indebtedness. HGI Funding's limited guaranty may not be sufficient credit support for the operations of Compass, to maintain Compass' compliance with the covenants in its credit facility agreement and/

or HGI Funding may decide to withdraw (to the extent it may do so under the guaranty documents) or not to provide any other forms of credit support to Compass in the future. See Part I, Item 1A. “Risk Factors—Risks Related to Compass’ Business—Compass has a substantial amount of indebtedness, which may adversely affect its cash flow and ability to operate its business, remain in compliance with debt covenants and make payments on its debt and distributions to us. HGI Funding has provided credit support for such indebtedness in the past but may choose not to do so in the future.” contained in our 2015 Annual Report.

In addition, our liquidity and ability to pursue business opportunities may be impacted by the capital needs of our subsidiaries. Such entities may require additional capital to operate, maintain or grow their businesses, make payments on their indebtedness or other commitments, and/or make upstream cash distributions. For example, given the recent declines in oil and gas prices, Compass may require capital contributions if current period earnings and cash on hand at Compass are not sufficient to reduce debt levels and remain compliant with applicable covenants in Compass’ financing agreement. As another example, Front Street will require additional capital in order to engage in reinsurance transactions, and may require additional capital to operate or maintain its business or meet regulatory capital requirements.

Furthermore, these restrictions on our subsidiaries ability to pay dividends or distributions may limit our ability to incur additional indebtedness or refinance our existing indebtedness in the future as well. Our ability to refinance our indebtedness will depend on our ability to generate future cash flow, and we are dependent on our subsidiaries’ ability to pay dividends or pay distributions to us in order for us to generate cash flow.

We may and our subsidiaries may incur substantially more indebtedness. This could exacerbate the risks associated with our leverage.

Subject to the limitations set forth in the indentures and terms of our other agreements, we and our subsidiaries may incur additional indebtedness (including secured obligations and additional first-lien obligations) in the future. If we incur any additional indebtedness that ranks equally with the 2022 notes, the holders of that indebtedness will be entitled to share ratably with the holders of the 2022 notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us. If we incur additional secured indebtedness, the holders of such indebtedness will be effectively senior to the holders of the 2022 notes to the extent of the value of the collateral securing such indebtedness. This may have the effect of reducing the amount of proceeds paid to holders of the 2022 notes. Additionally, if our subsidiaries incur additional debt, the 2022 notes will be structurally subordinated to such debt.

Similarly, if we incur any additional indebtedness that ranks equally with the 2019 notes, the holders of that indebtedness will be entitled to share ratably with the holders of the 2019 notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us. If we incur additional secured indebtedness, the holders of such indebtedness will share in the collateral securing the 2019 notes. If new indebtedness is added to our current levels of indebtedness, the related risks that we now face, including our possible inability to service our debt, could intensify.

We may be unable to repurchase the notes upon a change of control, as required by the indentures.

Under the indentures, each holder of notes may require us to repurchase all of such holder’s notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if certain “change of control” events occur. However, it is possible that we will not have sufficient funds when required under the indentures to make the required repurchase of the notes. If we fail to repurchase notes in that circumstance, we will be in default under the indentures. If we are required to repurchase a significant portion of the notes, we may require third party financing as such funds may otherwise only be available to us through a distribution by our subsidiaries to us. We cannot be sure that we would be able to obtain third-party financing on acceptable terms, or at all, or obtain such funds through distributions from our subsidiaries.

Fraudulent transfer statutes may limit your rights as a holder of the notes.

Federal and state fraudulent transfer laws as previously interpreted by various courts permit a court, if it makes certain findings, to:

- avoid all or a portion of our obligations to holders of the notes;

-

subordinate our obligations to holders of the notes to our other existing and future creditors, entitling such creditors to be paid in full before any payment is made on the notes; and

take other action detrimental to holders of the notes, including invalidating the notes.

In that event, we cannot assure you that you would ever be repaid. There is also no assurance that amounts previously paid to you pursuant to the notes or guarantees (if any) would not be subject to return.

Under federal and state fraudulent transfer laws, in order to take any of those actions, courts will typically need to find that we or the guarantors (if any) received less than fair consideration or reasonably equivalent value for incurring the indebtedness represented by the notes, and at the time the notes were issued:

were insolvent or were rendered insolvent by reason of the issuance of the notes;

were engaged, or were about to engage, in a business or transaction for which our capital was unreasonably small;

intended to incur, or believed or should have believed we would incur, indebtedness beyond our ability to pay as such indebtedness matures; or

were a defendant in an action for money damages, or had a judgment for money damages docketed against us or such guarantor if, in either case, after final judgment, the judgment was unsatisfied.

A court may also void an issuance of notes, a guarantee or grant of security, without regard to the above factors, if the court found that we issued the notes or the guarantors (if any) entered into their respective guaranty with actual intent to hinder, delay or defraud current or future creditors.

Many of the foregoing terms are defined in or interpreted under those fraudulent transfer statutes and as judicially interpreted. A court could find that we did not receive fair consideration or reasonably equivalent value for the incurrence of the indebtedness represented by the notes.

The measure of insolvency for purposes of the foregoing considerations will vary depending on the law of the jurisdiction that is being applied in any such proceeding. Generally, a company would be considered insolvent if, at the time it incurred the indebtedness:

the sum of its indebtedness (including contingent liabilities) is greater than its assets, at fair valuation;

the present fair saleable value of its assets is less than the amount required to pay the probable liability on its total existing indebtedness and liabilities (including contingent liabilities) as they become absolute and matured; or

it could not pay its debts as they became due.

We cannot assure you of the standard a court would apply in determining our solvency and whether it would conclude that we were solvent when we incurred our obligations under the notes.

In addition, although we do not expect there to be any guarantee of the notes, it should be noted that any such guarantee (if any) may be subject to review under various laws for the protection of creditors. A court would likely find that we or a guarantor did not receive reasonably equivalent value or fair consideration for the notes or the guarantees, respectively, if we or a guarantor did not substantially benefit directly from the issuance of the notes. If a court were to void an issuance of the notes or the guarantees, you would no longer have a claim against us or the guarantors. Sufficient funds to repay the notes may not be available from other sources, including the remaining guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from us or the guarantors. In addition, any payment by us pursuant to the notes made at a time we were found to be insolvent could be voided and required to be returned to us or to a fund for the benefit of our creditors if such payment is made to an insider within a one-year period prior to a bankruptcy filing or within 90 days for any outside party and such payment would give the creditors more than such creditors would have received in a distribution under the bankruptcy code.

Changes in credit ratings issued by nationally recognized statistical ratings organizations could adversely affect our cost of financing and the market price of our securities, including the notes.

Credit rating agencies rate our debt securities and our subsidiaries' debt securities on factors that include our operating results, actions that we take, their view of the general outlook for our industry and their view of the general outlook for the economy. Actions taken by the rating agencies can include maintaining, upgrading, or downgrading the current rating or placing us or our subsidiaries on a watch list for possible future downgrading. Downgrading the credit rating of our debt securities or our subsidiaries' debt securities or placing us or our subsidiaries on a watch list for possible future downgrading would likely increase our cost of financing, limit our access to the capital markets and have an adverse effect on the market price of our securities, including the notes offered hereby.

Risks Related to the 2022 Notes

The 2022 notes are structurally subordinated to all liabilities of our subsidiaries and are effectively subordinated to HRG's existing and future secured debt to the extent of the value of the collateral securing such debt.

The 2022 notes are our senior unsecured obligations. The 2022 notes are not, and are not expected to be, guaranteed by any of our current or future subsidiaries. As a result of our holding company structure, claims of creditors of our subsidiaries will generally have priority as to the assets of our subsidiaries over our claims and over claims of the holders of our indebtedness, including the 2022 notes. As of September 30, 2015, the total liabilities of Spectrum Brands were approximately \$5.7 billion, including trade payables. As of September 30, 2015, the total liabilities of

FGL were approximately \$23.4 billion, including approximately \$17.8 billion in annuity contractholder funds, approximately \$3.5 billion in future policy benefits and approximately \$300.0 million of indebtedness under the FGH Notes. As of September 30, 2015, the total liabilities of HAMCO were approximately \$1.4 million and were approximately \$379.4 million when consolidated with the Asset Managers. As of September 30, 2015, the total liabilities of HGI Energy were approximately \$502.0 million.

The creditors of our subsidiaries have direct claims on the subsidiaries and their assets and the claims of holders of the 2022 notes are “structurally subordinated” to any existing and future liabilities of our subsidiaries. This means that the creditors of our subsidiaries have priority in their claims on the assets of the subsidiaries over our creditors, including the 2022 noteholders. All of our consolidated liabilities are obligations of our subsidiaries and are effectively senior to the 2022 notes.

As a result, upon any distribution to the creditors of any subsidiary in bankruptcy, liquidation, reorganization or similar proceedings, or following acceleration of our indebtedness or an event of default under such indebtedness, the lenders or noteholders, as the case may be, of the indebtedness of our subsidiaries will be entitled to be repaid in full by such subsidiaries before any payment is made to HRG. The 2022 notes indenture does not restrict the ability of our subsidiaries to incur additional indebtedness or grant liens secured by assets of our subsidiaries.

The 2022 notes are not secured by any of our assets. The 2022 notes are therefore effectively subordinated to HRG's secured indebtedness, including the 2019 notes, to the extent of the value of the collateral securing such indebtedness. As of September 30, 2015, HRG had \$864.4 million of secured indebtedness outstanding.

Further, we may incur future indebtedness, some of which may be secured by liens on our assets, to the extent permitted by the 2022 notes indenture and the terms of our other agreements, including the 2019 notes indenture. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the 2022 notes. Holders of the 2022 notes will participate ratably with all holders of our senior unsecured indebtedness and potentially with all of our general creditors.

Risks Related to the 2019 Notes

The 2019 notes are structurally subordinated to all liabilities of our subsidiaries.

The 2019 notes are our senior secured obligations, secured on a first-lien basis by a pledge of substantially all of our assets, including our equity interests in our directly held subsidiaries and all cash and investment securities owned by us. The 2019 notes are not, and are not expected to be, guaranteed by any of our current or future subsidiaries. As a result of our holding company structure, claims of creditors of our subsidiaries will generally have priority as to the assets of our subsidiaries over our claims and over claims of the holders of our indebtedness, including the 2019 notes.

As of September 30, 2015, the total liabilities of Spectrum Brands were approximately \$5.7 billion, including trade payables. As of September 30, 2015, the total liabilities of FGL were approximately \$23.4 billion, including approximately \$17.8 billion in annuity contractholder funds, approximately \$3.5 billion in future policy benefits and approximately \$300.0 million of indebtedness under the FGH Notes. As of September 30, 2015, the total liabilities of HAMCO were approximately \$1.4 million and were approximately \$379.4 million when consolidated with the Asset Managers. As of September 30, 2015, the total liabilities of HGI Energy were approximately \$502.0 million.

The creditors of our subsidiaries have direct claims on the subsidiaries and their assets and the claims of holders of the 2019 notes are "structurally subordinated" to any existing and future liabilities of our subsidiaries. This means that the creditors of our subsidiaries have priority in their claims on the assets of the subsidiaries over our creditors, including the 2019 noteholders. All of our consolidated liabilities, other than our 2022 notes, are obligations of our subsidiaries and are effectively senior to the 2019 notes.

As a result, upon any distribution to the creditors of any subsidiary in bankruptcy, liquidation, reorganization or similar proceedings, or following acceleration of our indebtedness or an event of default under such indebtedness, the lenders or noteholders, as the case may be, of the indebtedness of our subsidiaries will be entitled to be repaid in full by such subsidiaries before any payment is made to HRG. The 2019 notes indenture does not restrict the ability of our subsidiaries to incur additional indebtedness or grant liens secured by assets of our subsidiaries. Further, we may incur future indebtedness, some of which may be secured by liens on the collateral securing the 2019 notes, to the extent permitted by the 2019 notes indenture. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the 2019 notes. Holders of the 2019 notes will participate ratably with all holders of our senior secured indebtedness secured by the collateral, including the 2019 notes already outstanding, to the extent of the value of the collateral and potentially with all of our general creditors.

The ability of the collateral agent to foreclose on the equity of our subsidiaries may be limited.

The majority of the collateral for our obligations under the 2019 notes is a pledge of our equity interests in our current and future directly held subsidiaries. There can be no assurance of the collateral agent's ability to liquidate in an orderly manner our equity interests in our directly held subsidiaries following its exercise of remedies with respect to the collateral. None of our direct subsidiaries, other than Spectrum Brands, is publicly traded. If the collateral agent is required to exercise remedies and foreclose on the stock of Spectrum Brands pledged as collateral, it will have the right to require Spectrum Brands to file and have declared effective a shelf registration statement permitting resales of

such stock. However, Spectrum Brands may not be able to cause such shelf registration statement to become effective or stay effective. The collateral agent's ability to sell Spectrum Brands' stock without a registration statement may be limited by, among other things, the securities laws, because such stock is "control" stock that was issued in a private placement, and by the terms of the Spectrum Brands Stockholder Agreement. Similar limitations could limit the ability of the collateral agent to dispose of the equity interests of FGL held by FS Holdco II Ltd.

As the indirect parent company of Fidelity & Guaranty Life Insurance Company ("FGL Insurance") and Fidelity & Guaranty Life Insurance Company of New York ("FGL NY Insurance"), FGL and entities affiliated for purposes of insurance regulations are subject to the insurance holding company laws of Iowa and New York. Most states, including Iowa and New York, have insurance laws that require regulatory approval of a direct or indirect change of control of an insurer or an insurer's holding company. As a

result, the ability of the collateral agent to foreclose upon the equity of FS Holdco II Ltd. or dispose of such equity will be limited by applicable insurance laws.

The right and ability of the collateral agent to foreclose upon the equity of our subsidiaries upon the occurrence of an event of default is likely to be significantly impaired by applicable bankruptcy law if a bankruptcy proceeding were to be commenced by or against us or a subsidiary of ours prior to the collateral agent having foreclosed upon and sold the equity. Under applicable bankruptcy law, a secured creditor such as the collateral agent may be prohibited from foreclosing upon its security from a debtor in a bankruptcy case or from disposing of security repossessed from such debtor without bankruptcy court approval, which may not be given.

Moreover, the U.S. Bankruptcy Code (the “Bankruptcy Code”) may preclude the secured party from obtaining relief from the automatic stay in order to foreclose upon the equity if the debtor provides “adequate protection.” The meaning of the term adequate protection varies according to circumstances, but it is generally intended to protect the value of the secured creditor’s interest in the collateral from any diminution in the value of the collateral as a result of the stay of repossession or the disposition or any use of the collateral by the debtor during the pendency of the bankruptcy case and may include, if approved by the court, cash payments or the granting of additional security. A bankruptcy court may determine that a secured creditor may not require compensation for a diminution in the value of its collateral if the value of the collateral exceeds the debt it secures.

In view of the lack of a precise definition of the term “adequate protection” and the broad discretionary powers of a bankruptcy court, it is impossible to predict how long payments under the 2019 notes could be delayed following commencement of a bankruptcy case, whether or when the collateral agent could repossess or dispose of the collateral, the value of the collateral at the time of the bankruptcy filing, or whether or to what extent holders of the 2019 notes would be compensated for any delay in payment or diminution in the value of the collateral. The holders of the 2019 notes may receive in exchange for their claims a recovery that could be substantially less than the amount of their claims (potentially even nothing) and any such recovery could be in the form of cash, new debt instruments or some other security. Furthermore, in the event the bankruptcy court determines that the value of the collateral is not sufficient to repay all amounts due on the 2019 notes, the holders of the 2019 notes would have an “undersecured claim,” which means that they would have a secured claim to the extent of the value of the collateral and an unsecured claim for the difference. Applicable federal bankruptcy laws do not permit the payment or accrual of post-petition interest, costs and attorneys’ fees for undersecured claims during the debtor’s bankruptcy case.

If any of our subsidiaries commenced, or had commenced against it, a bankruptcy proceeding (but we had not commenced a bankruptcy proceeding), the plan of reorganization of such subsidiary could result in the cancellation of our equity interests in such subsidiary and the issuance of the equity in the subsidiary to the creditors of such subsidiary in satisfaction of their claims. At any time, a majority of the assets of our directly held subsidiaries can be pledged to secure indebtedness or other obligations of the subsidiary. For example, SBI has pledged the stock of certain of its subsidiaries to secure the indebtedness under SBI’s secured indebtedness. In a bankruptcy or liquidation, 2019 noteholders will only receive value from the equity interests pledged to secure the 2019 notes after payment of all debt obligations of our other subsidiaries that do not guarantee the 2019 notes.

As a result of the foregoing, the collateral agent’s ability to exercise remedies and foreclose on our equity interests in our directly held subsidiaries may be limited.

Foreclosure on the stock of our subsidiaries pledged as collateral could constitute a change of control under the agreements governing our subsidiaries’ debt or other obligations.

If the collateral agent were to exercise remedies and foreclose on a sufficient amount of the stock of Spectrum Brands pledged as collateral for the 2019 notes, the foreclosure could constitute a change of control under the certain agreements governing SBI’s debt. Under SBI’s Senior Credit Agreement, a change of control is an event of default and, if a change of control were to occur, SBI would be required to get an amendment to this agreement to avoid a default. If SBI were unable to get such an amendment, the lenders could accelerate the maturity of the Senior Credit Agreement. The documents governing certain of our subsidiaries’ indebtedness contain a change of control provision. In addition, under the indentures governing SBI’s 6.375% Senior Notes due 2020, 6.625% Senior Notes due 2022, 6.125% Senior Notes due 2024 and 5.75% Senior Notes due 2025 and the indenture governing the FGH Notes, upon a change of control, SBI or FGH, as applicable, is required to offer to repurchase such notes from the holders at a price

equal to 101% of the principal amount of the notes plus accrued and unpaid interest. If SBI or FGH were unable to make the change of control offer, it would be an event of default under the applicable indenture that could allow holders of such notes to accelerate the maturity of those notes. In the event the lenders under the SBI loan agreements or holders of SBI's notes exercised remedies in connection with a default, their claims to SBI's assets would have priority over any claims of the holders of the 2019 notes. Additionally, in the event the holders of the FGH Notes exercised remedies in connection with a default, their claims to FGL's assets would have priority over any claims of the holders of the 2019 notes.

Our current and future subsidiaries could also incur debt with similar features in the future.

Perfection of security interests in some of the collateral may not occur and, as such, holders of the 2019 notes may lose the benefit of such security interests to the extent a default should occur prior to such perfection or if such security interest is

perfected during the period immediately preceding our bankruptcy or insolvency or the bankruptcy or insolvency of any guarantor.

Under the terms of the 2019 notes indenture, if any collateral is not automatically subject to a perfected security interest, then, promptly after the acquisition of such collateral, we will be required to provide security over such collateral. However, perfection of such security interests may not occur immediately. If a default should occur prior to the perfection of such security interests, holders of the 2019 notes may not benefit from such security interests. In addition, if perfection of such security interests were to occur during a period shortly preceding our bankruptcy or insolvency or the bankruptcy or insolvency of any guarantor (if any), such security interests may be subject to categorization as a preference and holders of the 2019 notes may lose the benefit of such security interests. In addition, applicable law requires that a security interest in certain tangible and intangible assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party. The liens in the collateral securing the 2019 notes may not be perfected with respect to the claims of the 2019 notes if the collateral agent is not able to take the actions necessary to perfect any of these liens. The trustee or the collateral agent may not monitor, or we may not inform the trustee or the collateral agent of, the future acquisition of property and rights that constitute collateral, and necessary action may not be taken to properly perfect the security interest in such after-acquired collateral. Neither the trustee nor the collateral agent has an obligation to monitor the acquisition of additional property or rights that constitute collateral or the perfection of any security interest in favor of the 2019 notes against third parties. Such failure may result in the loss of the security interest therein or the priority of the security interest in favor of the 2019 notes against third parties.

There are circumstances other than repayment or discharge of the 2019 notes under which the collateral securing the notes will be released automatically, without your consent or the consent of the trustee.

Under various circumstances, collateral securing the 2019 notes and guarantees, if any, will be released automatically, including:

- upon payment in full of the principal, interest and all other obligations on the 2019 notes or a discharge or defeasance thereof;

- with respect to collateral held by a guarantor (if any), upon the release of such guarantor from its guarantee; and a disposition of such collateral to any person other than to us or a guarantor in a transaction that is permitted by the 2019 notes indenture; provided that, except in the case of any disposition of cash equivalents in the ordinary course of business, upon such disposition and after giving effect thereto, no default shall have occurred and be continuing, and we would be in compliance with the covenants set forth under “Description of 2019 Notes—Certain Covenants—Maintenance of Liquidity,” and “Description of 2019 Notes—Maintenance of Collateral Coverage” (calculated as if the disposition date was a fiscal quarter-end).

See “Description of 2019 Notes—Security—Release of Liens.”

The value of collateral may not be sufficient to repay the 2019 notes in full.

The value of our collateral in the event of liquidation will depend on many factors. In particular, the equity interests of our subsidiaries that is pledged only has value to the extent that the assets of such subsidiaries are worth more than the liabilities of such subsidiaries (and, in a bankruptcy or liquidation, will only receive value after payment upon all such liabilities, including all debt of such subsidiaries). Consequently, liquidating the collateral may not produce proceeds in an amount sufficient to pay any amounts due on the 2019 notes. The fair market value of the collateral is subject to fluctuations based on factors that include, among others, prevailing interest rates, the ability to sell the collateral in an orderly sale, general economic conditions, the availability of buyers and similar factors. The amount to be received upon a sale of the collateral would be dependent on numerous factors, including the actual fair market value of the collateral at such time and the timing and the manner of the sale. By its nature, the collateral may be illiquid and may have no readily ascertainable market value. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, we cannot assure you that the proceeds from any sale or liquidation of the collateral will be sufficient to pay our obligations under the 2019 notes. Any claim for the difference between the amount, if any, realized by holders of the 2019 notes from the sale of collateral securing the 2019 notes and the obligations under the 2019 notes will rank equally in right of payment with all of our other unsecured senior debt and other unsubordinated obligations, including trade payables. To the extent that third parties establish liens on the collateral such third parties could have rights and

remedies with respect to the assets subject to such liens that, if exercised, could adversely affect the value of the collateral or the ability of the collateral agent or the holders of the 2019 notes to realize or foreclose on the collateral. We may also incur obligations which would be secured by the collateral, the effect of which would be to increase the amount of debt secured equally and ratably by the collateral. The ability of the holders to realize on the collateral may also be subject to certain bankruptcy law limitations in the event of a bankruptcy. See “—The ability of the collateral agent to foreclose on the equity of our subsidiaries may be limited.”

We will in most cases have control over the collateral.

So long as no event of default shall have occurred and be continuing, and subject to certain terms and conditions, we will be entitled to exercise any voting and other consensual rights pertaining to all equity interests in our subsidiaries pledged pursuant to the

security and pledge agreement and to remain in possession and retain exclusive control over the collateral (other than as set forth in the security and pledge agreement) and to collect, invest and dispose of any income thereon.

Risks Related to the Exchange Offer

If you do not properly tender your initial notes, you will continue to hold unregistered initial notes and be subject to the same limitations on your ability to transfer initial notes.

We will only issue exchange notes for initial notes that are timely received by the exchange agent together with all required documents, including a properly completed and signed letter of transmittal. Therefore, you should allow sufficient time to ensure timely delivery of the initial notes and you should carefully follow the instructions on how to tender your initial notes. Neither we nor the exchange agent are required to tell you of any defects or irregularities with respect to your tender of the initial notes. If you are eligible to participate in the exchange offer and do not tender your initial notes or if we do not accept your initial notes because you did not tender your initial notes properly, then, after we consummate the exchange offer, you will continue to hold initial notes that are subject to the existing transfer restrictions and will no longer have any registration rights or be entitled to any additional interest with respect to the initial notes. In general, you may only offer or sell the initial notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. Except as required by the Registration Rights Agreement, we do not currently anticipate that we will register under the Securities Act, any initial notes that remain outstanding after the exchange offer. In addition:

if you tender your initial notes for the purpose of participating in a distribution of the exchange notes, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes; and

if you are a broker-dealer that receives exchange notes for your own account in exchange for initial notes that you acquired as a result of market-making activities or any other trading activities, you will be required to acknowledge that you will deliver a prospectus in connection with any resale of those exchange notes.

We have agreed that, for a period of 180 days after the exchange offer is consummated, we will make additional copies of this prospectus and any amendment or supplement to this prospectus available to any broker-dealer for use in connection with any resales of the exchange notes. After the exchange offer is consummated, if you continue to hold any initial notes, you may have difficulty selling them because there will be fewer initial notes outstanding.

There is a limited trading market for the exchange notes.

There is a limited trading market for the exchange notes. Further, we cannot assure you that the trading market will be maintained, will further develop or that you will be able to sell your exchange notes at a particular time or at favorable prices. We have not applied, and do not intend to apply for listing or quotation of the notes on any securities exchange or automated quotation system.

The liquidity of any market for the exchange notes is subject to a number of factors, including:

- the number of holders of exchange notes;
- our operating performance and financial condition;
- our ability to complete the exchange offer;
- the market for similar securities;
- the interest of securities dealers in making a market in the exchange notes; and
- prevailing interest rates.

We understand that one or more of the initial purchasers with respect to the initial notes presently intend to make a market in the exchange notes. However, they are not obligated to do so, and any market-making activity with respect to the exchange notes may be discontinued at any time without notice. In addition, any market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act and may be limited during the exchange offer or the pendency of an applicable shelf registration statement.

The issuance of the exchange notes may adversely affect the market for the initial notes.

To the extent the initial notes are tendered and accepted in the exchange offer, the trading market for the untendered and tendered but unaccepted initial notes could be adversely affected. Because we anticipate that most holders of the initial notes will elect to exchange their initial notes for exchange notes due to the absence of restrictions on the resale

of exchange notes under the Securities Act, we anticipate that the liquidity of the market for any initial notes remaining after the completion of this exchange offer may be substantially limited. Please refer to the section in this prospectus entitled “The Exchange Offer—Your Failure to Participate in the Exchange Offer May Have Adverse Consequences.”

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Some persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes.

Based on interpretations of the staff of the Commission contained in Exxon Capital Holdings Corp., SEC no-action letter (April 13, 1988), Morgan Stanley & Co. Inc., SEC no-action letter (June 5, 1991) and Shearman & Sterling, SEC no-action letter (July 2, 1983), we believe that you may offer for resale, resell or otherwise transfer the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act. However, in some instances described in this prospectus under "Plan of Distribution," you will remain obligated to comply with the registration and prospectus delivery requirements of the Securities Act to transfer your exchange notes. In these cases, if you transfer any exchange note without delivering a prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange notes under the Securities Act, you may incur liability under the Securities Act. We do not and will not assume, or indemnify you against, this liability.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, the documents incorporated by reference and certain oral statements made by our representatives from time to time may contain forward-looking statements that are subject to risks and uncertainties that could cause actual results, events and developments to differ materially from those set forth in or implied by such statements. These statements are based on the beliefs and assumptions of HRG's management and the management of HRG's subsidiaries and affiliates (including target businesses). Forward-looking statements include information concerning possible or assumed future actions, events, results, strategies and expectations, including plans and expectations regarding future acquisitions, dispositions, distributions, and similar activities, and are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may," "will," "could," "might" or similar expressions.

Such forward-looking statements are subject to risks and uncertainties that could cause actual results, events and developments to differ materially from those set forth in or implied by such statements. These statements are based on the beliefs and assumptions of HRG's management and the management of HRG's subsidiaries (including target businesses). Factors that could cause actual results, events and developments to differ include, without limitation: the ability of HRG's subsidiaries (including, target businesses following their acquisition) to generate sufficient net income and cash flows to make upstream cash distributions; the decision of the HRG subsidiaries' boards to make upstream cash distributions, which is subject to numerous factors such as restrictions contained in applicable financing agreements, state and regulatory restrictions and other relevant considerations as determined by the applicable board; HRG's liquidity, which may be impacted by a variety of factors, including the capital needs of HRG's current and future subsidiaries; capital market conditions; commodity market conditions; foreign exchange rates; HRG's and its subsidiaries' ability to identify, pursue or complete any suitable future acquisition or disposition opportunities, including realizing such transaction's expected benefits, efficiencies/cost avoidance or savings, income and margins, growth, economies of scale, streamlined/combined operations, economic performance and conditions to, and the timetable for, completing applicable financial reporting requirements; litigation; potential and contingent liabilities; management's plans; changes in regulations; taxes; and the risks that may affect the performance of the operating subsidiaries of HRG.

We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements. All forward-looking statements described herein are qualified by these cautionary statements and there can be no assurance that the actual results, events or developments referenced herein will occur or be realized. HRG does not undertake any obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operation results, except as required by law.

In addition, you should understand that the following important factors, in addition to those discussed in the section titled "Risk Factors" in this prospectus, could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements. You should also understand that many factors described under one heading below may apply to more than one section in which we have grouped them for the purpose of this presentation. As a result, you should consider all of the following factors, together with all of the other information presented herein, in evaluating the business of the Company and our subsidiaries.

HRG

HRG's actual results or other outcomes may differ from those expressed or implied by forward-looking statements contained or incorporated herein due to a variety of important factors, including, without limitation, the following:

- our dependence on distributions from our subsidiaries to fund our operations and payments on our debt and other obligations;
- the decision of our subsidiaries' boards to make upstream cash distributions, which is subject to numerous factors such as restrictions contained in applicable financing agreements, state and regulatory restrictions and other relevant considerations as determined by the applicable board;
- our and our subsidiaries' liquidity, which may be impacted by a variety of factors, including the capital needs of us and our current and future subsidiaries;
-

limitations on our ability to successfully identify suitable acquisition, disposition and investment opportunities and to compete for these opportunities with others who have greater resources;

the need to provide sufficient capital to our operating businesses;

- the impact of covenants in the indentures and future financing or refinancing agreements, on our ability to operate our business and finance our pursuit of our business strategy;

our ability to incur new debt and refinance our existing indebtedness;

- the impact on our business and financial condition of our substantial indebtedness and the significant additional indebtedness and other financing obligations we and our subsidiaries may incur;

the impact on the aggregate value of our assets and our stock price from changes in the market prices of publicly traded equity interests we hold, particularly during times of volatility in security prices;

the impact of additional material charges associated with our oversight of acquired or target businesses and the integration of our financial reporting;

- the impact of restrictive covenants and applicable laws, including securities laws, on our ability to dispose of equity interests we hold;
- the impact of decisions by our significant stockholders, whose interest may differ from those of our other stockholders, or any of them ceasing to remain significant stockholders;

the effect any interests of our officers, directors, stockholders and their respective affiliates may have in certain transactions in which we are involved;

our dependence on certain key personnel;

the impact on us and/or our subsidiaries from interruption or other operational failures in telecommunication, information technology and other operational systems, or a failure to maintain the security, integrity confidentiality or privacy of sensitive data residing on such systems;

our and our subsidiaries' ability to attract and retain key employees;

the impact of potential losses and other risks from changes in the value of our assets;

our ability to effectively increase the size of our organization, if needed, and manage our growth;

the impact of a determination that we are an investment company or personal holding company;

the impact of claims or litigation arising from operations, agreements and transactions, including litigation arising from or involving former subsidiaries;

the impact of expending significant resources in considering acquisition or disposition targets or business opportunities that are not consummated;

our ability to successfully integrate current and future acquired businesses into our existing operations and achieve the expected economic benefits;

tax consequences associated with our acquisition, holding and disposition of target companies and assets;

the impact of delays or difficulty in satisfying the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 or negative reports concerning our internal controls;

the impact of the relatively low market liquidity for our common stock;

the impact on the holders of our common stock if we issue additional shares of our common stock or preferred stock; and

the effect of price fluctuations in our common stock caused by general market and economic conditions and a variety of other factors, including factors that affect the volatility of the common stock of any of our publicly-held subsidiaries.

Spectrum Brands

Spectrum Brands' actual results or other outcomes may differ from those expressed or implied by the forward-looking statements contained herein due to a variety of important factors, including, without limitation, the following:

- the impact of Spectrum Brands' substantial indebtedness on its business, financial condition and results of operations;
- the impact of restrictions in Spectrum Brands' debt instruments on its ability to operate its business, finance its capital needs or pursue or expand its business strategies;
- any failure to comply with financial covenants and other provisions and restrictions of Spectrum Brands' debt instruments;
- the impact of expenses resulting from the implementation of new business strategies, divestitures or current and proposed restructuring activities;
- Spectrum Brands' inability to successfully integrate and operate new acquisitions at the level of financial performance anticipated;
- the unanticipated loss of key members of Spectrum Brands' senior management;
- the impact of fluctuations in commodity prices, costs or availability of raw materials or terms and conditions available from suppliers, including suppliers' willingness to advance credit;
- interest rate and exchange rate fluctuations;
- the loss of, or a significant reduction in, sales to any significant retail customer(s);
- competitive promotional activity or spending by competitors or price reductions by competitors;

the introduction of new product features or technological developments by competitors and/or the development of new competitors or competitive brands;

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the effects of general economic conditions, including inflation, recession or fears of a recession, depression or fears of a depression, labor costs and stock market volatility or changes in trade, monetary or fiscal policies in the countries where Spectrum Brands does business;

changes in consumer spending preferences and demand for Spectrum Brands' products;

Spectrum Brands' ability to develop and successfully introduce new products, protect its intellectual property and avoid infringing the intellectual property of third parties;

Spectrum Brands' ability to successfully implement, achieve and sustain manufacturing and distribution cost efficiencies and improvements, and fully realize anticipated cost savings;

- the cost and effect of unanticipated legal, tax or regulatory proceedings or new laws or regulations (including environmental, public health and consumer protection regulations);

public perception regarding the safety of Spectrum Brands' products, including the potential for environmental liabilities, product liability claims, litigation and other claims;

the impact of pending or threatened litigation;

changes in accounting policies applicable to Spectrum Brands' business;

government regulations;

the seasonal nature of sales of certain of Spectrum Brands' products;

the effects of climate change and unusual weather activity; and

the effects of political or economic conditions, terrorist attacks, acts of war or other unrest in international markets.

FGL and Front Street

FGL's and Front Street's actual results or other outcomes may differ from those expressed or implied by forward-looking statements contained herein due to a variety of important factors, including, without limitation, the following:

the ability to satisfy the closing conditions, including regulatory approvals, contained in the FGL Merger Agreement;

the impact on the stock price, business, financial condition and results of operations if the FGL Merger is not consummated or not consummated timely;

the impact of the operating restrictions in the FGL Merger Agreement and their impact on FGL;

litigation arising from the FGL Merger;

the accuracy of FGL's and Front Street's assumptions and estimates;

the accuracy of FGL's and Front Street's assumptions regarding the fair value and future performance of their investments;

FGL and its insurance subsidiaries' abilities to maintain or improve their financial strength ratings;

FGL's and Front Street's and their insurance subsidiaries' potential need for additional capital to maintain their financial strength and credit ratings and meet other requirements and obligations;

FGL's and Front Street's ability to defend themselves against or respond to, potential litigation, enforcement investigations or increased regulatory scrutiny;

FGL's and Front Street's ability to manage their businesses in a highly-regulated industry, which is subject to numerous legal restrictions and regulations;

regulatory changes or actions, including those relating to regulation of financial services, affecting (among other things) underwriting of insurance products and regulation of the sale, underwriting and pricing of products and

minimum capitalization and statutory reserve requirements for insurance companies, or the ability of FGL's and Front Street's insurance subsidiaries to make cash distributions to FGL or Front Street, as applicable (including dividends or payments on surplus notes FGL's subsidiaries issue to FGL);

the impact of potential litigation, including class action litigation;

the impact of FGL's reinsurers failing to meet or timely meet their assumed obligations, increasing their reinsurance rates, or becoming subject to adverse developments that could materially adversely impact their ability to provide reinsurance to FGL at consistent and economical terms;

restrictions on FGL's ability to use captive reinsurers;

FGL and Front Street being forced to sell investments at a loss to cover policyholder withdrawals;

-

the impact of interest rate fluctuations on FGL and Front Street and withdrawal demands in excess of FGL's and Front Street's assumptions;
the impact of market and credit risks;

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- equity market volatility;
- credit market volatility or disruption;
- changes in the federal income tax laws and regulations which may affect the relative income tax advantages of FGL's products;
- the performance of third-parties, including independent distributors, underwriters, actuarial consultants and other service providers;
- interruption or other operational failures in telecommunication, information technology and other operational systems, or a failure to maintain the security, integrity, confidentiality or privacy of sensitive data residing on such systems;
- the continued availability of capital required for FGL's and Front Street's insurance subsidiaries to grow;
- the impact on FGL's or Front Street's business of new accounting rules or changes to existing accounting rules;
- the risk that FGL's or Front Street's exposure to unidentified or unanticipated risk is not adequately addressed by their risk management policies and procedures;
- general economic conditions and other factors, including prevailing interest and unemployment rate levels and stock and credit market performance;
- FGL's ability to protect its intellectual property;
- difficulties arising from FGL's and Front Street's outsourcing relationships;
- the impact on FGL's and Front Street's business of natural and of man-made catastrophes, pandemics, computer viruses, network security breaches and malicious and terrorist acts;
 - FGL's and Front Street's ability to compete in a highly competitive industry;
 - FGL's and Front Street's ability to maintain competitive policy expense costs;
- adverse consequences if the independent contractor status of FGL's independent insurance marketing organizations is successfully challenged;
- FGL's ability to attract and retain national marketing organizations and independent agents;
- the potential adverse tax consequences to FGL if FGL generates passive income in excess of operating expenses;
- the significant operating and financial restrictions contained in FGL's debt agreements, which may prevent FGL from capitalizing on business opportunities;
- the inability of FGL's and Front Street's subsidiaries and affiliates to generate sufficient cash to service all of their obligations;
- conflicts of interest between HRG or its affiliates;
- the impact on FGL and Front Street of non-performance of loans originated by Salus;
 - the ability of FGL's and Front Street's subsidiaries to pay dividends;
 - and
- the ability to maintain or obtain approval of the Iowa Insurance Division and other regulatory authorities as required for FGL's operations and those of its insurance subsidiaries.

The Asset Managers

The Asset Managers' actual results or other outcomes may differ from those expressed or implied by the forward-looking statements contained herein due to a variety of important factors, including, without limitation, the following:

- their respective abilities, as applicable, to recover amounts that are contractually owed to them by their borrowers;
- their respective abilities to continue to find attractive business opportunities;
- their respective abilities to address a number of issues to implement their respective business strategies;
- the impact on these businesses resulting from deterioration in economic conditions;
 - their respective abilities to compete with traditional competitors and new market entrants;
 - and
- their respective abilities to address a variety of operational risks, including reputational risk, legal and compliance risk, the risk of fraud or theft, operational errors and systems malfunctions.

Compass

Compass' actual results or other outcomes may differ from those expressed or implied by the forward-looking statements contained herein due to a variety of important factors, including, without limitation, the following:

- fluctuations in oil, natural gas liquids and natural gas prices sold by Compass;
- the impact of Compass' substantial indebtedness on its business, financial condition and results of operations;

changes in the differential between the New York Mercantile Exchange or other benchmark prices of oil, natural gas liquids and natural gas and the reference or regional index price used to price Compass' actual oil and natural gas sales;

Compass' ability to operate successfully as an independent business;

Compass' ability to replace natural gas marketing services upon the expiration of the current arrangements with EXCO Resources, Inc.;

the impact on Compass if it is unable to successfully execute or consummate one or more disposition, acquisition or reserve development opportunities;

Compass' ability to market and sell its oil, natural gas liquids and natural gas and its exposure to the credit risk of its customers, working interest owners and other counterparties and the risks associated with drilling activities;

the inherent uncertainty of estimates of oil and natural gas reserves;

the risk that Compass will be unable to identify or complete, or complete on economically attractive terms, suitable disposition and/or acquisition opportunities of oil and gas properties;

Compass' ability to successfully operate in a highly regulated and litigious environment, including exposure to operating hazards and uninsured risks;

Compass' ability to effectively mitigate the impact of commodity price volatility from its cash flows with its hedging strategy;

changes in the U.S. federal income tax laws and regulations that may affect the relative income tax advantages of Compass' products;

the impact of future and existing environmental regulations;

the effects of climate change and unusual weather activity;

the intense competition in the oil and gas industry, including acquiring properties, contracting for drilling equipment and hiring experienced personnel; and

the unavailability of pipelines or other facilities interconnected to Compass' gathering and transportation pipelines.

We caution the reader that undue reliance should not be placed on any forward-looking statements, which speak only as of the date of this prospectus or the date of documents incorporated by reference herein. Neither we nor any of our subsidiaries undertake any duty or responsibility to update any of these forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect actual outcomes.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratio of earnings to combined fixed charges for each of the periods indicated. For the purpose of calculating the consolidated ratio of earnings to fixed charges, “earnings” represents pre-tax income (loss) from continuing operations plus fixed charges, and less any interest capitalized. “Fixed charges” consists of interest expense, whether expensed or capitalized, amortization of debt financing costs, and one-third of lease expense. You should read these ratios in connection with our consolidated financial statements, including the notes to those statements, incorporated by reference in this prospectus.

	Year Ended September 30,				
	2011	2012	2013	2014	2015
Ratio of earnings to combined fixed charges	1.2	1.1	1.2	1.6	(a)
Deficiency of (loss) earnings to fixed charges (a)					\$(440.8)

(a) Due to losses the year ended September 30, 2015, the coverage ratio was less than 1:1. We would have needed to generate additional earnings of \$440.8 million in this period in order to achieve ratio of 1:1.

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes. We are making this exchange offer solely to satisfy our obligations under the Registration Rights Agreements. In consideration for issuing the exchange notes, we will receive initial notes in a like and corresponding aggregate principal amount.

CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents, short-term investments and consolidated capitalization as of September 30, 2015.

(In millions)	September 30, 2015
Cash and cash equivalents	\$1,197.0
Debt:	
HRG Debt:	
HRG Senior Secured Notes due 2019 (1)	\$864.4
HRG Senior Notes due 2022(2)	890.0
Spectrum Brands Debt:	
SBI Term Credit Facility (3)	1,538.4
SBI Senior Notes (4) (5) (6)	2,340.0
Other notes and obligations	11.2
Capital leases and other	88.2
FGL Debt:	
FGH Notes (7)	300.0
FGL Credit Agreement (8)	—
Compass Debt:	
Credit Agreement (9)	327.0
Salus Debt:	
Unaffiliated long term debt of consolidated variable interest entity (10)	40.4
Secured borrowings under non-qualified loan participations (11)	8.8
Original issuance net premium (discount) on debt	(25.7)
Total debt	6,382.7
Total HRG stockholders' equity	586.7
Total capitalization	\$6,969.4

Consists of \$700.0 million and \$225.0 million aggregate principal amount of 2019 notes that were issued at a price equal to 99.362% and 101.50%, respectively, of the principal amount thereof, net of \$320.6 million aggregate principal amount of 2019 notes that were exchanged for \$350.0 million aggregate principal amount of 2022 notes, together with \$100.0 million of 2019 initial notes and \$160.0 million of 2019 initial notes that were issued in April 2015 and May 2015, respectively, that are the 2019 initial notes for which the 2019 exchange notes are being offered.

In January 2014, HRG issued \$200.0 million aggregate principal amount of 2022 notes. In May 2014, HRG exchanged a portion of its outstanding 2019 notes for \$350.0 million aggregate principal amount of additional 2022 notes. In September 2014, HRG issued \$200.0 million aggregate principal amount of 2022 notes. In May 2015, HRG issued \$140.0 million aggregate principal amount of 2022 initial notes that are the 2022 initial notes for which the 2022 exchange notes are being offered.

On June 23, 2015, SBI entered into term loan facilities pursuant to a Senior Credit Agreement consisting of a \$1,450.0 million U.S. dollar denominated term loan facility due June 23, 2022 (the "USD Term Loan"), a \$75.0 million CAD term loan due June 23, 2022 ("CAD Term Loan") and a €300.0 million Euro denominated term loan facility due June 23, 2022 ("Euro Term Loan" and together with "USD Term Loan" and "CAD Term Loan", the "Term Loans") and entered into a \$500.0 million Revolver Facility due June 23, 2020 (the "Revolver"). The proceeds from the Term Loans and draws on the Revolver were used to repay SBI's then-existing senior term credit facility, repay SBI's outstanding 6.75% senior notes due 2020 (the "6.75% Notes"), repay and replace SBI's then-existing asset based revolving loan facility, and to pay fees and expenses in connection with the refinancing and for general corporate purposes.

The Term Loans and Revolver are subject to variable interest rates, (i) the USD Term Loan is subject to either adjusted International Exchange London Interbank Offered Rate (“LIBOR”), subject to a 0.75% floor, plus 3.0% per annum, or base rate plus 2.0% per annum, (ii) the CAD Term Loan is subject to either Canadian Dollar Offered Rate (“CDOR”), subject to a 0.75% floor plus 3.5% per annum, or base rate plus 2.5% per annum, (iii) the Euro Term Loan is subject to either Euro Interbank Offered Rate (“EURIBOR”), subject to a 0.75% floor, plus 2.75% per annum, with no base rate option available and (iv) the Revolver is subject to either adjusted LIBOR plus 3.0% per annum, or base rate plus 2.0% per annum.

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Subject to certain mandatory prepayment events, the Term Loans are subject to repayment according to scheduled amortizations, with the final payments of all amounts outstanding, plus accrued and unpaid interest, due at maturity. The Senior Credit Agreement contains customary affirmative and negative covenants, including, but not limited to, restrictions on SBI and its restricted subsidiaries' ability to incur indebtedness, create liens, make investments, pay dividends or make certain other distributions, and merge or consolidate or sell assets, in each case subject to certain exceptions set forth in the Senior Credit Agreement. Additionally, the Senior Credit Agreement, solely with respect to the Revolver, contains a financial covenant on the maximum net total leverage ratio that is tested on the last day of each fiscal quarter commencing with the fiscal quarter ending September 30, 2015. SBI was in compliance with all covenants as of September 30, 2015.

Pursuant to a guarantee agreement, SB/RH Holdings, LLC ("SB/RH Holdings") and the material wholly-owned domestic subsidiaries of SBI have guaranteed SBI's obligations under the Senior Credit Agreement and related loan documents. Pursuant to a security agreement, SBI and such subsidiary guarantors have pledged substantially all of their respective assets to secure such obligations and, in addition, SB/RH Holdings has pledged the capital stock of SBI to secure such obligations. The Senior Credit Agreement also provides for customary events of default including payment defaults and cross-defaults to other material indebtedness.

On December 17, 2012, Spectrum Brands issued \$520.0 million aggregate principal amount of 6.375% Senior Notes due 2020 (the "6.375% Notes"), and \$570.0 million aggregate principal amount of 6.625% Senior Notes due 2022 (the "6.625% Notes"). On December 4, 2014, SBI issued \$250.0 million aggregate principal amount of 6.125% Senior Notes due 2024 (the "6.125% Notes").

On May 20, 2015, in connection with the acquisition of Armored AutoGroup Parent, Inc. ("AAG"), SBI issued \$1,000.0 million aggregate principal amount of 5.75% Senior Notes due 2025 at par value (the "5.75% Notes"). The 5.75% Notes are guaranteed by SB/RH Holdings, as well as by SBI's existing and future domestic subsidiaries.

On June 23, 2015, SBI sent a notice of redemption to the holders of its \$300.0 million outstanding aggregate principal amount of 6.75% Notes. In connection with the redemption, SBI paid the trustee principal, interest and a call premium sufficient to redeem the \$300.0 million of 6.75% Notes outstanding. The trustee under the indenture governing the 6.75% Notes accepted those funds in trust for the benefit of the holders of the 6.75% Notes and has acknowledged the satisfaction and discharge of the 6.75% Notes and the indenture governing the 6.75% Notes. On July 23, 2015, the trustee redeemed the 6.75% Notes.

On March 27, 2013, FGH issued \$300.0 million aggregate principal amount of 6.375% Senior Notes due 2021. FGH used the net proceeds from that offering to pay a \$73.0 million dividend, purchase a \$195.0 million surplus note from FGL Insurance (to support the growth of its business and for general corporate purposes) and for FGL's general corporate purposes.

In August 2014, FGH, as borrower, and FGL as guarantor, entered into a three-year \$150.0 million unsecured revolving credit facility (the "FGL Credit Agreement") with certain lenders and RBC Capital Markets, LLC and Credit Suisse Securities (USA) LLC, acting as joint lead arrangers. The loan proceeds from the credit facility may be used for working capital and general corporate purposes. As of September 30, 2015, FGL had not drawn on the revolver.

In connection with its formation, Compass entered into a credit agreement which had an initial borrowing base of \$400.0 million. The terms of the credit agreement provide for a redetermination of the borrowing base on a semi-annual basis. Borrowings under the credit agreement are collateralized by first lien mortgages providing a security interest of not less than 80% of the Engineered Value (as defined in the agreement) of the oil and natural gas properties evaluated by the lenders for purposes of establishing the borrowing base. On May 7, 2015, Compass entered into an amendment to the credit agreement that increased the Consolidated Leverage Ratio (as defined in Compass' credit agreement) to 5.75 to 1.00 for the period ending June 30, 2015 and September 30, 2015 and added a Consolidated Cash Interest Coverage Ratio (as defined in Compass' credit agreement), which was not permitted to be less than 3.50 to 1.00 for the periods ending June 30, 2015 and September 30, 2015. Concurrently with the amendment, HGI Funding provided a guarantee of a limited portion of the debt under the credit agreement until the date of Compass' next borrowing base redetermination (which occurred on November 13, 2015) and committed to make a debt or equity contribution to Compass on such date in an amount to be determined based on the amount of

the borrowing base at such time, which amount would not exceed \$80.0 million (plus certain interest charges on unpaid amounts under the guaranty and reimbursement of enforcement expenses), but was permitted to be less depending on the amounts outstanding under Compass' credit agreement at that time. As a result of these amendments to Compass' credit agreement, Compass returned to good standing under the covenants specified in the credit agreement, as amended. As of September 30, 2015, \$327.0 million was drawn under this agreement.

On November 13, 2015, Compass entered into an amendment to its credit agreement that included a modification of the Consolidated Leverage Ratio whereby the maximum permitted ratio at the end of each quarter was increased to 6.00 to 1.0 through September 30, 2016. The maximum permitted Consolidated Coverage Ratio for each quarter ending after October 1, 2016 will be 4.50 to 1.00. The amendment also provided for the reduction of the borrowing base to \$320.0 million on November 13, 2015, which amount was further reduced to \$175.0 million following the sale of certain oil and gas properties to the Buyer consummated on December 1, 2015. Concurrently with such amendment, HGI Funding

amended its guarantee in order to continue to provide a guarantee (the "Initial Guarantee") of a limited portion of the debt under the Compass credit agreement until the date of Compass' next borrowing base redetermination (expected to be on or about June 1, 2016) and committed to make a debt or equity contribution to Compass on the date of such redetermination in an amount to be determined based on the amount of the borrowing base at such time. HGI Funding's aggregate obligations in connection with the Initial Guarantee through the June 2016 borrowing base redetermination date are not to exceed \$30.0 million. The guarantee was also amended to provide that HGI Funding may elect to guaranty an additional portion of the debt under the Compass credit agreement (the "Optional Guarantee") in order to cure defaults under the Consolidated Leverage Ratio on any test date through September 30, 2016. HGI Funding will be required to make a debt or equity contribution to Compass in the amount of the Optional Guarantee (if any) within eleven business days of the delivery of Compass' compliance certificate under the Compass credit agreement for the period ending September 30, 2016. As of December 31, 2015, the amount of the Optional Guarantee was \$0. As of December 31, 2015, \$160.0 million was drawn under Compass' credit agreement. Compass' credit agreement matures on February 14, 2018.

In February 2013, September 2013 and February 2015, Salus completed a collateralized loan obligation ("CLO") securitization of up to \$578.5 million notional aggregate principal amount. During the fourth quarter of 2015, Salus completed a restructuring of the CLO pursuant to a special redemption of the unaffiliated outstanding senior debt tranches in order to reduce the CLO's outstanding leverage and borrowing costs, which reduced the CLO debt by \$152.6 million. At September 30, 2015, the outstanding notional aggregate principal amount was \$357.7 (10) million, of which \$40.4 million was taken up by unaffiliated entities and consisted entirely of subordinated debt. The obligations of the securitization is secured by the assets of the variable interest entity, primarily asset-based loan receivables, and at September 30, 2014 carried a variable interest rate ranging from LIBOR plus 2.37% to LIBOR plus 11.5% for the senior tranches. The subordinated tranches carry residual interest subject to maintenance of certain covenants. Due to losses incurred in the CLO, at September 30, 2015 the CLO was not accruing interest on the subordinated debt.

Salus acts as co-lender under some of the asset-based loans that it originates, and such loans are structured to meet the definition of a "participating interest" as defined under ASC 860-10, Transfers and Servicing. For loans (11) originated with co-lenders that have terms that result in such a co-lender not having a qualifying "participating interest", Salus recognizes the whole, undivided loan. Salus also reflects a secured borrowing owing to the co-lender representing their share in the undivided whole loan. As of September 30, 2015, Salus had \$8.8 million of such secured borrowings to co-lenders outstanding related to non-qualifying "participating interests."

HRG GROUP, INC.

Unaudited Pro Forma Condensed Combined Financial Information
(in millions, except per share and share amounts)

On December 1, 2015, Compass Energy consummated the transactions contemplated by the Purchase Agreement. Pursuant to the Purchase Agreement, Buyer acquired certain of Compass Energy's oil and gas interests located in the Holly, Waskom and Danville Fields in East Texas and North Louisiana. At the time of closing, proceeds from the transaction, which were approximately \$147.5, less estimated expenses of \$1.9, were used to primarily reduce borrowings under Compass' existing credit facility. Following the closing, pursuant to the terms of the Purchase Agreement, Compass received an additional \$4.2 in connection with resolving certain title and consent matters. On November 8, 2015, AB Infinity and Merger Sub entered into the FGL Merger Agreement to acquire FGL for \$26.80 per share. Pursuant to this agreement, at closing Anbang will acquire all of the outstanding shares of FGL. Stockholders of FGL will receive \$26.80 per share in cash at closing. At the date of the transaction, HRG owned 47 million shares, or 80.5% of FGL.

On May 21, 2015, Spectrum Brands completed the acquisition (the "AAG Acquisition") of AAG pursuant to the Agreement and Plan of Merger by and among AAG, Spectrum Brands, Ignite Merger Sub, Inc. and, solely in its capacity as representative, Avista Capital Partners II GP, LLC, dated as of April 28, 2015 for \$1,400.0 in cash. Spectrum Brands funded the AAG Acquisition with the proceeds of its offering of an aggregate principal amount of \$1,000.0 of SBI's 5.750% Senior Notes due 2025 (the "SBI 5.75% Notes") and its registered offering of \$575.0 of shares of Spectrum Brands' common stock (the "SBH Equity Offering"). In the SBH Equity Offering, HRG acquired 49.0% of the common stock offered thereby, including the shares subject to the underwriters' option to purchase additional shares, for \$281.7 through one of its wholly-owned subsidiaries.

On May 19, 2015, HRG issued an additional \$140.0 aggregate principal amount of its 7.75% Senior Notes due 2022 (the "May HRG Unsecured Notes") at 98.51% of par plus accrued interest from January 15, 2015 and an additional \$160.0 aggregate principal amount of its 7.875% Senior Secured Notes due 2019 (the "May HRG Secured Notes") at 104.5% of par plus accrued interest from January 15, 2015.

On April 14, 2015, HRG issued an additional \$100.0 aggregate principal amount of its 7.875% Senior Secured Notes due 2019 (the "April HRG Secured Notes" and together with the May HRG Secured Notes and the May HRG Unsecured Notes, the "New HRG Notes") at 104.5% of par plus accrued interest from January 15, 2015.

The following unaudited pro forma condensed combined financial information is derived from HRG's historical consolidated financial statements.

The unaudited pro forma condensed combined balance sheet as of September 30, 2015 gives effect to the FGL Merger Agreement; and the disposition of the Holly, Waskom, and Danville assets and the repayment of the portion of Compass' existing facilities (collectively, the "Compass Transactions") as if they had occurred on September 30, 2015. The unaudited pro forma condensed combined statement of operations for the year ended September 30, 2015 reflects the AAG Acquisition, the issuance of the SBI 5.75% Notes, the SBH Equity Offering and the New HRG Notes offerings (collectively, the "AAG Acquisition Transactions") and the Compass Transactions as if they had occurred on October 1, 2014. In addition, the FGL Merger Agreement would have resulted in classifying HRG's ownership interest in FGL as held for sale on the condensed combined balance sheet and FGL's operating results as discontinued operations on the statements of operations. As a result, the unaudited pro forma condensed combined statement of operations for the years ended September 30, 2015, 2014 and 2013 have been presented to reflect FGL being treated as discontinued operations as a result of the FGL Merger Agreement.

On October 31, 2014, HRG, through its wholly-owned subsidiary HGI Energy, acquired approximately 25.5% interests in Compass that it did not previously own from EXCO Resources, Inc., upon which HGI Energy became the owner of 99.8% of the economic interest in Compass. Prior to this acquisition, HRG's ownership of Compass was 74.4%. As a result, prior to October 31, 2014, the presentation of the pro forma operating results of Compass represent HRG's 74.4% proportionate interest while operating results after October 31, 2014 represent 100.0% of Compass' consolidated results.

This unaudited pro forma condensed combined financial information should be read in conjunction with our 2015 Annual Report.

This unaudited pro forma condensed combined financial information is provided for illustrative purposes only and is not necessarily indicative of the results of operations that would have occurred had the disposition been effected on the assumed dates, nor is it necessarily indicative of our future operating results.

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HRG GROUP, INC.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

As of September 30, 2015, in millions, except per share and share amounts

	Historical Condensed Consolidated	Pro Forma Adjustments FGL Merger Agreement	Compass Transactions	Pro Forma Condensed Combined
ASSETS				
Investments:				
Fixed maturities	\$17,514.8	\$(17,500.6)	3(a) \$—	\$14.2
Equity securities	649.4	(616.6)	3(a) —	32.8
Derivatives	81.9	(81.9)	3(a) —	—
Asset-based loans	335.8	(109.2)	3(a) —	226.6
Commercial mortgage loans	489.2	(489.2)	3(a) —	—
Other invested assets	39.6	(34.2)	3(a) —	5.4
Total investments	19,110.7	(18,831.7)	3(a) —	279.0
Cash and cash equivalents	1,197.0	(501.8)	3(a) 2.8	4(a) 698.0
Receivables, net	632.9	—	—	632.9
Inventories, net	780.8	—	—	780.8
Accrued investment income	192.0	(190.7)	3(a) —	1.3
Reinsurance recoverable	2,351.9	(2,351.9)	3(a) —	—
Deferred tax assets	285.0	121.0	3(a) —	406.0
Properties, including oil and natural gas properties, net	812.8	(14.4)	3(a) (72.0)	4(b) 726.4
Goodwill	2,487.4	—	—	2,487.4
Intangibles, including DAC and VOBA, net	3,528.9	(1,048.6)	3(a) —	2,480.3
Other assets	954.7	991.4	3(a) —	1,946.1
Assets held for sale	—	24,999.2	3(a) —	24,999.2
Total assets	\$32,334.1	\$3,172.5	3(a) \$(69.2)	\$35,437.4
LIABILITIES AND EQUITY				
Insurance reserves:				
Contractholder funds	\$17,769.8	\$(17,769.8)	3(a) \$—	\$—
Future policy benefits	4,096.8	(2,240.7)	3(a) —	1,856.1
Liability for policy and contract claims	55.3	(55.3)	3(a) —	—
Funds withheld from reinsurers	9.8	(9.8)	3(a) —	—
Total insurance reserves	21,931.7	(20,075.6)	3(a) —	1,856.1
Debt	6,382.7	30.7	3(a) (147.0)	4(c) 6,266.4
Accounts payable and other current liabilities	1,137.7	(42.1)	3(a) (5.4)	4(d) 1,090.2
Employee benefit obligations	92.9	—	—	92.9
Deferred tax liabilities	613.6	328.8	3(a) —	942.4
Other liabilities	587.4	(491.9)	3(a) (18.0)	4(e) 77.5
Liabilities held for sale	—	23,422.6	3(a) —	23,422.6
Total liabilities	30,746.0	3,172.5	3(a) (170.4)	33,748.1
Commitments and contingencies				
HRG Group, Inc. shareholders' equity:				
Common stock, \$0.01 par; 500,000.0 thousand shares authorized; 201,383.8	2.0	—	—	2.0

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thousand shares issued and outstanding at
September 30, 2015.

Additional paid-in capital	1,458.5	—	—		1,458.5
Accumulated deficit	(833.1	) —	100.7	4(j)	(732.4)
Accumulated other comprehensive loss	(40.7	) —	—		(40.7)
Total HRG Group, Inc. shareholders' equity	586.7	—	100.7		687.4
Noncontrolling interest	1,001.4	—	0.5	4(l)	1,001.9
Total shareholders' equity	1,588.1	—	101.2		1,689.3
Total liabilities and equity	\$32,334.1	\$3,172.5	\$(69.2	)	\$35,437.4

See accompanying notes to unaudited pro forma condensed combined financial statements.

HRG GROUP, INC.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

For the year ended September 30, 2015, in millions, except per share data

	Historical Condensed Consolidated	Pro Forma Adjustments AAG Acquisition	FGL Merger Agreement	Compass Transactions	Pro Forma Condensed Combined
Revenues:					
Net consumer and other product sales	\$ 4,733.1	\$275.8 2(a)	\$—	\$—	\$5,008.9
Oil and natural gas	107.4	—	—	(40.5) 4(f)	66.9
Insurance premiums	59.8	—	(58.4) 3(b)	—	1.4
Net investment income	927.2	—	(845.4) 3(b)	—	81.8
Net investment losses	(104.7)	—	(30.2) 3(b)	—	(134.9)
Insurance and investment product fees and other	93.1	—	(88.2) 3(b)	—	4.9
Total revenues	5,815.9	275.8	(1,022.2)	(40.5)	5,029.0
Operating costs and expenses:					
Cost of consumer products and other goods sold	3,050.9	154.4 2(a,b)	—	—	3,205.3
Oil and natural gas direct operating costs	85.9	—	—	(41.0) 4(f)	44.9
Benefits and other changes in policy reserves	625.5	—	(578.4) 3(b)	—	47.1
Selling, acquisition, operating and general expenses	1,476.5	27.5 (2a,c,e,f,g)	(113.2) 3(b)	(14.1) 4(f)	1,376.7
Impairments and bad debt expense	675.3	7.0 2(a)	(36.9) 3(b)	(129.5) 4(g)	515.9
Amortization of intangibles	129.6	6.5 2(d)	(41.8) 3(b)	—	94.3
Total operating costs and expenses	6,043.7	195.4	(770.3)	(184.6)	5,284.2
Operating (loss) income	(227.8)	80.4	(251.9)	144.1	(255.2)
Interest expense	(429.7)	(61.1) 2(a,h)	18.1 3(b)	4.1 4(h)	(468.6)
Gain on deconsolidation of subsidiary	38.5	—	—	—	38.5
Gain upon gaining control of equity method investment	141.2	—	—	—	141.2
Other income (expense), net	37.0	(1.1) 2(a)	(6.1) 3(b)	(8.5) 4(i)	21.3
Loss (income) from continuing operations before income taxes	(440.8)	18.2	(239.9)	139.7	(522.8)
Income tax expense (benefit)	71.6	(11.6) 2(a,j)	(84.1) 3(b)	— 4(k)	(24.1)
Net (loss) income from continuing operations	(512.4)	29.8	(155.8)	139.7	(498.7)
Income from discontinued operations, net of tax	—	—	155.8 3(b)	—	155.8
Net (loss) income	(512.4)	29.8	—	139.7	(342.9)
Less: Net income attributable to noncontrolling interest	44.4	12.7 2(a,i)	—	0.4 4(l)	57.5
Net (loss) income attributable to controlling interest	\$ (556.8)	\$ 17.1	\$—	\$ 139.3	\$ (400.4)
Amounts attributable to controlling interest:					
Net (loss) income from continuing operations, net of tax	\$ (556.8)	\$ 17.1	\$ (125.4) 3(c)	\$ 139.3	\$ (525.8)

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Net income from discontinued operations, net of tax	—	—	125.4	3(c)	—	125.4		
Net (loss) income attributable to controlling interest	\$ (556.8)	\$ 17.1	\$—		\$ 139.3	\$ (400.4)		
Net loss per common share attributable to controlling interest:								
Basic (loss) income from continuing operations	\$ (2.81)	\$ 0.09	2(k)	\$ (0.63)	3(d)	\$ 0.70	4(m)	\$ (2.65)
Basic income from discontinued operations	—	—	0.63	3(d)	—	0.63		
Basic	\$ (2.81)	\$ 0.09	\$—		\$ 0.70	\$ (2.02)		
Diluted (loss) income from continuing operations	\$ (2.81)	\$ 0.09	2(k)	\$ (0.63)	3(d)	\$ 0.70	4(m)	\$ (2.65)
Diluted income from discontinued operations	—	—	0.63	3(d)	—	0.63		
Diluted	\$ (2.81)	\$ 0.09	\$—		\$ 0.70	\$ (2.02)		

See accompanying notes to unaudited pro forma condensed combined financial statements..

HRG GROUP, INC.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

For the year ended September 30, 2014, in millions, except per share data

	Historical Condensed Consolidated	FGL Merger Agreement	Pro Forma Condensed Combined
Revenues:			
Net consumer and other product sales	\$4,449.2	\$—	\$4,449.2
Oil and natural gas	147.0	—	147.0
Insurance premiums	56.6	(55.6)	) 3(b) 1.0
Net investment income	842.2	(753.2)	) 3(b) 89.0
Net investment gains (losses)	395.3	(306.7)	) 3(b) 88.6
Insurance and investment product fees and other	72.7	(67.5)	) 3(b) 5.2
Total revenues	5,963.0	(1,183.0)	) 4,780.0
Operating costs and expenses:			
Cost of consumer products and other goods sold	2,875.6	—	2,875.6
Oil and natural gas direct operating costs	69.6	—	69.6
Benefits and other changes in policy reserves	852.7	(787.5)	) 3(b) 65.2
Selling, acquisition, operating and general expenses	1,332.5	(101.7)	) 3(b) 1,230.8
Impairments and bad debt expense	83.9	(0.6)	) 3(b) 83.3
Amortization of intangibles	179.2	(97.5)	) 3(b) 81.7
Total operating costs and expenses	5,393.5	(987.3)	) 4,406.2
Operating income (loss)	569.5	(195.7)	) 373.8
Interest expense	(321.9)	) 15.5	3(b) (306.4)
Loss from the change in the fair value of the equity conversion feature of preferred stock	(12.7)	) —	(12.7)
Other expense, net	(21.7)	) (0.8)	) 3(b) (22.5)
Income (loss) from continuing operations before income taxes	213.2	(181.0)	) 32.2
Income tax expense (benefit)	111.5	(23.4)	) 3(b) 88.1
Net income (loss) from continuing operations	101.7	(157.6)	) (55.9)
Income from discontinued operations, net of tax	—		