

VIRTUS INVESTMENT PARTNERS, INC.
Form SC 13D
January 12, 2009

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934

Virtus Investment Partners, Inc.

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

92828Q109

(CUSIP Number)

Bank of Montreal

Laura Ryan

111 W. Monroe Street

Chicago, IL 60603

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Tel. No.: (312) 461-2575

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

December 31, 2008

(Date of Event which Requires Filing of this Statement)

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

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 92828Q109

1 Names of Reporting Persons.

Bank of Montreal

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC Use Only

4 Source of Funds (See Instructions)

WC*

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

x

6 Citizenship or Place of Organization

Canada

7 Sole Voting Power

NUMBER OF

SHARES

1,724,128**

8 Shared Voting Power

BENEFICIALLY

OWNED BY

EACH

100***

9 Sole Dispositive Power

REPORTING

PERSON

WITH

1,724,128**

10 Shared Dispositive Power

100***

11 Aggregate Amount Beneficially Owned by Each Reporting Person

1,724,228 Shares

12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

Not applicable

13 Percent of Class Represented by Amount in Row (11)

23.0%**

14 Type of Reporting Person (See Instructions)

HC, BK

* The source of funds for acquiring the shares of Series B Preferred Stock (as defined below) was the working capital of Harris Bankcorp, Inc. (Harris), a wholly-owned subsidiary of Harris Financial Corp. (HFC), which is a wholly-owned subsidiary of Bank of Montreal (BMO), and together with Harris and HFC, the Reporting Persons).

** BMO, Bank of Montreal Holding Inc. (a wholly-owned subsidiary of BMO), Bank of Montreal Securities Canada Limited (a wholly-owned subsidiary of Bank of Montreal Holding Inc.), BMO Nesbitt Burns Corporation Limited (a wholly-owned subsidiary of Bank of Montreal Securities Canada Limited) and BMO Nesbitt Burns Inc. (a wholly-owned subsidiary of BMO Nesbitt Burns Corporation Limited) are the beneficial owners of 2 shares of common stock of Virtus Investment Partners, Inc., formerly known as Virtus Holdings, Inc. (the Issuer). The Reporting Persons are the beneficial owners of 45,000 shares of Series B Voting Convertible Preferred Stock (the Series B Preferred Stock) of the Issuer. As of the date of this Statement on Schedule 13D, each share of Series B Preferred Stock is convertible into 38.3139 shares of common stock of the Issuer, and the entire 45,000 shares of Series B Preferred Stock beneficially owned by the Reporting Persons are convertible, in the aggregate, into 1,724,126 shares of common stock covered by this report. The number of shares issuable upon the conversion of the Series B Preferred Stock may be adjusted from time to time in accordance with certain customary anti-dilution protection provisions and the amount of accumulated and unpaid dividends as set forth in the certificate of designations of the Series A Non-Voting Convertible Preferred Stock and the Series B Preferred Stock. In the event that all of the shares of the Series B Preferred Stock beneficially

owned by the Reporting Persons are converted into common stock of the Issuer at the current conversion rate of 38.3139 shares of common stock per each share of Series B Preferred Stock, based upon the 7,496,202 shares of common stock of the Issuer outstanding as of December 31, 2008 (including the shares of common stock issuable upon conversion of the Series B Preferred Stock beneficially owned by the Reporting Persons), the Reporting Persons would own 23.0% of the outstanding shares of common stock of the Issuer.

*** 100 shares of common stock of the Issuer (the Trust Shares) are held in a bona fide fiduciary capacity in certain trust or investment accounts for the account of third parties. 91 shares of the Trust Shares are beneficially owned by the Reporting Persons and Harris N.A., which is a wholly-owned subsidiary of Harris, and 9 shares of the Trust Shares are beneficially owned by BMO, HFC, Harris RIA Holdings, Inc., a wholly-owned subsidiary of HFC, and Sullivan, Bruyette, Speros & Blayney, Inc. (Harris SBSB), a wholly-owned subsidiary of Harris RIA Holdings, Inc.

CUSIP No. 92828Q109

1 Names of Reporting Persons.

Harris Financial Corp.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC Use Only

4 Source of Funds (See Instructions)

WC*

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

x

6 Citizenship or Place of Organization

Delaware

7 Sole Voting Power

NUMBER OF

SHARES

1,724,126**

8 Shared Voting Power

BENEFICIALLY

OWNED BY

EACH

100***

9 Sole Dispositive Power

REPORTING

PERSON

WITH

1,724,126**

10 Shared Dispositive Power

100***

11 Aggregate Amount Beneficially Owned by Each Reporting Person

1,724,226 Shares

12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

Not applicable

13 Percent of Class Represented by Amount in Row (11)

23.0%**

14 Type of Reporting Person (See Instructions)

HC, CO

* The source of funds for acquiring the shares of Series B Preferred Stock was the working capital of Harris.

** The Reporting Persons are the beneficial owners of 45,000 shares of Series B Preferred Stock of the Issuer. As of the date of this Statement on Schedule 13D, each share of Series B Preferred Stock is convertible into 38.3139 shares of common stock of the Issuer, and the entire 45,000 shares of Series B Preferred Stock beneficially owned by the Reporting Persons are convertible, in the aggregate, into 1,724,126 shares of common stock covered by this report. The number of shares issuable upon the conversion of the Series B Preferred Stock may be adjusted from time to time in accordance with certain customary anti-dilution protection provisions and the amount of accumulated and unpaid dividends as set forth in the certificate of designations of the Series A Non-Voting Convertible Preferred Stock and the Series B Preferred Stock. In the event that all of the shares of the Series B Preferred Stock beneficially owned by the Reporting Persons are converted into common stock of the Issuer at the current conversion rate of 38.3139 shares of common stock per each share of Series B Preferred Stock, based upon the 7,496,202 shares of common stock of the

Issuer outstanding as of December 31, 2008 (including the shares of common stock issuable upon conversion of the Series B Preferred Stock beneficially owned by the Reporting Persons), the Reporting Persons would own 23.0% of the outstanding shares of common stock of the Issuer.

*** The Trust Shares are held in a bona fide fiduciary capacity in certain trust or investment accounts for the account of third parties. 91 shares of the Trust Shares are beneficially owned by the Reporting Persons and Harris N.A. and 9 shares of the Trust Shares are beneficially owned by BMO, HFC, Harris RIA Holdings, Inc. and Harris SBSB.

CUSIP No. 92828Q109

1 Names of Reporting Persons.

Harris Bankcorp, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC Use Only

4 Source of Funds (See Instructions)

WC

5 Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

x

6 Citizenship or Place of Organization

Delaware

7 Sole Voting Power

NUMBER OF

SHARES

1,724,126*

8 Shared Voting Power

BENEFICIALLY

OWNED BY

EACH

91**

9 Sole Dispositive Power

REPORTING

PERSON

WITH

1,724,126*

10 Shared Dispositive Power

91**

11 Aggregate Amount Beneficially Owned by Each Reporting Person

1,724,217 Shares

12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

Not applicable

13 Percent of Class Represented by Amount in Row (11)

23.0%*

14 Type of Reporting Person (See Instructions)

HC, CO

* The Reporting Persons are the beneficial owners of 45,000 shares of Series B Preferred Stock of the Issuer. As of the date of this Statement on Schedule 13D, each share of Series B Preferred Stock is convertible into 38.3139 shares of common stock of the Issuer, and the entire 45,000 shares of Series B Preferred Stock beneficially owned by the Reporting Persons are convertible, in the aggregate, into 1,724,126 shares of common stock covered by this report. The number of shares issuable upon the conversion of the Series B Preferred Stock may be adjusted from time to time in accordance with certain customary anti-dilution protection provisions and the amount of accumulated and unpaid dividends as set forth in the certificate of designations of the Series A Non-Voting Convertible Preferred Stock and the Series B Preferred Stock. In the event that all of the shares of the Series B Preferred Stock beneficially owned by the Reporting Persons are converted into common stock of the Issuer at the current conversion rate of 38.3139 shares of common stock per each share of Series B Preferred Stock, based upon the 7,496,202 shares of common stock of the Issuer outstanding as of December 31, 2008 (including the shares of common stock issuable upon conversion of the Series B Preferred Stock beneficially owned by the Reporting Persons), the Reporting Persons would own 23.0% of the outstanding shares of common stock of the Issuer.

** The Trust Shares are held in a bona fide fiduciary capacity in certain trust or investment accounts for the account of third parties. 91 shares of the Trust Shares are beneficially owned by the Reporting Persons and Harris N.A.

Item 1. Security and Issuer

The class of equity securities to which this Statement on Schedule 13D relates are the common stock, par value \$0.01 per share (the Common Stock), of Virtus Investment Partners, Inc., a Delaware corporation, formerly known as Virtus Holdings, Inc. (the Issuer). The principal executive offices of the Issuer are located at 100 Pearl St., 9th Floor, Hartford, CT 06103.

The information set forth in the Exhibits to this Statement on Schedule 13D is hereby expressly incorporated herein by reference, and the responses to each item of this Statement on Schedule 13D are qualified in their entirety by the provisions of such Exhibits.

Item 2. Identity and Background

This Statement on Schedule 13D is being filed by Bank of Montreal (BMO), a chartered bank in Canada, Harris Financial Corp. (HFC), a Delaware corporation, and Harris Bankcorp, Inc. (Harris), a Delaware corporation (collectively, the Reporting Persons). The Reporting Persons entered into an agreement of joint filing, dated January 12, 2009, a copy of which is attached as Exhibit 2.01.

BMO wholly owns HFC. HFC wholly owns Harris. Bank of Montreal Holding Inc. is a wholly-owned subsidiary of BMO. Bank of Montreal Securities Canada Limited is a wholly-owned subsidiary of Bank of Montreal Holding Inc. BMO Nesbitt Burns Corporation Limited is a wholly-owned subsidiary of Bank of Montreal Securities Canada Limited. BMO Nesbitt Burns Inc. is a wholly-owned subsidiary of BMO Nesbitt Burns Corporation Limited. Harris N.A. is a wholly-owned subsidiary of Harris. Sullivan, Bruyette, Speros & Blayney, Inc. (Harris SBSB) is a wholly-owned subsidiary of Harris RIA Holdings, Inc., which in turn is a wholly-owned subsidiary of HFC.

The principal office of BMO is 100 King Street West, 1 First Canadian Place, Toronto, Ontario, M5X 1A1. The principal office of HFC is 111 W. Monroe Street, Chicago, Illinois 60603. The principal office of Harris is 111 W. Monroe Street, Chicago, Illinois 60603.

BMO is a chartered bank under the Bank Act of Canada. HFC is a financial holding company. Harris is a bank holding company headquartered in Chicago.

The name, residence or business address, position, present principal occupation or employment, the name and, if other than any Reporting Person, the principal business and address of any corporation or organization in which such employment is conducted and citizenship of each director and executive officer of each Reporting Person are set forth in the attached Schedule A.

Except as described below, during the last five years, none of the Reporting Persons and, to the best of the Reporting Persons' knowledge, none of the persons listed on Schedule A attached hereto, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

During the period Ms. Guylaine Saucier was a director of Nortel Networks Corporation (Nortel), Nortel and its principal operating subsidiary Nortel Networks Limited (NNL) failed to file certain of their financial statements on a timely basis. In light of the foregoing, on May 17, 2004 the Ontario Securities Commission issued an order prohibiting, effective immediately, all trading by directors, officers and certain then current and former employees in the securities of Nortel and NNL. Two other Canadian securities commissions issued similar orders. The last of the cease trade orders were lifted by the relevant securities commissions in Canada on June 23, 2005. Ms. Guylaine Saucier is no longer a director of Nortel.

Item 3. Source and Amount of Funds or Other Consideration

Of the shares reported hereby as beneficially owned by the Reporting Persons, 100 shares of Common Stock (the *Trust Shares*) are held in a bona fide fiduciary capacity in certain trust or investment accounts for the account of third parties. 91 shares of the Trust Shares are beneficially owned by the Reporting Persons and Harris N.A. and 9 shares of the Trust Shares are beneficially owned by BMO, HFC, Harris RIA Holdings, Inc. and Harris SBSB. The Trust Shares and the 2 shares of Common Stock (the *Allocated Shares*) reported hereby as beneficially owned by BMO, Bank of Montreal Holding Inc., Bank of Montreal Securities Canada Limited, BMO Nesbitt Burns Corporation Limited and BMO Nesbitt Burns Inc. were received by the Reporting Persons or their subsidiaries through pro rata distribution of the Common Stock as part of the spin-off of the Issuer from The Phoenix Companies, Inc. on December 31, 2008. No consideration was paid by the Reporting Persons or their subsidiaries in receipt of the Trust Shares.

On October 30, 2008, Harris entered into an Investment and Contribution Agreement (the *Investment Agreement*), by and among Harris, Phoenix Investment Management Company, the Issuer and The Phoenix Companies, Inc. Pursuant to the Investment Agreement, Harris agreed to purchase certain securities of the Issuer in a two step transaction as follows: (i) 9,783 shares of Series A Non-Voting Convertible Preferred Stock, par value \$0.01 per share (the *Series A Preferred Stock*), for an aggregate purchase price of \$1 at the first closing (which occurred on October 31, 2008), and (ii) 35,217 shares of the Series B Voting Convertible Preferred Stock, par value \$0.01 per share (the *Series B Preferred Stock* and, together with the Series A Preferred Stock, the *Preferred Stock*), for an aggregate purchase price of \$35 million at the second closing (which occurred on December 31, 2008). In accordance with the Investment Agreement, at the second closing, Harris also exchanged all of the shares of Series A Preferred Stock it acquired at the first closing for the same number of shares of the Series B Preferred Stock. After giving effect to the purchase at the second closing and the exchange, the Reporting Persons beneficially own in the aggregate 45,000 shares of Series B Preferred Stock. The source of the consideration paid to acquire the Series A Preferred Stock on October 31, 2008 and the Series B Preferred Stock on December 31, 2008 was working capital of Harris.

Item 4. Purpose of Transaction

As of the date of this Statement on Schedule 13D, except as set forth below, none of the Reporting Persons nor, to the best knowledge of the Reporting Persons, any of the persons listed in Schedule A, has any current plans or proposals that relate to or would result in any of the actions set forth in subparagraphs (a) through (j) of Item 4 of Schedule 13D. However, as part of their ongoing evaluation of this investment, the Reporting Persons may formulate new plans or proposals which could relate to or which could result in one or more of the actions referred to in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

The Trust Shares and the Allocated Shares were received by the Reporting Persons or their subsidiaries through pro rata distribution of the Common Stock as part of the spin-off of the Issuer from The Phoenix Companies, Inc. on December 31, 2008. The shares of Preferred Stock were acquired for investment purposes only. The 45,000 shares of Series B Preferred Stock beneficially owned by the Reporting Persons, if converted into Common Stock at the current conversion rate of 38.3139 shares of Common Stock per each share of Preferred Stock, will result in the Reporting Persons beneficially owning, in the aggregate, 1,724,126 shares of Common Stock (in addition to the Trust Shares and the Allocated Shares). The Reporting Persons currently intend to hold any shares of Common Stock to be issued upon conversion of any shares of the Series B Preferred Stock or to be acquired in the future for investment purposes only.

Board of Directors Membership

In accordance with the Investment Agreement, the Issuer has agreed to promptly cause one person nominated by Harris and one person elected by the holders of the Preferred Stock in accordance with the certificate of designations of the Preferred Stock to be elected or appointed to the board of directors of the Issuer (the *Board of Directors*). So

long as Harris beneficially owns at least 10% of the outstanding shares of Common Stock (including for this purpose any shares of Common Stock issuable upon the conversion of the Preferred Stock and certain additional securities Harris may acquire pursuant to its additional financing right (as described below)), subject to satisfaction of certain requirements, the Issuer will be required to recommend to its stockholders the election of a designate of Harris to the Board of Directors at the Issuer's annual meeting. For as long as at least 66 2/3% of the aggregate shares of the Series B Preferred Stock issued on the second closing remain outstanding, the holders of a majority of the then outstanding shares of the Series B Preferred Stock shall have the exclusive right, voting separately as a class, to appoint and elect one director.

Restrictions On Transfer

Until the thirty-month anniversary of the date of the second closing, Harris is not permitted to transfer, sell, assign or otherwise dispose of (Transfer) any Preferred Stock, or shares of Common Stock issuable upon conversion of any shares of Preferred Stock, acquired pursuant to the Investment Agreement; provided, that, except for Transfers pursuant to Rule 144 under the Securities Act of 1933 or a registered offering, any Transfer permitted in accordance with the provisions of the Investment Agreement must not (i) cause certain regulatory events or consequences set forth in the Investment Agreement or (ii) be made to certain competitors of the Issuer or their controlled affiliates. Notwithstanding the foregoing, Harris will be permitted to Transfer any portion or all of its Preferred Stock or shares of Common Stock issuable upon conversion of any shares of Preferred Stock at any time under the following circumstances: (1) Transfers to any affiliate under common control with Harris ultimate parent entity but only if the transferee agrees in writing for the benefit of the Issuer to be bound by the terms of the Investment Agreement; (2) Transfers pursuant to a merger, tender offer or exchange offer or other business combination, acquisition of assets or similar transaction or change of control involving the Issuer or certain of its subsidiaries; (3) Transfers commenced after the commencement of bankruptcy or insolvency proceedings; (4) Transfers made in connection with a pledge to a financial institution to secure a bona fide debt financing and any foreclosure of such pledge and subsequent sale of the securities; and (5) Transfers made with the prior written consent of the Issuer.

Standstill and Voting Limitations

In addition, pursuant to the Investment Agreement, Harris agreed that, until the three-year anniversary of the second closing date, without the prior written approval of the Issuer, neither Harris nor any of its controlled affiliates will (a) acquire beneficial ownership of any Common Stock or other securities issued by the Issuer if such acquisition would result in Harris and its affiliates having beneficial ownership of more than 23.0% of the outstanding shares of Common Stock, other than solely as a result of the exercise of the additional financing right or any other rights, entitlements or obligations set forth in the Investment Agreement, the certificate of incorporation of the Issuer or the certificate of designations of the Preferred Stock; provided, however, that Harris or its controlled affiliates will, directly or indirectly, be entitled to acquire in any trading market on which securities issued by the Issuer or certain of its subsidiaries are listed or quoted beneficial ownership of any Common Stock or other securities issued by the Issuer, so long as such acquisition would not result in Harris having beneficial ownership of Common Stock representing more than 24.9% of the outstanding shares of Common Stock (calculated on a fully diluted basis) at the time of acquisition or, subject to certain exceptions, so long as any resulting increase in the beneficial ownership of Harris and its affiliates (as a percentage of the outstanding fully-diluted Common Stock) is less than or equal to a prior reduction in such beneficial ownership resulting from the issuance by the Issuer of shares of Common Stock (or securities convertible into or exchangeable therefor) pursuant to any employee benefit plan or other equity-based awards to employees or directors; (b) enter into or otherwise be involved in or part of, any acquisition transaction, merger or other business combination relating to all or part of the Issuer or certain of its subsidiaries or any acquisition transaction for all or part of the assets of the Issuer or certain of its subsidiaries or any of their respective businesses; (c) make, or in any way participate in, certain solicitations of proxies to vote, or seek to advise or influence any person or entity with respect to the voting of, any voting securities of the Issuer or certain of its subsidiaries; (d) call or seek to call a meeting of the stockholders of the Issuer or certain of its subsidiaries or initiate any stockholder proposal for action by stockholders of the Issuer or certain of its subsidiaries, form, join or in any way participate in a group with respect to any voting securities of the Issuer, or seek, propose or otherwise act alone or in concert with others, to influence or control the management, the Board of Directors or policies of the Issuer or certain of its subsidiaries; or (e) bring any action or otherwise act to contest the validity of the standstill provisions of the Investment Agreement described above or seek a release of the restrictions contained therein, or make a request to amend or waive any provision of such provision. Harris also agreed that until the three year anniversary of the second closing date it will

vote in favor of the slate of directors recommended by the Board of Directors at each meeting of the Issuer's stockholders for the election of such directors. Notwithstanding the aforementioned, the restrictions set forth above will be suspended upon the occurrence of certain events, including without limitation, if it is publicly disclosed that the Issuer is seeking any purchaser for a controlling interest in its business; another person or group which is unaffiliated with Harris has offered or proposed to acquire a controlling interest in the Issuer or assets representing, at least fifty percent of the market capitalization of the Issuer and the Issuer has approved or recommended that the stockholders of the Issuer accept such offer; if a party unaffiliated with Harris shall have acquired control of the Board of Directors through the solicitation of proxies or otherwise; with respect to any acquisition by Harris of any assets or securities of the Issuer as debtor, in a transaction subject to the approval of the United States Bankruptcy Court pursuant to proceedings under the United States Bankruptcy Code; with respect to the sale or exchange by Harris of securities in a tender or exchange offer initiated by a person other than Harris or its affiliates, or with respect to any action by the Investment Agreement or necessary to consummate the transactions contemplated thereby.

In accordance with the certificate of designations of the Preferred Stock, at any time that any person or group holds directly or indirectly shares of Preferred Stock representing in the aggregate in excess of 24.9% of the total voting power of the outstanding shares of Common Stock, such number of shares as represents such excess voting power will become nonvoting for all purposes, except as may be required by the General Corporation Law of the State of Delaware, and will, without limitation, not have any right to vote or consent under the provisions of the certificate of designations of the Preferred Stock and will not be considered outstanding for purposes of any vote or consent; provided, that such voting limitation will terminate (i) if at any time Harris beneficially owns securities of the Issuer representing in excess of 33 1/3% of the outstanding shares of Common Stock but clause (iii) below is not applicable, provided, however, that the exception set forth in this clause (i) will not apply (A) if Harris's beneficial ownership of securities representing such excess voting power will not have resulted in and will not constitute an assignment of the investment advisory contracts to which the Issuer or any subsidiary that is a registered investment adviser is a party or (B) in the event that the Issuer or any such subsidiary shall have received the requisite approvals of the board of directors or trustees and shareholder of such entity in respect of any such assignment; (ii) if at any time a person or group other than Harris and its affiliates acquires beneficial ownership in excess of 24.9% of the outstanding shares of Common Stock or in excess of 24.9% of the total voting power of the outstanding shares of Common Stock or (iii) if at any time Harris beneficially owns securities of the Issuer representing in excess of 50% of the outstanding shares of Common Stock Common Stock.

Additional Financing Right and Right to Appoint an Additional Director

In accordance with the Investment Agreement, subject to certain conditions, if at any time prior to the twenty-four month anniversary of the second closing, the Issuer proposes to issue to any person any Common Stock or a Common Stock equivalent security of the Issuer (such issuance, a "Qualifying Issuance") other than in connection with certain equity compensation arrangements, for mergers or acquisitions in which shares of Common Stock are exchanged for equity securities of the acquired entity, or pursuant to any stock split, stock dividend or recapitalization by the Issuer, Harris will be afforded the right to provide additional financing to the Issuer in lieu of the Qualifying Issuance through a purchase of additional shares of Series B Preferred Stock or a new series of Preferred Stock identical to the Series B Preferred Stock (except with respect to conversion price) up to a principal amount of \$25 million. Harris must exercise such additional financing right within twenty business days after receipt of any notice of intention to initiate a Qualifying Issuance from the Issuer. In the event that Harris exercises its additional financing right and beneficially owns in excess of 33% of the outstanding shares of Common Stock (including for this purpose shares of Common Stock issuable upon conversion of the Preferred Stock) after giving effect to such additional financing right, it will be granted the right to appoint one additional member to the Board of Directors so long as such additional right would not give rise to certain regulatory events or consequences set forth in the Investment Agreement.

The Put Right and the Call Option

Pursuant to the Investment Agreement, at any time on or after the three-year anniversary of the first closing, Harris will have the right (the "Put Right"), to require the Issuer to repurchase, all of the Series A Preferred Stock purchased by Harris in the first closing (or the shares of Series B Preferred Stock which were issued and delivered to Harris on the second closing in exchange for all the Series A Preferred Stock held

by Harris) on not less than five days' notice from Harris to the Issuer, for a purchase price (the "Put Price") equal to the liquidation preference of such shares of Series A Preferred Stock (including all accumulated and unpaid dividends and accrued interest thereon to the closing date of the Put Right). The Put Price will be payable by the Issuer in cash or, at the election of the Issuer, in the form of two senior promissory notes of the Issuer each having an aggregate principal amount equal to one half of the Put Price of the Issuer, paying interest at LIBOR plus 300 basis points per annum, the first maturing on the one-year anniversary of the closing date of the Put Right and the second maturing on the two-year anniversary of the closing date for the Put Right. In addition, the Issuer will have the option at any time after the consummation of the first closing and prior to any exercise of the Put Right by Harris to repurchase from Harris, all of the shares of Series A Preferred Stock (or the shares of Series B Preferred Stock which were issued and delivered to Harris on the second closing in exchange for all the Series A Preferred Stock held by Harris) then held by Harris, on not less than five days' notice from the Issuer to Harris, for a purchase price (the "Call Price") equal to the liquidation preference of such shares of Preferred Stock (including all accumulated and unpaid dividends and accrued interest thereon to the Put Closing Date) and payable in cash on the date of the closing of the Call Option. Notwithstanding the aforementioned, the Put Right and the Call Option will expire if at the time that the second closing is consummated or at anytime thereafter the average closing price for the Common Stock during any five consecutive trading day period exceeds the conversion price per share of the Preferred Stock, as adjusted from time to time, or in the event that Harris converts any or all of the Series A Preferred Stock received by it in the first closing or the shares of Series B Preferred Stock which were issued and delivered to Harris on the second closing in exchange for all the Series A Preferred Stock held by Harris into Common Stock. In the event that Harris converts less than all of such shares of Preferred Stock, the Put Right and the Call Option will expire only with respect to such converted shares. If all or any part of the Issuer's obligations pursuant to the Put Right and the Call Option will not be punctually paid when due, The Phoenix Companies, Inc. will, immediately upon demand by Harris, pay the amount due to Harris.

Registration Right

Pursuant to the Investment Agreement, the Issuer has granted Harris certain rights to require the Issuer to register the shares of Common Stock issuable upon conversion of the Preferred Stock under the Securities Act of 1933 for public resale.

Other

Information set forth in response to this Item 4 is qualified in its entirety by reference to the Investment Agreement and the certificate of designations of the Preferred Stock which are attached as Exhibit 4.01 and Exhibit 4.02, respectively, to this Statement on Schedule 13D and are incorporated herein by reference.

The Reporting Persons expect to evaluate on an ongoing basis the Issuer's financial condition, results of operations, business and prospects, the market price of the Common Stock, conditions in securities markets generally and in the market for shares of companies like the Issuer, general economic and industry conditions and other factors that the Reporting Persons deem relevant to their investment decisions. Based on such evaluations, and subject to the provisions of the Investment Agreement, the Reporting Persons may at any time or from time to time determine to acquire additional Common Stock, or Preferred Stock or other securities convertible into or exchangeable for Common Stock or derivatives relating to Common Stock, or dispose of Common Stock, Preferred Stock or other securities convertible into or exchangeable for Common Stock or derivatives relating to Common Stock that the Reporting Persons own or may hereafter acquire, through open market or privately negotiated transactions or otherwise, at such prices and on such terms as they deem advisable. The Reporting Persons intend to monitor closely their investment in the Issuer. The Reporting Persons and their representatives and advisers intend to discuss from time to time with members of the Board of Directors and management of the Issuer the performance of the Issuer, personnel matters, strategic or extraordinary transactions and similar matters, in each case subject to Harris's rights and obligations under the Investment Agreement. The Reporting Persons and their representatives and advisers may communicate with other shareholders, industry participants and other interested parties concerning the Issuer. Based on the Reporting Persons' continuing evaluation of the foregoing factors, the Reporting Persons reserve the right to change their plans and intentions at any time or from time to time, as they deem appropriate. In addition, the Reporting Persons or their subsidiaries may from time to time purchase and sell equity securities of the Issuer in a fiduciary or similar capacity for the account of third parties.

Item 5. Interest in Securities of the Issuer

(a) As of the date of this Statement on Schedule 13D, the Trust Shares are held in a bona fide fiduciary capacity in certain trust or investment accounts for the account of third parties. 91 shares of the Trust Shares are beneficially owned by the Reporting Persons and Harris N.A. and 9 shares of the Trust Shares are beneficially owned by BMO, HFC, Harris RIA Holdings, Inc. and Harris SBSB.

As of the date of this Statement on Schedule 13D, the Allocated Shares are beneficially owned by BMO, Bank of Montreal Holding Inc., Bank of Montreal Securities Canada Limited, BMO Nesbitt Burns Corporation Limited and BMO Nesbitt Burns Inc.

As of the date of this Statement on Schedule 13D, the Reporting Persons beneficially own, in the aggregate, 45,000 shares of Series B Preferred Stock for their own account. As of the date of this Statement on Schedule 13D, each share of Series B Preferred Stock is convertible into 38.3139 shares of Common Stock, and the entire 45,000 shares of Series B Preferred Stock beneficially owned by the Reporting Persons are convertible, in the aggregate, into 1,724,126 shares of Common Stock. The number of shares issuable upon the conversion of the Series B Preferred Stock may be adjusted from time to time in accordance with certain customary anti-dilution protection provisions and the amount of accumulated and unpaid dividends as set forth in the certificate of designations of the Preferred Stock. In the event that all of the shares of the Series B Preferred Stock beneficially owned by the Reporting Persons are converted into Common Stock at the current conversion rate of 38.3139 shares of Common Stock per one share of Series B Preferred Stock, based upon the 7,496,202 shares of Common Stock of the Issuer outstanding as of December 31, 2008 (including the shares of Common Stock issuable upon conversion of the Series B Preferred Stock beneficially owned by the Reporting Persons), the Reporting Persons would own 23.0% of the outstanding shares of Common Stock.

Harris may convert the shares of Series B Preferred Stock at any time. Upon the delivery to the Issuer of a written consent or consents by holders of a majority in liquidation preference of the then outstanding shares of Preferred Stock approving a mandatory conversion of the Preferred Stock, all of the shares of the Preferred Stock then outstanding will be automatically converted into shares of Common Stock. Under certain circumstances, no holder of Preferred Stock will be entitled to receive shares of Common Stock upon their conversion to the extent (but only to the extent) that such receipt would cause such converting holder to become, directly or indirectly, a beneficial owner of more than 24.9% of the shares of Common Stock outstanding and such receipt would result in the assignment of the investment advisory contracts to which the Issuer or any of its subsidiaries that is a registered investment adviser is a party. In addition, if for twenty trading days in any thirty consecutive trading day period the aggregate closing price of the Common Stock exceeds 175% of the then applicable conversion price of the Preferred Stock, the Issuer may elect to cause each share of the Preferred Stock held by a holder of the Preferred Stock to be converted into shares of Common Stock, unless such holder of the Preferred Stock elects instead to forfeit thereafter its right to receive dividends paid on outstanding shares of Common Stock based on the number of shares of Common Stock into which such shares of Preferred Stock could be converted.

At any time after the six-year anniversary of the date of the first closing, all (but not less than all) of the outstanding shares of Preferred Stock will be redeemed at a price per share equal to the liquidation preference of the Preferred Stock thereof plus interest thereon, from the last dividend payment date to the effective date of such redemption, at a rate of LIBOR plus 3 percent per annum pursuant to written notice delivered to the holders of Preferred Stock by the Issuer, in its sole discretion. In addition, at any time and from time to time no earlier than the seven-year anniversary of the date of the first closing, shares of Preferred Stock will be redeemed by the Issuer, at the option of the holder, at a price per share equal to the liquidation preference of the Preferred Stock plus interest from the last dividend payment date to the effective date of such redemption, at a rate of LIBOR plus 3 percent per annum after receipt by the Issuer from any holder of Preferred Stock of written notice requesting redemption of all or any portion of the outstanding shares of Preferred Stock held by such holder.

The terms of the Preferred Stock are provided in the certificates of designations of the Preferred Stock, which is filed as Exhibit 4.02 and is hereby incorporated by reference herein.

(b) BMO, Bank of Montreal Holding Inc., Bank of Montreal Securities Canada Limited, BMO Nesbitt Burns Corporation Limited and BMO Nesbitt Burns Inc. have the sole power to vote and to dispose of the Allocated Shares. The Reporting Persons and Harris N.A. have shared power to vote and to dispose of 91 shares of the Trust Shares. BMO, HFC, Harris RIA Holdings, Inc. and Harris SBSB have shared power to vote and to dispose of 9 shares of the Trust Shares. The Reporting Persons have the sole power to vote and to dispose of the 45,000 Preferred Shares and would have sole power to vote and to dispose of the shares of Common Stock issuable upon the conversion of the Preferred Stock.

(c) Pursuant to the Investment Agreement and in accordance with a certain escrow agreement, dated as of December 30, 2008 and entered into between Harris, Phoenix Investment Management Company and Computershare Trust Company, N.A. as escrow agent, on December 31, 2008, Harris purchased 35,000 shares of Series B Preferred Stock for an aggregate purchase price of \$35 million from Phoenix Investment Management Company. The shares of Preferred Stock and the consideration paid by Harris for the purchase of such shares were delivered by the escrow agent to Harris and Phoenix Investment Management Company, respectively, promptly following the date of the second closing.

(d) Not applicable.

(e) Not applicable.

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

The information set forth, or incorporated by reference, in Items 3, 4 and 5 hereof is incorporated by reference in response to this Item 6.

On May 18, 2006, Phoenix Investment Counsel, Inc. (PIC), a wholly-owned subsidiary of Phoenix Equity Planning Corporation, which is a wholly-owned subsidiary of the Issuer, acquired the rights to advise, distribute and administer the Insight Funds from Harris Investment Management, Inc. (HIM), which is a wholly-owned subsidiary of Harris, for \$4.1 million.

Pursuant to the Transaction Agreement (the Transaction Agreement), dated March 28, 2006, by and among HIM, PIC, HFC and the Issuer (formerly known as Phoenix Investment Partners, Ltd.), during its first four years, PIC is required to make additional annual payments to HIM related to the purchase of contracts of certain money market funds based upon the net profits earned on those funds (as defined in the Transaction Agreement). PIC made an annual payment of \$1.1 million in 2007 related to the first year of the Transaction Agreement and made an annual payment of \$1.2 million in 2008 related to the second year of the Transaction Agreement. HIM continues to act as sub-advisor to majority of the Insight Funds. Provisions of the Transaction Agreement require that PIC make additional payments to HIM should PIC terminate HIM for reasons other than cause.

Additionally, HIM and PIC entered into a Strategic Partnership Agreement (the Strategic Partnership Agreement), dated March 28, 2006, whereby HIM would be available to PIC as a sub-advisor for non-Harris funds. HIM was subsequently appointed a sub-advisor to certain funds. In accordance with the Strategic Agreement, if the sub-advisory fees HIM earns in the first five years of the agreement do not reach a specified amount, PIC must pay HIM an amount as predetermined by the agreement. PIC would be required to pay a maximum amount of \$20.0 million under the agreement. If PIC were to terminate the contracts without cause, the termination costs would be based on \$35.0 million, adjusted by a factor for the percentage of original assets that remain. To date PIC has made payments totalling \$12.0 million.

Information set forth in response to this Item 6 is qualified in its entirety by reference to the Transaction Agreement and the Strategic Partnership Agreement which are attached as Exhibit 6.01 and Exhibit 6.02, respectively, to this Statement on Schedule 13D and are incorporated herein by reference.

Except as described in this Item 6, to the best knowledge of the Reporting Persons, there are no contracts, arrangements, understandings or relationships (legal or otherwise), including, but not limited to, transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies, between the persons enumerated in Item 2, and any other person, with respect to any securities of the Issuer, including any securities pledged or otherwise subject to a contingency the occurrence of which would give another person voting power or investment power over such securities other than standard default and similar provisions contained in loan agreements.

Item 7. Material to be Filed as Exhibits

Exhibit 2.01: Agreement of Joint Filing among the Reporting Persons, dated January 12, 2009.

Exhibit 4.01: Investment and Contribution Agreement, dated as of October 30, 2008, by and among Harris, Phoenix Investment Management Company, the Issuer and The Phoenix Companies, Inc.

Exhibit 4.02: Certificate of Designations of Series A Non-Voting Convertible Preferred Stock and Series B Voting Convertible Preferred Stock of the Issuer.

Exhibit 6.01: Transaction Agreement, dated as of March 28, 2006, by and among Harris Investment Management, Inc., Phoenix Investment Counsel, Inc., HFC and the Issuer.

Exhibit 6.02: Strategic Partnership Agreement, dated as of March 28, 2006, by and between Harris Investment Management, Inc. and Phoenix Investment Counsel, Inc.

**DIRECTORS AND EXECUTIVE OFFICERS OF
BANK OF MONTREAL**

The name, address, position, present principal occupation or employment of each of the directors and executive officers of Bank of Montreal (BMO) are set forth below.

Name	Address	Position/Principal Occupation/Employment	Citizenship
Robert Murray Astley	574 Strathmere Court Waterloo, Ontario, Canada N2T 2K2	Director of BMO; Corporate Director	Canadian
Stephen E. Bachand	325 Ponte Vedra Blvd. Ponte Vedra Beach, FL 32082	Director of BMO; Director of Harris Financial Corp.; Corporate Director	American
David Ross Beatty	c/o Beatinvest Limited 98 Teddington Park Toronto, Ontario, Canada M4N 2C8	Director of BMO; Chairman and Chief Executive Officer of Beatinvest Limited, an investment services company	Canadian
Robert Chevrier	c/o Société de gestion Roche Inc. 200, Avenue des Sommets, Apt 2001 Ile des Soeurs, Verdun, Quebec, Canada H3E 2B4	Director of BMO; President of Société de gestion Roche Inc., a management and investment company	Canadian
George A. Cope	c/o Bell Canada 483 Bay Street, Floor 6N Toronto, Ontario, Canada M5G 2C9	Director of BMO; President and Chief Executive Officer of BCE Inc. and Bell Canada, each a telecommunications company	Canadian
William A. Downe	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place Toronto, Ontario, Canada M5X 1A1	Director, President and Chief Executive Officer of BMO; Director and Vice Chairman of the Board of Directors of Harris Financial Corp.	American and Canadian
Ronald Farmer	c/o Mosaic Capital Partners 65 Front St. E Suite 200 Toronto, Ontario, Canada M5E 1B5	Director of BMO; Managing Director of Mosaic Capital Partners, a Toronto-based holding company with interests in several private companies	Canadian
David Galloway	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place Toronto, Ontario, Canada M5X 1A1	Director and Chairman of the Board of Directors of BMO; Director of Harris Financial Corp.	Canadian
Harold N. Kvisle	c/o TransCanada Corporation 450 1st St. SW	Director of BMO; President and Chief Executive Officer of TransCanada Corporation, a North American energy company focused on natural gas transmission and power generation	Canadian

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Eva Lee Kwok	Calgary, Alberta, Canada T2P 5H1 c/o Amara International Investment Corp. Ste 238-1501, West Broadway, Vancouver, British Columbia, Canada V6J 4Z6	Director of BMO; Chairman and Chief Executive Officer of Amara International Investment Corp., a private corporation focused on real estate and land development, cross-cultural management and strategic partnerships	Canadian
Bruce H. Mitchell	c/o Permian Industries Limited First Canada Place, Suite 5330, Box 183 Toronto, Ontario, Canada M5X 1A6	Director of BMO; President and Chief Executive Officer of Permian Industries Limited, a management and holding company with interests in the North American food processing and technology industries	Canadian
Philip S. Orsino	61 Yorkville Avenue Suite 1001 Toronto, Ontario, Canada M5R 1B7	Director of BMO; Corporate Director	Canadian

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Name	Address	Position/Principal Occupation/Employment	Citizenship
Martha C. Piper	6028 Chancellor Boulevard Vancouver, British Columbia, Canada V6T 1E7	Director of BMO; Corporate Director	American and Canadian
Robert Prichard	c/o Torstar Corp. 1 Yonge Street Toronto, Ontario, Canada M5E 1P9	Director of BMO; President and Chief Executive Officer of Torstar Corporation, a media company	British and Canadian
Jeremy H. Reitman	c/o Reitmans (Canada) Limited 250 Sauvé Street West Montreal, Quebec, Canada H3L 1Z2	Director of BMO; President and Chief Executive Officer of Reitmans (Canada) Limited, a retailer of apparel and accessories for women and men	Canadian
Guyllaine Saucier	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place Toronto, Ontario, Canada M5X 1A1	Director of BMO; Corporate Director	Canadian
Nancy Christine Southern	c/o ATCO Ltd and Canadian Utilities Limited 909-11 th Avenue SW Suite 1600 Calgary, Alberta, Canada T2R 1N6	Director of BMO; President and Chief Executive Officer of ATCO Ltd. and Canadian Utilities Limited, which are part of the ATCO Group; ATCO Group is a holding company, with companies actively engaged in power generation, utilities, logistics and energy services, industrials and technologies	Canadian
Don M. Wilson III	543 North Street Greenwich, Connecticut 06830	Director of BMO; Corporate Director	American
Ellen Costello	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Executive Officer, Personal and Commercial Banking US of BMO; President and Chief Executive Officer of Harris Financial Corp.; Chairman of the Board of Directors of Harris Bankcorp, Inc. and Chief Executive Officer of Harris Bankcorp, Inc.	American
Simon Fish	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place Toronto, Ontario, Canada M5X 1A1	Executive Vice President and General Counsel of BMO Financial Group	British
Thomas E. Flynn	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place Toronto, Ontario, Canada M5X 1A1	Executive Vice President and Chief Risk Officer of BMO Financial Group; Director of Harris Financial Corp.	Canadian
Barry K. Gilmour	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place Toronto, Ontario, Canada M5X 1A1	Group Head, Technology and Operations of BMO Financial Group	Canadian
Thomas Voysey Milroy	c/o Bank of Montreal		Canadian

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	100 King Street West, 1 First Canadian Place	Chief Executive Officer, Deputy Chairman of BMO Capital Markets, BMO Financial Group	
	Toronto, Ontario, Canada M5X 1A1		
Gilles G. Ouellette	c/o Bank of Montreal	President and Chief Executive Officer of Private Client Group of BMO; Executive Vice President of Harris Financial Corp. and Harris Bankcorp, Inc.	Canadian
	100 King Street West, 1 First Canadian Place		
	Toronto, Ontario, Canada M5X 1A1		
Rose M. Patten	c/o Bank of Montreal	Senior Executive Vice President, Head of Human Resources and Senior Leadership Advisor of BMO Financial Group	Canadian
	100 King Street West, 1 First Canadian Place		
	Toronto, Ontario, Canada M5X 1A1		
Russel C. Robertson	c/o Bank of Montreal	Interim Chief Financial Officer of BMO Financial Group	Canadian
	100 King Street West, 1 First Canadian Place		
	Toronto, Ontario, Canada M5X 1A1		
Franklin J. Techar	c/o Bank of Montreal	President and Chief Executive Officer, Personal and Commercial Banking Canada of BMO Financial Group	American
	55 Bloor Street West, 16 th floor		
	Toronto, Ontario M4W 3N5		

DIRECTORS AND EXECUTIVE OFFICERS OF**HARRIS FINANCIAL CORP.**

The name, address, position, present principal occupation or employment of each of the directors and executive officers of Harris Financial Corp. (HFC) are set forth below.

Name	Address	Position/Principal Occupation/Employment	Citizenship
Stephen E. Bachand	325 Ponte Vedra Blvd. Ponte Vedra Beach, FL 32082	Director of HFC; Director of Bank of Montreal; Corporate Director	American
Pastora San Juan Cafferty	c/o University of Chicago School of Social Service Administration 969 East 60 th Street Chicago, IL 60637	Director of HFC; Professor Emerita of University of Chicago	American
Frank M. Clark	c/o Commonwealth Edison 440 South LaSalle Street, 33 rd Floor Chicago, IL 60605	Director of HFC; Chairman and Chief Executive Officer of Commonwealth Edison, a utilities company	American
Susan T. Congalton	c/o California Amforge Corporation 1520 Kensington Rd, Suite 112 Oak Brook, IL 60523	Director of HFC; Chairman and Chief Executive Officer of California Amforge Corporation, a forgings production company	American
Ellen Costello	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	President and Chief Executive Officer of HFC; Chairman of the Board of Directors of Harris Bankcorp, Inc. and Chief Executive Officer of Harris Bankcorp, Inc.; Executive Officer, Personal and Commercial Banking US of Bank of Montreal	American
William A. Downe	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place Toronto, Ontario, Canada M5X 1A1	Director and Vice Chairman of the Board of Directors of HFC; Director, President and Chief Executive Officer of Bank of Montreal	American and Canadian
Thomas E. Flynn	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place Toronto, Ontario, Canada M5X 1A1	Director of HFC; Executive Vice President and Chief Risk Officer of BMO Financial Group	Canadian
David Galloway	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place Toronto, Ontario, Canada M5X 1A1	Director of HFC; Director and Chairman of the Board of Directors of Bank of Montreal	Canadian
Wilbur H. Gantz	c/o Ovation Pharmaceuticals, Inc.		American

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	4 Parkway North Suite 200	Director of HFC; Executive Chairman of Ovation Pharmaceuticals, Inc., a biopharmaceutical company	
	Deerfield, IL 60015		
Leo M. Henikoff	c/o Harris Bank	Director and Chairman of the Board of Directors of HFC	American
	111 W. Monroe Street		
	Chicago, IL 60603		
Karen E. Maidment	c/o Bank of Montreal	Director of HFC; Chief Financial and Administrative Officer of Bank of Montreal	Canadian
	100 King Street West, 1 First Canadian Place		
	Toronto, Ontario, Canada M5X 1A1		
Jerome A. Peribere	c/o Dow AgroSciences	Director of HFC; President and Chief Executive Officer of Dow AgroSciences, an agricultural company	French
	9330 Zionsville Road		
	Indianapolis, IN 46268		
John Rau	c/o Miami Corporation	Director of HFC; President and Chief Executive Officer of Miami Corporation, a distributor of automotive and marine interior and exterior trim products	American
	410 North Michigan Avenue, Suite 590 Chicago, IL 60611		
Richard E. Terry	c/o Harris Bank	Director of HFC	American
	111 W. Monroe Street		
	Chicago, IL 60603		

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Name	Address	Position/Principal Occupation/Employment	Citizenship
Michael J. Van Handel	c/o Manpower Inc. 100 Manpower Place Milwaukee, WI 53212	Director of HFC; Executive Vice President and Chief Financial Officer of Manpower Inc., an employment service provider	American
Peter B. McNitt	c/o Harris Bank, 111 W. Monroe Street Chicago, IL 60603	Director and Vice Chairman of the Board of Directors of HFC and Harris Bankcorp, Inc.; Head of Business Banking of HFC and Harris Bankcorp, Inc.	American
Charles R. Tonge	c/o Harris Bank, 111 W. Monroe Street Chicago, IL 60603	Director and Vice Chairman of the Board of Directors of HFC and Harris Bankcorp, Inc.	American
Yasmin T. Bates-Brown	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Executive Vice President, Community Affairs and Economic Development of HFC and Harris Bankcorp, Inc.; Director of Harris Bankcorp, Inc.	American
Christopher J. McComish	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Executive Vice President, Head of Retail of HFC and Harris Bankcorp, Inc.	American
David R. Casper	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Executive Managing Director Co-Head of U.S. Investment and Corporate Banking of HFC and Harris Bankcorp, Inc.; Director of Harris Bankcorp, Inc.	American
Emilia DiMenco	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Executive Vice President of HFC and Harris Bankcorp, Inc.	American
Terry Jenkins	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Executive Vice President, President of Private Banking of HFC and Harris Bankcorp, Inc.; Director of Harris Bankcorp, Inc.	Canadian
Marnie Jane Kinsley	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Executive Vice President of HFC and Harris Bankcorp, Inc.; Executive Managing Director of BMO Capital Markets Corp., a subsidiary of Bank of Montreal	Canadian
Michael W. Lewis	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Executive Vice President of HFC and Harris Bankcorp, Inc.	American

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Cecily Mistarz	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Executive Vice President of HFC and Harris Bankcorp, Inc.	American
Gilles G. Ouellette	c/o Bank of Montreal 100 King Street West, 1 First Canadian Place Toronto, Ontario, Canada M5X 1A1	Executive Vice President of HFC and Harris Bankcorp, Inc.; President and Chief Executive Officer of Private Client Group Bank of Montreal	Canadian
Deirdre C. Drake	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Senior Vice President, Human Resources of HFC and Harris Bankcorp, Inc.	American
Pamela C. Piarowski	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Senior Vice President, Chief Financial Officer, Treasurer of HFC and Harris Bankcorp, Inc.	American
Michael R. Oberholtzer	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Senior Vice President, Information Technology of HFC and Harris Bankcorp, Inc.	American
Pamela L. Salaway	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Chief Risk Officer of HFC and Harris Bankcorp, Inc.	American

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Name	Address	Position/Principal Occupation/Employment	Citizenship
Justine Fedak	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Senior Vice President, Head of Marketing and Customer Strategies of HFC and Harris Bankcorp, Inc.	Canadian
Julia Fredricks	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Chief Compliance Officer of HFC and Harris Bankcorp, Inc.	American
Gail S. Palac	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Senior Vice President, Chief Auditor of US Operations of HFC and Harris Bankcorp, Inc.	American
Craig T. Ingram	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Senior Vice President, Business Continuity Planning of HFC and Harris Bankcorp, Inc.	American

DIRECTORS AND EXECUTIVE OFFICERS OF**HARRIS BANKCORP, INC.**

The name, address, position, present principal occupation or employment of each of the directors and executive officers of Harris Bankcorp, Inc.(Harris) are set forth below.

Name	Address	Position/Principal Occupation/Employment	Citizenship
Yasmin T. Bates-Brown	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Director of Harris; Executive Vice President, Community Affairs and Economic Development of Harris and Harris Financial Corp.	American
David R. Casper	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Director of Harris; Executive Managing Director Co-Head of U.S. Investment and Corporate Banking of Harris and Harris Financial Corp.	American
Ellen Costello	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Chairman of the Board of Directors of Harris and Chief Executive Officer of Harris; President and Chief Executive Officer of Harris Financial Corp.; Executive Officer, Personal and Commercial Banking US of Bank of Montreal	American
Terry Jenkins	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Director of Harris; Executive Vice President, President of Private Banking of Harris and Harris Financial Corp.	Canadian
Peter B. McNitt	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Director and Vice Chairman of the Board of Directors of Harris and Harris Financial Corp.; Head of Business Banking of Harris and Harris Financial Corp.	American
Charles R. Tonge	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Director and Vice Chairman of the Board of Directors of Harris and Harris Financial Corp.	American
Christopher J. McComish	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Executive Vice President, Head of Retail of Harris and Harris Financial Corp.	American
Emilia DiMenco	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Executive Vice President of Harris and Harris Financial Corp.	American
Marnie Jane Kinsley	c/o Harris Bank		Canadian

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	111 W. Monroe Street	Executive Vice President of Harris and Harris Financial Corp.; Executive Managing Director of BMO Capital Markets Corp., a subsidiary of Bank of Montreal	
	Chicago, IL 60603		
Michael W. Lewis	c/o Harris Bank	Executive Vice President of Harris and Harris Financial Corp.	American
	111 W. Monroe Street		
	Chicago, IL 60603		
Cecily Mistarz	c/o Harris Bank	Executive Vice President of Harris and Harris Financial Corp.	American
	111 W. Monroe Street		
	Chicago, IL 60603		
Gilles G. Ouellette	c/o Bank of Montreal	Executive Vice President of Harris and Harris Financial Corp.; President and Chief Executive Officer of Private Client Group of Bank of Montreal	Canadian
	100 King Street West, 1 First Canadian Place		
	Toronto, Ontario, Canada M5X 1A1		
Deirdre C. Drake	c/o Harris Bank	Senior Vice President, Human Resources of Harris and Harris Financial Corp.	American
	111 W. Monroe Street		
	Chicago, IL 60603		
Pamela C. Piarowski	c/o Harris Bank	Senior Vice President, Chief Financial Officer, Treasurer of Harris and Harris Financial Corp.	American
	111 W. Monroe Street		
	Chicago, IL 60603		
Michael R. Oberholtzer	c/o Harris Bank	Senior Vice President, Information Technology of Harris and Harris Financial Corp.	American
	111 W. Monroe Street		
	Chicago, IL 60603		

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Name	Address	Position/Principal Occupation/Employment	Citizenship
Pamela L. Salaway	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Chief Risk Officer of Harris and Harris Financial Corp.	American
Justine Fedak	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Senior Vice President, Head of Marketing and Customer Strategies of Harris and Harris Financial Corp.	Canadian
Julia Fredricks	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Chief Compliance Officer of Harris and Harris Financial Corp.	American
Gail S. Palac	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Senior Vice President, Chief Auditor of US Operations of Harris and Harris Financial Corp.	American
Craig T. Ingram	c/o Harris Bank 111 W. Monroe Street Chicago, IL 60603	Senior Vice President, Business Continuity Planning of Harris and Harris Financial Corp.	American

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: January 12, 2009

Bank of Montreal

/s/ Blair Morrison
Signature

Blair Morrison
Vice-President and Corporate Secretary
(Name/Title)

Harris Financial Corp.

/s/ Terry Jenkins
Signature

Terry Jenkins
Executive Vice President
(Name/Title)

Harris Bankcorp, Inc.

/s/ Terry Jenkins
Signature

Terry Jenkins
Executive Vice President
(Name/Title)

AGREEMENT OF JOINT FILING

In accordance with Rule 13d-1(k), promulgated under the Securities Exchange Act of 1934, as amended, each of the undersigned hereby agrees to the joint filing of a Statement on Schedule 13D, and any amendments thereto, with respect to the shares of Series B Voting Convertible Preferred Stock and common stock, par value \$0.01, of Virtus Investment Partners, Inc., a Delaware corporation, and that this Agreement of Joint Filing may be included as an Exhibit to such filing and each amendment thereto; provided that, as contemplated by Rule 13d-1(k)(1)(ii), no person shall be responsible for the completeness or accuracy of the information concerning the other persons making the filing, unless such person knows or has reason to believe that such information is inaccurate.

This Agreement of Joint Filing may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to constitute one and the same Agreement of Joint Filing.

IN WITNESS WHEREOF, each of the undersigned hereby executes this Agreement of Joint Filing as of January 12, 2009.

Bank of Montreal

/s/ Blair Morrison
Signature

Blair Morrison
Vice-President and Corporate Secretary
(Name/Title)

Harris Financial Corp.

/s/ Terry Jenkins
Signature

Terry Jenkins
Executive Vice President
(Name/Title)

Harris Bankcorp, Inc.

/s/ Terry Jenkins
Signature

Terry Jenkins
Executive Vice President
(Name/Title)

INVESTMENT AND CONTRIBUTION AGREEMENT

BY AND AMONG

PHOENIX INVESTMENT MANAGEMENT COMPANY,

VIRTUS HOLDINGS, INC.,

HARRIS BANKCORP, INC.

AND

THE PHOENIX COMPANIES, INC.

Dated as of

October 30, 2008

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INVESTMENT AND CONTRIBUTION AGREEMENT (this Agreement), dated as of October 30, 2008, by and among PHOENIX INVESTMENT MANAGEMENT COMPANY, a Delaware corporation (PIMCO), VIRTUS HOLDINGS, INC., a Delaware corporation (the Company), HARRIS BANKCORP, INC., a Delaware corporation (the Investor), and THE PHOENIX COMPANIES, INC., a Delaware corporation (PNX).

WHEREAS, PIMCO owns all of the shares of common stock, par value \$0.01, of Virtus Investment Partners, Inc., a Delaware corporation (Virtus) and the common stock thereof, Virtus Common Stock);

WHEREAS, PIMCO desires to contribute (the Contribution) to the Company all of the Virtus Common Stock owned by it in exchange for all of the issued and outstanding shares of common stock, par value \$0.01 per share, of the Company (Common Stock) and all of the issued and outstanding shares of Series A Non-Voting Participating Convertible Prefe